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**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 2022, 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 2022, 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

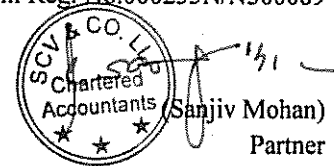
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the 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 2022 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 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 36 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.

Place: Ludhiana  
Date: 20.05.2022

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



Partner  
M. No. 086066

**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, 2022 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 account	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
30th June, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	36201.29	42495.64	6294.35	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 whichever is lower.
30th September, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	23631.37	27071.73	3440.36	
31st December, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	22974.58	26198.26	3223.68	
31st March, 2022	State Bank of India and other consortium banks	Finished Goods (Sugar and Ethanol)	37768.6	43524.67	5756.07	
		B Heavy Molasses	6570.58	6679.18	108.60	Figure reported to the bank was on estimated basis.



- (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, 2022 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
3	Finance Act, 1994	Service tax	19.68	2014-15 & 2017-18	Commission Appeals (GST), 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.

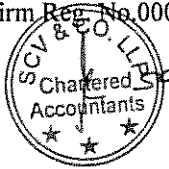


- (c) According to the information and explanations given to us, the term loan has been applied for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year 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-IA 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(xxi) 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.

Place: Ludhiana  
Date: 20.05.2022

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No. 000235N/N500089  
  
(Sanjiv Mohan)  
Partner  
M. No. 086066



## **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 2022 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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ludhiana  
Date: 20.05.2022

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

  
(Sanjiv Mohan)  
Partner

M. No. 086066

SARASWATI SUGAR MILLS LIMITED

CIN: U01115HR2000PLC034519

Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4 (a)	31,842.64	11,864.82
(b) Right of use asset	4 (b)	21.58	20.69
(c) Capital work - in - progress	48	188.15	15,741.80
(d) Other intangible assets	4 (c)	42.36	54.07
(e) Financial assets			
(i) Loans	5	5.94	5.81
(ii) Others financial assets	6	257.89	57.29
(f) Other non-current assets	8	-	386.19
<b>Total non current assets</b>		<b>32,358.56</b>	<b>28,110.47</b>
<b>(2) Current assets</b>			
(a) Inventories	9	45,761.25	38,206.55
(b) Financial assets			
(i) Trade receivables	10	1,585.22	271.12
(ii) Cash and cash equivalents	11	1,800.91	1,216.96
(iii) Bank Balances other than (ii) above	11.1	1.22	-
(iv) Loans	12	14.86	16.89
(v) Others financial assets	13	1,309.07	5,658.96
(c) Income tax assets (net)	25	5.12	161.24
(d) Other current assets	14	606.23	1,681.33
<b>Total current assets</b>		<b>51,103.88</b>	<b>47,213.05</b>
<b>Total assets</b>		<b>83,462.44</b>	<b>75,323.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity share capital	15	709.99	709.99
(b) Other equity	15.1	29,640.87	26,631.41
<b>Total equity</b>		<b>30,350.86</b>	<b>27,341.40</b>
<b>(2) LIABILITIES</b>			
<b>(i) Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	8,779.42	6,480.00
(ia) Lease liabilities		10.97	11.36
(ii) Other Financial Liabilities	17	-	1,475.83
(b) Provisions	18	215.99	214.76
(c) Deferred Tax Liabilities (Net)	7	1,545.98	1,105.00
(d) Other Non-current liabilities	19	23.74	26.97
<b>Total non current liabilities</b>		<b>10,576.10</b>	<b>9,313.94</b>
<b>(ii) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	25,731.43	18,409.00
(ia) Lease liabilities		6.86	5.55
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	62.91	22.80
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	11,888.12	11,010.89
(iii) Others financial liabilities	22	3,104.17	7,372.44
(b) Other current liabilities	23	1,600.32	1,383.70
(c) Provisions	24	45.72	58.16
(d) Current tax liabilities (net)	25	95.95	397.64
<b>Total current liabilities</b>		<b>42,535.48</b>	<b>38,668.18</b>
<b>Total equity and liabilities</b>		<b>83,462.44</b>	<b>75,323.52</b>

The accompanying notes from 1 to 52 form an integral part of the financial statements

As per our report of even date attached

For SCV & Co. LLP

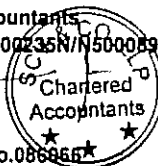
Chartered Accountants

Firm Reg No. 000235N/1500089

(Sanjiv Mohan)

Partner

Membership No. 086666



*Shweta Agrawal*

Shweta Agrawal  
Company Secretary  
Membership No. 14148

*Sanjay Jain*

Sanjay Jain  
General Manager (Accounts)

*Sovan Singh*

Deputy General Manager (Internal Audit)

For and on behalf of the Board of Directors

*Aditya Puri* *Reva Khanna*

Aditya Puri  
Managing Director  
DIN:00052534

Reva Khanna  
Director  
DIN:00413270

Place: Ludhiana  
Date: May 20, 2022

Place: Noida

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
**Statement of Profit and Loss for the year ended March 31, 2022**


(₹ in Lakhs)

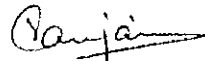
Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	26	66,139.26	78,535.67
II Other income	27	53.22	3,542.31
III <b>Total income (I + II)</b>		<b>66,192.48</b>	<b>82,077.98</b>
IV <b>EXPENSES</b>			
Cost of materials consumed	28	56,537.23	56,864.94
Changes in inventories of finished goods, and work - in - progress	29	(7,367.08)	4,992.94
Employee benefits expense	30	3,195.10	3,045.34
Finance costs	31	1,354.44	1,602.45
Depreciation and amortization expense	32	1,027.11	652.70
Other expenses	33	6,002.64	6,124.83
<b>Total expenses (IV)</b>		<b>60,749.44</b>	<b>73,283.20</b>
V <b>Profit before tax (III - IV)</b>		<b>5,443.04</b>	<b>8,794.78</b>
VI Tax expense			
Current tax	34	968.22	2,246.37
Taxes for earlier years		(17.94)	
Deferred tax	7	440.97	6.93
<b>Total tax expenses</b>		<b>1,391.25</b>	<b>2,253.30</b>
VII <b>Profit for the year (V - VI)</b>		<b>4,051.79</b>	<b>6,541.48</b>
VIII <b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		30.25	23.22
(ii) Income tax relating to items that will not be reclassified to profit or loss		(7.61)	(5.84)
<b>Total Other Comprehensive Income</b>		<b>22.64</b>	<b>17.38</b>
IX <b>Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (VII+VIII)</b>		<b>4,074.43</b>	<b>6,558.87</b>
X Earnings per equity share of ₹10/- each (Amount in ₹)			
Basic (₹)	35	57.07	92.13
Diluted (₹)		57.07	92.13

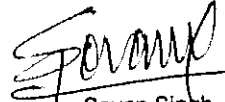
The accompanying notes from 1 to 52 form an integral part of the financial statements

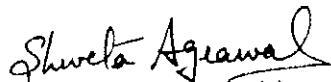
As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No: 000235N/N500089

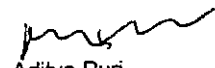
(Sanjiv Mohan)  
Partner  
Membership No. 086056




  
Sanjay Jain  
General Manager (Accounts)

  
Sovan Singh  
Deputy General Manager (Internal Audit)

  
Shweta Agrawal  
Company Secretary  
Membership No. 14148

For & on behalf of the Board of Directors  
  
Aditya Puri  
Managing Director  
DIN:00052534

  
Reva Khanna  
Director  
DIN:00413270

Place: Ludhiana  
Date: May 20, 2022

Place: Noida

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519

**Cash Flow Statement for the year ended March 31, 2022**

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Cash flow from operating activities:</b>		
Profit before tax	5,443.04	8,794.77
Adjustments for :		
Depreciation and amortization expenses	1,027.11	652.70
Amortisation of processing charges	11.47	40.19
(Gain) / loss on disposal of property, plant and equipment (net)	5.85	(6.56)
Liability no longer required written back	(0.59)	(28.53)
Finance costs	1,228.41	1,464.54
(Gain)/loss on sale of investment (net)	(6.29)	(2.41)
Loss on store inventory written off	12.53	8.69
Bad Debts Written off	0.70	-
<b>Operating profit before working capital adjustments</b>	<b>7,722.23</b>	<b>10,923.38</b>
Adjustments for changes in working capital :		
- (Increase)/Decrease in trade receivable	(1,314.80)	(102.69)
- (Increase)/Decrease in other receivables	5,319.45	(1,719.67)
- (Increase)/Decrease in Inventories	(7,581.66)	4,929.29
- Increase/(Decrease) in trade and other payables	1,229.89	(1,044.32)
- Increase/(Decrease) in provisions	(9.21)	(13.53)
<b>Cash generated from operations</b>	<b>5,365.90</b>	<b>12,972.46</b>
- Income Tax paid (net of refund)	(1,103.47)	(2,006.27)
<b>Net cash flow from / (used in) operating activities ( A )</b>	<b>4,262.43</b>	<b>10,966.19</b>
<b>B. Cash flow from Investing activities</b>		
Payment for purchase of property, plant and equipment (including capital work in progress, Intangible assets and capital advances)	(10,660.33)	(9,777.78)
Proceeds from sale of property, plant and equipment	10.20	65.68
Payment for purchase of mutual funds	(6,450.00)	(3,900.00)
Proceeds from sale of mutual funds	6,456.29	3,902.41
<b>Net cash flow from / (used) in Investing activities ( B )</b>	<b>(10,643.84)</b>	<b>(9,709.69)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from borrowings (non current)	5,500.00	7,200.00
Repayment of borrowings (non current)	(1,270.00)	(6,434.00)
Proceeds/(repayment) from short term borrowings (net)	5,502.43	1,285.62
Payment of interest and other financial charges (including interest capitalized)	(1,693.73)	(1,400.66)
Payment of lease liabilities	(8.35)	(8.15)
Dividend paid on equity shares	(1,064.99)	(2,307.47)
<b>Net cash flow from / (used) in financing activities( C )</b>	<b>6,965.36</b>	<b>(1,664.66)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>583.95</b>	<b>(408.13)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,216.96</b>	<b>1,625.09</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,800.91</b>	<b>1,216.96</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	2.88	4.58
Balance with Banks- in current accounts	1,798.03	1,212.37
<b>Total</b>	<b>1,800.91</b>	<b>1,216.96</b>

**Notes:**

1 The above cash flow statement has been prepared using indirect method set out in Indian Accounting Standard (Ind AS) 7.

2 Reconciliation of liabilities arising from financing activities:



By

## SARASWATI SUGAR MILLS LIMITED

CIN: U01115HR2000PLC034519

## Cash Flow Statement for the year ended March 31, 2022

Particulars	Total borrowings	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	24,889.00	22,797.19
Non cash changes due to:-		
-Interest Expenses		
-Others	(110.58)	40.19
Cash flows during the year	9,732.44	2,051.62
Balance at the end of the year	34,510.86	24,889.00


3. Figures in bracket indicate cash outgo.

4. Interest income amounting to ₹4.29 Lakh (Previous year ₹3.87 Lakh) from security deposits and others has not been considered as Investing activity for cash flow purpose.

The accompanying notes from 1 to 52 form an integral part of the financial statements

As per our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

Sanjiv Mohan  
Partner  
Membership No. 086008



*Sanjay Jain*  
Sanjay Jain  
General Manager (Accounts)

*Sovan Singh*  
Sovan Singh  
Deputy General Manager (Internal Audit)

*Shweta Agrawal*  
Shweta Agrawal  
Company Secretary  
Membership No. 14148

For & on behalf of the Board of Directors  
*Aditya Puri*  
Aditya Puri  
Managing Director  
DIN:00052534  
*Reva Khanna*  
Reva Khanna  
Director  
DIN:00413270

Place: Ludhiana  
Date: May 20, 2022

Place: Noida

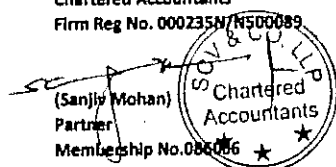
**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Statement of changes in equity for the year ended as on March 31, 2022

A. Equity Share Capital	(₹ in Lakh)
<b>(i) 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>(ii) Year ended March 31, 2021</b>	
Balance at the beginning of the year	709.99
Changes During the Year	-
Balance at the end of the year	709.99

Particulars	Reserves and Surplus			Other Comprehensive Income	Total equity attributable to equity shareholders of the company
	Securities premium	General reserve	Retained earnings	Remeasurement of defined benefit plans	
<b>(i) Year ended March 31, 2022</b>					
Balance at the beginning of the year	6,300.00	1,318.74	19,044.70	(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	-	-	4,074.44	-	4,074.44
Transferred to retained earnings	-	-	(32.04)	32.04	-
Dividend (refer note 15.1)	-	-	(1,064.99)	-	(1,064.99)
Balance at the end of the year	6,300.00	1,318.74	22,022.12	(0.00)	29,640.87
<b>(ii) Year ended March 31, 2021</b>					
Balance at the beginning of the year	6,300.00	1,318.74	14,810.69	(49.42)	22,380.01
Profit for the year	-	-	6,541.48	-	6,541.48
Other comprehensive income / (loss) for the year- Remeasurement of defined benefit plans	-	-	-	17.38	17.38
Total comprehensive income/ (loss) for the year	-	-	6,541.48	17.38	6,558.87
Transferred to retained earnings	-	-	-	-	-
Dividend (refer note 15.1)	-	-	(2,307.47)	-	(2,307.47)
Balance at the end of the year	6,300.00	1,318.74	19,044.70	(32.04)	26,631.42

The accompanying notes from 1 to 52 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/1500089



*Sanjay Jain*

Sanjay Jain  
General Manager (Accounts)

*Sovan Singh*  
Sovan Singh  
Deputy General Manager (Internal Audit)

For & on behalf of the Board of Directors

<i>Shweta Agrawal</i> Shweta Agrawal Company Secretary Membership No. 14148	<i>Aditya Puri</i> Aditya Puri Managing Director DIN:00052534	<i>Reva Khanna</i> Reva Khanna Director DIN:00413270
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Place: Ludhiana  
Date: May 20, 2022

Place: Noida

## SARASWATI SUGAR MILLS LIMITED

### Notes to Financial Statements for the year ended March 31, 2022

#### 1 General Information

The Company's business started 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. The Regd. Office of the company is situated at Radaur Road, Yamunanagar (Haryana).

Its existing capacity is 10,000 Tonnes of cane crushing per day. The factory is certified for ISO 9001 for Quality Management System, ISO 14001 for Environment Management System, OHSAS 18001 for Safety and Health Management System and HACCP System for food safety management by Lloyd's Registers of Quality Assurance. About 35,000 farmers from 670 villages supply sugarcane to the Company.

Company has installed 100 KLPD molasses based Ethanol plant which has been successfully commissioned on 22<sup>nd</sup> December, 2021 at our premises in Yamunanagar. Ethanol production started in first week of Jan'2022. This plant has been installed to cater to the requirement of Oil Manufacturing Companies (OMCs) to blend ethanol with petrol under Govt. of India's Ethanol Blended Programme (EBP).

The financial statements are approved by the Company's Board of Director and authorized for issue on 20<sup>th</sup> May, 2022.

ISGEC Heavy Engineering Ltd. owns 100% of the company's equity share capital as at 31 March, 2022.

#### 2 Significant Accounting Policies, Significant Accounting Judgements, Estimates and Assumptions and Applicability of new and revised Ind AS

##### Note 2.1: Functional and presentation currency

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.

##### Note 2.2: Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 (the Act), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter, the other relevant provisions of the act. .

##### Note 2.3: Basis of Preparation of financial statements

These financial statements are prepared under the historical cost convention on the accrual basis, except for following assets and liabilities which have been measured at fair value amount.

- (i) Certain Financial assets and liabilities
- (ii) Defined Benefit Obligation Plan Assets

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





**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, 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 entity 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
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

**Note 2.4: Summary of Significant Accounting Policies**

**(i) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, Goods and Services Tax and value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below.

**Sale of Goods**

Revenue from contracts with customers is recognised as and when the company satisfies performance obligation by transfer of control of goods at an amount that reflects the consideration entitled in exchange for those goods.

Generally control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risk of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amount collected on behalf of third parties (For example taxes and duties collected on the behalf of government). Consideration is generally due upon satisfaction of performance obligation and receivable is recognized when it becomes unconditional.

The company does not adjust short term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods will be transferred to the customer within a period of one year.

*Signature*



## SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements for the year ended March 31, 2022

### Other Income

- (i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.
- (ii) Insurance Claims are accounted for as and when the estimated amounts recoverable can be reasonably determined and being acceptable to the concerned authorities and there is no uncertainty in realization of the same.
- (iii) Dividend income from investment is recognised when the company's right to receive payment is established.

### (ii) Inventories

Finished goods are valued at cost or net realizable value (NRV). The cost in respect of the various items of inventory is computed as under:

- (i) In case of raw materials on FIFO basis cost 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 cost plus direct expenses incurred in bringing the inventories to their present location and condition.
- (iii) In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- (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.
- (v) In the case of by-products (including final molasses) valued at net realizable value. B Heavy molasses is valued at derived values based on proportionate sugar content at estimated realisable value.

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 recognized at cost, net of accumulated depreciation and impairment, if any other than freehold land which is stated at cost.

Cost includes its purchase price net of recoverable taxes. It includes other costs directly attributable to 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 criterion 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. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.



09

**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before each balance sheet date are disclosed under 'Capital work-in-progress'.

On transition to Ind As, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2015 measured as per previous GAAP and use that carrying value as its deemed cost of the property, plant and equipment.

**Derecognition**

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.

**(iv) Intangible Assets**

**Recognition:**

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 acquired separately are measured on initial recognition at cost. 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.

Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and impairment losses, if any.

**Derecognition**

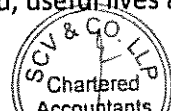
An intangible asset is derecognised upon disposal or retirement of the asset. The cost and the related accumulated amortization are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss.

**(v) Depreciation and Amortization**

Depreciation is provided on Property, plant and equipment other than freehold land over the useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of Plant and Machinery which are depreciated as per straight line method. However 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.

Capital spares directly attributable to the assets are depreciated with the cost of the assets.

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



**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

Other intangible assets are amortized on straight line method over the expected duration of benefits not exceeding ten years.

Amortization method and useful rules are reviewed at each financial year end.

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

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

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.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in the previous years.

**(vii) Leases**

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (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 are 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.

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 evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such

**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

**The 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 on a straight line basis over the term of the relevant lease.

**(viii) 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, respectively.

Current income tax is recognised at the amount expected to be paid or recovered from tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Deferred income tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax assets and liabilities are measured 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.

A deferred income 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.



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**(ix) Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of an asset 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.

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

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 or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities and assets are not recognized but are disclosed in notes.

**(xi) Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity share holders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit for the period attributable to the equity share holders by the weighted average number of shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**(xii) 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 grant relates to an expense item, it is shown as net of related expense except

- (i) where recognition is postponed in absence of reasonable assurance of its ultimate collection
- (ii) where the related expense is not directly identifiable.

In such cases, the grant is presented in the 'Other Income'.



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement to profit or loss on a straight line basis over the expected useful life of related assets and presented within other income.

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. The loan or assistance is initially recognized and measured at fair value 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.

**(xiii) 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.

**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 trade price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

**Subsequent measurement**

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

**Non derivative financial instruments:-**

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

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect 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.

**(ii) 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.

**(iii) Investments in Equity Instruments at fair value through other comprehensive income**

On Initial recognition the company can make an irrevocable election for its investments, which are classified as equity instruments and which are not held for trading, to present the subsequent changes in fair value in other comprehensive income.

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

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.



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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

**(v) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

**(vi) Share capital**

**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and buy back of equity shares and share options are recognized as a deduction from equity, net of any tax effects.

**Derecognition 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.

**(xiv) Impairment of Financial Assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

**(xv) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(xvi) 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.

**(xvii) Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.





**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**(xviii) Employee Benefits**

**(i) Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees and recognized as an expense during the period when employees render the services.

**(ii) Post Employment Benefits**

**(a) DEFINED CONTRIBUTION PLAN**

**Provident Fund:-**

The Company Contributions to provident fund a defined contribution plan through a trust 'The Saraswati Sugar Syndicate Ltd. Employee's Provident Fund Trust' and recognized the contribution 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, of an amount 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.

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

**(iii) Other long term employee benefits-Leave Encashment**

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

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



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**Note 2.5: 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 12 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 12 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 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 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

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents.

**Note 2.6: Recent accounting pronouncements**

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

- (i) **Ind AS 16 – Property Plant and equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

- (ii) **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

**Note 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 that affect the application of accounting policies and the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and reported amount of revenue and expense during the period.

Although these estimates are based upon management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount of assets or liabilities in future period.

**Critical accounting estimates, Judgements and assumptions**

**i. Income taxes**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

**ii. Defined Benefit Plans**

The cost of defined benefit plans and the present value of obligations 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iii. Contingencies**

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



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**iv. Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

**v. Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company is engaged in manufacturing of essential commodities, the activities of the Company were carried out normally under the directives issued by Government authorities. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The company will continue to monitor any material changes to future economic condition. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the financial statements.



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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022

Note 4 (a) : Property, Plant and Equipment

Carrying value of Property, Plant and Equipment		(₹ in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
Freehold land	3,379.52	3,269.62
Buildings and Roads	1,747.77	445.64
Plant and Machinery	26,453.90	8,018.68
Furniture and Fixtures	17.16	8.79
Vehicles	45.12	57.87
Office Equipment	199.17	64.02
<b>Total</b>	<b>31,842.64</b>	<b>11,864.61</b>

Property, Plant and Equipment								(₹ in Lakhs)
Particulars	Land Freehold	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total	
<b>Gross carrying value</b>								
At April 1, 2020	2,642.73	692.30	10,369.79	22.78	145.62	180.18	14,053.41	
Additions	626.89	79.22	681.71	2.76	11.31	24.42	1,426.31	
Disposals		3.23	85.08	0.73	12.41	5.08	106.53	
At March 31, 2021	3,269.62	768.29	10,966.42	24.81	144.52	199.52	15,373.19	
At April 1, 2021	3,269.62	768.29	10,966.42	24.81	144.52	199.52	15,373.19	
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	
At March 31, 2022	3,379.52	2,179.35	30,217.41	41.32	147.94	376.73	36,342.28	
<b>Accumulated Depreciation</b>								
At April 1, 2020	-	280.57	2,450.98	13.48	76.37	102.87	2,924.27	
Depreciation charge for the year		44.54	528.22	3.01	20.32	35.62	631.71	
Accumulated Depreciation on Disposals		2.46	31.46	0.47	10.03	2.99	47.41	
At March 31, 2021		322.65	2,947.74	16.02	86.66	135.50	3,508.57	
At April 1, 2021	-	322.65	2,947.74	16.02	86.66	135.50	3,508.57	
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	
At March 31, 2022		431.58	3,763.51	24.16	102.83	177.56	4,499.64	
<b>Net carrying value</b>								
At March 31, 2022	3,379.52	1,747.77	26,453.90	17.16	45.12	199.17	31,842.64	
At March 31, 2021	3,269.62	445.64	8,018.68	8.79	57.87	64.02	11,864.62	

Note:

- Contractual Commitment towards purchase of Property, Plant and Equipment, Refer Note No. 36
- Borrowing cost capitalised (including capital work-in-progress) during the year is ₹254.88 Lakh (previous year ₹54.03 lakh). The said borrowing cost is net of interest subvention of ₹279.83 Lakhs (previous year ₹54.03 lakh) by Central Government on term loan under the scheme of extending financial assistance to sugar mills for enhancement and augmentation of ethanol production.
- For assets charged as security, please refer note no. 47 alongwith note no. 16(a) and 20(1)(a).
- The aggregate depreciation 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 Financial Statements for the year ended March 31, 2022

Note 4 (b) : Right of use asset

Carrying value of Right of use asset

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Land	21.58	20.69
<b>Total</b>	<b>21.58</b>	<b>20.69</b>

Right of use asset (Land)

(₹ in Lakhs)

Particulars	Amount
<b>Gross carrying value</b>	
At April 1, 2020	21.58
Additions	14.27
Disposals	-
<b>At March 31, 2020</b>	<b>35.85</b>
At April 1, 2021	35.85
Additions	9.17
Disposals	-
<b>At March 31, 2021</b>	<b>45.02</b>
<b>Accumulated Depreciation</b>	
At April 1, 2020	6.97
Depreciation charge for the year	8.19
Disposals	-
<b>At March 31, 2021</b>	<b>15.16</b>
At April 1, 2021	15.16
Depreciation charge for the year	8.29
Disposals	-
<b>At March 31, 2022</b>	<b>23.45</b>
<b>Net carrying value</b>	
At March 31, 2022	21.58
At March 31, 2021	20.69

Note:

1. Refer Note 44 for other disclosures related to leases.
2. The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.



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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022

Note 4 (c) : Other intangible assets

Carrying value of other intangible assets		(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Computer Softwares	42.36	54.07	
<b>Total</b>	<b>42.36</b>	<b>54.07</b>	

Other Intangible Assets		(₹ in Lakhs)	
Particulars		Computer Software	
<b>Gross carrying value</b>			
At April 1, 2020		64.78	
Additions		15.00	
Disposals		-	
At March 31, 2021		79.78	
At April 1, 2021		79.78	
Additions		3.72	
Disposals		-	
At March 31, 2022		83.50	
<b>Accumulated Amortization</b>			
At April 1, 2020		12.91	
Amortization expense		12.80	
Accumulated amortization expense on Disposals		-	
At March 31, 2021		25.71	
At April 1, 2021		25.71	
Amortization expense		15.43	
Accumulated amortization expense on Disposals		-	
At March 31, 2022		41.14	
<b>Net carrying value</b>			
At March 31, 2022		42.36	
At March 31, 2021		54.07	

**Notes:**

- (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 Financial Statements for the year ended March 31, 2022

**Note 5 : Non Current Financial Assets-Loans**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortized cost</b>		
<b>i) Considered Good - Secured</b>		
- Loans to employees (secured by way of hypothecation of vehicles)	2.11	3.44
<b>ii) Considered Good - Unsecured</b>		
- Loans to Employees	3.82	2.37
<b>Total</b>	<b>5.94</b>	<b>5.81</b>

Refer note 40(a) for classification of financial assets

**Note 6 : Non Current Financial Assets-Others**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortized cost</b>		
<b>Bank balances:</b>		
(Bank deposit with more than 12 months remaining maturity)		
-Kept as margin money for bank guarantee	2.25	3.36
- Post office saving account	0.70	0.70
- Security Deposits	254.94	53.23
<b>Total</b>	<b>257.89</b>	<b>57.29</b>

Refer note 40(a) for classification of financial assets



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**SARASWATI SUGAR MILLS LIMITED**  
Notes to Financial Statements for the year ended March 31, 2022

**Note : 7 Deferred Tax Assets/(Liabilities) (Net)**

7.1 The balance comprises temporary differences attributable to: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Deferred Tax Liabilities</b>		
Difference in carrying values of property, plant and equipment and intangible assets	1,662.44	1,251.73
Unamortized processing charges on term Loans	27.83	-
<b>Total</b>	<b>1,690.27</b>	<b>1,251.73</b>
<b>(b) Deferred Tax Assets</b>		
Provision for Leave Encashment	39.49	35.86
Provision for Pension	26.38	32.32
Allowance for expected credit loss	19.94	19.94
Provision for Local Area Development Tax	58.48	58.48
Punjab Labour Welfare Fund	-	0.11
<b>Total</b>	<b>144.29</b>	<b>146.72</b>
<b>Net deferred tax (Liabilities) / Assets (b-a)</b>	<b>(1,545.98)</b>	<b>(1,105.00)</b>

7.2 Movement in Deferred tax (Liabilities)/Assets

(₹ in Lakhs)

Particulars	Property Plant and Equipment	Provision for Employee Benefits	Others	Total
At April 1, 2020	(1,238.22)	71.59	68.55	(1,098.06)
(Charged)/credited:-				
-to profit and loss	(13.51)	(3.41)	9.98	(6.93)
-to other Comprehensive Income	-	-	-	-
<b>At March 31, 2021</b>	<b>(1,251.73)</b>	<b>68.18</b>	<b>78.53</b>	<b>(1,105.00)</b>
At April 1, 2021	(1,251.73)	68.18	78.53	(1,105.01)
(Charged)/credited:-				
-to profit and loss	(410.71)	(2.32)	(27.94)	(440.97)
-to other Comprehensive Income	-	-	-	-
<b>At March 31, 2022</b>	<b>(1,662.44)</b>	<b>65.87</b>	<b>50.59</b>	<b>(1,545.98)</b>

Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**Note 8 : Other Non current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
- Capital advances		
- Related Parties	-	366.19
- Others	-	-
<b>Total</b>	<b>-</b>	<b>366.19</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

₹ 366.19 Lakh



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 9 : Inventories**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At cost or net realizable value whichever is lower</b>		
Raw material-sugar cane	38.18	30.50
Work-In-progress	7,126.32	110.37
Finished stock:		
- Sugar	37,708.35	36,284.35
- Molasses	-	1,133.12
- Ethanol	60.25	-
Stores and spares	848.15	648.21
<b>Total</b>	<b>45,781.25</b>	<b>38,206.55</b>

**Note**

- (i) The amount of inventories recognised as an expense during the year is ₹ 51797.71 lakhs (March 31, 2021 ₹ 63887.55 lakhs)  
(ii) For inventories pledged as security, please refer Note no.16(a), 20.1(a) and 47  
(iii) The method of valuation of inventories has been stated at Note 2.4 (ii)

**Note 10 : Current Financial Assets-Trade Receivables**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortized cost</b>		
- Trade Receivables considered good - Secured	-	-
- Trade Receivables considered good - Unsecured	1,585.23	271.12
- Trade Receivables which have significant increase in Credit Risk	-	-
- Trade Receivables - credit impaired	79.23	79.23
Less: Allowances for credit impairment	(79.23)	(79.23)
<b>Total</b>	<b>1,585.22</b>	<b>271.12</b>

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

₹ Nil ₹ Nil  
₹ Nil ₹ Nil

- (i) For information on trade receivables pledged as security, Refer Note no. 16(a), 20.1(a) and 47  
(ii) Refer note 40(a) for classification of financial assets  
(iii) Refer note 41 for detail of credit risk and expected credit loss

**Trade receivable ageing schedule**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade receivables – considered good	35.28	-	-	-	-	35.28
(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</b>	<b>35.28</b>					<b>114.51</b>
<b>As at 31 March 2021</b>						
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(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</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79.23</b>



**SARASWATI SUGAR MILLS LIMITED****Notes to Financial Statements for the year ended March 31, 2022****Note 11 : Current Financial Assets-Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>		
(i) Balances with Banks		
-in current accounts	1,798.03	1,212.37
(ii) Cash in hand	2.88	4.58
<b>Total</b>	<b>1,800.91</b>	<b>1,216.96</b>

Also refer note 40(a) for classification of financial assets

**Note 11.1 : Current Financial Assets-Bank Balances other than Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with banks (with less than 12 months remaining maturity)		-
-Kept as margin money for bank guarantee	1.22	
<b>Total</b>	<b>1.22</b>	<b>-</b>

Also refer note 40(a) for classification of financial assets

**Note 12: Current Financial Assets-Loans**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortised cost</b>		
(i) Considered Good - Secured		
- Loans to Employees	1.10	1.39
(secured by way of hypothecation of vehicles)		
(ii) Considered Good - Unsecured		
- Loans to Employees	13.75	15.50
<b>Total</b>	<b>14.86</b>	<b>16.89</b>

Also refer note 40(a) for classification of financial assets



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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

**Note 13 :Current Financial Assets-Others**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortised cost</b>		
Interest accrued but not due	1.31	1.10
Others		
- Subsidy Recoverable from Government (refer note 38)	868.12	5,342.84
- Interest subvention on term loan recoverable	439.64	315.02
<b>Total</b>	<b>1,309.07</b>	<b>5,658.96</b>

Also refer note 40(a) for classification of financial assets

**Note 14 : Other Current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Unsecured, considered good</b>		
Advances to suppliers (other than capital advances)		
- Related Parties	-	-
- Others		
- Store purchases	22.79	11.12
- Contractors/others	10.31	24.02
- Cane suppliers	173.36	151.56
Defined benefit asset (net of liability) (refer note 30.1 (b))	218.74	209.75
Others		
- Prepaid expenses	133.16	115.98
- Balances recoverable from Govt. authorities	47.87	1,168.90
<b>Total</b>	<b>606.23</b>	<b>1,681.33</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



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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022

Note 15 : Equity Share Capital

Particulars	(* in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<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, 2022		As at March 31, 2021	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	70,99,900	709.99	70,99,900	709.99
Add : Issued during the Year	-	-	-	-
Less : shares bought back	-	-	-	-
Equity shares outstanding at the close of the Year	7099900	709.99	7099900	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, 2022		As at March 31, 2021	
	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 March 31, 2022	As at March 31, 2021
	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, 2022

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

(ii) As at March 31, 2021

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



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 15.1 Other Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<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	19,044.72	14,810.70
Add:		
Profit for the year	4,051.79	6,541.48
Other comprehensive Income / (loss) for the year-		
Remeasurement of defined benefit plans	22.64	-
Transferred from Other Comprehensive Income	(32.04)	-
Less: Appropriations		
Final dividend for the year ended 31st March, 2021 @ 15/-per share	1,064.99	-
Final dividend for the year ended 31st March, 2020 @ 7.50 per share	-	532.49
Interim dividend for the year ended 31st March, 2021 @ 25/-per share	-	1,774.98
Balance outstanding at the close of the year	22,022.13	19,044.71
<b>Total (A) (i+ii+iii)</b>	<b>29,640.87</b>	<b>26,663.45</b>
<b>B) Other Comprehensive Income</b>		
<b>Remeasurement of defined benefit plans</b>		
Balance outstanding at the beginning of the year	(32.04)	(49.42)
Add: Changes during the year	-	17.38
Less: Transferred to retained earnings	32.04	-
Balance outstanding at the end of year	0.00	(32.04)
<b>Total (B)</b>	<b>0.00</b>	<b>(32.04)</b>
<b>Grand Total (A+B)</b>	<b>29,640.87</b>	<b>26,631.42</b>

**Note 15.2 : Nature and Purposes of Reserves**

**Securities Premium**

This represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be 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 refer to net earnings not paid out as dividend but retained by the company to be reinvested in its core business. The amount is available for distribution of dividend to its equity shareholders.

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

**Reserve for Items through Other comprehensive income**

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

The reserve represents cumulative gains and losses on remeasurement of defined benefit plan net of taxes. The balance in Other Comprehensive Income can be transferred to Other Components of equity i.e. retained earnings as and when the company decides to do so. During the year, the Company has transferred the balance in said reserve to retained earnings.



**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

Note 15 : Non-Current Financial Liabilities - Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost		
(a) Secured-		
Term Loan From Bank		
- Rupee Term Loan from HDFC Bank Ltd.	8,779.42	6,480.00
(Refer note (a) (i) and (b))		
<b>Total</b>	<b>8,779.42</b>	<b>6,480.00</b>

Also refer note 40(a) for classification of financial liabilities

a) Nature of securities for the aforesaid borrowings including current maturities of long term debt

i) Rupee term loan from HDFC Bank 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 fixed properties / hypothecation of moveable fixed properties both present and future all pertaining and specific to the project and second pari passu hypothecation charge on current assets and second pari passu charge on fixed assets of the company.

b) Terms of repayment of loan

(₹ in Lakhs)

Lender of loan	Rate of Interest	Coupon Rate	Amount outstanding as at 31st March, 2022		Amount outstanding as at 31st March, 2021		Number of Instalments as at		Terms of Repayment	Amount of each instalment (₹ in lakh)
			Current (₹ in lakh)	Non-Current (₹ in lakh)	Current (₹ in lakh)	Non-Current (₹ in lakh)	31st March, 2022	31st March, 2021		
HDFC Bank Limited (refer note (i))	8.10% (Refer note (ii))	6 month MCLR + spread of 105 bps.	2540.00	8,890.00	720.00	6,480.00	18	20	Equal quarterly instalments from Dec-2021 to September 2026	635.00
Less: Unamortised Processing Charges			-	110.58	-	-				
<b>Total</b>			<b>2540.00</b>	<b>8779.42</b>	<b>720.00</b>	<b>6480.00</b>				

(i) HDFC Bank sanctioned rupee term loan (RTL) of ₹12700 Lakh for setting up 100 KLPD capacity ethanol plant under the Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity. RTL shall be repaid in 20 consecutive quarterly instalments commencing 1 year from the date of first disbursement. Instalment to be paid at the end of each quarter. Company received in principal approval from Government of India for grant of interest subvention as per scheme i.e. 6% p.a. or 50% of rate of interest charged by the bank for maximum loan amount of ₹9660 lakh, which ever is lower.

(ii) During previous year, floating rate of interest was between 8.20% to 8.30% whereas in current year w.e.f 01-04-2021, rate of interest is 8.10%.

(iii) Refer Note no. 40(a) for classification of financial liabilities.



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**SARASWATI SUGAR MILLS LIMITED****Notes to Financial Statements for the year ended March 31, 2022****Note 17: Non-Current Financial Liabilities- Others**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost		
-Creditors for Capital Expenditure		
-Related parties	-	1,475.83
<b>Total</b>	<b>-</b>	<b>1,475.83</b>

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

b) Includes dues to holding company ₹ Nil ₹ 1475.83 Lakh

Also refer note 40(a) for classification of financial liabilities

**Note 18 : Non-Current Provisions**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employees Benefits:</b>		
-Provision for Pension (Unfunded)	88.94	100.80
-Provision for Leave Encashment (Unfunded) '(refer note 30.1 (c))	127.06	113.96
<b>Total</b>	<b>215.99</b>	<b>214.76</b>

**Note 19 : Other Non Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- Deferred income for capital subsidy	23.74	26.97
<b>Total</b>	<b>23.74</b>	<b>26.97</b>

# 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.

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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 20 : Current Financial Liabilities-Borrowings**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carried at amortized cost		
i) Secured-		
Loans repayable on demand		
- Cash credit (Refer Note 20.1(a), (b))	1,136.28	-
- Working Capital Demand Loan (WC DL) - (Refer Note 20.1(c))	22,055.15	17,689.00
Current maturities of long term borrowings - (Refer Note 16(b))	2,540.00	720.00
<b>Total</b>	<b>25,731.43</b>	<b>18,409.00</b>

Also refer note 40(a) for classification of financial liabilities

**Note 20.1**

a) 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.

b) Cash Credit Limit is repayable on demand

c) WC DL was taken as sub limit under Cash Credit limit with interest rate ranges from 5.45% p.a to 7.70% p.a. (weighted average interest rate 6.72% p.a)

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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 21 : Current Financial Liabilities: Trade payables**

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises.		
-To Related Parties	-	-
-To Others (Including Cane Suppliers)	62.91	22.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		
-To Related Parties	14.54	8.24
-To Others (Including Cane Suppliers)	11,873.58	11,002.65
<b>Total</b>	<b>11,951.03</b>	<b>11,033.69</b>

a) Includes dues to directors, firms or private companies in which director is a partner or director or member	₹ 2.77 Lakh	₹ 0.91 Lakh
b) Includes dues to holding company	₹ 6.33 Lakh	₹ 5.39 Lakh

Also refer note 40(a) for classification of financial liabilities

**Note 21.1 : Trade Payables to Micro and Small Enterprises**

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	62.91	22.80
(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 such parties have been identified on the basis of information available with the company and relied upon by the auditors.

**Trade Payables aging schedule**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	4897.30	24.01	40.00	1971.04	6932.35
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>4897.30</b>	<b>24.01</b>	<b>40.00</b>	<b>1971.04</b>	<b>6932.35</b>
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	4,043.77	52.54	75.84	1,915.43	6087.58
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>4043.77</b>	<b>52.54</b>	<b>75.84</b>	<b>1915.43</b>	<b>6087.58</b>



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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

**Note 22: Current Financial Liabilities- Others**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortised cost</b>		
Interest accrued but not due on borrowings	82.89	101.69
Creditors for Capital Expenditure:		
(a) Total outstanding dues of micro enterprises and small enterprises.		
-Related Parties		
-Others		
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
-Related Parties	1,698.24	6,058.31
-Others	2.03	-
Payable to employees	324.81	313.23
Security deposits received	889.70	768.30
Expenses / Other Payables	106.49	130.89
Payable to Sugar Agents	0.02	0.02
<b>Total</b>	<b>3,104.17</b>	<b>7,372.43</b>

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

₹ Nil

₹ Nil

b) Includes dues to holding company

₹1698.24 Lakh

₹ 6058.31 Lakh

Refer note 40(a) for classification of financial liabilities

**Note 23 : Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	101.09	126.57
Advances received from customers	1,059.53	838.58
Deferred income for capital subsidy (Refer Note no.19)	2.97	2.70
Other payables	436.73	425.86
<b>Total</b>	<b>1,600.32</b>	<b>1,393.70</b>

**Note 24 : Current Provisions**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employees Benefits:</b>		
Provision for Leave Encashment (Unfunded) (refer note 30.1 (c))	29.85	28.54
Provision for pension (Unfunded)	15.87	27.62
<b>Total</b>	<b>45.72</b>	<b>56.16</b>

**Note 25 : Current Income Tax Liability/(Asset) (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Shown as Income tax asset (Net of provision for taxation)	5.12	161.24
(ii) Shown as Current tax liabilities (Net of advance tax)	95.95	397.64
<b>Net Tax Liability/(Asset)</b>	<b>90.83</b>	<b>236.40</b>



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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022  
Note 26 : Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(a) Sale of Products:</b>		
- Sugar	55,484.13	65,232.88
- Ethanol	5,261.01	-
- Molasses	2,757.96	4,931.62
- Bagasse	2,087.94	2,262.67
- Other	208.26	54.99
<b>Total (a)</b>	<b>65,799.30</b>	<b>72,482.16</b>
<b>(b) Other Operating Revenue</b>		
- Government Grants		
- Subsidy from Government (refer note 38)	339.96	6,053.50
<b>Total (b)</b>	<b>339.96</b>	<b>6,053.50</b>
<b>Grand Total</b>	<b>66,139.26</b>	<b>78,535.67</b>

Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by offerings and contract-type.

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of Product		
- Sugar	55,484.13	65,232.88
- Ethanol	5,261.01	-
- Molasses	2,757.96	4,931.62
- Bagasse	2,087.94	2,262.67
- Other	208.26	54.99
<b>Total</b>	<b>65,799.30</b>	<b>72,482.16</b>

Total Revenue from Contracts with Customers

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Customers based in India	65,799.30	72,482.16
Revenue from Customers based outside India	-	-
<b>Total</b>	<b>65,799.30</b>	<b>72,482.16</b>

Timing of Revenue Recognition

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from goods transferred to customers at a point of time	65,799.30	72,482.16
Revenue from goods transferred to customers over the period	-	-
<b>Total</b>	<b>65,799.30</b>	<b>72,482.16</b>

(ii) Trade receivables and Contract Balances

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 23 respectively.

The revenue recognised during the year ended 31st March 2022 includes revenue against advances from customers amounting to ₹833.15 lakhs (previous year ₹1290.34 Lakh) at the beginning of the year.

(iii) Set out below is the amount of revenue recognised against advances from customers

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Amounts included in contract liabilities at the beginning of the year	838.58	1318.98
(b) Amount received against contract liability during the year	1054.10	809.94
(c) Performance obligations satisfied during the year	833.15	1290.34
(d) Amounts included in contract liabilities at the end of the year= (a+b)-c	1059.53	838.58

The revenue of ₹Nil (previous year ₹ Nil) has been recognised during the year ended 31st March 2022 against performance obligations satisfied (or partially satisfied) in previous periods.

(iv) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is ₹ Nil (March 31, 2021 ₹ Nil).



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 27 : Other Income**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on financial assets carried at amortized cost	4.29	3.87
Net gain on sale of investments carried at fair value through profit or loss	6.29	2.41
Profit on sale of Property, Plant and Equipment (Net)	-	6.56
Sale of scrap and waste	28.45	27.89
Miscellaneous receipts	8.03	1.91
Unclaimed balances / liabilities no longer required written back	0.59	28.53
Government Grant (refer note 38)	2.97	3,468.61
Lease and rent receipts (refer note 44)	2.61	2.53
<b>Total</b>	<b>53.22</b>	<b>3,542.31</b>

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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 28 : Raw Material Consumption**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Cost of raw material consumed		
- Sugar cane consumed* (refer note 38)	56,537.23	56,864.94
<b>Total</b>	<b>56,537.23</b>	<b>56,864.94</b>

\* Subsidy amounting to ₹ 2544.76 Lakhs from State Government towards cane cost has been reduced from cane cost to the extent of cane crushed during the year (March 31, 2021 ₹2502.61 Lakh)

**Quantitative Detail of Raw Material Consumed**

Type of Material	Quantity (Quintal)	
	Year ended March 31, 2022	Year ended March 31, 2021
Sugar Cane	1,62,06,627	1,68,64,969

**Note 29 : Changes in Inventories of Finished Goods and Work in Progress**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Less: Opening Stock :		
Work-in-progress	110.37	111.68
Finished stock	37,417.47	42,409.10
<b>Total</b>	<b>37,527.84</b>	<b>42,520.78</b>
Closing Stock: :		
Work-in-progress	7,126.32	110.37
Finished stock	37,768.61	37,417.47
<b>Total</b>	<b>44,894.92</b>	<b>37,527.84</b>
<b>Net(Increase)/Decrease in stock</b>	<b>(7,367.08)</b>	<b>4,992.94</b>



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SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements for the year ended March 31, 2022

Note 30 : Employee Benefit Expenses

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Salary Wages and Bonus	2,951.57	2,815.60
Contribution to Provident Fund and other funds	207.84	198.06
Workman and Staff welfare expenses	35.69	31.68
<b>Total</b>	<b>3,195.10</b>	<b>3,045.34</b>

Note 30.1: Additional Information as per IND AS 19, Employee Benefits

(a) Defined Contribution Plan

The employer contribution to Provident Fund is ₹ 119.97 Lakhs (Previous Year ₹98.39 Lakhs). The fund is administered by Trust managed by the Group. Contribution to Regional Provident Fund Commissioner on account of Family Pension Scheme is ₹65.22 Lakhs (Previous Year ₹ 70.80 Lakhs). The contributions during the year have been included under the head 'Contribution to Provident Fund and other funds' above.

(b) Defined Benefit Plan

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Law. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

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

**Investment Risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**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

The amounts included in balance sheet and statement of profit and loss in respect of defined benefit plan are as under:

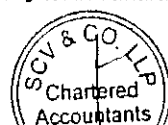
1. The following tables set out the funded status of gratuity plans and the amount recognized in the company's financial statements as at March 31, 2022 and March 31, 2021

Particulars	₹ in Lakhs	
	2021-22	2020-21
<b>1. Movement in Present Value of Obligation</b>		
Present value of obligation at the beginning of the period	1,044.54	1,047.28
Interest cost	71.13	72.26
Current service cost	54.49	51.79
Benefits paid	(157.18)	(99.86)
Actuarial (gain)/loss on obligation	(27.24)	(26.93)
Present value of obligation at end of period	985.74	1,044.54
<b>2. Movement in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	1,254.30	1,259.45
Interest income	85.42	86.90
Contributions	18.94	11.53
Benefits paid	(157.18)	(99.87)
Remeasurement- Return on plan assets excluding amount included in interest income	3.01	(3.71)
Fair value of plan assets at the end of the period	1,204.48	1,254.30
<b>3. The amount included in Balance Sheet</b>		
Present value of obligation as at end of the period	985.75	1,044.54
Fair value of plan assets as at the end of the period	1,204.48	1,254.30
Surplus/(Deficit)	218.73	209.76
Effect of asset ceiling if any	-	-
Net Asset/(liability) recognised in Balance Sheet	218.73	209.76

<b>4. Amount recognised in Statement of Profit and loss.</b>		
a. Current service cost	54.49	51.79
b. Net interest on net defined benefit liability/(asset)	(14.29)	(14.63)
Expense recognised in the statement of Profit & Loss #	40.20	37.16
<b>5. Amount recognised in other comprehensive income</b>		
a. Actuarial gain / (loss)	27.24	26.93
b. Remeasurement- Return on plan assets excluding amount included in net interest on net defined benefit liability/(asset)	3.01	(3.71)
Amount recognised in other comprehensive income	30.25	23.22
<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.	(4.24)	3.87
c. Actuarial (Gain)/Loss on arising from change in Experience Assumption.	(23.00)	(30.80)
Bifurcation of Actuarial Gain/Loss on obligation.	(27.24)	(26.93)
<b>7. Maturity Profile of Defined Benefit Obligation</b>		
1. Within the next 12 months (next annual reporting period)	215.26	183.76
2. Between 1 and 5 years	452.24	581.12
3. Between 5 and 10 years	318.22	279.66

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

Note 30 cont....



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ii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. 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		
<b>(I). Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	985.74	1,044.54
a. Increase due to increase of 0.50 %	(19.23)	(21.22)
b. Decrease due to decrease of 0.50 %	20.12	22.16
<b>(II) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	985.74	1,044.54
a. Increase due to increase of 0.50 %	20.10	22.12
b. Decrease due to decrease of 0.50 %	(19.39)	(21.38)

III. Major categories of plan assets (as percentage of total plan assets)		
Insurer Managed Funds #	100%	100%

# The Company contributes all the ascertained liability towards gratuity to Saraswati Sugar Mills 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 2022 and 2021, the contributions have been invested in a scheme with Life Insurance Corporation of India as permitted by Law.

IV. Principal assumptions used for the purpose of actuarial					
<b>a) Economic Assumptions</b>					
<b>i. Discounting Rate</b>					
		6.92		6.81	
<b>ii. Expected rate of salary increase</b>					
		6.50		6.50	
<b>b) Demographic Assumption</b>					
<b>i) Retirement Age (Years)</b>					
		60		60	
<b>ii) Mortality rates inclusive of provision for disability</b>					
		100% of IALM (2012-14)		100% of IALM (2012-14)	
<b>iii) Attrition at Ages</b>					
		Withdrawal Rate (%)		Withdrawal Rate (%)	
	Up to 30 Years	3		3	
	From 31 to 44 years	2		2	
	Above 44 years	1		1	
<b>c) Mortality Rates for specimen ages</b>					
Age	Mortality Rate	Age	Mortality Rate	Age	Mortality Rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

V. The Company expects to contribute ₹ 45.67 Lakh to the gratuity trusts during the financial year ended 31st March 2023.

(c) Other long term employee benefits-Leave Encashment

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

(₹ in Lakhs)

Particulars	Leave Encashment	
	2021-22	2020-21
Current liability (Amount due within one year)	29.85	28.54
Non-Current liability (Amount due over one year)	127.05	113.96
Total liability as at the end of year	156.90	142.50

The amounts recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Leave Encashment	
	2021-22	2020-21
Total Service Cost	22.36	16.80
Net Interest Cost	9.70	9.28
Net actuarial (gain) / loss recognized in the period	(2.19)	(11.50)
Expense recognized in the statement of profit and loss #	29.87	14.58

# 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 Financial Statements for the year ended March 31, 2022

**Note 31 : Finance Cost**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses on Borrowings		
-banks # Refer Note 38 (c.3)	1,173.37	1,463.17
-others	1.70	1.37
Other borrowing cost	179.37	137.90
<b>Total</b>	<b>1,354.44</b>	<b>1,602.45</b>

# The interest expenses on borrowing from banks is net of interest subvention of ₹102.26 Lakhs (March, 21: ₹77.45 lakh) by Central Government by way of interest subvention on term loan availed by the Company under the scheme of extending financial assistance to sugar mills for enhancement and augmentation of ethanol production.

**Note 32 : Depreciation and amortisation expense**

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation / amortisation on		
-Property, Plant and Equipment	1,003.39	631.71
-Intangible assets	15.43	12.79
-Right to use assets	8.29	8.19
<b>Total</b>	<b>1,027.11</b>	<b>652.70</b>



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note : 33 Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	2,001.20	1,701.86
Chemical consumed	628.59	327.86
Power and fuel	233.42	192.09
Lease rent	51.91	61.97
Repairs :		
- Plant and Machinery	676.68	579.84
- Building	193.28	290.68
- Others	38.23	27.42
Insurance	180.36	161.46
Rates and taxes	42.68	13.87
Auditors remuneration		
Audit fee	5.00	5.00
Reimbursement of expenses	2.34	0.70
Packing, forwarding and transportation	757.66	1,746.21
Office and other expenses	941.14	770.73
Commission to selling agents and others	131.57	130.02
Corporate social responsibility expenditure (refer Note 45)	93.11	99.59
Miscellaneous expenses		
- Legal expenses	4.68	6.39
- Loss on property, plant and equipment sold and/or written off (Net)	5.85	-
- Loss on sale /write off store inventory	12.53	8.69
- Director sitting and other expenses	1.70	0.45
- Bad Debts Written Off	0.70	-
<b>Total</b>	<b>6,002.64</b>	<b>6,124.83</b>



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 34 : Tax Expense**

**(A) Income Tax Expenses**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>(a) Current tax</b>		
Current tax expense recognized in statement of profit and loss	968.22	2,246.37
Current tax expense recognized in other comprehensive Income	7.61	5.84
Reversal for current tax of prior periods recognized in statement of profit and loss	(17.94)	-
<b>Total Current tax expense</b>	<b>957.89</b>	<b>2,252.21</b>
<b>(b) Deferred tax</b>		
Deferred tax expense recognized in statement of profit and loss	440.97	6.93
Deferred tax expense recognized in other comprehensive Income	-	-
<b>Total Deferred Tax Expenses</b>	<b>440.97</b>	<b>6.93</b>
<b>Total Income tax Expense</b>	<b>1,398.87</b>	<b>2,259.14</b>

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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	5,443.04	8,794.78
<b>Tax at Indian tax rate of 25.168% (A)</b>	<b>1,369.91</b>	<b>2,213.47</b>
<b>Effect of expenses that are not deductible in determining taxable profits (B)</b>	<b>38.40</b>	<b>34.21</b>
<b>Effect of expenses that are deductible in determining taxable profits (C)</b>	<b>2.50</b>	<b>5.84</b>
<b>Change in Tax Rate (D)</b>	<b>-</b>	<b>-</b>
<b>Others (E)</b>	<b>(6.94)</b>	<b>5.63</b>
<b>Income Tax expenses</b>	<b>1,398.87</b>	<b>2,259.14</b>



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**SARASWATI SUGAR MILLS LIMITED****Notes to Financial Statements for the year ended March 31, 2022****Note 35 : Earnings Per Share**

In accordance with Ind-AS 33 on 'Earnings Per Share', the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per Share:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs)	4,051.79	6,541.48
(b) Weighted Average number of Equity Shares	70,99,900	70,99,900
(c) Nominal value of Equity Shares (in ₹)	10	10
(d) Basic Earnings Per Share (in ₹)	57.07	92.13
(d) Diluted Earnings Per Share (in ₹)	57.07	92.13

\* There are no potential equity shares.



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 36 : Contingent Liabilities and Commitments****I. Contingent Liabilities not provided for:**

(₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Claims against company not acknowledge as debt (including sales tax/excise duty under dispute)	1160.40	1127.01

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. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

**II. Capital or other Commitments**

(₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	1757.09

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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

**Note 37: Segment Information**

The operating results of the Company are reviewed by the entity'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**

(₹ in Lakhs)

Sr.No.	Particular	Year Ended 31/03/2022
I	<b>Segment Revenue (including Other Operating Revenue)</b>	<b>Amount</b>
	a) Sugar	67,499.60
	b) Ethanol	5,384.12
	Total	72,883.72
	Less: Inter Segment Revenue	6,744.46
	Net Sales/Income from Operations	66,139.26
II	<b>Segment Results (Profit+)/Loss(-) before tax and interest from each segment)</b>	
	a) Sugar	6,670.56
	b) Ethanol	(220.84)
	Total	6,449.72
	i) Interest Expenses (related to unallocable borrowings)	1,006.67
	Profit before tax	5,443.04

**2) Segment assets and liabilities**

	Segment Assets	Amount
	a) Sugar	58,849.50
	b) Ethanol	22,546.31
	c) Unallocable	2,066.62
	Total Assets	83,462.43
II	<b>Segment Liabilities</b>	
	a) Sugar	14,660.32
	b) Ethanol	13,461.01
	c) Unallocable	24,990.26
	Total Liabilities	53,111.59

**3) Details of Unallocated assets and liabilities**

	Particulars	Amount
I	<b>Assets</b>	
	Cash and cash equivalents	1,800.91
	Income tax assets (net)	5.12
	Other current assets	260.59
	Total	2,066.62
II	<b>Liabilities</b>	
	Provisions	156.90
	Deferred Tax Liabilities (Net)	1,545.98
	Borrowings	23,191.43
	Current tax liabilities (net)	95.95
	Total	24,990.26



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**4) Geographical Information**

The geography wise revenue and assets based on domicile of customer and location of assets respectively are as follows:

(₹ In Lakhs)

Particulars	Year ended	With in India	Outside India	Total
Revenue from sale of products	March 31, 2022	65,799.30	0.00	65,799.30
	March 31, 2021	72,482.00	0.00	72,482.00

5) The company has business operations only in India and does not hold any asset outside India.

6) Detail of customers who individually accounted for more than 10% of the revenue from main product of the company

Particulars	Year ended		Year ended	
	March 31, 2022		March 31, 2021	
	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	1	10.34%	2	33.65%

Note: Till 31st March 2021, the Company had only one segment of manufacturing of Sugar and its by-products identified in accordance with principles enunciated in Indian Accounting Standard AS-108, Operating Segments. Hence, separate business segment information is not applicable for the year ended 31st March 2021.



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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Note: 38 Government grants recognised in the financial statements

SL. No.	Particulars	Treatment in Accounts	Grants recognised		Grants recoverable	
			Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
<b>a</b>	<b>Total of Government grant shown as other operating revenue: refer note 26 (b)</b>					
a	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 2018-20 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.	Shown as other operating revenue	339.96	6,053.50	-	3,773.33
	<b>Total (a)</b>		<b>339.96</b>	<b>6,053.50</b>		
<b>b</b>	<b>Total of Government grant shown as other income (refer note 27)</b>					
b.1	Financial assistance under the Scheme for Creation and Maintenance of Buffer stock of sugar	Shown as other income	-	305.59	-	419.00
b.2	Financial assistance @ 13.88 per quintal of cane crushed during season 2018-19 by the Government of India under the "Scheme for Assistance to Sugar Mills".	Shown as other income	-	2,304.72	-	-
b.3	Financial assistance by Government of India under the scheme for defraying expenditure towards internal transport, freight, handling and other charges on export during the sugar season 2018-19.	Shown as other income	-	602.39	-	-
b.4	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.	Shown as other income	2.97	2.97	-	-
b.5	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21	Shown as other income	-	252.94	-	-
	<b>Total (b)</b>		<b>2.97</b>	<b>3,468.61</b>		
<b>c</b>	<b>Total of Government grant deducted from respective expenses</b>					
c.1	Haryana State Government subsidy on cane crushed during the sugar season 2020-21 and 2021-22 to the extent of cane crushed	Deducted from cane cost (refer note 28)	2,544.76	2,502.61	868.12	1,150.51
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 31)	-	77.45	3.53	260.99
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 31)	102.26	-	102.26	-
c.4		Deducted from capitalization of borrowed cost : refer note 4(a) (ii)	279.83	54.03	333.86	54.03
	<b>Total (c)</b>		<b>2,926.85</b>	<b>2,634.09</b>		
<b>Grand Total of Government grants recognised &amp; Grants Recoverable (a+b+c)</b>			<b>3,269.78</b>	<b>12,156.19</b>	<b>1,307.76</b>	<b>5,657.85</b>



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 39 : Capital Management****(a) Risk Management**

The primary objective of the Company's Capital Management is to maximize the return to stakeholders and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts. The Company is not subject to any externally imposed capital requirements. The Company monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total capital.

The following table provides detail of its debt and equity at the end of reporting year.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	34,510.86	24,889.00
Cash and cash equivalents	(1,800.91)	(1,216.96)
Net Debt (A)	32,709.95	23,672.04
Total Equity (B)	30,350.86	27,341.40
Net debt to equity ratio (Gearing Ratio) (A/B)	1.08	0.87

**Notes-**

(i) Debt is defined as non current and current borrowings including current maturities as described in notes 16 & 20

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**(b) Loan Covenants**

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. 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 in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current year and previous years.

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SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements for the year ended March 31, 2022  
Note 40 (a):- Category of Financial Instruments  
As at March 31, 2022

(₹ in Lakhs)

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 & 12)	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 11.1)	1.22	-	-	-	-	1.22	1.22
Others financial assets (Refer Note 6 & 13)	1,566.96	-	-	-	-	1,566.96	1,566.96
<b>Total Financial Assets</b>	<b>4,975.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,975.11</b>	<b>4,975.11</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 16 & 20)	34,510.86	-	-	-	-	34,510.86	34,510.86
Trade payables (Refer note 21)	11,951.03	-	-	-	-	11,951.03	11,951.03
Lease Liabilities	17.83	-	-	-	-	17.83	17.83
Other Financial Liabilities (Refer note 17 & 22)	3,104.17	-	-	-	-	3,104.17	3,104.17
<b>Total Financial Liabilities</b>	<b>49,583.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,583.88</b>	<b>49,583.89</b>

As at March 31, 2021

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)	271.12	-	-	-	-	271.12	271.12
Loans (Refer note 5 & 12)	22.70	-	-	-	-	22.70	22.70
Cash and Cash Equivalents (Refer note 11)	1,216.96	-	-	-	-	1,216.96	1,216.96
Bank balances not considered as cash & cash equivalents (Refer note 11.1)	-	-	-	-	-	-	-
Others financial assets (Refer Note 6 & 13)	5,716.24	-	-	-	-	5,716.24	5,716.24
<b>Total Financial Assets</b>	<b>7,227.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,227.02</b>	<b>7,227.02</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 16 & 20)	24,889.00	-	-	-	-	24,889.00	24,889.00
Trade payables (Refer note 21)	11,033.69	-	-	-	-	11,033.69	11,033.69
Lease Liabilities	16.93	-	-	-	-	16.93	16.93
Other Financial Liabilities (Refer note 17 & 22)	8,848.27	-	-	-	-	8,848.27	8,848.27
<b>Total Financial Liabilities</b>	<b>44,787.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,787.89</b>	<b>44,787.89</b>

The carrying value of financial assets and financial liabilities designated at amortized cost approximates its fair value.

40(b) 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 (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

- 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).

(ii) The following table represents fair value hierarchy of assets and liabilities measured at fair value.

(₹ in Lakhs)

Particulars	As on 31 March, 2022				As on 31 March, 2021			
	Carrying Value	Fair Value Measurement using			Carrying Value	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets	-	-	-	-	-	-	-	-
(B) Financial Liabilities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income



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**SARASWATI SUGAR MILLS LIMITED**

Notes to Financial Statements for the year ended March 31, 2022

**Note 41 : FINANCIAL RISK MANAGEMENT**

This note explains the risk which company is exposed to and policies and framework adopted by the company to manage these risks.

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to manage finances the day to day operations of the company. The Company's principal financial asset includes trade and other receivables, and cash and bank balances that arise directly from its operations.

**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. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

**(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. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	12,455.70	7,200.00
Fixed rate borrowings	22,055.15	17,689.00
<b>Total borrowings</b>	<b>34,510.85</b>	<b>24,889.00</b>

(ii) As at the end of reporting period, the company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit / Rupee Term Loan	8.10%	12,455.70	36.09%	0.0686	7,200.00	28.93%
<b>Net exposure to cash flow interest rate risk</b>		<b>12,455.70</b>			<b>7,200.00</b>	

**(iii) Interest rate Sensitivity Analysis**

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	₹ in Lakhs			
	Increase/ Decrease In Basis Points		Impact on Profit before Tax	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INR	+50	+50	62.28	36.00
	-50	-50	(62.28)	(36.00)

The company has no interest bearing assets, therefore the income and related cash flows are substantially independent of changes in interest rate.

**(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 carry trade internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign currency trade receivables outstanding. 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 at the current year end and previous year which are held for trading. Therefore the company is not exposed to any securities price risk.

**II. Credit risk Management**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on 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. Investments primarily include investment in mutual fund units, quoted securities etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

To manage this, 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.

The following is the detail of revenues generated from top ten customers of the Company

Particulars	2021-22	2020-21
Revenues generated from top ten customers	44.48%	64.83%

Note 41 contd..



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Note 41 contd.

Expected Credit Loss for Financial Assets

(₹ in Lakhs)

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

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of Impairment
<b>As at 31 March 2022</b>				
Loans	20.80	-	-	20.80
Other financial assets	1,566.96	-	-	1,566.96
<b>As at 31 March 2021</b>				
Loans	22.70	-	-	22.70
Other financial assets	5,716.24	-	-	5,716.24

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

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is considered as 100%.

(₹ in Lakhs)

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 2022</b>							
Trade receivables	1,549.94	35.28	-	-	-	79.23	1,664.45
Expected Loss Rate	-	-	-	-	-	100%	-
Expected Credit Losses allowance	-	-	-	-	-	79.23	79.23
Net Carrying amount of Trade receivable	1,549.94	35.28	-	-	-	-	1,585.22
<b>As at 31 March 2021</b>							
Trade receivables	271.12	-	-	-	-	79.23	350.35
Expected Loss Rate	-	-	-	-	-	100%	-
Expected Credit Losses allowance	-	-	-	-	-	79.23	79.23
Net Carrying amount of Trade receivable	271.12	-	-	-	-	-	271.12

iii) The following table summarises the movement in the allowance for life time expected credit loss on trade receivables:

(₹ in Lakhs)

Particulars	Amount
<b>As at 01-04-2020</b>	79.23
Provided/Reversal during the year	-
<b>As at 31-03-2021</b>	79.23
<b>As at 01-04-2021</b>	79.23
Provided/Reversal during the year	-
<b>As at 31-03-2022</b>	79.23

The ageing analysis of the trade receivables (gross of provision) has been considered from the due date of payment:

III.

Liquidity Risk Management

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

The table below provides details regarding the contractual maturities of financial liabilities and financial assets at the reporting date based on contractual maturities:

(₹ in Lakhs)

As at March 31, 2022	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
Borrowings	34,510.86	25,731.43	8,779.42	-	34,510.86
Trade payables	11,951.03	9,915.98	188.93	1,846.12	11,951.03
Other Liabilities	3,122.00	3,111.03	10.97	-	3,122.00
<b>Total</b>	<b>49,583.89</b>	<b>38,758.44</b>	<b>8,979.33</b>	<b>1,846.12</b>	<b>49,583.89</b>
Trade receivables	1,585.22	1,585.22	-	-	1,585.22
Loans	20.80	14.86	5.94	-	20.80
Cash and Cash Equivalents	1,800.91	1,800.91	-	-	1,800.91
Other bank balances	1.22	1.22	-	-	1.22
Others financial assets	1,566.96	1,309.07	204.67	53.23	1,566.96
<b>Total</b>	<b>4,975.11</b>	<b>4,711.28</b>	<b>210.60</b>	<b>53.23</b>	<b>4,975.11</b>

As at March 31, 2021	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
Borrowings	24,889.00	18,409.00	6,480.00	-	24,889.00
Trade payables	11,033.69	8,989.88	197.69	1,846.12	11,033.69
Other Liabilities	8,865.20	7,377.99	1,487.21	-	8,865.20
<b>Total</b>	<b>44,787.89</b>	<b>34,776.87</b>	<b>8,164.90</b>	<b>1,846.12</b>	<b>44,787.89</b>
Trade receivables	271.12	271.12	-	-	271.12
Loans	22.71	16.89	5.82	-	22.71
Cash and Cash Equivalents	1,216.96	1,216.96	-	-	1,216.96
Other bank balances	-	-	-	-	-
Others financial assets	5,716.24	5,658.96	4.06	53.23	5,716.24
<b>Total</b>	<b>7,227.02</b>	<b>7,163.92</b>	<b>9.88</b>	<b>53.23</b>	<b>7,227.02</b>

In addition to above financial assets, the company has inventories of ₹ 45781.25 Lakhs as on 31 March 2022 (₹ 38206.55 Lakhs as on 31 March 2021) which can be realized to meet its financial obligations.

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Expiring within one year (Bank overdraft and other facilities)	10,473.57	15,976.00



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**Note: 42 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)
- Mrs. Shweta Agrawal (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 Financial Statements for the year ended March 31, 2022**

**(B) Transactions with related parties**

(i) Related party transactions

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

( ₹ in lakhs)

Sr. No.	Name of related party and nature of transactions	Relationship	As at March 31, 2022	As at March 31, 2021
1	Purchase of capital goods / services for 100 KLPD ethanol plant Isgec Heavy Engineering Ltd.	Holding Company	2,207.55	14,890.81
	<b>Total</b>		<b>2,207.55</b>	<b>14,890.81</b>
2	Purchasing and receiving services Isgec Heavy Engineering Ltd. Yamuna Syndicate Ltd. Mr. Ranjit Puri- Chairman Mr. Aditya Puri- Managing Director	Holding Company Holding company is an associate Key Managerial Person Key Managerial Person	234.95 95.61 4.31 4.69	299.32 114.12 4.44 4.07
	<b>Total</b>		<b>339.56</b>	<b>421.95</b>
3	Sale and rendering services Isgec Heavy Engineering Ltd. Yamuna Syndicate Ltd.	Holding Company Holding company is an associate	86.02 0.22	4.68 0.25
	<b>Total</b>		<b>86.24</b>	<b>4.90</b>
4	Expenses incurred on reimbursable basis Isgec Heavy Engineering Ltd.	Holding Company	70.69	13.92
	<b>Total</b>		<b>70.69</b>	<b>13.92</b>
5	Director fees paid Mr. Ranjit Puri- Chairman Mrs. Reva Khanna Mr. Sudershan Kumar Khorana	Key Managerial Person Key Managerial Person Key Managerial Person	0.65 0.65 0.40	0.15 0.10 0.20
	<b>Total</b>		<b>1.70</b>	<b>0.45</b>

Note: 42 Related party transactions....cont.



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**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements for the year ended March 31, 2022**

Note: 42 Related party transactions....cont.

(ii) Contribution to trust for post employment benefit

Name of the Trust	₹ In Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	18.94	-
Saraswati Sugar Syndicate Limited Employees Provident Fund Trust	119.96	102.46

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

Name of related party and nature of transactions	Relationship	₹ In Lakhs	
		Year ended March 31, 2022	Year ended March 31, 2021
<b>Payable</b>			
Isgec Heavy Engineering Ltd.	Holding Company	1704.57	7173.34
Yamuna Syndicate Ltd.	Holding company is an associate	5.44	1.94
Mr. Ranjit Puri- Chairman	Key Managerial Person	1.64	0.61
Mr. Aditya Puri- Managing Director	Key Managerial Person	1.13	0.30
Total		1712.78	7176.19



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**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements for the year ended March 31, 2022**

**Note 43 : Impairment of Assets**

In accordance with Ind-AS 36 on 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 44: Leases**

**(I) Company as a lessee**

(a) The depreciation expense on ROU assets of ₹8.29 Lakhs (previous year ₹8.19 Lakhs) is included under depreciation and amortization expenses in the statement of Profit and Loss.

(b) Interest expense on the lease liability amounting to ₹ 1.70 Lakhs (previous year ₹1.37 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	(₹ in Lakhs)		
	Gross Carrying Value	Amortization	Net Carrying Value
As at April 1, 2020	21.58	6.97	14.61
Addition during the year	14.27	-	14.27
Amortization during the year	-	8.19	(8.19)
As at March 31, 2021	35.85	15.16	20.69
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	21.58

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

Particulars	March 31, 2022	March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)
Current lease liabilities	6.86	5.55
Non Current lease liabilities	10.97	11.38
Total	17.83	16.93

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

Particulars	March 31, 2022	March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)
Balance at the beginning of the year	16.93	10.82
Additions during the year	9.17	14.27
Finance cost accrued during the year	1.70	1.37
Payment of lease liabilities	(9.97)	(9.52)
Balance at the end of the year	17.83	16.93

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

Particulars	March 31, 2022	March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)
(i) Not later than one year	8.44	6.90
(ii) Later than one year and not later than five years	12.24	12.94
(iii) Later than five years	0.60	0.92
Total	21.28	20.75

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 recorded for short-term leases was ₹ 51.91 Lakhs for the year ended March 31, 2022 (March 21, ₹61.97 Lakh) . The amount of lessee's lease commitments for short term lease is as hereunder:

Particulars	March 31, 2022	March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)
Less than one year	18.26	29.79

**(H) Company as a lessor**

The Company has given on lease building under operating lease. In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' disclosure of the future minimum lease income under non cancellable operating leases in the aggregate and for each of the following periods:

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(i) Not later than one year	1.60	1.65
(ii) Later than one year and not later than five years	3.51	4.20
(iii) Later than five years	0.04	0.32
Total	5.15	6.17



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**Note 45: 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:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i) Amount required to be spent by the company during the year	93.11	99.58
ii) Amount of expenditure incurred:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than(a) above	93.11	99.59
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	COVID-19 relief, 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: 46A Revenue expenditure on Research & Development:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salary	4.35	3.97
Contribution to Provident Fund	0.26	0.22
<b>Total</b>	<b>4.61</b>	<b>4.19</b>

**Note: 46B-** During the year, the Company has not surrendered or disclosed any income 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). Accordingly, there are no transaction which are not recorded in the books of accounts.

**Note: 46C-** The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current financial year.



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**SARASWATI SUGAR MILLS LIMITED**  
Notes to Financial Statements for the year ended March 31, 2022

Note: 47 Carrying Amount of assets pledged as security:

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2022	As at March 31, 2021
A.	Non-Current Assets		
	Property, Plant & Equipment	32,030.79	27,606.42
	Total (A)	32,030.79	27,606.42
B.	Current Assets		
	(a) Inventories	45,781.25	38,206.55
	(b) Trade receivables	1,585.22	271.12
	Total (B)	47,366.47	38,477.67
	Total (A+B)	79,397.27	66,084.09

Note: 48- Ageing of Capital Work in Progress

Capital Work In Progress as at 31-03-2022

(₹ in Lakhs)

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 has exceeded its cost compared to its original plan as on 31st March 2022

Capital Work In Progress as at 31-03-2021

(₹ in Lakhs)

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	15,741.80	-	-	-	15,741.80
2	Project temporarily suspended	-	-	-	-	-

Note: There is no such project in capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March 2021

Note: 49- 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:-

(₹ in Lakhs)

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
30th June, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	36201.29	42495.64	6294.35	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.
30th September, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	23631.37	27071.73	3440.36	
31st December, 2021	State Bank of India and other consortium banks	Finished Goods (Sugar)	22974.58	26198.26	3223.68	
31st March, 2022	State Bank of India and other consortium banks	Finished Goods (Sugar and Ethanol)	37768.6	43524.67	5756.07	
		B Heavy Molasses	6570.58	6679.18	108.6	Figure reported to the bank was on estimated basis.

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: 50- Events after the Reporting Period

The Board of directors have recommended the payment of Final dividend of ₹ 20/- per equity share (previous year ₹15/- per equity share) which is subject to the approval of Shareholders in the Annual General Meeting.



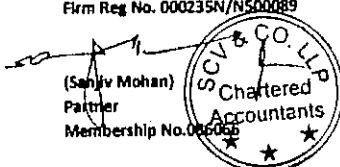
Signature

Note: 51- Key Financial Ratios

Ratio	Basis	Year ended March 31, 2022	Year ended March 31, 2021	% Variance	Comments (In case variance is more than 25%)
Current Ratio (in times)	Current Assets / Current Liabilities	1.20	1.22	-1.60%	-
Debt-Equity Ratio (in times)	Total liabilities/Total Equity	1.75	1.75	-0.29%	-
Debt Service Coverage Ratio (in times)	Profit before interest, tax and depreciation & amortisation/ Interest+Short term borrowings	0.29	0.55	-48.28%	Lower in curent year on account of fresh term Loan availed for ethanol plant
Return on Equity Ratio (in %)	Profit after tax/ Total Equity	13.35%	23.93%	-44.20%	Higher in previous year on account of higher Government grants received in previous year.
Inventory turnover Ratio (in times)	Sale of products/ Average inventory	1.57	1.78	-12.07%	-
Trade Receivables turnover Ratio (in times)	Sale of products/ Average trade receivables	70.89	329.80	-78.50%	Lower in current year on account of increase in trade receivables. As per terms of contract with Oil Marketing Companies, credit period is 21 days for supply of ethanol.
Trade payables turnover Ratio (in times)	Sale of products/ Average trade payables	5.73	6.37	-10.14%	-
Net capital turnover Ratio (in times)	Revenue from operations/Average working capital. (Working capital= Current assets- Current liabilities)	7.73	5.97	29.41%	Higher in current year on account of decrease in average working capital
Net profit Ratio (in %)	Profit after tax / Total Income	6.12%	7.97%	-23.20%	-
Return on capital employed (in %)	Profit before interest and tax/ Total Equity + Short & Long Term Borrowings	8.39%	16.84%	-50.16%	Higher in previous year on account of higher Government grants received in previous year.
Return on Investment (in %)	Profit after tax/Total assets	4.85%	8.68%	-44.10%	Lower in current year on account of increase in assets base due to installation of ethanol plant

Note: 52 Previous year figures have been regrouped, wherever considered necessary to confirm to current year's classification.

As per our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089



*Sanjay Jain*  
Sanjay Jain  
General Manager (Accounts)

*Sovan Singh*  
Sovan Singh  
Deputy General Manager (Internal Audit)

*Shweta Agrawal*  
Shweta Agrawal  
Company Secretary  
Membership No. 14148

For & on behalf of the Board of Directors  
*Aditya Puri*  
Aditya Puri  
Managing Director  
DIN:00052534  
*Reva Khanna*  
Reva Khanna  
Director  
DIN:00413270

Place: Ludhiana  
Date: May 20, 2022

Place: Noida