

## **Independent Auditors' Report**

**To the Members of  
Saraswati Sugar Mills Limited**

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

#### **Opinion**

We have audited the accompanying financial statements of Saraswati Sugar Mills Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash flows for the year ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the the Directors' Report including annexures, if any, thereon, (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

When we read the Director's report including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



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

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

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

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

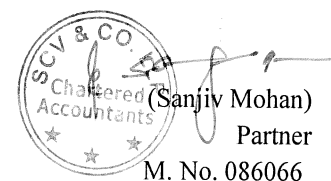
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
  - (g) 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, as amended 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 30 of 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that no remuneration has been paid by the Company to its directors during the year and accordingly provisions of section 197 of the act are not applicable.

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No.000235N/N500089



Place: Noida

Date: May 8, 2023

UDIN: 23086066B6XYK04878

**Annexure – “A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Saraswati Sugar Mills Limited of even date)

- (i) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipments and relevant details of Right of use Assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the Property, Plant and Equipments have been physically verified by the management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deed of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements under Property, Plant and Equipment are held in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipments (including right of use assets) and intangible assets during the year.
- (e) Based on the information and explanations given to us, No Proceedings have been initiated during the year or are pending against the company as at 31 March, 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of inventories and trade receivable (i.e current assets). There are certain differences in value of inventories as filed with banks vis-a-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:-

(Rs in Lakhs)

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in statement filed with Banks	Amount of difference	Reason for major difference
30th June, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	33,424.79	40,162.18	6,737.39	(i) Bank requires finished goods to be valued at net realizable value whereas in books of accounts valuation is done on cost or net realizable value which ever is lower.
		B-Heavy Molasses	5,605.31	5,605.32	0.01	
30th September, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	21,237.59	24,418.17	3,180.58	(ii) Value of B Heavy molasses is derived on the basis of proportionate
		B-Heavy Molasses	1,465.06	1,465.61	0.55	



31st December, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	13,933.06	14,978.53	1,045.47	sugar content at estimated realisable value.
		B-Heavy Molasses	2,858.15	2,827.50	(30.65)	
31st March, 2023	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	24,301.93	28,592.14	4,290.21	
		B-Heavy Molasses	6,034.37	6,034.67	0.31	

- (iii) According to the information and explanations given to us, we report that the Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans. Therefore reporting under clause 3(iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under and therefore the provisions of the clause 3(v) of the order are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and any other statutory dues to the appropriate authorities

There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and any other statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

S. No.	Name of the Statute	Nature of Dues	Unpaid Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	The Sugarcane (Regulation of Purchase and Supply) Act, 1953	Cane Purchase Tax	32.98	1991-1996	Punjab & Haryana Court, Chandigarh
2	Central Excise Act, 1944	Excise Duty	88.06	2010-11, 2011-12 & 2012-13.	CESAT Panchkula




- (viii) According to the information and explanations given to us and records of the company examined by us, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix)(a) According to the information and explanations given to us and records of the company examined by us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, and on the basis of our audit procedure the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, the term loan has been applied for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix) (e) of the Order is not applicable.
- (f) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix) (f) of the Order is not applicable.
- (x)(a) In our opinion and according to the information and explanations given to us and records of the Company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)(a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received whistle blower complaints during the year. Therefore the provisions of para 3(xi) (c) of the order is not applicable to the company.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are 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 section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to 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 person connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.



- (xvi)(a) According to the information and explanations given to us, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the order is not applicable to the company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) On the basis of examination of records of the company, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) The Company has not undertaken any ongoing project for the Corporate Social Responsibility activities during the year. Therefore, requirement of transferring of amount remaining unspent in compliance with the provisions of sub-section (6) of section 135 of Companies Act is not applicable to the company.
- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No.000235N/N500089

  
(Sanjiv Mohan)  
Partner  
M. No. 086066

Place: Noida

Date: May 8, 2023

UDIN: 2308606686XYK04878



## **Annexure – “B” TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Saraswati Sugar Mills Limited of even date)

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

We have audited the internal financial control over financial reporting of Saraswati Sugar Mills Limited (“the Company”) as of 31<sup>st</sup> March 2023 in conjunction with our audit of financial statements of company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

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

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



(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

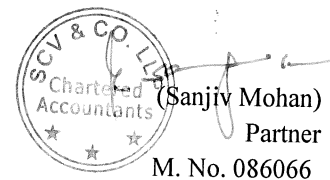
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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 SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No.000235N/N500089



Place: Noida

Date: May 8, 2023

UDIN: 23086066 BGXYK04878

SARASWATI SUGAR MILLS LIMITED

CIN: U01115HR2000PLC034519

Balance Sheet as at March 31, 2023

Particulars	Note No.	otherwise stated)	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4 (a)	31,333.11	31,842.64
(b) Capital work-in-progress	4 (b)	1,045.10	188.15
(c) Right of use asset	4 (c)	19.35	21.58
(d) Other intangible assets	4 (d)	27.32	42.36
(e) Financial assets			
(i) Loans	5	7.88	5.94
(ii) Others financial assets	6	183.45	257.89
(f) Other non-current assets	7	-	-
<b>Total non current assets</b>		<b>32,616.21</b>	<b>32,358.56</b>
<b>(2) Current assets</b>			
(a) Inventories	9	31,594.53	45,781.25
(b) Financial assets			
(i) Trade receivables	10	1,494.88	1,585.22
(ii) Cash and cash equivalents	11	637.29	1,800.91
(iii) Bank Balances other than cash and cash equivalents	12	0.12	1.22
(iv) Loans	5	16.44	14.86
(v) Others financial assets	6	3,297.60	1,309.07
(c) Current tax assets (net)	8(b)	67.38	5.12
(d) Other current assets	7	744.16	606.23
<b>Total current assets</b>		<b>37,852.39</b>	<b>51,103.88</b>
<b>Total assets</b>		<b>70,468.60</b>	<b>83,462.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity share capital	13	709.99	709.99
(b) Other equity	14	34,914.40	29,640.87
<b>Total equity</b>		<b>35,624.39</b>	<b>30,350.86</b>
<b>(2) LIABILITIES</b>			
<b>(i) Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	6,280.26	8,779.42
(ia) Lease liabilities		9.95	10.97
(ii) Other Financial Liabilities	16	-	-
(b) Provisions	17	208.56	215.99
(c) Deferred Tax Liabilities (Net)	8(a)	2,130.44	1,545.98
(d) Other Non-current liabilities	18	20.77	23.74
<b>Total non current liabilities</b>		<b>8,649.97</b>	<b>10,576.10</b>
<b>(ii) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	13,040.00	25,731.43
(ia) Lease liabilities		6.25	6.86
(ii) Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises		158.99	62.91
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		10,405.20	11,888.12
(iii) Others financial liabilities	16	1,666.58	3,104.17
(b) Other current liabilities	18	649.21	1,600.32
(c) Provisions	17	47.28	45.72
(d) Current tax liabilities (net)	8(b)	220.73	95.95
<b>Total current liabilities</b>		<b>26,194.24</b>	<b>42,535.48</b>
<b>Total equity and liabilities</b>		<b>70,468.60</b>	<b>83,462.44</b>

The accompanying notes from 1 to 47 form an integral part of the financial statements

As per our report of even date attached

For SCV & Co. LLP

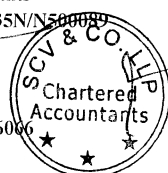
Chartered Accountants

Firm Reg No. 000235N/N500089

(Sanjiv Mohan)

Partner

Membership No.086006



*Sachin Sanuja*  
Sachin Sanuja  
Company Secretary  
Membership No. A24269

*Sanjay Jain*  
Sanjay Jain  
General Manager (Accounts)

*Jitendra Saran*  
Jitendra Saran  
Deputy General Manager (Internal Audit)

For and on behalf of the Board of Directors

*Aditya Puri* Aditya Puri Sudershan Kuamr Khorana  
Managing Director Director  
DIN:00052534 DIN:00085300

Place: Ludhiana

Date:

Place: Noida

08 MAY 2023

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Statement of Profit and Loss for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	20	98,263.66	66,139.26
II Other income	21	337.26	53.22
<b>III Total income (I + II)</b>		<b>98,600.92</b>	<b>66,192.48</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	22	60,016.49	56,537.23
Changes in inventories of finished goods and work-in-progress	23	14,216.80	(7,367.08)
Employee benefits expense	24	3,594.17	3,195.10
Finance costs	25	1,483.45	1,354.44
Depreciation and amortization expense	26	1,827.24	1,027.11
Other expenses	27	8,480.81	6,002.64
<b>Total expenses (IV)</b>		<b>89,618.95</b>	<b>60,749.45</b>
<b>V Profit before tax (III - IV)</b>		<b>8,981.97</b>	<b>5,443.04</b>
<b>VI Tax expense</b>			
Current tax	28	1,711.01	968.22
Taxes for earlier years		5.65	(17.94)
Deferred tax	8 (a)	584.46	440.97
<b>Total tax expenses</b>		<b>2,301.13</b>	<b>1,391.25</b>
<b>VII Profit for the year (V - VI)</b>		<b>6,680.84</b>	<b>4,051.79</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		16.96	30.25
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(4.27)	(7.61)
<b>Total Other Comprehensive Income</b>		<b>12.69</b>	<b>22.64</b>
<b>IX Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (VII+VIII)</b>		<b>6,693.53</b>	<b>4,074.43</b>
<b>X Earnings per equity share of ₹10/- each (Amount in ₹)</b>			
Basic (₹)	29	94.10	57.07
Diluted (₹)		94.10	57.07

The accompanying notes from 1 to 47 form an integral part of the financial statements

As per our report of even date attached

For SCV & Co. LLP

Chartered Accountants

Firm Reg No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
Membership No. 086066\*



*Sachin Saluja*  
Sachin Saluja  
Company Secretary  
Membership No. A24269

*Sanjay Jain*

Sanjay Jain  
General Manager (Accounts)

*Jitendra Saran*

Jitendra Saran  
Deputy General Manager (Internal Audit)

For & on behalf of the Board of Directors

*Aditya Puri*  
Aditya Puri  
Managing Director  
DIN:00052534

*Sudershan Kuamr Khorana*  
Sudershan Kuamr Khorana  
Director  
DIN:00085300

Place: Ludhiana

Date:

08 MAY 2023

Place: Noida

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Statement of Cash flows for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>8,981.97</b>	<b>5,443.04</b>
<b>Adjustments for :</b>		
Depreciation and amortization expenses	1,827.24	1,027.11
Amortisation of processing charges	40.83	11.47
(Gain) / loss on disposal of property, plant and equipment (net)	13.43	5.85
Liability no longer required written back	(67.72)	(0.59)
Finance costs	1,315.20	1,228.41
(Gain)/loss on sale of investment carried at fair value through profit and loss (net)	(116.63)	(6.29)
Loss on store inventory written off	19.06	12.53
Allowance for expected credit loss	2.53	-
Bad Debts Written off	0.34	0.70
<b>Operating profit before working capital adjustments</b>	<b>12,016.24</b>	<b>7,722.23</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in trade receivable	87.48	(1,314.80)
- (Increase)/Decrease in other receivables	(2,181.58)	5,319.45
- (Increase)/Decrease in Inventories	14,167.66	(7,581.66)
- Increase/(Decrease) in trade and other payables	(2,182.15)	1,229.89
- Increase/(Decrease) in provisions	(5.87)	(9.21)
<b>Cash generated from operations</b>	<b>21,901.79</b>	<b>5,365.90</b>
- Income Tax paid (net of refund)	(1,658.41)	(1,103.47)
<b>Net cash flow from / (used in) operating activities ( A )</b>	<b>20,243.38</b>	<b>4,262.43</b>
<b>B. Cash flow from investing activities</b>		
Payment for purchase of property, plant and equipment and intangible assets (including adjustment of capital work in progress, capital advances and trade payables against capital expenditure)	(3,717.47)	(10,660.33)
Proceeds from sale of property, plant and equipment	22.25	10.20
Payment for purchase of mutual funds	(15,749.21)	(6,450.00)
Proceeds from sale of mutual funds	15,865.84	6,456.29
Amount deposited in bank balances not considered as cash and cash equivalents	(122.09)	-
<b>Net cash flow from / (used) in investing activities ( B )</b>	<b>(3,700.67)</b>	<b>(10,643.84)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from non-current borrowings	-	5,500.00
Repayment of non-current borrowings	(2,540.00)	(1,270.00)
Proceeds/(repayment) from current borrowings (net)	(12,691.43)	5,502.43
Interest paid (including interest capitalized, if any)	(1,044.32)	(1,692.05)
Payment of interest on lease liabilities	(1.82)	(1.68)
Principal payment of lease liabilities	(8.78)	(8.35)
Dividend paid on equity shares	(1,419.98)	(1,064.99)
<b>Net cash flow from / (used) in financing activities ( C )</b>	<b>(17,706.33)</b>	<b>6,965.36</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>(1,163.62)</b>	<b>583.95</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,800.91</b>	<b>1,216.96</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>637.29</b>	<b>1,800.91</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	4.36	2.88
Balance with Banks- in current accounts	632.93	1,798.03
<b>Total</b>	<b>637.29</b>	<b>1,800.91</b>

Note 1: Cash flow used in operating activities includes amount spent towards Corporate Social Responsibility amounting to ₹119.75 Lakhs (Previous Year ₹93.11 Lakhs)

Note 2: Figures in bracket indicate cash outflow.

Note 3: Interest income amounting to ₹ 6.93 Lakh (Previous year ₹4.29 Lakh) from security deposits and others has been considered as operating activities.



**SARASWATI SUGAR MILLS LIMITED**  
**CIN: U01115HR2000PLC034519**  
**Statement of Cash flows for the year ended March 31, 2023**

(Amount ₹ in Lakhs unless otherwise stated)

Note 4: Reconciliation of liabilities arising from financing activities.

Particulars	Total borrowings	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	34,510.86	24,889.00
<b>Non cash changes due to:-</b>		
-Interest Expenses	-	-
-Others	-	(110.58)
Cash flows during the year	(15,190.60)	9,732.44
Balance at the end of the year	<b>19,320.26</b>	<b>34,510.86</b>

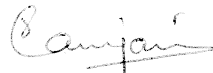
The accompanying notes from 1 to 47 form an integral part of the financial statements


As per our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235/N/500089

(Sanjiv Mohan)  
Partner  
Membership No.086066

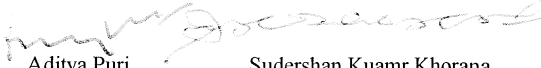


  
Sachin Saluja  
Company Secretary  
Membership No. A24269

  
Sanjay Jain  
General Manager (Accounts)

  
Jitendra Saran  
Deputy General Manager (Internal Audit)

For & on behalf of the Board of Directors

  
Aditya Puri  
Managing Director  
DIN:00052534

Sudershan Kuamr Khorana  
Director  
DIN:00085300

Place: Ludhiana  
Date:

Place: Noida

08 MAY 2023

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Statement of Changes in equity for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**A. Equity Share Capital**

Particulars	Amount
<b>(i) Year ended March 31, 2023</b>	
Balance at the beginning of the year	709.99
Changes During the Year	-
Balance at the end of the year	709.99
<b>(ii) Year ended March 31, 2022</b>	
Balance at the beginning of the year	709.99
Changes During the Year	-
Balance at the end of the year	709.99

**B. Other Equity**

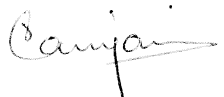
Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium	General reserve	Retained earnings	Remeasurement of defined benefit plans	
<b>(i) Year ended March 31, 2023</b>					
Balance at the beginning of the year	6,300.00	1,318.74	22,022.13	-	29,640.87
Profit for the year	-	-	6,680.82	-	6,680.82
Other comprehensive income / (loss) for the year- Remeasurement of defined benefit plans	-	-	12.69	-	12.69
Total comprehensive income / (loss) for the year	-	-	6,693.52	-	6,693.52
Transferred to retained earnings	-	-	-	-	-
Dividend distribution	-	-	-	-	-
- Final dividend for the year ended 31st March, 2022 @ 20/-per share	-	-	(1,419.98)	-	(1,419.98)
Balance at the end of the year	6,300.00	1,318.74	27,295.67	-	34,914.40
<b>(ii) Year ended March 31, 2022</b>					
Balance at the beginning of the year	6,300.00	1,318.74	19,044.72	(32.04)	26,631.42
Profit for the year	-	-	4,051.79	-	4,051.79
Other comprehensive income / (loss) for the year- Remeasurement of defined benefit plans	-	-	22.64	-	22.64
Total comprehensive income / (loss) for the year	-	-	4,074.43	-	4,074.43
Transferred to retained earnings	-	-	(32.04)	32.04	-
Dividend distribution	-	-	-	-	-
-Final dividend for the year ended March 31, 2021 @ ₹15/-per share	-	-	(1,064.99)	-	(1,064.99)
Balance at the end of the year	6,300.00	1,318.74	22,022.13	-	29,640.87

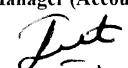
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For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
Membership No. 088066

  
Sachin Saluja  
Company Secretary  
Membership No. A24269

  
Sanjay Jain  
General Manager (Accounts)

  
Jitendra Saran  
Deputy General Manager (Internal Audit)

For & on behalf of the Board of Directors

  
Aditya Puri  
Managing Director  
DIN:00052534

  
Sudershan Kuamr Khorana  
Director  
DIN:00085300

Place: Ludhiana  
Date:

Place: Noida

08 MAY 2023

**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note 1: Corporate Information**

Saraswati Sugar Mills Limited (“the Company”) started its business in 1933 as a sugar division of Isgec Heavy Engineering Ltd. The sugar division was demerged into a Wholly Owned Subsidiary Company of Isgec Heavy Engineering Limited and the company was named as Saraswati Sugar Mills Limited, incorporated and domiciled in India. The Registered Office of the company is located at Radaur Road, Yamunanagar (Haryana). ISGEC Heavy Engineering Ltd. owns 100% of the company’s equity share capital as at 31 March, 2023.

The Company is principally engaged in the manufacturing and refining of sugar having capacity of 10,000 Tonnes of cane crushing per day and also in the manufacturing of ethanol having capacity of 100 Kilo litres of ethanol production per day, which is used for blending with the petrol by the Oil Manufacturing Companies,.

The financial statements are approved by the Company’s Board of Director and authorized for issue on May 8, 2023.

**Note 2: Statement of Compliance**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

**Note 3.1: Basis of Preparation of financial Statements, Significant Accounting Policies**

**3.1.1 Basis of Preparation of financial statements**

- (i) These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain assets and liabilities which have been measured at fair value at the end of each reporting period as required under Ind AS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and





**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

- Level 3 inputs are unobservable inputs for the asset or liability.
- (ii) Accounting policies have been consistently applied except where in newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (iii) The functional and presentation currency of the Company is Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except if otherwise stated.

**3.1.2 Significant Accounting Policies**

**(i) Revenue Recognition**

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the company as a part of the contract.

**i. Sale of products**

The company derives revenue primarily from sale of Sugar and Ethanol.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on dispatch/ delivery.

Revenue is measured based on the transaction price (net of variable consideration) which is consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

**ii. Interest income**

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

**iii. Dividend income**

Dividend income from investment is recognized when the right to receive the payment is established and amount of dividend can be measured reliably.

**iv. Insurance and Other Claims**

Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**(ii) Inventories**

Inventories are valued at cost or net realizable value (NRV) whichever is lower except by-products which are valued at net realizable value. The raw materials and other supplies held for use in the production are



## SARASWATI SUGAR MILLS LIMITED

### Notes to Financial Statements for the year ended March 31, 2023

valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

- (i) In case of raw materials, at First-in-first-out basis plus direct expenses incurred in bringing the inventories to their present location and condition.
- (ii) In case of stores and spares (includes consumable held for use in production), at weighted average.
- (iii) In case of work in progress (other than B Heavy molasses), at raw material cost plus conversion costs depending upon the stage of completion. In case of B Heavy molasses, at derived value based on proportionate sugar content at estimated realisable value.
- (iv) In case of finished goods, at raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

Net Realisable Value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sales.

### (iii) Property, Plant and Equipment

#### Recognition and measurement

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only if 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.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and accumulated impairment losses, if any.

Cost comprises purchase price net of recoverable taxes and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the company and the costs of the item can be measured reliably. Repair and maintenance cost is charged to the statement of profit and loss when incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date are classified as Capital advances under "Other non-current assets". Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress".



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or retirement of the assets. The cost and the related accumulated depreciation are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the Statement of Profit and Loss.

**Depreciation**

Depreciation on Property, plant and equipment (other than Sugar rollers under the head Plant and Machinery) is provided over the useful life prescribed in Schedule II to the Companies Act, 2013. The useful life of sugar rollers under the head of Plant and Machinery has been estimated at three years based on the technical estimates, which is different from the life specified in Part C of Schedule II of the Companies Act, 2013.

Further, depreciation on Property, plant and equipment (other than Plant and Machinery) is provided as per the written down value method and depreciation on Plant and Machinery is provided as per straight line method.

Assets costing not more than Rs. 5000/- are fully depreciated in the year of their acquisition. The depreciation method, useful lives and residual values are reviewed at each financial year end.

**(iv) Intangible Assets**

**Recognition and measurement**

Intangible assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost. Following initial recognition, Intangible assets are stated at cost or deemed cost applied on transition to Ind AS, less accumulated amortization and impairment, if any. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

**De-recognition**

An intangible asset is derecognised upon disposal or retirement of the asset. The cost and the related accumulated amortization are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss.

**Amortization**

Other intangible assets are amortized on straight line method over the estimated useful life. The amortization method, useful life and residual value are reviewed at each financial year end. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Assets description	Useful Life
Computer Software	5 Years



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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

**(v) Impairment of Non-Financial Assets**

Property, plant and equipment, other intangible assets and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however that the increased carrying amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

**(vi) Leases**

**Company as a lessee**

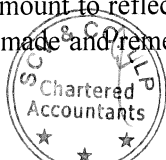
The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured 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 lessee's incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.



## **SARASWATI SUGAR MILLS LIMITED**

### **Notes to Financial Statements for the year ended March 31, 2023**

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities. The payments for short-term leases and leases of low-value assets have been classified under operating activities.

#### **Company as a lessor**

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

For operating leases, rental income is recognized in the statement of profit and loss on a straight line basis or another systematic basis over the term of the relevant lease. The respective leased assets are presented in the balance sheet based on their nature.

#### **(vii) Income Taxes**

Income tax expense comprises current tax and deferred income tax. Income tax expense is recognised in 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, as the case may be.

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent, it is probable that future taxable profit will be available against where the deductible temporary differences and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

liabilities relate to income taxes levied by the same taxation authority.

**(viii) Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets i.e. the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(ix) Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement is treated as a separate asset. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

- (ii) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- (iii) A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

- (iv) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(x) Earnings Per Share**

Basic earnings per equity share is computed by dividing the profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

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



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

**(xi) Government Grants**

Government grants are not recognized until there is reasonable assurance that all attached conditions will be complied with and the grant will be received.

When the grants relates to an expense item, it is recognised in the Statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate, except where the related expense is not directly identifiable. In such cases, the grant is presented in the 'Other Income'.

Government grants that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic over the expected useful lives of the related assets by way of reduced depreciation.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. Such loan or assistance is initially recognized and measured at fair value based on prevailing market interest rates and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

**(xii) Financial instruments**

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

**(i) Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

**(ii) Subsequent measurement**

For the purposes of subsequent measurement, financial instruments are classified as follows:

**Non derivative financial instruments:-**

**(a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost using the effective interest rate (EIR) method if it is held within a business model whose objective is to hold the asset in order to collect



## **SARASWATI SUGAR MILLS LIMITED**

### **Notes to Financial Statements for the year ended March 31, 2023**

contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **(b) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

#### **(c) Financial assets at fair value through profit or loss**

A financial asset is subsequently measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in fair value recognised in the statement of profit and loss. Any gain or loss arising on de-recognition of such assets is recognised in the statement of profit and loss in the period in which it arises.

#### **(d) Financial liabilities**

Financial liabilities are subsequently measured at amortized cost using the effective interest method unless at initial recognition, they are classified as measured at fair value through profit and loss. Financial liabilities carried at fair value through profit or loss, are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **(e) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

##### **(iii) De-recognition of financial instrument**

a) A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to the cash flows from the financial asset expires, or
- (ii) The company transfers its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

b) A financial liability (or a part of financial liability) is derecognized when obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in the statement of profit and loss

##### **(iv) Offsetting financial instruments**

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





**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2023**

**(v) Impairment of Financial Assets**

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. The company follows simplified approach does not require the company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For other assets, the company uses 12 months ECL to provide for impairment loss where no significant increase in credit risk is. If there is significant increase in credit risk full lifetime ECL is used.

**(vi) Write off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

**(xiii) Cash and cash equivalents**

Cash and cash equivalents in the financial statements comprise cash in hand, unrestricted balances with banks and short-term investments with the original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xiv) Dividend**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the company's Board of Directors.

**(xv) Statement of Cash flows**

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.



## SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements for the year ended March 31, 2023

### (xvi) Employee Benefits

#### (i) Short Term Employee Benefits

Short term employee benefits are charged to the Statement of profit and loss on an undiscounted, accrual basis for the period during which services are rendered by the employee.

#### (ii) Post Employment Benefits

##### (a) Defined Contribution Plan

###### Provident Fund

The Company makes contributions to provident fund, a defined contribution plan, through a trust 'The Saraswati Sugar Syndicate Ltd. Employee's Provident Fund Trust' and recognizes the contribution required to be made as an expense when the employee renders the related services.

##### (b) Defined Benefit Plans

###### Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The company fully contributes all ascertained liabilities to the "Saraswati Sugar Mills Employee's Group Gratuity Cum Life Insurance Scheme Trust" (The Trust). Trustees administer contributions made to the trust and the contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Law.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurements comprising of actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset) are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

#### (iii) Other long term employee benefits-Compensated absences

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related service, are recognised at the present value of the obligation based on actuarial valuation as on the reporting date, performed by an independent actuary using projected unit credit method.

Re-measurements as a result of past experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.



## SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements for the year ended March 31, 2023

### (xvii) Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

(1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter- segment revenue.

(2) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.

(3) Income not allocable to the segments is included in unallocable income.

(4) Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the company.

(5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

### Note 3.2: Current – non-current classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

#### *Assets*

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current



## **SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2023**

### ***Operating cycle***

Operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

### **Note 3.3: Use of estimates and judgements**

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

### **Critical accounting estimates, Judgements and assumptions**

#### **i. Income taxes**

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statement

#### **ii. Defined Benefit Plans**

The cost of the defined benefit plan and other post employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **iii. Inventories**

Management has estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

#### **iv. Fair value measurement**

Some of the company's assets and liabilities are measured at fair value for financial reporting process. In estimating the fair value of an asset or liability, the company uses market-observable data to the extent is available.

#### **v. Provisions / Contingencies**

Significant judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount etc. The Company



## **SARASWATI SUGAR MILLS LIMITED**

### **Notes to Financial Statements for the year ended March 31, 2023**

assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

#### **vi. Useful lives of property plant and equipment and Intangible assets**

The estimated useful lives of property plant and equipment and intangible assets are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the known technological advancements, commercial obsolescence of the asset etc.). The useful life of property plant and equipment and intangible assets is reviewed on an ongoing basis.

#### **vii. Recoverable amount of property, plant and equipment**

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

### **Indian Accounting Standards (Ind AS) notified but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below which are effective from April 1, 2023:

- i. **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.
- ii. **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- iii. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.



Note 4 (a) : Property, Plant and Equipment

Carrying value of Property, Plant and Equipment

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold land	3,414.39	3,379.52
Buildings and Roads	1,758.49	1,747.77
Plant and Machinery	25,847.16	26,453.90
Furniture and Fixtures	15.06	17.16
Vehicles	111.51	45.12
Office Equipment	186.50	199.17
<b>Total</b>	<b>31,333.11</b>	<b>31,842.64</b>

Property, Plant and Equipment

Particulars	Freehold Land	Buildings and Roads	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross carrying value</b>							
At April 1, 2021	3,269.62	768.29	10,966.42	24.81	144.52	199.52	15,373.18
Additions	109.90	1,411.06	19,275.53	18.37	3.42	179.18	20,997.46
Disposals	-	-	24.54	1.86	-	1.97	28.37
<b>At March 31, 2022</b>	<b>3,379.52</b>	<b>2,179.35</b>	<b>30,217.41</b>	<b>41.32</b>	<b>147.94</b>	<b>376.73</b>	<b>36,342.27</b>
At April 1, 2022	3,379.52	2,179.35	30,217.41	41.32	147.94	376.73	36,342.27
Additions	34.87	229.53	913.54	4.56	87.55	58.93	1,328.98
Disposals	-	10.63	43.64	0.24	12.37	1.84	68.72
<b>At March 31, 2023</b>	<b>3,414.39</b>	<b>2,398.25</b>	<b>31,087.31</b>	<b>45.64</b>	<b>223.12</b>	<b>433.82</b>	<b>37,602.53</b>
<b>Accumulated Depreciation</b>							
At April 1, 2021	-	322.65	2,947.74	16.02	86.65	135.50	3,508.56
Depreciation charge for the year	-	108.93	825.22	9.65	16.17	43.42	1,003.39
Accumulated Depreciation on Disposals	-	-	9.45	1.51	-	1.36	12.32
<b>At March 31, 2022</b>		<b>431.58</b>	<b>3,763.51</b>	<b>24.16</b>	<b>102.82</b>	<b>177.56</b>	<b>4,499.63</b>
At April 1, 2022		431.58	3,763.51	24.16	102.83	177.56	4,499.64
Depreciation charge for the year		213.96	1,493.42	6.61	17.83	71.00	1,802.82
Accumulated Depreciation on Disposals		5.78	16.78	0.19	9.05	1.24	33.04
<b>At March 31, 2023</b>		<b>639.76</b>	<b>5,240.15</b>	<b>30.58</b>	<b>111.61</b>	<b>247.32</b>	<b>6,269.42</b>
<b>Net carrying value</b>							
At March 31, 2023	3,414.39	1,758.49	25,847.16	15.06	111.51	186.50	31,333.11
At March 31, 2022	3,379.52	1,747.77	26,453.90	17.16	45.12	199.17	31,842.64

- Note:**
- Refer note no. 30 for detail of contractual Commitment towards purchase of Property, Plant and Equipment.
  - Refer note no. 41 alongwith footnote 3 of note no. 15 for detail of assets given as a security to Banks.
  - Refer note no. 44 for the amount of expenditures recognised in the carrying amount of Property, Plant and Equipment/ Capital work -in -progress (CWIP) in the course of its construction.
  - The Company has not revalued any of its property, plant and equipment during the year.
  - The title deeds of all the immovable properties are held in the name of the Company.
  - The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 4 (b) : Capital work-in -progress**

Particulars	As at March 31, 2023	As at March 31, 2022
Building Under Construction	55.58	51.62
Machinery Under Erection	989.52	136.53
<b>Total</b>	<b>1,045.10</b>	<b>188.15</b>

**Ageing of Capital work-in -progress****a. Capital Work in Progress as at 31-03-2023**

S No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Project in Progress	992.58	52.52	-	-	1,045.10
2	Project temporarily suspended	-	-	-	-	-

Note: There is no such project in capital-work-in progress, whose completion is overdue or likely to exceed its cost compared to its original plan as on 31st March 2023

**b. Capital Work in Progress as at 31-03-2022**

S No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Project in Progress	184.01	4.13	-	-	188.15
2	Project temporarily suspended	-	-	-	-	-

Note: There is no such project in capital-work-in progress, whose completion is overdue or likely to exceed its cost compared to its original plan as on 31st March 2022



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

## Note 4 (c) : Right of use asset

## Carrying value of Right of use asset

Particulars	As at March 31, 2023	As at March 31, 2022
Land	19.35	21.58
<b>Total</b>	<b>19.35</b>	<b>21.58</b>

## Right of use asset (Land)

Particulars	Amount
<b>Gross carrying value</b>	
<b>At April 1, 2021</b>	<b>35.85</b>
Additions	9.17
Disposals	-
<b>At March 31, 2022</b>	<b>45.02</b>
<b>At April 1, 2022</b>	<b>45.02</b>
Additions	7.15
Disposals	-
<b>At March 31, 2023</b>	<b>52.17</b>
<b>Accumulated Depreciation</b>	
<b>At April 1, 2021</b>	<b>15.16</b>
Depreciation charge for the year	8.29
Disposals	-
<b>At March 31, 2022</b>	<b>23.45</b>
<b>At April 1, 2022</b>	<b>23.45</b>
Depreciation charge for the year	9.38
Disposals	-
<b>At March 31, 2023</b>	<b>32.83</b>
<b>Net carrying value</b>	
<b>At March 31, 2023</b>	<b>19.35</b>
<b>At March 31, 2022</b>	<b>21.58</b>

## Note:

1. Refer Note 38 for other disclosures related to leases.
2. The aggregate depreciation expenses on Right of use asset is included under depreciation and amortization expense in the statement of Profit and Loss.





SARASWATI SUGAR MILLS LIMITED

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Note 4 (d) : Other intangible assets

Carrying value of other intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
Computer Softwares	27.32	42.36
<b>Total</b>	<b>27.32</b>	<b>42.36</b>

Other Intangible Assets-Computer Software

Particulars	Amount
<b>Gross carrying value</b>	
At April 1, 2021	79.78
Additions	3.72
Disposals	-
<b>At March 31, 2022</b>	<b>83.50</b>
At April 1, 2022	83.50
Additions	-
Disposals	-
<b>At March 31, 2023</b>	<b>83.50</b>
<b>Accumulated Amortization</b>	
At April 1, 2021	25.71
Amortization expense	15.43
Accumulated amortization expense on Disposals	-
<b>At March 31, 2022</b>	<b>41.14</b>
At April 1, 2022	41.14
Amortization expense	15.04
Accumulated amortization expense on Disposals	-
<b>At March 31, 2023</b>	<b>56.18</b>
<b>Net carrying value</b>	
At March 31, 2023	27.32
At March 31, 2022	42.36

Note:

- (i) Computer Softwares are amortized over a period of five years.
- (ii) Intangible assets are not internally generated.
- (iii) The aggregate amortization expense has been included under depreciation and amortization expense in the statement of Profit and Loss.



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**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 5 : Loans**

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortized cost</b>				
<b>Loans to employees</b>				
-Considered Good - Secured (secured by way of hypothecation of vehicles)	1.15	2.11	0.96	1.10
-Considered Good - Unsecured	6.73	3.82	15.47	13.75
<b>Total</b>	<b>7.88</b>	<b>5.94</b>	<b>16.44</b>	<b>14.86</b>

- (i) Refer note 34(a) for classification of financial assets
- (ii) Refer Note 35 for information about credit risk and market risk in respect of loans.
- (iii) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to the employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013
- (iv) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment

**Note 6 : Other Financial Assets**

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortized cost</b>				
Interest accrued but not due	-	-	4.83	1.31
Bank balances (with more than 12 months maturity period from reporting date)				
-Deposits as margin money for bank guarantee	125.45	2.25	-	-
- Post office saving account	0.95	0.70	-	-
Security Deposits	57.06	254.94	-	-
Others				
- Government Grant Receivable (refer note 32)	-	-	3,119.31	868.12
- Interest subvention on term loan receivable (refer note 32)	-	-	173.46	439.64
<b>Total</b>	<b>183.45</b>	<b>257.89</b>	<b>3,297.60</b>	<b>1,309.07</b>

Refer note 34(a) for classification of financial assets

Refer Note 35 for information about credit risk and market risk in respect of other financial assets

**Note 7 : Other Assets**

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>				
- Capital advances				
- Related Parties	-	-	-	-
- Others	-	-	-	-
Advances to suppliers (other than capital advances)				
- Related Parties	-	-	-	-
- Others				
- Store purchases	-	-	33.17	22.79
- Contractors/others	-	-	15.49	10.31
- Cane suppliers	-	-	204.41	173.36
Defined benefit plan asset (net of liability)	-	-	226.83	218.74
Others				
- Prepaid expenses	-	-	149.46	133.16
- Balances recoverable from Government authorities	-	-	114.79	47.87
<b>Total</b>	<b>-</b>	<b>-</b>	<b>744.16</b>	<b>606.23</b>

a) Advances include dues from directors, firms or private companies in which director is a partner or director or member

Nil Nil Nil Nil

b) Advances include dues from holding company

Nil Nil Nil Nil



Note 8(a): Deferred Tax Assets/(Liabilities) (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Deferred Tax Liabilities</b>		
Difference in carrying values of property, plant and equipment and intangible assets	2,255.70	1,662.44
Others		
-Unamortized processing charges on term Loans	17.55	27.83
<b>Total</b>	<b>2,273.26</b>	<b>1,690.27</b>
<b>(b) Deferred Tax Assets</b>		
Provision for post retirement benefits and other employee benefits	64.39	65.87
Others		
-Expenses deductible on payment basis under Income tax	58.48	58.48
-Allowance for expected credit loss	19.94	19.94
<b>Total</b>	<b>142.81</b>	<b>144.29</b>
<b>Net deferred tax (Liabilities) / Assets (b-a)</b>	<b>(2,130.44)</b>	<b>(1,545.98)</b>

Movement in Deferred tax (Liabilities)/Assets

Particulars	Property Plant and Equipment	Provision for Employee Benefits	Others	Total
At April 1, 2021	(1,251.73)	68.18	78.53	(1,105.01)
(Charged)/credited:-				
-to statement of profit and loss	(410.71)	(2.32)	(27.94)	(440.97)
-to other Comprehensive Income	-	-	-	-
At March 31, 2022	<b>(1,662.44)</b>	<b>65.87</b>	<b>50.59</b>	<b>(1,545.98)</b>
At April 1, 2022	(1,662.44)	65.87	50.59	(1,545.97)
(Charged)/credited:-				
-to statement of profit and loss	(593.26)	(1.48)	10.28	(584.46)
-to other Comprehensive Income	-	-	-	-
At March 31, 2023	<b>(2,255.70)</b>	<b>64.39</b>	<b>60.87</b>	<b>(2,130.44)</b>

There are no unrecognised deferred tax assets as at March 31, 2023 and March 31, 2022. Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

Note 8(b) : Current Tax Liabilities/(Assets) (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Shown as Current tax asset (Net of provision for taxation)	67.38	5.12
(ii) Shown as Current tax liabilities (Net of advance tax)	220.73	95.95
<b>Net Tax Liability/(Asset)</b>	<b>153.35</b>	<b>90.83</b>



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 9 : Inventories**

(at cost or net realizable value whichever is lower)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material - Sugar cane (In transit)	10.01	38.18
Work-in-progress	6,376.20	7,126.32
Finished goods:		
- Sugar	24,114.80	37,708.35
- Molasses	-	-
- Ethanol	187.13	60.25
Stores and spares (including goods-in-transit (Previous year Nil))	906.39	848.15
<b>Total</b>	<b>31,594.53</b>	<b>45,781.25</b>

(i) The amount of inventories recognised as an expense during the year is ₹78316.17 lakhs (March 31, 2022 ₹ 51886.52 lakhs)

(ii) Refer note no. 41 alongwith footnote 3 of note no. 15 for inventories pledged as security.

(iii) The method of valuation of inventories has been stated at Note 3.1.2 (ii)

**Note 10 : Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortized cost</b>		
- Trade Receivables considered good - Secured	-	-
- Trade Receivables considered good - Unsecured	1,497.41	1,585.23
Less: Allowance for expected credit loss	(2.53)	-
-Trade Receivables which have significant increase in Credit Risk	-	-
- Trade Receivables - credit impaired	79.23	79.23
Less: Allowance for credit impairment	(79.23)	(79.23)
<b>Total</b>	<b>1,494.88</b>	<b>1,585.22</b>

a) Includes dues from directors, firms or private companies in which director is a partner or director or member

Nil

Nil

b) Includes dues from holding company

Nil

Nil

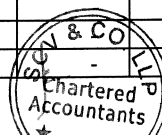
(i) Refer note no. 41 alongwith footnote 3 of note no. 15 for detail of trade receivables pledged as security.

(ii) Refer note 34(a) for classification of financial assets

(iii) Refer note 35 for detail of credit risk and expected credit loss in respect of trade receivables.

**Ageing schedule of Trade receivables**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>							
(i) Undisputed Trade receivables – considered good	1,032.10	462.78	2.53				1,497.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables – credit impaired							-
(iv) Disputed Trade Receivables–considered good							-
(v) Disputed Trade Receivables – which have significant increase in credit risk							-
(vi) Disputed Trade Receivables – credit impaired						79.23	79.23
<b>Total (A)</b>	<b>1,032.10</b>	<b>462.78</b>	<b>2.53</b>	-	-	<b>79.23</b>	<b>1,576.64</b>
Allowance for expected credit loss/credit impairment (B)							81.76
<b>Total (A-B)</b>	<b>1,032.10</b>	<b>462.78</b>	<b>2.53</b>	-	-	<b>79.23</b>	<b>1,494.88</b>
<b>As at 31 March 2022</b>							
(i) Undisputed Trade receivables – considered good	1,549.94	35.28	-	-	-	-	1,585.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables – credit impaired							-
(iv) Disputed Trade Receivables–considered good							-
(v) Disputed Trade Receivables – which have significant increase in credit risk							-
(vi) Disputed Trade Receivables – credit impaired						79.23	79.23
<b>Total (A)</b>	<b>1,549.94</b>	<b>35.28</b>	-	-	-	<b>79.23</b>	<b>1,664.46</b>
Allowance for expected credit loss/credit impairment (B)							79.23
<b>Total (A-B)</b>	<b>1,549.94</b>	<b>35.28</b>	-	-	-	<b>79.23</b>	<b>1,585.22</b>



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 11 : Cash and Cash Equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
(i) Balances with Banks		
-in current accounts	632.93	1,798.03
(ii) Cash in hand	4.36	2.88
<b>Total</b>	<b>637.29</b>	<b>1,800.91</b>

Refer note 34(a) for classification of financial assets

**Note 12 : Bank Balances other than cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with banks (with less than 12 months maturity period from reporting date)		-
-Kept as margin money for bank guarantee	0.12	1.22
<b>Total</b>	<b>0.12</b>	<b>1.22</b>

Refer note 34(a) for classification of financial assets



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**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 13 : Equity Share Capital**

**Equity Share Capital**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorized</b> 71,00,000 (Previous year 71,00,000) equity shares of ₹10/- each	710.00	710.00
<b>Issued, Subscribed and fully paid up</b> 70,99,900 (Previous year 70,99,900) equity shares of ₹10/- each fully paid up	709.99	709.99
<b>Total</b>	<b>709.99</b>	<b>709.99</b>

Notes :

**i) Rights, preferences and restrictions attached to equity shares :**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to approval of the share holders in the ensuing Annual General Meeting except interim dividend which is approved by Board of Directors. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder.

**ii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
As at the beginning of the Year	70,99,900	709.99	70,99,900	709.99
Add/(Less) :Movement during the Year	-	-	-	-
As at the end of the Year	70,99,900.00	709.99	70,99,900.00	709.99

**iii) Shares held by Holding company and shareholders holding more than 5% shares in the Company**

Class of Shares / Names of Shareholder:	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity Shares - ISGEC Heavy Engineering Limited and its nominees	70,99,900	100%	70,99,900	100%

**iv) Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back during the period of five years immediately preceding the balance sheet date:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Number	Number
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-
b) Equity shares allotted as fully paid up by way of bonus shares	-	-
c) Equity shares bought back by the company.	-	-

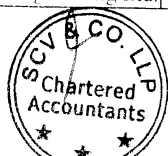
**v) Shareholding of Promoters**

**(i) As at March 31, 2023**

Shares held by promoters at the end of the year				% Change during the year
S.No.	Promoter name	No. of Shares	% of total shares	
1	ISGEC Heavy Engineering Ltd.	7099900	100%	Nil

**(ii) As at March 31, 2022**

Shares held by promoters at the end of the year				% Change during the year
S.No.	Promoter name	No. of Shares	% of total shares	
1	ISGEC Heavy Engineering Ltd.	7099900	100%	Nil



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 14: Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Reserve and Surplus</b>		
<b>(i) Securities Premium</b>		
Balance outstanding at the beginning of the year	6,300.00	6,300.00
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	6,300.00	6,300.00
<b>(ii) General Reserve</b>		
Balance outstanding at the beginning of the year	1,318.74	1,318.74
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	1,318.74	1,318.74
<b>(iii) Retained Earnings</b>		
Balance outstanding at the beginning of the year	22,022.13	19,044.72
Add:		
Profit for the year	6,680.82	4,051.79
Other comprehensive income / (loss) for the year-		
Remeasurement of defined benefit plans	12.69	22.64
Transferred from Other Comprehensive Income	-	(32.04)
Less: Dividend distribution		
Final dividend for the year ended 31st March, 2021 @ 15/-per share	-	1,064.99
Final dividend for the year ended 31st March, 2022 @ 20/-per share	1,419.98	-
	-	-
Balance outstanding at the end of the year	27,295.66	22,022.13
<b>Total (A) (i+ii+iii)</b>	<b>34,914.40</b>	<b>29,640.87</b>
<b>B) Other Comprehensive Income</b>		
<b>Remeasurement of defined benefit plans</b>		
Balance outstanding at the beginning of the year	0.00	(32.04)
Add: Changes during the year	-	-
Less: Transferred to retained earnings	-	32.04
Balance outstanding at the end of year	<b>0.00</b>	<b>0.00</b>
<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B)</b>	<b>34,914.40</b>	<b>29,640.87</b>

**Nature and Purposes of Reserves**

**Securities Premium**

This represents amount of premium received on issue of shares at a price more than its face value. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

**General Reserve**

This represents retained earnings which are kept aside out of company's profit. It is a free reserve which can be utilized to meet any future contingencies and to pay dividend to shareholders.

**Retained Earnings**

Retained earnings are the profits earned till date after transfers to general reserve, dividends or other distributions paid to the shareholders. The amount is available for distribution of dividend to its equity shareholders.

**Reserve for items through Other comprehensive income**

**(ii) Other items of Other Comprehensive Income (Remeasurement of Defined benefit plan)**

The reserve represents differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the years due to changes in actuarial assumptions or experience adjustments. The balance in this reserve can be transferred to retained earnings as and when the company decides to do so. During the previous year, the Company has transferred the balance in said reserve to retained earnings.



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## Note 15 : Borrowings

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortised cost</b>				
<b>Term Loan From Bank (Secured)</b>				
- Rupee Term Loan from HDFC Bank Ltd.	8,820.26	11,319.42	-	-
<b>Loans repayable on demand (Secured)</b>				
- Cash credit account	-	-	-	1,136.28
- Working Capital Demand Loan	-	-	10,500.00	22,055.15
<b>Current maturities of long term borrowings</b>	(2,540.00)	(2,540.00)	2,540.00	2,540.00
<b>Total</b>	<b>6,280.26</b>	<b>8,779.42</b>	<b>13,040.00</b>	<b>25,731.43</b>

## Notes:

1 Refer note 34(a) for classification of financial liabilities

2 Refer note 35 for information about liquidity risk and market risk in respect of borrowings.

## 3 Nature of securities for the borrowings

i) Rupee Term loan from HDFC Bank for setting up of 100 KLPD capacity ethanol plant under the *Central Government Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity* is secured by way of exclusive charge over all immovable / movable fixed assets, both present and future, pertaining and specific to the project and second pari passu hypothecation charge on current assets and other fixed assets of the company. Company received in principal approval from Government of India for grant of interest subvention on loan amount of Rs.9660 Lakh as per scheme i.e 6% p.a or 50% of rate of interest charged by the Bank which ever is lower.

ii) Loans repayable on demand are secured by pledge of sugar and gunny bags in the mill and hypothecation of other inventories and by charge on book debts, and first charge on fixed assets of the Company.

## 4 Terms of repayment of borrowings

## i) Term loans

Particulars	Rate of interest	Amount outstanding		Number of outstanding instalments		Terms of Repayment
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Loan from HDFC Bank Limited	6 month MCLR+spread of 105 bps.	8890.00	11430.00	14	18	Equal quarterly instalment of ₹ 635.00 Lakhs from Dec-2021 to September 2026
Less: Unamortised Processing Charges		69.74	110.58			
<b>Total</b>		<b>8820.26</b>	<b>11319.42</b>			

## ii) Cash credit and working capital demand loans

Cash credit and working capital demand loans are repayable on demand.



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SARASWATI SUGAR MILLS LIMITED

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Note 16: Other Financial Liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortised cost</b>				
Interest accrued but not due on borrowings	-	-	85.77	82.89
Payable for purchase of property plant and equipments and intangible assets:				
(a) Total outstanding dues of micro enterprises and small enterprises				
-Related Parties	-	-	-	-
-Others	-	-	75.97	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
-Related Parties	-	-	167.22	1,698.24
-Others	-	-	1.52	2.03
Payable to employees	-	-	318.17	324.81
Security deposits received	-	-	896.89	889.70
Expenses / Other Payables	-	-	121.03	106.49
Payable to Sugar Agents	-	-	0.02	0.02
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,666.58</b>	<b>3,104.17</b>

a) Includes dues to directors, firms or private companies in which director is a partner or director or member

Nil

Nil

Nil

Nil

b) Includes dues to holding company

Nil

167.22

1,698.24

Refer note 34(a) for classification of financial liabilities

Refer note 35 for information about liquidity risk in respect of other financial liabilities.

Note 17 : Provisions

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employees Benefits:</b>				
-Provision for Pension (Unfunded)	75.17	88.94	13.65	15.87
-Provision for Leave Encashment (Unfunded)	133.39	127.06	33.63	29.85
<b>Total</b>	<b>208.56</b>	<b>215.99</b>	<b>47.28</b>	<b>45.72</b>
	255.84	261.71	-5.87	

Note 18 : Other Liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	-	-	109.85	101.09
Advances received from customers	-	-	120.15	1,059.53
Deferred Government Grant #	20.77	23.74	2.97	2.97
Other payables	-	-	416.25	436.73
<b>Total</b>	<b>20.77</b>	<b>23.74</b>	<b>649.21</b>	<b>1,600.32</b>

# related to the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received (refer note 32)



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 19 : Trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises.	-	-
-To Related Parties	158.99	62.91
-To Others		
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.45	14.54
-To Related Parties	10,389.75	11,873.58
-To Others		
<b>Total</b>	<b>10,564.19</b>	<b>11,951.03</b>

a) Includes dues to directors, firms or private companies in which director is a partner or director or member	2.12	2.77
b) Includes dues to holding company	5.40	6.33

Refer note 34(a) for classification of financial liabilities

Refer note 35 for information about liquidity risk in respect of trade payables.

**Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
-Principal	158.99	62.91
-Interest	Nil	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note: The amounts have been determined to the extent micro and small enterprises have been identified on the basis of information available with the company.

**Ageing schedule of Trade Payables**

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>						
(i) MSME	171.78	-	-	-	-	171.78
(ii) Others	5,089.23	3,345.06	26.80	28.49	1,902.83	10,392.41
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,261.01</b>	<b>3,345.06</b>	<b>26.80</b>	<b>28.49</b>	<b>1,902.83</b>	<b>10,564.19</b>
<b>As at 31 March 2022</b>						
(i) MSME	62.91	-	-	-	-	62.91
(ii) Others	4,955.77	4,897.30	24.01	40.00	1,971.04	11,888.12
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,018.68</b>	<b>4,897.30</b>	<b>24.01</b>	<b>40.00</b>	<b>1,971.04</b>	<b>11,951.03</b>



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 20 : Revenue from Operations**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of Products	97,463.36	65,799.30
(b) Other Operating Revenue		
-Subsidy from Government	-	339.96
-Relief scheme by Oil Marketing Companies	262.52	-
-Premium on sugar export quota	537.78	-
<b>Total</b>	<b>98,263.66</b>	<b>66,139.26</b>

**Disclosures as per Ind AS 115 " Revenue from Contracts with Customers"**

**(i) Disaggregation of revenue**

**(a) Type of goods**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sugar	73,489.77	55,484.13
Ethanol	20,859.37	5,261.01
Molasses	-	2,757.96
Bagasse	2,341.69	2,087.94
Others	772.54	208.26
<b>Total</b>	<b>97,463.36</b>	<b>65,799.30</b>

**(b) Geographical**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Customers based in India	97,463.36	65,799.30
Revenue from Customers based outside India	-	-
<b>Total</b>	<b>97,463.36</b>	<b>65,799.30</b>

**(c) Timing of revenue recognition**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from goods transferred to customers at a point of time	97,463.36	65,799.30
Revenue from goods transferred to customers over the period	-	-
<b>Total</b>	<b>97,463.36</b>	<b>65,799.30</b>

**(ii) Contract Balances**

(a) The company classifies the right to consideration in exchange for deliverables as receivable. The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 10 and 18 respectively.

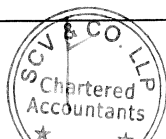
(b) The revenue recognised during the year ended 31st March 2023 includes revenue against advances from customers amounting to ₹1052.13 lakhs (previous year ₹833.15 Lakh) at the beginning of the year as per below table:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Amounts included in contract liabilities at the beginning of the year	1059.53	838.58
(b) Amount received against contract liability during the year	112.75	1054.10
(c) Performance obligations satisfied during the year	1052.13	833.15
(d) Amounts included in contract liabilities at the end of the year= (a+b)-c	120.15	1059.53

(c) The revenue of ₹Nil has been recognised during the year ended 31st March 2023 (previous year ₹Nil ) against performance obligations satisfied (or partially satisfied) in previous periods.

**(iii) Reconciliation of revenue from contract with customer**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Revenue from contract with customer as per the contract price	97,544.83	65,811.75
B. Adjustments made to contract price on account of :-		
(i) Discounts / Rebates	81.47	12.45
(ii) Sales Returns / Credits	-	-
Revenue from contract with customer (A-B)	97,463.36	65,799.30



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**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 21 : Other Income**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets carried at amortized cost	6.93	4.29
Net gain on sale of investments carried at fair value through profit or loss	116.63	6.29
Sale of scrap and waste	11.28	28.45
Unclaimed balances / liabilities no longer required written back	67.72	0.59
Government Grant (refer note 32)	109.41	2.97
Lease and rent Income (refer note 38)	2.72	2.61
Miscellaneous receipts	22.57	8.03
<b>Total</b>	<b>337.26</b>	<b>53.22</b>

**Note 22 : Cost of materials consumed**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	38.18	30.50
Add: Purchases during the year *	59,988.32	56,544.91
Less: Inventories at the end of the year	10.01	38.18
<b>Cost of materials consumed</b>	<b>60,016.49</b>	<b>56,537.23</b>

\* Subsidy amounting to ₹3861.86 Lakhs from State Government towards cane cost has been reduced from purchases (March 31, 2022: ₹ 2544.76 Lakhs) (refer note 32).

**Quantitative Detail of materials Consumed**

Type of Material	Quantity (Quintal)	
	Year ended March 31, 2023	Year ended March 31, 2022
Sugar Cane	169,93,287	162,06,627

**Note 23 : Changes in Inventories of Finished Goods and Work in Progress**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-progress	7,126.32	110.37
Finished goods	37,768.61	37,417.47
<b>Total (A)</b>	<b>44,894.92</b>	<b>37,527.84</b>
Less: Inventories at the end of the year		
Work-in-progress	6,376.20	7,126.32
Finished goods	24,301.93	37,768.61
<b>Total (B)</b>	<b>30,678.13</b>	<b>44,894.92</b>
<b>Changes in inventories (A-B)</b>	<b>14,216.80</b>	<b>(7,367.08)</b>



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**Note 24 : Employee Benefits Expense**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	3,327.77	2,951.57
Contribution to Provident Fund and other funds	235.45	207.84
Staff welfare expenses	30.95	35.69
<b>Total</b>	<b>3,594.17</b>	<b>3,195.10</b>

**Disclosures as per Ind AS 19 "Employee Benefits"**

**(a) Defined Contribution Plan**

The employer contribution to Provident Fund is ₹133.28 Lakhs for the year ended March 31, 2023 (Previous Year ₹119.97 Lakhs). The fund is administered by Trust managed by the Group. The employer contribution to Regional Provident Fund Commissioner on account of Family Pension Scheme is ₹64.48 Lakhs for the year ended March 31, 2023 (Previous Year ₹ 65.22 Lakhs). The contributions during the year have been recognized as expense under the head 'Contribution to Provident Fund and other funds' above.

**(b) Defined Benefit Plan**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. This defined benefit plan of gratuity is administered by a separate trust that is a legally separate entity. The Company makes annual contributions to the trust and trust is responsible for investments with regard to the assets of the trust. The contributions are generally invested by the trust in a scheme with Life Insurance Corporation of India as permitted by Law. The Company accounts for the liability for gratuity benefits payable in the future based on actuarial valuation using projected unit credit method. Each year, the Company review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

The defined benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

**Investment Risk**

If the actual return on plan assets is below the expected return, it will create plan deficit.

**Salary Risk**

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in 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.

**Interest 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 value of the liability.

**Longevity Risk**

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

**I. Amounts recognized in balance sheet and statement of profit and loss in respect of defined benefit plan:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>1. Movement in Present Value of Obligation</b>		
Present value of obligation at the beginning of the period	985.74	1,044.54
Interest cost	68.21	71.13
Current service cost	55.25	54.49
Benefits paid	(177.10)	(157.18)
Actuarial (gain)/loss on obligation	(17.25)	(27.24)
Present value of obligation at end of period	914.85	985.74
<b>2. Movement in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	1,204.48	1,254.30
Expected return on plan assets	83.35	85.42
Contributions	31.25	18.94
Benefits paid	(177.10)	(157.18)
Remeasurement- Return on plan assets excluding amount included in net Interest on net defined benefit liability/asset	(0.30)	3.01
Fair value of plan assets at the end of the period	1,141.68	1,204.49
<b>3. Amount recognized in Balance Sheet</b>		
Present value of obligation as at end of the period	914.85	985.74
Fair value of plan assets as at the end of the period	1,141.68	1,204.49
Surplus/(Deficit)	226.83	218.75
Effect of asset ceiling if any	-	-
Net Asset/(liability) recognised in Balance Sheet	226.83	218.75
<b>4.Amount recognised in Statement of Profit and loss</b>		
a. Current service cost	55.25	54.49
b. Net Interest on net defined benefit liability/asset	(15.14)	(14.29)
Expense recognised in the statement of Profit & Loss #	40.11	40.20
# The expense recognized in the statement of profit and loss during the year have been included under the head 'Salaries and Wages' above.		



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

<b>5. (Income)/Loss recognised in other comprehensive income</b>		
a. Actuarial (gain) / loss on obligation	(17.25)	(27.24)
b. Remeasurement- Return on plan assets excluding amount included in net Interest on net defined benefit liability/asset	0.30	(3.01)
(Income)/Loss recognised in other comprehensive income	(16.95)	(30.25)
<b>6. Bifurcation of Actuarial (Gain)/Loss on obligation</b>		
a. Actuarial (Gain)/Loss on arising from change in Demographic Assumption	-	-
b. Actuarial (Gain)/Loss on arising from change in Financial Assumption	(18.34)	(4.24)
c. Actuarial (Gain)/Loss on arising from change in Experience Assumption	1.08	(23.00)
Total Actuarial (Gain)/Loss on obligation	(17.26)	(27.24)

# The expense recognized in the statement of profit and loss during the year have been included under the head 'Salaries and Wages' above.

**II. Major categories of plan assets (as percentage of total plan assets)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Insurer Managed Funds #	100%	100%

# The Company contributes all the ascertained liability towards gratuity to Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust, a separate trust that is legally separate from the entity. The trustees of that trust are responsible for investment policy with regard to the assets of the trust. As at 31st March 2023 and 2022, the contributions have been invested in a scheme with Life Insurance Corporation of India as permitted by Law.

**III. Assumptions used for the purpose of actuarial valuation**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
a) Financial Assumptions		
i. Discount Rate (per annum)	7.42%	6.92%
ii. Rate of salary escalation (per annum)	6.50%	6.50%
b) Demographic Assumptions		
i. Retirement Age	60 years	60 years
ii. Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii. Attrition at Ages (per annum)		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

**IV. Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and Rate of salary escalation. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

**Quantitative sensitivity analysis for significant assumptions is as below**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>(i). Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	914.85	985.74
a. Impact due to increase of 0.50 %	(17.63)	(19.23)
b. Impact due to decrease of 0.50 %	18.50	20.12
<b>(ii) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	914.85	985.74
a. Impact due to increase of 0.50 %	18.57	20.10
b. Impact due to decrease of 0.50 %	(17.87)	(19.39)

**V. Maturity Profile of Defined Benefit Obligation**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
1. Within the next 12 months (next annual reporting period)	212.13	215.26
2. Between 1 and 5 years	393.17	452.25
3. Between 5 and 10 years	309.55	318.23

The weighted average duration of the defined gratuity obligation as at March 31, 2023 is 10.19 years (March 31, 2022: 8.82 years)

VI. The Company expects to contribute ₹41.73 Lakh to the gratuity trusts during the financial year ended 31st March 2023.



(c) Other long term employee benefits-Compensated absences

**Bifurcation of liability at the end of year in current and non current provision:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current liability (Amount due within one year)	33.63	29.85
Non-Current liability (Amount due over one year)	133.39	127.05
Total liability as at the end of year	167.02	156.90

**The amounts recognized in Statement of Profit and Loss**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total Service Cost	27.08	22.36
Net Interest Cost	10.86	9.70
Net actuarial (gain) / loss recognized in the period	(17.27)	(2.19)
Expense recognized in the statement of profit and loss #	20.67	29.87

# The expense recognized in the statement of profit and loss during the year have been included under the head 'Salaries and Wages' above.



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to the Financial Statements for the year ended March 31, 2023**

(Amount ₹ in Lakhs unless otherwise stated)

**Note 25 : Finance Costs**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings from banks #	1,303.18	1,173.37
Interest expense on lease liabilities	1.82	1.68
Interest on Income tax	10.19	-
Other borrowing costs	168.25	179.39
<b>Total</b>	<b>1,483.45</b>	<b>1,354.44</b>

# The interest expense on borrowings from banks is net of interest subvention of ₹342.60 Lakhs (March 31, 2022: ₹102.26 lakhs) by Central Government on term loan availed by the Company under the scheme of extending financial assistance to sugar mills for enhancement and augmentation of ethanol production (Refer Note 32)

**Note 26 : Depreciation and amortisation expense**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Depreciation / amortisation on</b>		
-Property, Plant and Equipment	1,802.82	1,003.39
-Intangible assets	15.04	15.43
-Right of use assets	9.38	8.29
<b>Total</b>	<b>1,827.24</b>	<b>1,027.11</b>

**Note 27 : Other Expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	2,955.92	2,001.20
Chemical consumed	1,025.43	628.59
Power and fuel	179.91	233.42
Lease rent	38.28	51.91
Repair and maintenance:		
- Plant and Machinery	941.12	676.68
- Building	296.05	193.28
- Others	41.88	38.23
Insurance	189.26	180.36
Rates and taxes	27.13	42.68
Payment to Auditors		
-Audit fee	7.00	5.00
-Reimbursement of expenses	2.72	2.34
Packing, forwarding and transportation	1,301.22	757.66
Commission to selling agents	149.66	131.57
Corporate social responsibility expenditure (refer Note 39)	119.75	93.11
Corporate Environment responsibility expenditure	82.80	-
Loss on sale/disposal of property, plant and equipment (Net)	13.43	5.85
Loss on sale /write off store inventory	19.06	12.53
Bad Debts	0.34	0.70
Allowance for Expected Credit Loss	2.53	-
Miscellaneous #	1,087.34	947.52
<b>Total</b>	<b>8,480.81</b>	<b>6,002.64</b>

# does not include any item of expenditure with a value of more than 1% of revenue from operations.



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**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 28 : Tax Expense**

**(A) Income Tax Expense**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Current tax</b>		
Current tax expense recognized in statement of profit and loss	1,711.01	968.22
Current tax expense recognized in other comprehensive Income- Remeasurement of defined benefit plans	4.27	7.61
Payment (Reversal) for current tax of prior periods recognized in statement of profit and loss	5.65	(17.94)
<b>Total Current tax expense</b>	<b>1,720.93</b>	<b>957.89</b>
<b>(b) Deferred tax</b>		
Deferred tax expense recognized in statement of profit and loss	584.46	440.97
Deferred tax expense recognized in other comprehensive Income	-	-
<b>Total Deferred Tax Expenses</b>	<b>584.46</b>	<b>440.97</b>
<b>Total Income tax Expense</b>	<b>2,305.39</b>	<b>1,398.86</b>

**(B) Reconciliation of Tax Expense and Accounting Profit multiplied by India's Tax rate:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	8,981.97	5,443.04
<b>Tax at Indian tax rate of 25.168% (A)</b>	<b>2,260.58</b>	<b>1,369.91</b>
<b>Effect of expenses that are not deductible in determining taxable profits (B)</b>	<b>33.98</b>	<b>38.40</b>
<b>Effect of expenses that are deductible in determining taxable profits (C)</b>	<b>(2.67)</b>	<b>(2.50)</b>
<b>Others (D)</b>	<b>13.50</b>	<b>(6.94)</b>
<b>Income Tax expense (A+B+C+D)</b>	<b>2,305.39</b>	<b>1,398.86</b>

**Disclosure in relation to Undisclosed Income**

During the year, the Company has not surrendered or undisclosed any income in the tax assessments under the Income Tax Act, 1961. There are no transaction which are not recorded in the books of accounts



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 29 : Earnings Per Share**

The following table reflects the detail of profit and equity shares used in the computation of basic and diluted earnings per share (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Profit/(Loss) available to equity shareholders	6,680.84	4,051.79
(b) Weighted average number of equity shares	70,99,900	70,99,900
(c) Face value per equity shares (in ₹)	10	10
(d) Basic Earnings Per Share (in ₹)	94.10	57.07
(e) Diluted Earnings Per Share (in ₹)	94.10	57.07

\* There are no potential equity shares.

**Note 30 : Contingent Liabilities and Commitments****I. Contingent Liabilities not provided for:**

Particular	As at March 31, 2023	As at March 31, 2022
Claims against company not acknowledge as debt	1138.11	1160.40

Based on legal advice and discussions with the solicitors, the management believes that there is fair chance of decisions in the company's favour in respect of above contingent liabilities and hence no provision is considered necessary against the same.

**II. Commitments**

Particular	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,281.56	-



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**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 31: Segment information**

The operating results of the Company are reviewed by the Managing Director who is Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance based on the different type of goods produced and sold by the Company. Based on such review, the following segment have been identified:

a) Sugar; b) Ethanol

**Segment Measurement**

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

**1) Segment Revenue and results**

Sr. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
I	<b>Segment Revenue (including Other Operating Revenue)</b>		
	a) Sugar	93,087.03	67,499.60
	b) Ethanol	21,796.30	5,384.12
	<b>Total (A)</b>	<b>1,14,883.33</b>	<b>72,883.72</b>
	Less: Inter Segment Revenue		
	a) Sugar	16,619.67	6,744.46
	b) Ethanol	-	-
	<b>Total (B)</b>	<b>16,619.67</b>	<b>6,744.46</b>
	Revenue from Operations (A-B)	98,263.66	66,139.26
II	<b>Segment Results (Profit/(Loss))</b>		
	a) Sugar	9,581.09	6,757.37
	b) Ethanol	719.19	(220.84)
	<b>Total</b>	<b>10,300.28</b>	<b>6,536.53</b>
	Add/(less): Unallocable Expense/(Income)		
	-Gain on sale of investments (net)	116.63	6.29
	-Corporate social responsibility expenditure	(119.75)	(93.11)
	-Interest Expense	(1,315.20)	(1,006.67)
	Profit before tax	8,981.97	5,443.04
	Tax expense	2,301.13	1,391.25
	Profit after tax	6,680.84	4,051.79

**2) Segment assets and liabilities**

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	<b>Segment Assets</b>		
	a) Sugar	46,915.50	58,849.50
	b) Ethanol	22,512.82	22,546.31
	c) Unallocable	1,040.28	2,066.62
	<b>Total Assets</b>	<b>70,468.60</b>	<b>83,462.42</b>
II	<b>Segment Liabilities</b>		
	a) Sugar	12,282.61	14,660.32
	b) Ethanol	9,531.48	13,461.01
	c) Unallocable	13,030.13	24,990.26
	<b>Total Liabilities</b>	<b>34,844.22</b>	<b>53,111.59</b>

**3) Other Segment Information**

Sr. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
I	<b>Depreciation and amortisation</b>		
	a) Sugar	794.94	670.22
	b) Ethanol	1,032.30	356.89
	c) Unallocable	-	-
	<b>Total</b>	<b>1,827.24</b>	<b>1,027.11</b>
II	<b>Material non-cash items other than depreciation and amortisation</b>		
	a) Sugar	-	-
	b) Ethanol	-	-
	c) Unallocable	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
III	<b>Addition to non-current assets (Property, plant and equipment and intangible assets (including adjustment of capital work in progress))</b>		
	a) Sugar	619.99	1,984.60
	b) Ethanol	1,565.94	3,462.93
	c) Unallocable	-	-
	<b>Total</b>	<b>2,185.93</b>	<b>5,447.53</b>



## 4) Detail of Unallocated assets and liabilities

Sr. No.	Particulars	As at	
		March 31, 2023	March 31, 2022
I	<b>Assets</b>		
	Cash and cash equivalents	637.29	1,800.91
	Current tax assets (net)	67.38	5.12
	Other current assets	335.61	260.59
	<b>Total</b>	<b>1,040.28</b>	<b>2,066.62</b>
II	<b>Liabilities</b>		
	Provisions	167.02	156.90
	Deferred Tax Liabilities (Net)	2,130.44	1,545.98
	Borrowings	10,500.00	23,191.43
	Other Financial Liabilities	11.94	-
	Current tax liabilities (net)	220.73	95.95
	<b>Total</b>	<b>13,030.13</b>	<b>24,990.26</b>

## 5) Geographical information

The Geographical detail of revenue and assets (property, plant and equipment) based on domicile of customer and location of assets respectively are as follows:

## (i) Geographical detail of revenue

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	With in India	Outside India	Total	With in India	Outside India	Total
Revenue from sale of products	97,463.36	-	97,463.36	65,799.30	-	65,799.30

## (ii) Geographical detail of assets

The company has business operations only in India and does not hold any asset (property, plant and equipment) outside India.

## 6) Detail of customers who individually contributes more than 10% of the revenue of the Company

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of customers	Total % of sales	No. of customers	Total % of sales
Company's customers who individually contributed for more than 10% of the revenue	Nil	NA	1	10.34%



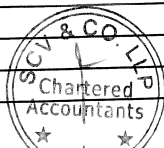
## Note 32: Government Grants

## (i) Government grants recognised in the financial statements

SL. No.	Particulars	Treatment in financial statements	Grants recognised		Grants recoverable	
			Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>a</b>	<b>Government grant shown as other operating revenue (refer note 20)</b>					
a.1	Financial assistance by Government of India under the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar during the sugar season 2019-20 and 2020-21. To become eligible to get assistance the sugar mills should have exported sugar upto the extent of their Maximum Admissible Export Quantity(MAEQ) determined by the Central Government. However to become eligible to get assistance a sugar mill would be required to export at least 50% of its MAEQ.	Presented under 'Other operating revenue' (refer note 20)	-	339.96	-	-
	<b>Total (a)</b>		-	<b>339.96</b>	-	-
<b>b</b>	<b>Government grant shown as other income</b>					
b.1	Haryana State Government subsidy on cane crushed (to the extent relates to expense recognized during earlier periods)	Presented under 'Other income' (refer note 21)	106.44	-	-	-
b.2	The deferred revenue arises as a result of the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received.	Presented under 'Other income' (refer note 21)	2.97	2.97	-	-
	<b>Total (b)</b>		<b>109.41</b>	<b>2.97</b>		
<b>c</b>	<b>Government grant deducted from respective expense</b>					
c.1	Haryana State Government subsidy on cane crushed (to the extent relates to expense recognized during current period)	Deducted from cane cost (refer note 22)	3,861.86	2,544.76	3,119.31	868.12
c.2	Interest subvention @ 7% per annum on soft loans under the scheme of Extending soft loan to sugar mills to facilitate payment of cane dues of the farmers for the season 2018-19	Deducted from finance cost (refer note 25)	-	-	3.53	3.53
c.3	Interest subvention @ 6% per annum or 50% of rate of interest charged by banks, which ever is lower on term loans under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production	Deducted from finance cost (refer note 25)	342.60	102.26	169.93	102.26
		Deducted from borrowing cost capitalized in PPE (refer footnote (iii) to note 4(a) and note 44)	-	279.83	-	333.86
	<b>Total (c)</b>		<b>4,204.45</b>	<b>2,926.85</b>		
	<b>Grand total of Government grants recognised &amp; Grants Recoverable (a+b+c)</b>		<b>4,313.86</b>	<b>3,269.78</b>	<b>3,292.77</b>	<b>1,307.76</b>

## (ii) Movement of deferred government grant:

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	As at the beginning of the year	26.70	29.67
2	Income recognized during the year	2.97	2.97
3	As at the end of the year	23.73	26.70
		2.97	2.97
	Current	20.77	23.74
	Non-Current		



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**SARASWATI SUGAR MILLS LIMITED****Notes to the Financial Statements for the year ended March 31, 2023****(Amount ₹ in Lakhs unless otherwise stated)****Note 33 : Capital Management****(a) Risk Management**

For the purposes of the Company's capital management, capital includes equity share capital, securities premium and all other reserves attributable to the equity shareholders. The primary objective of the Company's Capital Management is to maximize the return to shareholders and also maintain an optimal capital structure to reduce cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'Net debt' to 'Total Equity'. For this purpose, net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents. The Company's Net debt to equity ratio is as follows.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Debt	19,320.26	34,510.86
Cash and cash equivalents	(637.29)	(1,800.91)
Net Debt (A)	18,682.97	32,709.95
Total Equity (B)	35,624.39	30,350.86
<b>Net debt to equity ratio (Gearing Ratio) (A/B)</b>	0.52	1.08

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

The Company is not subject to any externally imposed capital requirements.

**(b) Loan Covenants**

In order to achieve overall objective of capital management, amongst other things, the management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The management carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended March 31, 2023.



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## Note 34: Financial Instruments- Classification and Fair Value Measurement

## (a) Classification of Financial instruments

As at March 31, 2023

Particulars	Amortised Cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial Assets</b>							
Trade receivables (Refer note 10)	1,494.88	-	-	-	-	1,494.88	1,494.88
Loans (Refer note 5)	24.32	-	-	-	-	24.32	24.32
Cash and Cash Equivalents (Refer note 11)	637.29	-	-	-	-	637.29	637.29
Bank balances not considered as cash & cash equivalents (Refer note 12)	0.12	-	-	-	-	0.12	0.12
Others financial assets (Refer Note 6)	3,481.06	-	-	-	-	3,481.06	3,481.06
<b>Total Financial Assets</b>	<b>5,637.66</b>	-	-	-	-	<b>5,637.66</b>	<b>5,637.66</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 15)	19,320.26	-	-	-	-	19,320.26	19,320.26
Trade payables (Refer note 19)	10,564.19	-	-	-	-	10,564.19	10,564.19
Lease Liabilities	16.20	-	-	-	-	16.20	16.20
Other Financial Liabilities (Refer note 16)	1,666.58	-	-	-	-	1,666.58	1,666.58
<b>Total Financial Liabilities</b>	<b>31,567.23</b>	-	-	-	-	<b>31,567.23</b>	<b>31,567.23</b>

As at March 31, 2022

Particulars	Amortised Cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial Assets</b>							
Trade receivables (Refer note 10)	1,585.22	-	-	-	-	1,585.22	1,585.22
Loans (Refer note 5)	20.80	-	-	-	-	20.80	20.80
Cash and Cash Equivalents (Refer note 11)	1,800.91	-	-	-	-	1,800.91	1,800.91
Bank balances not considered as cash & cash equivalents (Refer note 12)	1.22	-	-	-	-	1.22	1.22
Others financial assets (Refer Note 6)	1,566.96	-	-	-	-	1,566.96	1,566.96
<b>Total Financial Assets</b>	<b>4,975.11</b>	-	-	-	-	<b>4,975.11</b>	<b>4,975.11</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 15)	34,510.86	-	-	-	-	34,510.86	34,510.86
Trade payables (Refer note 19)	11,951.03	-	-	-	-	11,951.03	11,951.03
Lease Liabilities	17.83	-	-	-	-	17.83	17.83
Other Financial Liabilities (Refer note 16)	3,104.17	-	-	-	-	3,104.17	3,104.17
<b>Total Financial Liabilities</b>	<b>49,583.89</b>	-	-	-	-	<b>49,583.89</b>	<b>49,583.89</b>

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

## (b) Income, Expenses, Gains or Losses on Financial Instruments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Financial assets measured at amortised cost</b>		
Interest Income (refer note 21)	6.93	4.29
Bad debts (refer note 27)	0.34	0.70
<b>Financial assets measured at fair value through profit or loss</b>		
Gain/(loss) on sale of investments (refer note 21)	116.63	6.29
<b>Financial liabilities measured at amortised cost</b>		
Interest expense on borrowings from banks (refer note 25)	1,303.18	1,173.37
Interest on lease liabilities (refer note 25)	1.82	1.68

## (c) Fair Value Measurement

## (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured, subsequent to initial recognition, at fair value. The below is the fair value measurement hierarchy used by the Company to determine the fair value of financial instruments, grouped into Level 1 to Level 3 :-

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.  
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).  
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



SARASWATI SUGAR MILLS LIMITED

Notes to the Financial Statements for the year ended March 31, 2023

(ii) Financial assets and liabilities measured at fair value

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Carrying Value	Fair Value Measurement using		
		Level 1	Level 2	Level 3
<b>As on 31 March, 2023</b>				
(A) Financial assets	-	-	-	-
(B) Financial Liabilities	-	-	-	-
<b>As on 31 March, 2022</b>				
(A) Financial assets	-	-	-	-
(B) Financial Liabilities	-	-	-	-

OR

There are no financial assets and liabilities as at the end of the year which have been measured at fair value. Therefore the disclosure of fair value hierarchy used for fair valuation is not applicable.





**Note 35 : FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company. The Company's principal financial asset comprise loans, trade and other receivables, and cash and bank balances that arise directly from its operations. These financial liabilities and assets are mainly exposed to market risk, credit risk and liquidity risk.

The monitoring and management of such risks is undertaken by the senior management of the Company. There are appropriate policies and procedures in place through which such financial risks are identified, measured and managed by the Company. The Audit Committee and the Board are regularly apprised of these risks and measures used to mitigation these risks.

**I. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. To manage the interest rate risk, the Company adopts a policy of ensuring an optimal mix of its interest rate risk exposure.

**(i) Interest Risk Exposure:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Variable rate borrowings	8,820.26	12,455.70
Fixed rate borrowings	10,500.00	22,055.15
<b>Total borrowings</b>	<b>19,320.26</b>	<b>34,510.86</b>

**(ii) Cash flow Sensitivity for variable rate instruments**

The below would be the impact on Profit before tax due to 50 basis point change in interest rates:

Particulars	Impact on Profit before Tax	
	March 31, 2023	March 31, 2022
Interest Rate - increase by 50 basis points	44.10	62.28
Interest Rate - decrease by 50 basis points	(44.10)	(62.28)

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency exposure and therefore, the company is not exposed to any foreign exchange risk.

**(c) Securities Price Risk**

The company's exposure to securities price risk arises from the investments held by company. The company does not have any investments as at March 31, 2023 and March 31, 2022 and therefore, the company is not exposed to any securities price risk.

**II. Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The exposure to the credit risk is primarily from trade receivables. Credit risk in case of Government Grant receivable (including interest subvention on term loan) is limited as these are receivable from state /central government having minimal possibility of default. Credit risk in case of cash and bank balances is limited as the company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

**(a) Credit risk Management**

In the case of sugar business, majority of the sales are made either against advance payments or at a very short credit period upto 7-10 days through established sugar agents and in case of distillery, most of the sales are made to the government customers such as Oil Marketing Companies (OMCs) where the risk in respect of non-realisation of dues is minimal. To manage credit risk in case of trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.



**Detail of revenues generated from top ten customers of the Company**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenues generated from top ten customers	56.77%	44.48%

**(b) Expected Credit Loss for Financial Assets**

**(i) Financial assets to which loss allowance is measured using 12 months Expected Credit Loss:**

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
<b>As at 31 March 2023</b>				
Loans (Refer note 5)	24.32	-	-	24.32
Other financial assets (Refer note 6)	3,481.06	-	-	3,481.06
<b>As at 31 March 2022</b>				
Loans (Refer note 5)	20.80	-	-	20.80
Other financial assets (Refer note 6)	1,566.96	-	-	1,566.96

**(ii) Expected credit loss for trade receivable on simplified approach using lifetime Expected Credit Loss:**

As explained above, the majority of sales are made either against advance payments or to the government customers, the allowance for expected credit loss is provided after review of all the customers on individual basis and only in case of customers from whom there is probability of non-collection of dues.

Ageing	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2023</b>							
Trade receivables	1,032.10	462.78	2.53	-	-	79.23	1,576.64
Expected Loss Rate			100%	100%	100%	100%	
Expected Credit Losses allowance			2.53			79.23	81.76
<b>Net Carrying amount of Trade receivables</b>	<b>1,032.10</b>	<b>462.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,494.88</b>
<b>As at 31 March 2022</b>							
Trade receivables	1,549.94	35.28	-	-	-	79.23	1,664.45
Expected Loss Rate	-	-	100%	100%	100%	100%	
Expected Credit Losses allowance	-	-	-	-	-	79.23	79.23
<b>Net Carrying amount of Trade receivables</b>	<b>1,549.94</b>	<b>35.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,585.22</b>

**(iii) Movement in Allowance for Expected credit loss**

Particulars	Amount
As at 01-04-2021	79.23
Provided/Reversal during the year	-
As at 31-03-2022	79.23
As at 01-04-2022	79.23
Provided/Reversal during the year	2.53
As at 31-03-2023	81.76



**III. Liquidity Risk Management**

Liquidity risk arises from the Company's inability to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The Company's treasury department is responsible for liquidity and funding arrangements. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows in near future.

**(a) Maturity of financial liabilities**

The table below provides details regarding the contractual maturities of financial liabilities :

Particulars	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
<b>As at March 31, 2023</b>					
Borrowings	19,320.26	13,040.00	6,280.26	-	19,320.26
Lease liabilities	16.20	6.25	9.95	-	16.20
Trade payables	10,564.19	10,564.19	-	-	10,564.19
Other Liabilities	1,666.58	1,666.58	-	-	1,666.58
<b>Total</b>	<b>31,567.23</b>	<b>25,277.02</b>	<b>6,290.21</b>	<b>-</b>	<b>31,567.23</b>
<b>As at March 31, 2022</b>					
Borrowings	34,510.86	25,731.43	8,779.42	-	34,510.86
Lease liabilities	17.83	6.86	10.97	-	17.83
Trade payables	11,951.03	11,951.03	-	-	11,951.03
Other Liabilities	3,104.17	3,104.17	-	-	3,104.17
<b>Total</b>	<b>49,583.89</b>	<b>40,793.49</b>	<b>8,790.40</b>	<b>-</b>	<b>49,583.89</b>

**(b) Financing arrangements**

The company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (Bank overdraft and other facilities)	33,478.00	10,473.57

Note: Calculated on the basis of sanctioned working capital limit. There is no restriction on the use of these facilities



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 36 : Related party transactions**

**(A) List of related parties**

(a) Parent Entity (Holding Company)

- Isgec Heavy Engineering Limited

(b) Key Management Personnel

- Mr. Ranjit Puri, (Chairman)
- Mr. Aditya Puri (Managing Director)
- Mrs. Reva Khanna (Director)
- Mr. S.K.Khorana (Director)
- Mr. Sachin Saluja (Company Secretary)

(c) Entities under common control of Holding company (Entities of same group)

-Fellow Subsidiaries of holding company:

- Isgec Engineering and Projects Limited (Fellow Subsidiary)
- Isgec SFW Boilers Private Limited (Fellow Subsidiary)
- Isgec Covema Ltd. (Fellow Subsidiary)
- Isgec Exports Ltd.(Fellow Subsidiary)
- Free Look Software Private Limited (Fellow Subsidiary)
- Eagle Press & Equipment Co. Ltd., Canada (Fellow Subsidiary)
- Isgec Titan Metal Fabricators Private Limited (Fellow Subsidiary)
- Isgec Redecam Enviro Solutions Private Limited (Fellow Subsidiary)
- Isgec Hitachi Zosen Limited (Fellow Subsidiary)
- Isgec Investments Pte. Ltd. (Fellow Subsidiary)

(d) Entities of which holding company is an associate

- Yamuna Syndicate Ltd.

(e) Trust under control for Post Employment Benefit Plan

Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust  
Saraswati Sugar Syndicate Limited Employees Provident Fund Trust

**Notes to the Financial Statements for the year ended March 31, 2023**

**(B) Transactions with related parties**

(i) Related party transactions

Related party transactions have taken place during the year along with details of such transactions:

Sr. No.	Name of related party and nature of transactions	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
1	<b>Purchase of capital goods / services</b>			
	Isgec Heavy Engineering Ltd.	Holding Company	1,180.59	2,207.55
	<b>Total</b>		<b>1,180.59</b>	<b>2,207.55</b>
2	<b>Purchase of goods and services</b>			
	Isgec Heavy Engineering Ltd.	Holding Company	419.11	234.95
	Yamuna Syndicate Ltd.	Holding company is an associate	137.87	95.61
	Mr. Ranjit Puri- Chairman	Key Managerial Person	2.89	4.31
	Mr. Aditya Puri- Managing Director	Key Managerial Person	2.54	4.69
	<b>Total</b>		<b>562.41</b>	<b>339.56</b>
3	<b>Sale of goods and services</b>			
	Isgec Heavy Engineering Ltd.	Holding Company	129.19	86.02
	Yamuna Syndicate Ltd.	Holding company is an associate	0.21	0.22
	<b>Total</b>		<b>129.40</b>	<b>86.24</b>
4	<b>Expenses incurred on reimbursable basis</b>			
	Isgec Heavy Engineering Ltd.	Holding Company	56.38	70.69
	<b>Total</b>		<b>56.38</b>	<b>70.69</b>
5	<b>Director fees paid</b>			
	Mr. Ranjit Puri- Chairman	Key Managerial Person	0.80	0.65
	Mrs. Reva Khanna	Key Managerial Person	0.80	0.65
	Mr. Sudershan Kumar Khorana	Key Managerial Person	0.80	0.40
	<b>Total</b>		<b>2.40</b>	<b>1.70</b>



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

(ii) Contribution to trust for post employment benefit

Name of the Trust	Year ended March 31, 2023	Year ended March 31, 2022
Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	31.25	18.94
Saraswati Sugar Syndicate Limited Employees Provident Fund Trust	133.28	119.96

(C) Detail of amount due to or due from related parties

Name of related party and balance outstanding	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
<b>Payables</b>			
<b>- Included in trade payables</b>			
Isgec Heavy Engineering Ltd.	Holding Company	5.40	6.33
Yamuna Syndicate Ltd.	Holding company is an associate	7.93	5.44
Mr. Ranjit Puri- Chairman	Key Managerial Person	1.21	1.64
Mr. Aditya Puri- Managing Director	Key Managerial Person	0.92	1.13
<b>- Included in other financial liabilities</b>			
Isgec Heavy Engineering Ltd.		167.22	1698.24
<b>Total Payables</b>		<b>182.67</b>	<b>1712.78</b>
<b>Receivables</b>			
<b>- Included in trade receivables</b>			
		-	-
<b>- Included in other assets</b>			
		-	-
<b>Total Receivables</b>		<b>-</b>	<b>-</b>

**Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party. For the year ended 31st March, 2023, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2022: Nil).



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 37 : Impairment of Assets**

In accordance with Ind AS 36 "Impairment of assets", the company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

**Note 38: Leases****(i) Company as a lessee**

Assets taken under lease mainly includes godown premises and plots of land for storage of sugar and cane respectively. These are generally not non-cancellable leases having unexpired period upto 2.29 years. The leases are renewable by mutual consent and on mutually agreeable terms. In terms of criteria specified in Ind AS 116 Leases, for these leases, present value of all future lease payments has been recognised as Right-of-use assets and lease liabilities with the charge for depreciation on Right-of-use assets and interest on lease liabilities in the statement of profit and loss

Apart from above mentioned leases, the company has entered into short-term leases in respect of godown premises and plot of land for storage of sugar and cane respectively. The lease payments have been charged to statement of profit and loss on straight line basis over lease term as 'Lease Rent' under the head 'Other Expenses'.

The other disclosures as required by Ind AS 116 are as hereunder:

(a) The depreciation expense on ROU assets of ₹ 9.36 Lakhs (previous year ₹8.29 Lakhs) is included under depreciation and amortization expenses in the statement of Profit and Loss.

(b) Interest expense on the lease liability amounting to ₹1.82 Lakhs (previous year ₹1.68 Lakhs) has been included a component of finance costs in the statement of Profit and Loss.

(c) The change in the carrying value of Right of Use asset during the year is as under:

Particulars	Gross Carrying Value	Amortization	Net Carrying Value
<b>Land</b>			
As at April 1, 2021	35.85	15.16	20.69
Addition during the year	9.17	-	9.17
Amortization during the year	-	8.29	(8.29)
As at March 31, 2022	45.02	23.45	21.57
As at April 1, 2022	45.02	23.45	21.57
Addition during the year	7.15	-	7.15
Amortization during the year	-	9.38	(9.38)
As at March 31, 2023	52.17	32.82	19.35



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Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**(d) The following is the break-up of current and non-current lease liabilities as at:-**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current lease liabilities	6.25	6.86
Non Current lease liabilities	9.95	10.97
<b>Total</b>	<b>16.20</b>	<b>17.83</b>

**(e) The following is the movement in lease liabilities during the year ended:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>17.83</b>	<b>16.93</b>
Additions during the year	7.15	9.17
Finance cost accrued during the year	1.82	1.70
Payment of lease liabilities	(10.60)	(9.97)
<b>Balance at the end of the year</b>	<b>16.20</b>	<b>17.83</b>

**(f) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as at:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Not later than one year	9.39	8.44
(ii) Later than one year and not later than five years	9.88	12.24
(iii) Later than five years	0.40	0.60
<b>Total</b>	<b>19.67</b>	<b>21.28</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**(g) Rental expense recognized for short-term leases was ₹38.28 Lakhs for the year ended March 31, 2023 (March 22, ₹51.91 Lakh) . The amount of lessee's lease commitments for short term lease is as hereunder:**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than one year	1.67	18.26

(h) The commitments for leases not yet commenced is Nil as at March 31, 2023 (March 31, 2022: Nil)

**(ii) Company as a lessor**

The Company has given on lease certain portion of its office / factory premises under operating leases. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation for the year in respect of such portion of the leased premises are not separately identifiable. Lease income in respect of these leases is recognised in the statement of profit and loss under "Other income".

In accordance with Ind AS-116 'Leases', the below is disclosure of the undiscounted lease payments to be received in future for these operating leases:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Not later than one year	1.58	1.60
(ii) Later than one year and not later than five years	2.83	3.51
(iii) Later than five years	0.02	0.04
<b>Total</b>	<b>4.43</b>	<b>5.15</b>



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Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 39: Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were utilized through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Amount required to be spent by the company during the year	119.75	93.11
ii) Amount of expenditure incurred:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than(a) above	119.75	93.11
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	NA	NA
vi) Nature of CSR activities	Healthcare, Environment sustainability	
vii) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

**Note 40 : Revenue expenditure on Research & Development:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salary	5.16	4.35
Contribution to Provident Fund	0.28	0.26
<b>Total</b>	<b>5.44</b>	<b>4.61</b>





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Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 41: Carrying Amount of assets kept as security with Banks:**

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>Non-Current Assets</b>		
	Property, Plant & Equipment	32,378.21	32,030.79
	<b>Total (A)</b>	<b>32,378.21</b>	<b>32,030.79</b>
<b>B.</b>	<b>Current Assets</b>		
	(a) Inventories	31,594.53	45,781.25
	(b) Trade receivables	1,494.88	1,585.22
	<b>Total (B)</b>	<b>33,089.41</b>	<b>47,366.47</b>
	<b>Total (A+B)</b>	<b>65,467.62</b>	<b>79,397.25</b>

**Note 42:** The Company has taken borrowings from banks on the basis of security of inventories and trade receivable (i.e current assets). There are certain differences in value of inventories as filed with banks vis-à-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:-

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in statement filed with Banks	Amount of difference	Reason for major difference
30th June, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	33,424.79	40,162.18	6,737.39	(i) Bank requires finished goods to be valued at net realizable value whereas in books of accounts valuation is done on cost or net realizable value which ever is lower. (ii) Value of B Heavy molasses is derived on the basis of proportionate sugar content at estimated realisable value.
		B-Heavy Molasses	5,605.31	5,605.32	0.01	
30th September, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	21,237.59	24,418.17	3,180.58	
		B-Heavy Molasses	1,465.06	1,465.61	0.55	
31st December, 2022	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	13,933.06	14,978.53	1,045.47	
		B-Heavy Molasses	2,858.15	2,827.50	(30.65)	
31st March, 2023	State Bank of India and other consortium banks.	Finished Goods (Sugar and Ethanol)	24,301.93	28,592.14	4,290.21	
		B-Heavy Molasses	6,034.37	6,034.67	0.31	

**Note:** The details of inventories of work in progress and by-products is not submitted to bank and therefore, has not been considered for the purpose of this disclosure.

**Note 43: Events after the Reporting Period**

The Board of directors have recommended the payment of Final dividend of ₹30/- per equity share (previous year ₹20/- per equity share) which is subject to the approval of Shareholders in the Annual General Meeting.

**Note 44: Capitalisation of Expenditure**

The following amount of expenditures have been recognised in the carrying amount of Property, Plant and Equipment /Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes to the Statement of Profit and Loss are net of amounts capitalised by the Company.

Sl. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Expenses incurred during the year (A)		
2	Employee benefits expense	-	158.37
3	Rates and taxes	-	18.02
	Borrowing Costs (net of Govt. Grant as mentioned in note no. 32)	-	376.75
	<b>Total</b>	<b>-</b>	<b>553.14</b>
	Amount of expenses included in Capital work-in-progress at the beginning of the year (B)	-	192.43
	Amount of expenses Capitalized during the year (C)	-	745.57
	Amount of expenses included in Capital work-in-progress at the end of the year (A+B-C)	-	-

The above amount of borrowing costs is net of interest subvention of ₹ Nil Lakhs (previous year ₹279.83 lakhs) by Central Government on term loan under the scheme of extending financial assistance to sugar mills for enhancement and augmentation of ethanol production.



**SARASWATI SUGAR MILLS LIMITED**

Notes to the Financial Statements for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

**Note 45: Key Financial Ratios**

Ratio	Basis	Year ended March 31, 2023	Year ended March 31, 2022	% Variance	Comments (in case variance is more than 25%)
Current Ratio (in times)	Current Assets / Current Liabilities	1.45	1.20	20.46%	-
Debt-Equity Ratio (in times)	Total Debt/Total Equity	0.54	1.14	-52.30%	Improved due to lower long term and short term borrowings.
Debt Service Coverage Ratio (in times)	Profit before interest, tax and depreciation & amortisation/ Interest+Short term borrowings	0.86	0.29	198.82%	Improved due to higher profits and lower long term and short term borrowings.
Return on Equity Ratio (in %)	Profit after tax/ Average Equity	20.25%	14.05%	44.19%	Return is higher due to better sugar realization price, higher quantity of sugar / ethanol sold.
Inventory turnover Ratio (in times)	Sale of products/ Average inventory	2.52	1.57	60.78%	Improved due to higher turnover and lower inventory of sugar / ethanol stock.
Trade Receivables turnover Ratio (in times)	Sale of products/ Average trade receivables	63.29	70.89	-10.73%	-
Trade payables turnover Ratio (in times)	Sale of products/ Average trade payables	8.63	5.71	51.20%	Improved because of higher turnover.
Net capital turnover Ratio (in times)	Revenue from operations/Average working capital. (Working capital= Current assets- Current liabilities)	9.75	7.76	25.63%	Improved because of higher turnover and lower working capital.
Net profit Ratio (in %)	Profit after tax / Total Income	6.78%	6.12%	10.69%	-
Return on capital employed (in %)	Profit before interest and tax/ Total Equity +Long Term Borrowings+ Deferred tax liabilities	23.77%	16.71%	42.22%	The higher return can be attributed to the better price received for sugar realization, as well as the increased quantity of sugar/ethanol sold. While there was an increase in the cost of cane, this was offset by the subsidy provided by the Haryana Government on the cane.
Return on investment (in %)	Income on Investment/ Average Investments	5.84%	1.55%	277.18%	Improved because of increase in yield of debt securities.

**Note 46: Additional disclosures required as per Schedule III to the Companies Act, 2013**

- (i) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.
- (ii) No proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (iii) The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (iv) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (v) No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.

**Note 47:** Previous year figures have been regrouped, wherever considered necessary to confirm to current year's classification.
