



# TAMIL NADU SUGAR CORPORATION LIMITED



**47<sup>th</sup> ANNUAL REPORT  
2021-22**



# **TAMIL NADU SUGAR CORPORATION LIMITED**

**47<sup>th</sup> ANNUAL REPORT  
2021- 22**

# **PART - I**

## **NOTICE & REPORTS**

## TAMIL NADU SUGAR CORPORATION LIMITED

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<b>CHAIRMAN &amp; MANAGING DIRECTOR</b> Thiru. C.Vijayaraj Kumar, I.A.S.,		
<b>DIRECTORS</b> Thiru. S. Dinesh Ponraj Oliver, I.A.S., Tmt. KavithaRamu, I.A.S., Tmt. R. Lilly, I.A.S., Thiru R. Thulasiram, Tmt. A.K.Sivamalar Thiru S. Surendiran Tmt. G. Senthilkumari Dr. S. Pazhanivelan Thiru. T. Chandhirasekar		
<b>COMPANY SECRETARY</b> Thiru. G. Alagarsamy		
<b>CHIEF ACCOUNTS OFFICER</b> Thiru. C. Arumugam		
<b>STATUTORY AUDITORS</b> M/s. Kalyanasundaram & Associates		
<b>SECRETARIAL AUDITORS</b> M/s. S. Dhanapal & Associates		
<b>BANKERS</b> Tamil Nadu State Apex Co-op. Bank Thanjavur District Central Co-op. Bank Kumbakonam District Central Co-op. Bank Cuddalore District Central Co-op. Bank		
<b>REGISTERED OFFICE</b> `Aavinllam`, II-Floor, 3-A, Pasumpon Muthuramalinganar Salai, Nandanam, Chennai – 600 035.		
<b>UNITS</b> i) Arignar Anna Sugar Mills, Kurungulam, Thanjavur District. ii) Madura Sugars, Pandiarajapuram, Madurai District. iii) Sugar Machinery Workshop, MaraimalaiNagar, Chengalpattu District.		
<b>SUBSIDIARY COMPANY</b> Perambalur Sugar Mills Ltd. `Aavinllam`, II-Floor, 3-A, Pasumpon Muthuramalinganar Salai, Nandanam, Chennai – 600 035		
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<b>AUDIT COMMITTEE</b>  Thiru R. Thulasiram Dr. S. Pazhanivel Thiru T. Chandhirasekhar		

**TAMIL NADU SUGAR CORPORATION LIMITED****CIN : U15421TN1974SGC006753**Registered Office: Aavin Illam, II-Floor,3A- Pasumpon Mthuramalinganar Salai,  
Nandanam, Chennai - 600 035.**NOTICE TO SHAREHOLDERS**

*Notice is hereby given that the 47th Annual General Meeting of Tamil Nadu Sugar Corporation Limited will be held on Thursday, the 29th December, 2022 at 11.00 A.M. at the Conference Hall of the Office of the Thanjavur Collectorate and through Video Conferencing from (1) Aavin Illam, II-Floor, 3A- Pasumpon Muthuramalinganar Salai, Nandanam, Chennai - 600 035, (2) Arignar Anna Sugar Mills, Thanjavur and (3) web link sent to shareholders, to transact the following business:*

**Ordinary Business:**

1. To receive, consider and adopt the Audited Stand Alone Balance Sheet as at 31st March 2022 and Profit & Loss Account of Tamil Nadu Sugar Corporation Limited for the year ended 31st March 2022, and Consolidated Audited Balance Sheet as at 31st March 2022 and Profit and Loss Account for the year ended 31st March, 2022 of Tamil Nadu Sugar Corporation Limited together with Directors' Report and Auditors' Report thereon.
2. To authorize the Board of Directors of the Company to fix the remuneration payable to M/s. Kalyana Sundaram & Co., Chennai, Statutory Auditors, appointed by the Comptroller and Auditor General of India for the year 2022-23.

**Special Business:**

3. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
**"RESOLVED** that Thiru C. Vijayaraj Kumar, IAS, be and is hereby nominated as a Chairman and Managing Director of the Company."
4. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
**"RESOLVED** that Tmt. R. Lilly, IAS, be and is hereby nominated as a Director of the Company."
5. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
**"RESOLVED** that Thiru. Dinesh Ponraj Oliver, IAS, be and is hereby nominated as a Director of the Company."
6. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
**"RESOLVED** that Tmt. Kavitha Ramu, IAS, be and is hereby nominated as a Director of the Company."

7. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Thiru. R. Thulasiram, be and is hereby nominated as a Director of the Company.”
8. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Tmt. A.K. Sivamalar, be and is hereby nominated as a Director of the Company.”
9. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Thiru. S. Surendiran, be and is hereby nominated as a Director of the Company.”
10. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Tmt. G. Senthilkumari, be and is hereby nominated as a Director of the Company.”
11. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Dr.S. Pazhanivelan, be and is hereby nominated as a Director of the Company.”
12. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED** that Thiru. T. Chandhirasekhar, be and is hereby nominated as a Director of the Company.”
13. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
“**RESOLVED THAT** pursuant to Sec.148(3) and other applicable sections if any, of the Companies Act, 2013 and Rule 14(b) of Companies (Accounts and Audit) Rules, 2014, including, any statutory modification(s) or re-enactment(s) thereof (for the time being in force) the remuneration of Rs.16,500/- (Rupees Sixteen Thousand Five Hundred only) with reimbursement of actual travelling and out of pocket expenses approved by the Board of Directors payable to M/s. Manokaran & Co., Cost Accountant who has been appointed as Cost Auditor for Arignar Anna Sugar Mills for 2022-23 be and is hereby ratified.”

// By order of the Board //

Place: CHENNAI  
Date : 05/12/2022

**C. VIJAYARAJ KUMAR, I.A.S**  
**CHAIRMAN & MANAGING DIRECTOR**

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.
2. The proxy form, in order to be effective, must be duly filled in and lodged with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Sec. 102 of the Companies Act, 2013 in respect of item Nos. 3 to 13 are annexed.
4. The Register of Members and the Share Transfer Registers of the Company will remain closed during the period from 15.12.2022 to 29.12.2022 (both dates are inclusive).
5. Members are requested to send their queries, if any, on the 47th Annual Report to the Registered Office at least 7 days before the meeting, so that the required clarification can be furnished at the meeting.
6. Members are requested to intimate change, if any, in their registered address, immediately.
7. Members / proxies should bring the Attendance slip, sent herewith, duly filled in for attending the meeting.
8. Members are requested to bring the 47th Annual Report while attending the meeting.
9. Members holding more than 1 (one) share certificate in their name under different Ledger Folios are requested to apply for consolidation of such Folios.
10. In initial days the shareholders have not furnished their full address. As a result, the Annual Reports are reaching them belatedly. Therefore, all shareholders are requested /required to furnish their full address containing Door No., Street Name, Name of Village / Taluk, District Name with Postal Pincode, Cell No. etc. through a post card.

### ROUTE MAP





## EXPLANATORY STATEMENT

(As required under Sec.102 of the Companies Act, 2013)

### Item No. 3:

The Government of Tamil Nadu nominated Thiru. C. Vijayaraj Kumar, I.A.S., vide G.O.(Rt.) No.4435 Public (Special-A) Department, dated 25.11.2022 as a Chairman and Managing Director. The Board of Directors in its 224th meeting held on 05.12.2022 appointed him as the Chairman and Managing Director as per Section 161 of the Companies Act, 2013. Thiru. C. Vijayaraj Kumar, I.A.S., will be holding his office as Chairman and Managing Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Thiru. C. Vijayaraj Kumar, I.A.S., as the Chairman and Managing Director of the Company. The Directors consider it necessary to appoint him as the Chairman and Managing Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. C. Vijayaraj Kumar, I.A.S., is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

### Item No. 4 :

The Government of Tamil Nadu has nominated Tmt. R. Lilly, I.A.S., Special Secretary to Government, Industries Department vide in G.O.(D) No. 64, Industries (MIA.2) Department, dated 12.07.2021 as a Director in the place of Thiru. K. Rajamani, I.A.S., The Board of Directors in its 217th meeting held on 02.11.2022 has appointed Tmt. R. Lilly, I.A.S., as a Director as per Section 161 of the Companies Act, 2013. Tmt. R. Lilly, I.A.S., will be holding her office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Tmt. R. Lilly, I.A.S., as a Director of the Company. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. R. Lilly, I.A.S., is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

### Item No. 5:

The Government of Tamil Nadu has nominated Thiru. Dinesh Ponraj Oliver, I.A.S., vide in G.O. Rt. No. 2379 Public (Special A ) Department dated 13.06.2021 as Thanjavur District Collector in the place of Thiru. M. Govinda Rao, I.A.S. The standing order of the Government was obtained through G.O.(Ms) No.271, Industries (MIC.2) Department, dt.21.12.2020 towards constitution of the board by appointing certain officials as Ex-officio Directors on the Board of Tamil Nadu Sugar Corporation Limited, which includes the Thanjavur District Collector as a Director in the TASCO Board. Accordingly, the Board at its 216th Meeting held on 07.07.2021 appointed him as Director in the Board. As per provisions of Section 161 of the Companies Act, 2013, he will continue as Director till the Conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Thiru. Dinesh Ponraj Oliver, I.A.S., as a Director of the Company. The Directors consider it necessary to appoint him as a Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. Dinesh Ponraj Oliver, I.A.S., is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 6:**

The Government of Tamil Nadu has nominated Tmt. Kavitha Ramu, I.A.S., vide G.O. Rt. No. 2379 Public (Special A ) Department dated 13.06.2021 as Pudukkottai District Collector in the place of Tmt. Uma Maheswari, I.A.S., The standing order of the Government was obtained through G.O.(Ms) No.271, Industries (MIC.2) Department, dt.21.12.2020 towards constitution of the board by appointing certain officials as Ex-officio Directors on the Board of Tamil Nadu Sugar Corporation Limited, which includes the Pudukkottai District Collector as a Director in the TASC Board. Accordingly, the Board at its 216th Meeting held on 07.07.2021 has appointed her as a Director in the Board as per Section 161 of the Companies Act, 2013. Tmt. Kavitha Ramu, I.A.S., will be holding her office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Tmt. Kavitha Ramu, I.A.S., as a Director of the Company. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. Kavitha Ramu, I.A.S., is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 7:**

The Government of Tamil Nadu has nominated Thiru. R. Thulasiram, Joint Secretary (Personnel) to Government, Finance Department vide G.O. (Rt) No.107, Agriculture and Farmers Welfare (S1) Department dt.11.05.2022 as a Director in the place of Tmt. Reeta Harish Thakkar,I.A.S. The Board of Directors in its 220th meeting held on May 27, 2022, has appointed Thiru. R. Thulasiram as a Director as per Section 161 of the Companies Act, 2013. Thiru. R. Thulasiram will be holding his office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Thiru. R. Thulasiram as a Director of the Company. The Directors consider it necessary to appoint him as a Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. R. Thulasiram is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 8:**

The Government of Tamil Nadu has nominated Tmt. A.K. Sivamalar, vide G.O.(D) No.62 Cooperative, Food and Consumer Protection (CE1) Department, dt. 13.05.2020 as Additional Register / Managing Director of TNCSF in the place of Dr. A.D. Baskaran. The standing order of the Government was obtained through G.O.(Ms) No.271, Industries (MIC.2) Department, dt.21.12.2020 towards constitution of the board by appointing certain officials as Ex-officio Directors on the Board of Tamil Nadu Sugar Corporation Limited, which includes the Managing Director of TNCSF as a Director in the TASC Board. Accordingly, the Board of Directors has appointed Tmt. A.K. Sivamalar on 13.01.2021, as a Director as per Section 161 of the Companies Act, 2013. Tmt. A.K. Sivamalar, will be holding her office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Tmt. A.K. Sivamalar, as a Director of the Company. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. A.K. Sivamalar is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 9:**

Per Tamil Nadu Generation and Distribution Corporation Limited Proceedings No. 205, dt. 20.10.2021, Thiru. S. Surendiran, has been appointed as Chief Engineer, NCES, TANGEDCO. The Standing order of the Government was obtained through G.O. Ms. No. 2 Industries (MIC.2) Department dt. 06.01.2022 towards constitution of the Board by appointing certain Ex-officio Directors on the Board of Tamil Nadu Sugar Corporation Limited, which includes the Chief Engineer, NCES, TANGEDCO as a Director in the TASC0 Board. Accordingly, the Board of Directors in its 219th meeting held on March 01, 2022, has appointed Thiru. S. Surendiran as a Director as per Section 161 of the Companies Act, 2013. Thiru. S. Surendiran will be holding his office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Thiru. S. Surendiran as a Director of the Company. The Directors consider it necessary to appoint him as a Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. S. Surendiran is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 10:**

Per G.O. (Misc.) No. 949 Public ( Special- A) Department, dated 17.03.2022, Tmt. G. Senthil Kumari, has been appointed as DRO / Chief Executive, Arignar Anna Sugar Mills, Thanjavur. The standing order of the Government was obtained through G.O. Ms. No. 2 Industries (MIC.2) Department dated 06.01.2022 towards constitution of the Board by appointing certain Ex-officio Directors on the Board of Tamil Nadu Sugar Corporation Limited, which includes the DRO / Chief Executive, Arignar Anna Sugar Mills, Thanjavur as a Director in the TASC0 Board. The Board of Directors through Circular Resolution has approved the appointment of Tmt. G. Senthil Kumari as a Director as per Section 161 of the Companies Act, 2013. Tmt. G. Senthil Kumari will be holding her office as a Director of the Company till the conclusion of this Annual General Meeting. A Notice has been received from a shareholder proposing the appointment of Tmt. G. Senthil Kumari as a Director of the Company. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. G. Senthil Kumari is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No.11:**

As per Rule No.4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every public company having paid up share capital of Rs. 10.00 Crores or more or public company having turnover of Rs. 100.00 Crores or more or public company which is having aggregate loan of Rs. 50.00Crores or more shall appoint at least two directors as Independent Directors on its Board. As the share capital of the company is more than Rs. 10.00Crores, it necessitated the company to appoint two Independent Directors on the Board. Accordingly, Dr.S. Panneerselvam, Director, Water Technology Centre, Tamilnadu Agricultural University, Coimbatore has been appointed as Director by Board in its 212th meeting held on 10.6.2020 for a period of two years. TNAU vide letter No. DWTC/ Estt/ Director, WTC/2022, dt.16.05.2022 has appointed Dr. S. Pazhanivelan, as Director, WTC, TNAU in the place of Dr.S.Paneerselvam. The Board of Directors in its 220th meeting held on 27.5.2022 have appointed Dr. S. Pazhanivelan, Director, Water Technology Centre, Tamilnadu Agricultural University, Coimbatore as Independent Director for a period of two years. Dr. S. Pazhanivelan, will be holding his office as Independent Director of the Company till the conclusion of this Annual General Meeting. The Board consider it necessary to appoint him as a Independent Director in the interest

of the Company and therefore recommend the resolution for his appointment. Dr. S. Pazhanivelan is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No.12:**

As per Rule No.4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every public company having paid up share capital of Rs. 10.00Crores or more or public company having turnover of Rs. 100.00 Crores or more or public company which is having aggregate loan of Rs. 50.00Crores or more shall appoint at least two directors as Independent Directors on its Board. As the share capital of the company is more than Rs. 10.00Crores, it necessitated the company to appoint two Independent Directors on the Board. Accordingly, Thiru T. Chandhirasekhar, Chief Engineer, River Valley Project, Tamil Nadu Agricultural Engineering Department, Nandanam, Chennai has been appointed as Director by Board in its 212th meeting held on 10.6.2020 for a period of two years. Our Directors considered and recommended for re- appointment of him as Independent Director for 2 more years, in the interest of the Company as his services would be beneficial to the Company and therefore recommend the resolution for his re- appointment. Thiru.T. Chandhirasekhar is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

**Item No. 13:**

Cost Audit has been made as compulsory for Sugar Industry in 1974, since then every year, Cost Audit is being done. As per Sec. 148 (3) of the Companies Act, 2013, for the year 2022- 23, the Board of Directors in the 220th Meeting held on 27.05.2022 have appointed M/s. Manohar &Co., Practicing Cost Accountant as Cost Auditor on a remuneration of Rs.16,500/- (Rupees Sixteen Thousand Five Hundred Only). As per Rule 14 (b) of Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditors shall be ratified by the shareholders. Therefore, your Directors request the share holders to ratify the remuneration of Rs.16,500/- (Rupees Sixteen Thousand Five Hundred Only payable to M/s. Manohar &Co., to conduct Cost Audit for 2022 - 23.

None of the Directors and Key Managerial Personnel are either concerned or interested in this resolution.

(By the order of Board of Directors)

Place: CHENNAI  
Date : 05/12/2022

**C. VIJAYARAJ KUMAR, I.A.S**  
**CHAIRMAN & MANAGING DIRECTOR**

## TAMIL NADU SUGAR CORPORATION LIMITED

### DIRECTORS' REPORT

To  
The Shareholders,  
Tamil Nadu Sugar Corporation Limited.

Your Directors present the 47th Annual Report of the Company together with the Stand Alone Balance Sheet and Profit and Loss Account for the year ended 31.3.2022 of your company and Consolidated Balance Sheet, the Profit and Loss Account for the year ended 31.3.2022 and the Auditor's Report on the above accounts.

#### 1. PHYSICAL PERFORMANCE OF THE MILLS:

The physical performance of the Unit Mills (ie) Arignar Anna Sugar Mills during the accounting year 2021-2022 as compared to the year 2020-2021 were as under:

Sl. No.	Particulars	2021-22	2020-21
1.	Cane Crushed M.T.	1,81,656	1,93,274
2.	Sugar Produced Qtls.	1,68,724	1,70,567
3.	Capacity Utilisation %	42.25	44.95
4.	Pol % in Cane %	11.14	10.68
5.	Average Recovery %	9.29	8.83
6.	Total Loss %	1.87	1.87

#### 2. FINANCIAL PERFORMANCE

The working results of the Company for the year ended 31.3.2022 as compared to 31.3.2021 were as follows:

(Rs. in lakhs)

Sl. No.	Particulars	31.03.2022	31.3.2021
i)	Income from Operation	8158.82	7189.41
ii)	Other income	176.99	74.61
iii)	Total Income	8335.81	7264.02
iv)	LESS: Cost of Sales	8305.83	7246.33
v)	Earnings before interest and Depreciation	29.98	17.19
vi)	Interest	1353.69	1065.6
vii)	Profit/Loss before depreciation	(-)1162.70	(-)1048.41
viii)	Depreciation	29.63	32.30
ix)	Profit / Loss for the year	(-)1353.34	(-)1080.71
x)	Prior year adjustments including withdrawal of provisions for income tax (Net)	161.01	(-)44.48
xi)	Profit / Loss after prior year adjustments	(-)1192.33	(-)1125.19
xii)	Cumulative loss brought forward from Previous year	(-)21,921.30	(-)20,796.11
xiii)	Cumulative Loss carried over to Balance Sheet	(-)23,113.64	(-)21,921.30

**2.1. Unit-wise profitability:**

The Unit-wise profit earned / loss incurred during the financial years 2021-22 and 2020- 21 are given below:

S. No.	Name	Profit / Loss for 2021-22	Profit / Loss for 2020-21
1	Head Office	73.54	73.54
2	Arignar Anna Sugar Mills	(-)1240.53	(-)1188.70
	<b>Total</b>	<b>(-)1176.10</b>	<b>(-)1115.16</b>
	Defunct Units		
3	Madura Sugars	(-)15.18	(-)7.46
4	Sugar Machinery Workshop	(-)1.05	(-)2.57
	<b>Total</b>	<b>(-)1192.33</b>	<b>(-)1125.19</b>

**3. NET WORTH:**

The Cumulative loss of the company as on 31.3.2022 was (-) Rs.23,113.64 Lakhs.

**4. GENERATION OF INTERNAL RESOURCES:**

The generation of internal resources during the three years ended on 31st March were as follows:-

Rs. in Lakhs

Particulars	For the year ended 31.3.2022	For the year ended 31.3.2021	For the year ended 31.3.2020
(a) Profit / Loss	(-)1,192.33	(-) 1,125.19	(-) 651.02
(b) Depreciation	29.63	32.30	40.40
Cash Profit / Loss (a – b)	(-)1,162.70	(-) 1,092.89	(-) 610.62

**5. DIVIDEND:**

In view of the accumulated loss of the company, your Directors regret for their inability to recommend any dividend for the year.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in the past.

**7. MATERIAL CHANGES IN THE FINANCIAL YEAR AFFECTING THE COMPANY:**

While the company issued the Equity shares for Rs.137.2721 Crores vide the G O Ms. No 88, Industries (MIC.1) Department dt: 29.03.2019 on conversion of outstanding principal amount and accrued interest as on 31.3.2018, there was an excess issue of shares to an extent of Rs.74,580/-. The same was rectified by filing form PAS-3 (Return of Allotment) with RoC and the present Paid-up Capital stood Rs.218,24,36,390/-.

**8. MADURA SUGARS:**

As there is no possibility of running Madura Sugars, a proposal is under the consideration of the Government for the disposal of Madura Sugars. Tamil Nadu Government vide its letter no: 3999/MIC-1/2012-1, dated 10.5.2018 has put on hold the above proposal of the Company. Accordingly, further action can be taken only after receipt of final decision from the Government.

**9. CORPORATE SOCIAL RESPONSIBILITY:**

The Board of Directors have constituted a Corporate Social Responsibility Committee. Since the company is continuously incurring loss, the company has not developed and implemented any initiatives in this regard during the year under review.

**10. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:**

There is no loan, guarantees or investments made by the company Under Section. 186 of the Companies Act, 2013 during the year under review.

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES:**

There was no contract or arrangements made with related party as defined under Section 188 of the Companies Act, 2013 during the year under review.

**12. COMPANY SECRETARIAL AUDIT:**

As required under Section 204 (1) of the Companies Act, 2013, Company Secretarial Audit has been conducted. The report of the Practicing Company Secretary is annexed.

**13. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS MADE BY THE AUDITORS AND PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

Explanation to the qualification of the Statutory Auditors is given in the Addendum. There is no qualification made by practicing Company Secretary in his report.

**14. EXTRACTS OF ANNUAL RETURN:**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this report.

**15. NUMBER OF BOARD MEETINGS CONDUCTED:**

The company had conducted 4 (Four) Board Meetings ie. 07.07.2021, 02.11.2021, 02.12.2021 and 01.03.2022 during the year under review.

**16. PERFORMANCE OF PERAMBALUR SUGAR MILLS - (A Subsidiary Unit):**

The Perambalur Sugar Mills Ltd., a Subsidiary Company is located at Eraiyur, Perambalur District. The installed capacity of the mill is 3000 TCD. The Mill has crushed 2,70,770 MTs. of cane during the Accounting Year 2021-22 with an average recovery of 9.58% as against 1,56,891 MTs. crushed in 2020-21 with an average recovery of 8.78%. As per the Audited Accounts, the subsidiary company had incurred a loss of Rs.757.90 Lakhs compared to a loss of Rs. 2,359.02 Lakhs incurred during the previous year. The accumulated loss as on 31.3.2022 was Rs.34,512.20 Lakhs and the net worth is Rs.13,584.50 Lakhs on that date after considering conversion of loans into share capital assistance.

**17. AUDIT REPORTS :****i) STATUTORY AUDIT**

The Comptroller and Auditor General of India, have appointed M/s. Ganesh & Venkat & Co., Chennai as the Statutory Auditors of the Company for the year under report. Their report is annexed. With regard to the qualified opinion of the Auditors, reply of Board of Directors is furnished in the Addendum.

**ii) COST AUDIT :**

In pursuance of Companies Act, 2013, M/s. Manokaran & Co. has been appointed as Cost Auditor to conduct the audit of the Cost records of Arignar Anna Sugar Mills for 2022-2023. On completion of the cost audit, the Cost Audit Report will be filed with the Government of India.

**iii) AUDIT BY COMPTROLLER & AUDITOR GENERAL OF INDIA:**

The Comptroller and Auditor General of India has conducted test / supplementary audit of the accounts of the Companies Act, 2013. The 'NIL Comments Certificate' issued by the Comptroller and Auditor General is annexed to the Annual Report.

**18. PARTICULARS IN RESPECT OF EMPLOYEES**

As none of the employees of the Company were in receipt of remuneration in excess of the limit prescribed under Companies Act, 2013, furnishing of details does not arise.

**19. PARTICULARS RELATING TO ENERGY CONSERVATION**

The particulars relating to conservation of energy as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are furnished in the statement annexed.

**20. DIRECTORS' RESPONSIBILITY:**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors wish to confirm that:

- i. in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year ' and of the profit or loss of the company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a "going concern" basis;



- v. the Directors have laid down proper Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and are operating effectively.
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

## 21. DECLARATION BY INDEPENDENT DIRECTORS

The Directors disclosed to the Board, the statement on declaration given by the Independent Directors.

## 22. INTERNAL CONTROL SYSTEM AND ADEQUACY:

The present Internal Control System was laid down very long back. The management has updated software relating to cane management. The qualifications of Auditors were discussed at the Audit Committee Meeting and Board Meeting extensively to bring an effective internal control system.

## 23. CHANGE OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The following changes in the Board of Directors and Key Managerial Personnel have been effected consequent to the transfer of individuals by orders of the Government of Tamil Nadu.

- (i) Thiru. C. Vijayaraj Kumar, I.A.S. has been nominated as Chairman & Managing Director in the place of Thiru Harmander Singh, I.A.S.
- (ii) Thiru. R. Thulasiram, Joint Secretary to Government, Finance (Personnel) Department has been nominated as Director in the place of Tmt. Reeta Harish Thakkar, I.A.S.
- (iii) Tmt. R. Lilly, I.A.S., Special Secretary, Industries Department has been nominated as Director in the place of Thiru K. Rajamani, I.A.S.
- (iv) Thiru. S. Dinesh Ponraj Oliver, I.A.S., Collector, Thanjavur District has been nominated as Director in the place of Thiru M. Govinda Rao, I.A.S.
- (v) Tmt. Kavitha Ramu, I.A.S., Collector, Pudukottai District has been nominated as Director in the place of Tmt. P. Uma Maheswari, I.A.S.
- (vi) Tmt. A.K. Sivamalar, Managing Director, Tamil Nadu Cooperative Sugar Federation Limited has been nominated as Director in the place of Dr.A.D. Baskaran.
- (vii) Thiru. S. Surendiran, Chief Engineer, NCES, TANGEDCO has been appointed as Director per Standing Order.
- (viii) Tmt. G. Senthilkumari, DRO / Chief Executive, has been nominated as Director in the place of Dr. S. Selvasurabi.
- (ix) Dr. Pazhanivelan, Director, Water Technology Centre, TNAU has been appointed as Independent Director in the place of Dr. S. Panneerselvam.
- (x) Thiru C. Arumugam has been appointed as Chief Accounts Officer in the place of Thiru R. Jayabalmani

Your Directors wish to place on record their appreciation for the valuable services rendered by Dr. R. Ananda Kumar, I.A.S, Thiru. Harmendar Singh, I.A.S., Thiru T.Anbalagan, I.A.S., Tmt. Reeta harish Takkar, I.A.S., Thiru C.R.Balaji, Thiru. K. Rajamani, I.A.S., Thiru. Sravan Kumar Jatavath, I.A.S., Tmt. M.Aruna, I.A.S., Tmt. Uma Maheswari, I.A.S, Dr.A.D.Baskaran and Thiru R.Jeyabal Mani.

**24 THE SEXUAL HARRASSMENT OF WOMEN AT WORK PLACE (PREVENTION PROHIBITION AND REDRESSAL ) ACT, 2013**

Adequate policies have been implemented. There are no complaints during the year.

**25. VIGIL MECHANISM:**

The Company has implemented vigil mechanism through internal control mechanism.

**26. DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from Public

**27. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Directors have devised proper systems to ensure compliance with Secretarial Standards..

**28. ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude to the Government of Tamil Nadu for its support and assistance in managing the affairs of the Company.

Your Directors also acknowledge the support of the Department of Sugar, Chennai and Tamil Nadu Co-operative Sugar Federation, Chennai for extending their assistance towards the conduct of the Company's business.

Your Directors wish to thank Tamil Nadu State Apex Cooperative Bank limited, Thanjavur Central Cooperative Bank limited, Kumbakonam Central Cooperative Bank limited, and Cuddalore District Central Cooperative Bank for their cooperation and support extended to the company.

Your Directors wish to commend the co-operation extended by all officers, workers and staff of the Company in managing the affairs of the Company and look forward to greater co-operation and hard work for improving the performance of the Company further.

Your Directors thank the cane growers and shareholders for their co-operation which had helped in smooth running of the Company. Your Directors further solicit their continued co-operation in the coming years.

(For and on behalf of the Board of Directors)

Place: CHENNAI  
Date : 05/12/2022

**C. VIJAYARAJ KUMAR, I.A.S**  
**CHAIRMAN & MANAGING DIRECTOR**

## Tamil Nadu Sugar Corporation Limited

### Annexure – 1

#### FORM A (SEE RULE 2)

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Sl. No.	Particulars	Unit of measurement	Current Year 2021-22	Previous year 2020-21
<b>A</b>	<b>POWER &amp; FUEL CONSUMPTION</b>			
<b>1</b>	<b>ELECTRICITY:</b>			
<b>(a)</b>	Purchased			
	Units	KWH	8,79,365	11,70,000
	Total Amount	Rs. in Lakhs	114.97	126.15
	Rate per Unit	<b>Rs.</b>	13.07	<b>10.78</b>
<b>(b)</b>	<b>Own generation</b>			
	(i) Through Diesel Generator	Units	45,825	35,947
	Units / Litre of diesel oil	KWH	33.55	22.67
	Cost / Unit	Rs.	3.07	4.16
	(ii) Through Steam Turbo Generator			
	Units	KWH	1,98,92,000	1,68,11,500
	Units / Tone of steam used	Units	165.82	126.307
	Cost / Unit	Rs.	(15 MW Cogen plant)	(15 MW Cogen plant)
<b>2</b>	<b>COAL (SPECIFY QUANTITY &amp; WHERE USED)</b>		Nil	Nil
<b>3</b>	<b>FURNACE OIL</b>			
	Quantity	K. Ltr.	Nil	Nil
	Total Amount	Rs. in lakhs	Nil	Nil
	Average rate	Rs./K.Ltr.	NA	NA
<b>4</b>	<b>OTHERS / INTERNAL GENERATION</b>		Nil	Nil
<b>B</b>	<b>CONSUMPTION PER UNIT OF SUGAR PRODUCTION:</b>			
1	Product - Sugar	Qtls.	1,68,724	1,70,567
2	Electricity	KWH	28.96	28.16
3	Furnace Oil	Ltr.	Nil	Nil
4	Coal (Specify quantity)	M. Ts.	Nil	Nil
5	Others (Specify)	-	Nil	Nil

**C. ENERGY CONSERVATION MEASURES:**

a) Energy Conservation measures adopted :

- NIL -

b) Additional investments and proposals, if any, being implemented for reduction of steam and energy :

- NIL -

c) Impact of the measures on (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- NIL -

**D. RESEARCH & DEVELOPMENT:**

The Company does not have an exclusive R & D wing of its own. However, the Company utilizes the innovation arising out of the research carried out by R and D wing of the Bio-Control Lab set up by the Tamil Nadu Co-op. Sugar Federation and the research wing of South India Sugar Research Foundation. At present, these Institutions have undertaken research in areas like bio-fertilizer, clarification systems etc.

**E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

-NIL-

**F. FOREIGN EXCHANGE EARNING AND OUTGO**

-NIL-

## Addendum to Director's Report

### A. Standalone Financials

S.No.	Qualified Opinion of the Auditors	Reply
1.	Note in standalone financial statements with regard to the status of Madura Sugars Unit at Madurai and Machinery Workshop Unit at Maraimalai Nagar, whose operation stopped long back. The assets and liabilities are carried at book value and the unit's accounts are prepared on going concern basis. In the absence of adequate information, the disclosure requirements and impact on the financials, if any, are not determinable	<p>The Assets of the Sugar Machinery Workshop, Maraimalai Nagar have been physically transferred and stored in Arignar Anna Sugar Mills. The land belonging to Sugar Machinery Workshop, Maraimalai Nagar, a sale proposal was sent to Tamil Nadu Civil Supplies Corporation Limited (TNCSE). The Govt. of Tamil Nadu vide its letter no: 13921/MIC.1/2017-12, dt.18.11.2020 has informed that the TNCSE is not interested in purchasing the land of Sugar Machinery Workshop. Action is being taken to sell the land to Government Organisations.</p> <p>Regarding sale of Madura Sugars land, Tamil Nadu Government vide its letter no: 3999/MIC-1/2012-1, dated 10.5.18 has put on hold the above proposal of the Company. Accordingly, further action can be taken only after receipt of final decision from the Government.</p> <p>Hence, it is felt by the Management that the net realizable value will be higher than the book value in respect of the assets of Sugar Machinery Workshop and Madura Sugars. Hence, the Management has valued the assets at net book value.</p>
2.	The confirmation of balances for Loans & Advances, Trade payable, and Other current assets are not obtained. In the absence such comprehensive confirmation, the impact if any, on the carrying value of those items and the consequential impact on the loss of the Company for the year under consideration is not determinable.	Though the company has forwarded a letter calling for confirmation of balances, there is no proper response from most of the parties. However, there is a presumption clause in the company's letter that if the Debtor / Creditor do not confirm or dispute, the balance, within the stipulated time, it will be presumed that they confirm the balance.
3.	The Investment in Subsidiary Company M/s Perambalur Sugar Mill Limited Rs.36,09,75,010/-: The investment is stated to be held as Long Term investment and carried at cost. The subsidiary company report continues losses and even after the conversion of government loans as equity the net worth of the subsidiary is fully eroded. The company has also advanced to the subsidiary amounting to Rs.5,00,27,127/- . In our opinion, the entire carrying value of the investment in subsidiary and the advances given to this subsidiary has to be provided for in the standalone financial statements.	The investment is of strategic nature. Further, Government of Tamil Nadu has approved conversion of outstanding Ways & Means Advance and interest of Rs.171.1045 Crores into Share Capital assistance during the year. This will improve the net worth of Perambalur Sugar Mills Ltd.

4.	The note relating to purchase tax not provided for in the books 3,52,87,747/-, (net of provisions already made) for which there are no pending appeals as on date. As a prudent measure, in our opinion, the tax liability for the undisputed known liability should have been provided for in the standalone financial statements.	The amount payable is being reconciled with Commercial Taxes Department. Suitable action will be taken after completion of reconciliation.
5.	The Other Current Assets includes claims recoverable from Income Tax Department amounting to Rs.42,82,771/-(TDS relating to earlier years) for which the assessments were completed and hence these items should have been written off in the standalone financial statements as not recoverable.	All the income tax refunds to be followed up through competent consultant. New consultant will be appointed and all the pending Income Tax refunds will be followed up closely.
6.	The Trade payable, Trade receivable, Other Current Liabilities, Long Term loans and advances, Short Term loans and advances includes old outstanding balances, for which some provisions have been made, no recoveries or settlement recorded and outstanding for nearly 20 years, most of the parties are not traceable and the nature of liability/recoverability are not known and confirmations of outstanding balances neither received nor subsequently settled. The total of these items Rs.4,60,48,723/- debit and Rs.1,93,62,279/- credit. We are unable to comment on the appropriateness of retaining the old balances in the financial statements since they also lapsed by the law of limitations	We have addressed to District Collectors to initiate action under Revenue Recovery Act, which is under process. On receipt of reply from them, the same will be placed before Audit Committee and Board and decisions will be taken accordingly along with other outstanding.

### B. Consolidated Financials

The replies to qualification of Auditors for the Standalone accounts from 1,2,4,5 & 6 form part of replies to qualification of Auditors on the Consolidated Accounts.

## Annexure to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

To  
The Members,  
**M/s. Tamilnadu Sugar Corporation Limited,**  
Chennai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Tamilnadu Sugar Corporation Limited, (CIN: U15421TN1974SGC006753) (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion/ understanding thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and made available to us and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we, on strength of those Records, and information so provided, hereby report that in our opinion and understanding, the Company, during the audit period covering the financial year ended on March 31, 2022, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minutes' Book, Forms and Returns filed and other records maintained by the Company and made available to us, for the financial year ended on **March 31, 2022** according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') – Not applicable to the Company as the Company is an Unlisted Public Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi) The management has identified and confirmed the Laws relating to Sugar Industry as being specifically applicable to the Company however the compliance of which could not be verified as we have not been provided with complete relevant documents relating to these enactments:
- a) Indian Boilers Act, 1923
  - b) Food Safety And Standards Act, 2006
  - c) Essential Commodities Act, 1955
  - d) Instructions of Bureau of Public Enterprises (BPE),
  - e) Guidelines applicable to PSU.
  - f) Sugar Cess Act, 1982;
  - g) Levy Sugar Price Equalisation Fund Act, 1976
  - h) Sugar Development Fund Act, 1982;
  - i) Export (Quality Control and Inspection) Act, 1963
  - j) Agricultural and Processed Food Products Export Act, 1986

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

- i) The Listing Agreements entered into by the Company and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not Applicable since the Company's shares are not listed;
- ii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)..

It is represented to us that the Company is a Tamil Nadu State Government Company (Public Limited Company) and hence being a State Government Company under the provisions of the Companies Act, 2013 eligible to all exemptions and privileges as granted to a Government Company under the Act.

During the period under review, the Company has complied with the requirements to be met in accordance with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the required



extent except lapses in compliances relating to E-Voting, meetings, registers, loans, investments, related party transactions, policies, disclosures, Secretarial Standards, filing of forms/ returns etc. and related compliances.

Our comments in this report on Compliance are only based on documents provided by the Company and verified by us.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/ notices received by the Company during the financial year under various enactments as applicable to the company..

**We further report that**, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted, as applicable, with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that**, as per the information provided to us, during the audit period, we also came across a number of legal proceedings pending against the company which the management of the Company informed us that, it is being taken care of at their end.

As per financial statement of the Company, the Company detected/ identified alleged fraud during the FY 2015-2016 on the company by cane growers in collusion with company employees/officers. Based on the report of the Enquiry Officers appointed by the Company, 8 employees were terminated from service and 29 employees were punished with increment stoppage for one to three years. Further, the investigation against 41 staff and 86 cane growers by the police department and the process of filing of charge sheet is in progress.

**We further report that** that during the audit period the Company has sought the approval of its members for following major events other than ordinary business transacted at the Annual General Meeting of the Company held on 24.12.2021:

- a) Mr. Harmander Singh, IAS, appointed as Director of the Company;
- b) Ms. Reeta Harish Thakkar, IAS, appointed as Director of the Company;
- c) Ms. R. Lilly, IAS, appointed as Director of the Company;
- d) Mr. Dinesh Ponraj Oliver, IAS, appointed as Director of the Company;
- e) Mr. Sravan Kumar Jatavath, IAS, appointed as Director of the Company;
- f) Ms. Kavitha Ramu, IAS, appointed as Director of the Company;

- g) Ms. A. K. Siva Malar, appointed as Director of the Company;
- h) Ratification of fixation of remuneration for the Cost Auditor (M/s. Aarif & Associates, Cost Accountant for the FY 2021-22).

**We further report that** our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

**We further report that** we have conducted the Secretarial Audit physically as well as through online verification and examination of records, as requested and facilitated by the company for the purpose of issuing this Report.

Place: Chennai  
Date: 05.12.2022

**FOR S DHANAPAL & ASSOCIATES**  
(A firm of Practising Company Secretaries)  
Peer Review Certificate No.1107/2021

**N. Ramanathan**  
(Partner)  
FCS: 6665  
CP No.: 11084  
UDIN: F006665C001443716

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure A

To,  
The Members,  
**M/s. Tamilnadu Sugar Corporation Limited**  
Chennai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai  
Date: 05.12.2022

**FOR S DHANAPAL & ASSOCIATES**  
(A firm of Practising Company Secretaries)  
Peer Review Certificate No.1107/2021

**N. Ramanathan**  
(Partner)  
FCS: 6665  
CP No.: 11084  
UDIN: F006665C001443716

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2022

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management &amp; Administration) Rules, 2014)

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U15421TN1974SGC006753
2	Registration Date	17.10.1974
3	Name of the Company	TAMIL NADU SUGAR CORPORATION LIMITED
4	Category/Sub-category of the Company	Government of Tamil Nadu Undertaking – Limited by share capital
5	Address of the Registered office & contact details	AAVIN ILLAM, II-FLOOR, 3A- PASUMPON MUTHURAMALINGANAR SALAI, NANDANAM,CHENNAI, TAMILNADU INDIA – 600 035
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	SUGAR	10721	71:82 %
2	MOLASSES	10728	17:10%
3	ELECTRICITY	31103	10:21%

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY**

S. No.	Name and Address of the company	CIN / GLN No.	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Perambalur Sugar Mills Ltd.	U15520TN1976-SGC007172	Subsidiary	94.98%	Sec.2(87)





## B) Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Tamilnadu	217250475	99.9535	--	217250475	99.9535	--	99.92710
2	Government Nominees	1006	0.0001	--	1006	0.0005	--	0.00007
	<b>Total</b>	<b>217251481</b>	<b>99.9535</b>	<b>--</b>	<b>217251481</b>	<b>99.9535</b>	<b>--</b>	<b>99.92717</b>

## C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	21,72,51,481	99.9540	21,72,51,481	99.9540
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	21,72,51,481	99.9540	21,72,51,481	99.9540

## D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	15669	0.0004	15669	0.0004
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
3	At the end of the year	15669	0.0004	15669	0.0004

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1,006	0.00005	1,006	0.00005
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
3	At the end of the year	1,006	0.00005	1,006	0.00005

**IV) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9333.94	--	--	9333.94
ii) Interest due but not paid	1214.88	--	--	1214.88
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	10548.82	--	--	10548.82
<b>Change in Indebtedness during the financial year</b>				
* Addition	3330.92	--	--	3330.92
* Reduction	(-) 268.13	--	--	(-) 268.13
<b>Net Change</b>	3062.79	--	--	3062.79
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13611.61	--	--	13611.61
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	2254.69	--	--	2254.69
<b>Total (i+ii+iii)</b>	15866.30	--	--	15866.30



**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Chief Executive Arignar Anna Sugar Mills		
		Dr.S.Selvasurabi April 2021 to November 2021	Tmt. G. Senthilkumari (21.3.2022 to 31.3.2022)	
1	Gross salary	6,47,477.00	33,791.00	6,81,268.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--		--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--		--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--		--
2	Stock Option	--		--
3	Sweat Equity			
4	Commission - as % of profit - others, specify...	--		--
5	Others, please specify			
	Total (A)	6,47,477.00	33,791.00	6,81,268.00
	Ceiling as per the Act	--		--

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	Dr.S. Pazhanivelan Thiru T. Chandhirasekkar	--
	Fee for attending board committee meetings	As they are the Executives of the respective Government Institution / Department. No Remuneration was paid.	
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (In Lakhs)		
		Chief Accountant	Company Secretary	Total
		Thiru R.Jayabalmami	Thiru G. Alagarsamy	
1	Gross salary	8.40	7.20	15.60
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	others, specify...	--	--	--
5	Others, Professional fee	--	--	--
	Total	8.40	7.20	15.60

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

Place: CHENNAI  
Date : 05/12/2022

**C. VIJAYARAJ KUMAR**  
**CHAIRMAN & MANAGING DIRECTOR**

## FORMAOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 4A & 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

## Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	Perambalur Sugar Mills Limited
3.	The date since when subsidiary was acquired	Since Incorporation on 24-Jul-1976
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	In Indian Rupees
6.	Share capital (Paid Up)	Rs. 38,00,34,770/-
7.	Reserves & surplus	(-) Rs. 3,45,12,19,324/-
8.	Total assets	Rs.1,42,25,73,969/-
9.	Total Liabilities	Rs. 2,83,10,23,546/-
10.	Investments	Rs. 5,11,300/-
11.	Turnover	Rs. 91,21,66,934/-
12.	Profit before taxation	(-) Rs.7,57,89,651/-
13.	Provision for taxation	-
14.	Profit for taxation	(-) Rs.7,57,89,651/-
15.	Proposed Dividend	-
16.	Extent of shareholding (in percentage)	94.98%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations.
- Names of subsidiaries which have been liquidated or sold during the year.

Part B: Associates and Joint Ventures  
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related  
to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures		Name 1
<b>1.</b>	<b>Latest audited Balance Sheet Date</b>	NIL
<b>2.</b>	<b>Shares of Associate /Joint Ventures held by the company on the year end</b>	
	(i) No of shares	
	(ii) Amount of Investment in Associates or Joint Venture	
	(iii) Extent of Holding (in percentage)	
<b>3.</b>	<b>Description of how there is significant influence</b>	
<b>4.</b>	<b>Reason why the associate / joint venture is not consolidated</b>	
<b>5.</b>	<b>Net-worth attributable to Shareholding as per latest audited Balance Sheet</b>	
<b>6.</b>	<b>Profit / Loss for the year</b>	
	(i) Considered in Consolidation	
	(ii) Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**G. Alagarsamy**  
Company Secretary

**C.Arumugam**  
Chief Accounts Officer

**Tmt.G.Senthilkumari**  
Director

**Thiru T. Anbazhagan, I.A.S.**  
Chairman & Managing Director (FAC)

Place: Trichy  
Date: 28.11.2022

As per our report of even date

**For M/s. GANESH VENKAT & CO.**  
Chartered Accountants  
Firm Reg No: No.0052935

**M. KOUSIK GANESH**  
(Partner)  
(M.No.23536)  
Place: Trichy  
Date: 28.11.2022

**GANESH VENKAT & CO.**  
**CHARTERED ACCOUNTANTS**

**No.9D, Kamalabai Street,**  
**T. Nagar, Chennai-600 017**

## **INDEPENDENT AUDITOR'S REPORT**

### **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

#### **Qualified Opinion:**

We have audited the standalone financial statements of Tamilnadu Sugar Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March, 2022, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its losses and its cash flows for the year ended on that date

#### **Basis for Qualified Opinion:**

Attention is drawn to:

- (1) Note in standalone financial statements with regard to the status of Madura Sugars Unit at Madurai and Machinery Workshop Unit at Maraimalai nagar, whose operation stopped long back. The assets and liabilities are carried at book value and the unit's accounts are prepared on going concern basis. In the absence of adequate information, the disclosure requirements and impact on the financials, if any, are not determinable.
- (2) The confirmation of balances for Loans & Advances, Trade payable, and Other current assets are not obtained. In the absence such comprehensive confirmation, the impact if any, on the carrying value of those items and the consequential impact on the loss of the Company for the year under consideration is not determinable.
- (3) The Investment in Subsidiary Company M/s Perambalur Sugar Mill Limited Rs.36,09,75,010/-: The investment is stated to be held as Long Term investment and carried at cost. The subsidiary company report continuous losses and even after the conversion of government loans as equity the net worth of the subsidiary is fully eroded. The company has also advanced to the subsidiary amounting to Rs.5,48,95,196/-. In our opinion, the entire carrying value of the investment in subsidiary and the advances given to this subsidiary has to be provided for in the standalone financial statements.
- (4) The note relating to purchase tax not provided for in the books Rs.3,13,49,918/-, (net of provisions already made) for which there are no pending appeals as on date. As a prudent measure, in our opinion, the tax liability for the undisputed known liability should have been provided for in the standalone financial statements.
- (5) The Trade payable, Trade receivable, Other Current Liabilities, Long Term loans and advances, Short Term loans and advances includes old outstanding balances, for which some provisions have been made, no recoveries or settlement recorded and outstanding for many years, most of the parties are not traceable and the nature of liability/recoverability are not known and confirmations of outstanding balances neither received nor subsequently settled, also lapsed by the law of limitations. The total of these items Rs.12,19,66,579/- debit and Rs.2,18,34,489/- credit. We are unable to comment on the appropriateness of retaining the old balances in the financial statements.

Had the above qualification in para 3 to 5 been given effect in the standalone financial statements,

- a) the reported Loss after Tax would have been Rs. (-)66,93,50,015/- (as against reported loss of Rs. (-)11,92,33,600/-),
- b) the Trade Payable would have been Rs.12,40,96,461/- (as against the reported Trade Payables of Rs.13,85,71,574/-),
- c) the Short Term Borrowings & Other Current Liabilities would have been Rs.1,69,84,45,930/-(as against the reported Short Term Borrowings & Other Current Liabilities of Rs.1,70,58,05,307/-),
- d) the Non-current Investment would have been Rs.58,02,015/- (as against reported Non- current Investments of Rs.36,67,77,025/-),
- e) the Short Term Loans and Advances would have been Rs.2,92,88,723/- (as against the reported Short Term Loans and Advances of Rs.3,62,00,497/-), and
- f) the Other Current Assets would have been Rs.7,02,97,099/- (as against the reported Other Current Assets of Rs.12,79,56,497/-),

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the Basis for Qualified Opinion section above.

### **Emphasis of Matter**

Without qualifying our report, we draw attention to note to the standalone financial statements relating to (1) the fact that there is several lawsuits filed against the company and also there are pending cases filed against the employees & cane growers on fraud during the previous period. The outcome of these pending litigations depends upon the judgements to be pronounced by the various courts/ appellate authorities and is presently uncertain and (2) pending finalization of the Project cost for the Co-gen project and share of cost commitment is not yet finalized. Considering these uncertainties, no adjustments have been considered in the financial statements and our report is not modified in respect of these matters.

### **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 control 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 standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of the reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doings would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(5) of the Act, we give in the Annexure-B, on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
  - (e) with regard to the directors' disqualification, based on the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 164(2) of the Companies Act shall not apply as per MCA Notification dt .05-06-2015.
  - (f) 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, based on the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 197 relating to remuneration to directors shall not apply as per MCA Notification dt.05-06-2015.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-C". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- i) The Company disclosed the details of pending litigations which would impact its financial position in the notes on accounts;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company
  - iv) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
    - a) 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(s) or entity(ies), 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; and
    - b) no funds have been received by the company from any person(s) or entity(ies), 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.
    - c) Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations contain any material misstatement.
  - v) The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

Place: Trichy

Date: 28.11.2022

**For M/s GANESH VENKAT AND CO,**

Chartered Accountants,

Firm Registration No: 005293S,

**M.KOUSIK GANESH**

Partner,

Membership No: 023536

UDIN: 22023536BENAAS3416

**ANNEXURE A**

'Report on other legal and regulatory requirements' section of our report to the members of Tamilnadu Sugar Corporation Limited of even date.

1. (a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets (except Madura Sugar Unit).
  - (b) The property, plant and equipment of the Company were physically verified by the management during the year (except Madura Sugar Unit). According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds on the immovable properties are held in the name of the Company.
  - (d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
  - (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
2. (a) As represented to us, the inventories have been physically verified by the management at the year end. No materials produced for us, except year end verification reports and we do not comment the reasonableness. In our opinion and according to the information and explanation given to us, there were no discrepancies noticed during the year end physical verification of inventories and for the obsolete items of stores and spares required provisions were made in the books of account.
  - (b) During the year, the company has been sanctioned working capital limits.
3. (a) In our opinion and according to information and explanation given to us, The Company has granted unsecured, interest free, repayable on demand loans to the subsidiary company M/s Perambalur Sugar Mills Limited, the party covered in the register maintained under section 189 of the Act. The year end balance is Rs.5,48,95,196/- (including trade transactions). It is represented that these outstanding balance are interest free, repayable on demand and hence the details regarding repayment of principal, interest and overdue are not reported.
  - (b) During the year there were no investments made and terms and conditions of the grant of all loans to companies are not prejudicial to company's interest. Accordingly the requirement to report under clause 3(iii)(b) of the order is not applicable to the company.
  - (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the year nor has granted any loans or advances in the nature of loans during the year. Accordingly the requirement to report under clause 3(iii)(c) of the order is not applicable to the company.
  - (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties. Accordingly the requirement to report under clause 3(iii)(d) of the order is not applicable to the company.

- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan. Accordingly the requirement to report under clause 3(iii)(e) of the order is not applicable to the company.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment to companies, firm, LLP's and any other party. Accordingly the requirement to report under clause 3(iii)(f) of the order is not applicable to the company.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. The Company has not accepted any deposit or amount which are deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
7. In our opinion and according to the information and explanations given to us:
- (a) The company is depositing undisputed statutory dues with appropriate authorities, like provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, wherever applicable except few delays in depositing tds. The details of arrears of outstanding statutory dues as on 31-03-2022 for a period of more than six months from the date they became payable are as under:

Nature of Liability	Relating to unit /period	Amount in Rs.
Property Tax	Machinery Work Shop – FY 2004-05 to 2020-21	15,53,834 /-
Property Tax	Madura sugars – FY 2006-07 to 2020-21	72,52,396/-
Purchase Tax	Madura sugars FY1979-80 to 2000-2001 with interest accrued as per Order dt.18-06-2019 (net of payment already made and excluding erstwhile management share)	3,13,49,918/-

- (b) There are no dues of income tax or sales tax or service tax or duty of excise or value added tax have not been deposited on account of dispute.
8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. (a) In our opinion and according to the explanation given to us, the company has defaulted in repayment of principal and interest dues to Government to the extent of Rs.98,45,22,236/- for the period ended 31-03-2022. The company has not defaulted in repayment to Banks and there are no dues to financial institutions and debenture holders by the company.

- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
  - (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
  - (d) In our opinion and according to the information and explanations given to us and represented by the management, there are no funds raised on short term basis which have been utilised for long term purposes.
  - (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures as there are none.
  - (f) In our opinion and according to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3(xi)(a) of the Order is not applicable.
- (b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3(xi)(b) of the Order is not applicable.
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistleblower complaints, have been received by the Company during the year.
12. The Company is not a Nidhi Company and accordingly, Paragraphs 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion the company does not have adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under the audit issued to the company in the year and till date in determining the nature, timing and extend of our audit procedure.
15. In our opinion and according to the information and explanations given to us, the Company has not entered non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. (a) In our opinion and 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. Accordingly, paragraph 3(xvi) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group as Core Investment Company (CIC). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.
17. The Company has incurred cash losses in the financial year and in the immediately preceding financial year.

Financial Year	Cash Loss Rs. In Lakhs
2021-22	11,62,69,963
2020-21	10,92,88,786

18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
19. In our opinion and 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, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is 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.
20. Section 135 of the companies act is not applicable to this company and hence reporting under clause 3(xx) of this order is also not applicable.

Place: Chennai

Date: 28.11.2022

**For M/s Ganesh Venkat & Co,**

Chartered Accountants,

Firm Regn Number 005293S,

**M. Kousik Ganesh**

Partner,

Membership Number 023536.

UDIN: 22023536BENAAS3416

**ANNEXURE B**

**Report on the directions issued under section 145(3) of the Act, by the Comptroller and Auditor General of India (Referred to in para 2 in Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date on the Standalone Financial Statement of Tamilnadu Sugar Corporation Limited.**

<b>S.NO</b>	<b>Matters specified in Directions issued by C&amp;AG through web site applicable from the year 2021-22 and onwards</b>	<b>Reply by Auditors</b>
1	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company maintains the accounting transactions through third party software for maintaining the Books of account. The other transactions are being carried out manually. As per the information and other details furnished to us, there are no financial implications on following this system for the year under audit.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	There are no conversions or restructuring of existing loan during the year.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes. As per the information and explanations and as per the books of account of the company the funds received/receivable were properly accounted for/utilized as per its terms and condition of the schemes from central/state government.

S.No	Matters specified in Additional Sub directions issued vide letter No. AG (AU-II)/AMG-I/O AD-II/ VIII/2022-23/ Dt. 13.06.2022	Reply by Auditors
1	<p>Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?</p> <p>Whether the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence?</p>	<p>We have been informed that the selling price of sugar depends upon demand and supply of price prevailing in the open market and is market driven. We have been informed that the company is following the Fair Remunerative Price (FRP) by the Government of India. The pricing policy has not absorbed all fixed and variable cost of production as well as the allocation of overheads.</p>
2	<p>Whether the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence?</p>	<p>We have been informed that norms have been fixed for normal loss. Further we have also been informed that there were no abnormal loss during 2021-22. The management considers among other things the cost audit report for evaluating the abnormal losses and take remedial measures to control such losses.</p>
3	<p>What is a system of valuation of by - products and finished products? List out the cases of deviation from its declared policy.</p>	<p>Sugar is the finished product which is valued by cost or net realizable value whichever is lower.</p> <p>Molasses and Bagasse are by products which are valued at realizable value.</p> <p>However, there were no deviation noticed from its declared policy.</p>
4	<p>State the extent of utilization of plant &amp; machinery during the year vis-à-vis installed capacity.</p>	<p>The installed crushing capacity of plant and machinery is 4,30,000 M.T. per annum. Actual quantity crushed during the year was 1,81,656M.T. which is 42.25% of the capacity utilization.</p>
5	<p>Whether the company has effective system for physical verification, valuation of stock, treatment of non- moving items and accounting of effect of shortage/ excess noticed during physical verification.</p>	<p>Based on the information and explanations given to us, the company has system of physical verification, valuation, treatment of non- moving and slow-moving items, their disposal and abnormal excess and shortages observed during physical verification of inventory.</p>

Place: Chennai

Date: 28.11.2022

**For M/s Ganesh Venkat & Co,**

Chartered Accountants,

Firm Regn Number 005293S,

**M. Kousik Ganesh**

Partner,

Membership Number 023536.

UDIN: 22023536BENAAS3416

## ANNEXURE C

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) (Referred to in Report on Other Legal and Regulatory Requirements in our Independent Auditors’ Report of even date on the Standalone Financial Statement of Tamilnadu Sugar Corporation Limited)**

We have audited the internal financial controls over financial reporting of Tamilnadu Sugar Corporation Limited (“the Company”) as on 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding there liability 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 authorisations 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.

### **Basis of qualified opinion:**

We observed significant deficiencies in the internal financial controls relating to review and providing for (a) impairment losses on closed units of the Company, (b) review of investments and advances given to the subsidiaries whose networth is fully eroded; (c) periodical review and accounting for the effects of pending litigations and undisputed tax dues; (d) obtaining confirmation of balances for trade receivables, loans and advances, trade payable and other current assets and the related reconciliation with the books of account and (e) the functions of internal audit system to be strengthened to commensurate with size and nature of the business.

### **Qualified Opinion**

In our opinion and according to the information and explanations given to us, the Company has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 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: Chennai

Date: 28.11.2022

**For M/s Ganesh Venkat & Co,**

Chartered Accountants,

Firm Regn Number 005293S,

**M. Kousik Ganesh**

Partner,

Membership Number 023536.

UDIN: 22023536BENAAS3416

**K.P.ANANDH, IA & AS**

**ACCOUNTANT GENERAL (Audit-II)**

Tamil Nadu & Puducherry,  
"Lekha Pariksha Bhavan",  
361, Anna Salai,  
Chennai – 600 018.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF TAMILNADU SUGAR CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2022.**

The preparation of Standalone financial statements of Tamil Nadu Sugar Corporation Limited Chennai for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28.11.2022

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the standalone financial statements of Tamil Nadu Sugar Corporation Limited Chennai for the year ended 31 March 2022 under section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors 'report under section 143(6)(b) of the Act.

Place : Chennai  
Date : 22.12.2022

For and on the behalf of the  
Comptroller & Auditor General of India,  
sd/-  
**Accountant General**

# **PART - II**

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022**  
**AND**  
**STANDALONE PROFIT & LOSS ACCOUNTS**  
**FOR THE YEAR ENDED 31.3.2022**

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Balance Sheet as at 31st March, 2022**

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs.(in 1000's)	Rs.(in 1000's)
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	21,82,436.39	21,82,436.39
	(b) Reserves and surplus	3	(23,11,364.00)	(21,92,130.40)
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	31,165.60	57,978.10
	(b) Long-term provisions	5	16,318.80	16,724.27
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	12,24,048.01	8,90,955.84
	(b) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises; and	7	1,630.80	4,604.41
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	7	1,36,940.77	4,14,811.40
	(c) Other current liabilities	8	4,76,531.33	3,60,228.28
	(d) Short-term provisions	9	15,562.92	6,748.49
	<b>Total</b>		<b>17,73,270.63</b>	<b>17,42,356.78</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant & Equipment	10	48,966.25	51,797.43
	(ii) Intangible Assets			
	(b) Non-current investments	11	3,66,777.03	3,66,777.03
	(c) Long-term loans and advances	12	1,12,389.58	1,12,389.58
	(d) Other Non Current Assets	13	5,020.47	4,204.78

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs.(in 1000's)	Rs.(in 1000's)
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	6,75,815.71	7,17,601.24
	(b) Trade receivables	15	3,66,007.83	3,11,570.69
	(c) Cash and cash equivalent	16	34,136.77	21,045.22
	(d) Short-term loans and advances	17	36,200.50	42,890.98
	(e) Other current assets	18	1,27,956.50	1,14,079.83
	<b>Total</b>		<b>17,73,270.63</b>	<b>17,42,356.78</b>
	<b>Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements</b>	I		

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2022**

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs.(in 1000's)	Rs.(in 1000's)
I	Revenue from operations (net)	19	8,15,881.94	7,18,940.82
II	Other income	20	17,699.12	7,461.25
III	<b>TOTAL INCOME (1+II)</b>		<b>8,33,581.06</b>	<b>7,26,402.07</b>
IV	<b>EXPENSES</b>			
	(a) Cost of Materials Consumed	21	5,45,507.82	5,29,828.18
	(b) Purchases of Stock-in-Trade	22	836.00	580.00
	(c) Changes in Inventories	23	41,924.55	-9,572.59
	(d) Employee Benefits Expense	24	1,25,668.97	1,19,425.82
	(e) Finance Costs	25	1,35,369.20	1,06,560.15
	(f) Depreciation and Amortisation Expense	10	2,963.64	3,230.50
	(g) Other Expenses	26	1,00,544.49	88,869.30
	<b>TOTAL EXPENSES</b>		<b>9,52,814.66</b>	<b>8,38,921.35</b>
V	<b>Profit / (Loss) Before Exceptional and Extra Ordinary Items (III-IV)</b>		<b>(1,19,233.60)</b>	<b>(1,12,519.28)</b>
VI	<b>Exceptional Items</b>			-
VII	<b>Profit / (Loss) Before Extra Ordinary Items (V-VI)</b>		<b>(1,19,233.60)</b>	<b>(1,12,519.28)</b>
VIII	<b>Extra Ordinary Items</b>			-
IX	<b>Profit/Loss Before Tax (VII-VIII)</b>		<b>(1,19,233.60)</b>	<b>(1,12,519.28)</b>
X	<b>Profit / (Loss) for the year the Continuing Operations(IX-X)</b>		<b>(1,19,233.60)</b>	<b>(1,12,519.28)</b>
XI	<b>Profit / (Loss) for the year the Discontinuing Operations</b>		-	-
XII	<b>Tax expense for Discontinuing Operations</b>		-	-
XIII	<b>Profit /(Loss)from the Disconcontinuing Operations (after tax)</b>		-	-

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs.(in 1000's)	Rs.(in 1000's)
XIV	Profit/(Loss) for the Period(XI+XIV)		(1,19,233.60)	(1,12,519.28)
XV	Earnings Per Equity Share			
	1)Basic (In Rupees)		(0.55)	(0.52)
	2) Diluted (In Rupees)		(0.55)	(0.52)

See Accompanying Notes forming part of the statements 1-26

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES :**

**i. Accounting Policies:**

The Financial Statements are prepared under the historical cost convention and on 'going concern' basis. The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule-7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

**ii. Inventory Valuation: (AS-2)**

- **Sugar** – Stock-at relevant season's cost or net realizable value whichever is lower.
- **Molasses-** at since realized/realizable value.
- **Bagasse** - at since realised/realizable value.
- **Sugar in Process** - at relevant season's cost or market value less packing material cost, whichever is lower based on which final product of sugar is valued
- **Molasses in Process-** at realised/realisable value.
- **Standing Crop** - at estimated value.
- **Fertilizer, Pesticides and Diesel** - at weighted average cost.
- **Bio-Compost** - at market value.
- **Press mud** – at estimated value.
- **Stores and Spares** - at weighted average cost.
- **Tools and Tackles** - Written off in two years.

**iii. Cash Flow Statement : (AS-3)**

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

**iv. Events occurring after the Balance Sheet Date: (AS-4)**

Events occurring after the Balance Sheet date are those that occur between the Balance Sheet date and the date on which the Financial Statements are approved. Such events may necessitate adjustment of assets and liabilities or a financial impact of which may require a disclosure. The Company considers and makes necessary disclosures for all such material events.



**v. Prior period items: (AS-5)**

Income/Expenditure which arises in the current year as a result of errors or omissions in the preparation of financial statements of earlier years are treated as prior period adjustments. Prior period expenses and income have been recognized as per the provisions contained in the Accounting Standard (AS-5). In addition to that income / expenses relating to previous year which materializes during the current year have also been considered as prior period items.

Material items of change that impacts current year results due to change in accounting estimates are disclosed as per requirements of AS-5.

A Change in Accounting Policy is considered which would result in a more appropriate presentation of the Financial Statement of the Enterprise, in order that relevance and reliability of information presented, is enhanced.

**vi. Revenue Recognition: (AS-9)**

- Sale of Sugar and Molasses stated at exclusive of duties and recognized as and when the risks and rewards are transferred.
- Sale of Scrap excludes duties wherever applicable.
- Traded goods are recognized when the title of goods is transferred.
- Service income is recognized as per the terms of the contract.
- Sale of Power is recognized as per the agreements entered thereto.
- Rental income is recognized as per the agreements entered thereto.
- Interest income is recognized on time proportion basis and rates implicit.
- Dividend income is recognized when the right to receive is established.

**vii. Property, plants and Equipment: (AS-10)**

Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation. Cost is inclusive of the expenditure incurred for the installation and erection in bringing fixed assets to usable condition and net of Input Credit. The asset retired from active use and is held for disposal is to be recognised at lower of net book value and net realisable value. No depreciation has been provided for Madura Sugars and Maraimalai Nagar workshop assets other than Buildings.

**Depreciation:**

- a. For the assets which are existed as on 31-03-1989 depreciation is charged on WDV Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets.
- b. For the assets added on or after 01-04-1989 depreciation is charged on SLM Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets, and on addition during the current year depreciation is provided on pro-rata basis.

**viii. Investments: (AS-13)**

The Long Term Investments are carried at cost less provisions made for any diminution in carrying value other than temporary. The Short Term Investments are carried at lower at cost and fair value.

**ix. Retirement Benefits to Employees: (AS 15)****a) Gratuity**

The Liability for Gratuity as on the date of the Balance Sheet is estimated and provided for as per Actuarial Valuation as required by the Accounting Standard 15 (R) and the company has entered into Group Gratuity Scheme with LIC of India.

**b) Leave Encashment**

Leave encashment is paid for in accordance with the rules of the Company and provided based on the Actuarial valuation.

**c) Other Benefit Plans**

Contributions paid / payable under defined contribution plans are recognized in the statement of Profit and Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions.

**x. Borrowing Cost (AS-16)**

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit and loss.

**xi. Segment reporting (AS-17)**

The Company is engaged in Manufacture & sale of Sugar, Power Generation & Distribution, Consulting and other allied activities, Consulting. These are reportable segments for the year. Entire Operations of the Company is only in domestic hence reportable geographical segment does not arise. Segment wise Income, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, Expenses, Assets and Liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated Revenue/Expenses/Assets/Liabilities".

**xii. Leases (AS-19)**

Lease rental in respect of operating lease arrangements are charged to expense on a straight-line basis over the term of the related lease agreement.

**xiii. Earnings per Share (AS-20)**

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the outstanding shares for deriving basic EPS, and also the shares that would be issued on the conversion of all dilutive potential equity shares.

**xiv. Taxes on Income: (AS-22)**

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation and timing differences in allowances in tax purposes, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

**xv. Impairment (AS-28)**

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets, are charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

**xvi. Provisions & Contingent Liabilities and Contingent Assets (AS-29)**

Provisions are recognized based on a determination whether a present obligation arising from one or more past events exists on balance sheet date, and for which it is probable that there would be cash outflow and a reliable estimate can be made of the amount of the obligation.

No provision is made when, as a result of obligating events and onerous contracts, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote and the fact is disclosed.

**NOTES TO THE ACCOUNTS (Note No.26)****1. STATUS OF UNITS' OPERATION.**

Due to economic non-viability, the Sugar Machinery Workshop at Maraimalar nagar and Madura Sugars at Madurai were closed in October 2002 and in February 2005 respectively. The following assets of the above units are carried at their book values.

Particulars	As on 31.03.2022		As on 31.03.2021	
	Sugar Machinery Workshop (Rs.)	Madura Sugars (Rs.)	Sugar Machinery Workshop (Rs.)	Madura Sugars (Rs.)
Fixed Assets	6,44,273/-	50,61,067	6,46,630/-	52,19,849/-
Net Current Assets	(16,56,144)	(53,02,731)	(15,53,834)	(36,46,394)

The Assets of Sugar Machinery Workshop and Madura Sugars are carried in books of account of the company at Book Value instead of lower of net book value and net realisable value as per the requirement of Accounting Standard 10. However, in the opinion of the Company's Management, all the assets are likely to realise much higher value than the carrying value in the Balance Sheet, as supplemented by the valuation report obtained on 25-06-2015 by the Management.

The Fixed Assets of Sugar Machinery Workshop (other than Land, Buildings and Electrical installations) are physically transferred to the Company's unit, Aringar Anna Sugar Mills (AASM) Thanjavur since the year 2002.

The crushing operations of Madura Sugars has been suspended from 2002-03 season due to non-availability of cane and all the employees left the company under the Voluntary Retirement Scheme.

The Company has sent a proposal to the Government for disposal of Madura Sugars as there is no possibility of revival of the unit owing to insufficient cane availability and it is not viable to operate at low capacity (1250 TCD) unit.

The Account of these units is prepared as per going concern basis and the carrying value of assets is more than net realizable value as per AS-10 Property, Plant and Equipment.

## **2. CONTINGENT LIABILITIES AND COMMITMENTS:**

**(to the extent not provided for)**

**Claims against the Company not Acknowledged as debts:**

### **a) MADURA SUGARS PURCHASE TAX LIABILITY ARE AS UNDER**

All appeals relating to Purchase tax from 1979 -1980 to 2000-2001 are disposed off by the respective authorities and giving effect order has been passed by the Assistant Commissioner (CT) dated 01-02-2017. As per the revised order and the demand notice dated 18-06-2019, the total tax due are Rs.,5,22,33,310/-. The demand includes for the period 1978-79 to 1983-84 relating to the erstwhile management amounting to Rs.,1,11,68,590/-. Out of this balance outstanding of Rs.,4,10,64,720/-, a sum of Rs.,57,76,973/- has already been provided for. Pending disposal of appeals, the company has paid a sum of Rs.,39,37,831/- which is shown as Loans and Advances. Company is in the process exploring all possibilities of further appeals, waiver proceeding, etc and hence the tax due Rs.,3,13,49,918/- has not been provided for in the books.

### **b) Labour matters:**

#### **i) Notes on the orders of Madras High Court for implementing Revision of wages of Sugar Wage Board Employees:**

Tamil Nadu All Co-operative and Public Sector Sugar Mills staff Peravai filed a writ petition No.2325/2004 and obtained orders on revision of pay scale on par with common cadre system employees with effect from 01/04/2003. Orders of Madras High Court was received in July, 2015. The Financial Commitment is not quantifiable. The Company has filed Writ Appeal No.54/55 of 2016 against the orders and obtained status quo on 27.1.2016 in CMP No.561, 562, 563 of 2016.

### **c) Aringar Anna Sugar Mills**

Some of the employees of the company have filed claims for which 28 cases involving labour and personnel matters are pending disposal in the Court of law, the Company disputed the same. The claims amounts in these cases are not quantifiable.

### **d) Madura Sugars**

Some of the employees of the company have filed claims for which 72 cases involving labour and personnel matters are pending disposal in the Court of law. The Company disputed the same. The claims amounts in these cases are not quantifiable.

**e) Madura Sugars:**

The Company has disbursed gratuity due to 103 out of 151 NMRs who were eligible for gratuity as per the Payment of Gratuity Act, 1972 from the Madura Sugars Gratuity Trust Fund, during the year 2013-14 but they have disputed for higher amount after receiving entitled amount by approaching Labour Court. Remaining 48 NMRs have not collected and disputed with the Labour Court. The claims amounts in these cases are not quantifiable.

**f) COMMITMENTS:**

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for: Nil
- (ii) Growers have to contribute 10% project cost of co-generation and modernization unit of 115.72 crores, i.e 11.57 crores which has to be paid/adjusted to TANGEDCO. The Company has retained Rs. 11.24 Crores from cane payment and other dues to farmers and paid Rs.11.24 crores to TANGEDCO. The Shortfall if any, in 10% contribution has to be borne by the Government as per G.O. Hence the overall Commitment to TANGEDCO towards Investments in Equity Shares by the company is Rs.0.34 Crores, which will be reimbursed by Government as per G.O.

**(iii) CURRENT LIABILITIES:**

- a) Amount Rs.16,30,804/- is shown as payable to Micro, Small and Medium Enterprises based on the information provided as on 31.3.2022, all the dues were settled subsequently without interest.
- b) Confirmation of balances in respect of Sundry creditors not obtained at this year end.

**(iv) LOANS AND ADVANCES:****a) Advance to TANGEDCO:**

TANGEDCO and AASM have entered in to joint development agreement of the projects as per GO. Ms No 24 Industries (MIC.1) Department dated 26/02/2008. The G.O. was issued for setting up Cogeneration Plant using bagasse generated by AASM as principal raw material.

The project will be Build, Own and Transfer (BOT) principle for a period of 13 years further extendable to additional 5 years on mutual consent. The Sugar Mill will be entitled to take over the Cogeneration facility after fully debt servicing of the loan taken by the board.

TANGEDCO is responsible to procure, execute, commission and hand over the co-generation power plant along with sugar factory modernization equipments to AASM who shall be responsible for operation and maintenance from Commercial Operation Date (COD).

The cost of project of Co-generation is Rs.78.66 Crores and cost of Project for modernization of Aringar Anna Sugar Mills is Rs.37.06 Crores. TANGEDCO has raised loan for a term of 13 years with 3 years moratorium period for the project. Cane growers of Aringar Anna Sugar Mills to contribute 10% of the project cost and shortfall, if any, will be provided by Government, as equity. The company has no capital commitments except 10% contribution as equity around 0.34 Crores, in the event amount not reimbursing the same.

A sum of Rs. 11,23,89,584 has been given to TANGEDCO by the company towards contribution of cane growers in cogeneration/modernization project and balance is only around 0.34 Crores as per present project cost.

COD is not yet finalized during the year Arignar Anna Sugar Mills billed Rs.7,47,68,880/- (PY 7,33,75,914/-) towards sale of Power to TANGEDCO. TANGEDCO has balance amount of Rs.23,96,96,917/- is due from them on account of power export to TANGEDCO.

**b) Other Advances:**

- i) When the company changed its accounting year from sugar year (October to September) to uniform accounting year and compiled the Accounts for 1987-89 (18 months), the Company had paid advance bonus to the employees. While the recovery of the said advance bonus was ordered by the Government of Tamilnadu, the employees of Sugar Mills filed a Writ Petition before the High Court of Madras, challenging the recovery. The Writ Petition was allowed in favour of employees but the Government of Tamilnadu was permitted to issue notice to the Petitioners and pass appropriate order. Pending issue of final Order by Government of Tamilnadu the same is shown under Advance. However, for employees who have already retired, the advance bonus amount has been written off. The balance outstanding as on 31-03-2022 (after writing off Rs.46,496) is Rs.1,63,144/-
- ii) As a prudent measure, the Company has not recognized Net Deferred Tax Asset up to 31st March 2022 on account of timing difference relating to carry forward Income tax losses and depreciation.
- iii) Employees benefit – Gratuity and Leave Encashment
  - (a) The company through the Trustees, Tamil Nadu Sugar Corporation.Ltd. Group Gratuity Scheme, maintains a Group Gratuity (Cash Accumulation) Scheme with Life Insurance Corporation of India in respect of all employees of the company. The scheme had been approved by the Commissioner of Income Tax. As per the Group Gratuity (Cash Accumulation) Scheme which is in force, the company has computed the liability on actuarial valuation furnished by the Life Insurance Corporation of India. Necessary effect in this respect has been given in the Books of Accounts as of 31st March 2022. Leave Encashment is provided for as per the Actuarial Valuation as on 31-03-2022.

**b) Employees terminal benefits ( AS-15)**

**(i) Gratuity (Funded):**

	<b>As on 31.03.2022</b>	<b>As on 31.03.2021</b>
<b>1. Assumption</b>		
Discount rate	7.00%	7.00%
Salary escalation	7.00%	7.00%
<b>2. Table showing changes in the present value of obligation as on 31.03.2022</b>	(In Rs.)	(In Rs.)
Present value of obligation as at beginning of the year	4,81,78,416	5,66,61,122
Interest cost	33,72,489	40,92,203

Current Service Cost	21,30071	23,85,413
Benefits paid	(90,35,539)	(82,75,389)
Actuarial(gain/loss) in obligations	97,63,293	(66,84,933)
Present value of obligations as at end of year	5,44,08,730	4,81,78,416
<b>3. Table showing changes in the fair value of plan assets on 31.3.2022</b>	<b>Rs.</b>	<b>Rs.</b>
Fair value of plan assigned at beginning of year	5,47,31,611	6,08,85,820
Expected return on plan assets	34,79,907	20,91,490
Contributions	6,786	29,691
Benefits paid	(90,35,539)	(82,75,389)
Actuarial (gain/loss) in plan assets	NIL	NIL
Fair value of plan assets at the end of year	4,91,82,765	5,47,31,611
<b>4. Table showing fair value of plan assets</b>	<b>Rs.</b>	<b>Rs.</b>
Fair value of plan assets at beginning of year	5,47,31,611	6,08,85,820
Actual return on plan assets	34,79,907	20,91,490
Contributions	6,786	29,691
Benefits paid	(90,35,539)	(82,75,389)
Fair value of plan assets at the end of year	4,91,82,765	5,47,31,611
Funded status	(52,25965)	65,53,195
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return=Estimated rate of return as ARD falls as on 31 <sup>st</sup> March)		
<b>5. Actuarial Gain/Loss recognized as on 31.3.2022</b>	<b>Rs.</b>	<b>Rs.</b>
Actuarial (gain/loss) obligations	(97,63,293)	66,84,933
Actuarial (gain/loss) for the year plan assets	NIL	NIL
Actuarial (gain/loss) obligations	97,63,293	(66,84,933)
Actuarial (gain/loss) recognized in the year	97,63,293	(66,84,933)
<b>6. The amounts to be recognized in the balance sheet and statements of profit &amp; loss:</b>	<b>Rs.</b>	<b>Rs.</b>
Present value of obligations at the end of year	5,44,08,730	4,81,78,416
Fair value of plan assets at the end of the year	4,91,82,764	5,47,31,611
Funded status	(52,25,965)	65,53,195
Net Assets(liability)recognized in Balance Sheet	(52,25,965)	65,53,195
<b>7. Expenses Recognized in statement of profit and loss :</b>	<b>Rs.</b>	<b>Rs.</b>
Current Service Cost	21,30,071	23,85,413
Interest cost	33,72,489	40,92,203
Expected return on Plan Assets	(34,79,907)	(48,88,772)
Net Actuarial gain/loss recognized in the year	97,63,293	(66,84,933)
Expenses recognized in statement of Profit and Loss	1,17,85,946	(22,98,807)

## (ii) Earned Leave encashment (Un Funded):

## a) HEAD OFFICE

<b>PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Discount Rate	6.19%	6.25%
Salary escalation rate	6.00%	6.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	0.00%	0.00%

<b>AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Present value of the obligation	86,90,876	73,68,181
Fair value of plan assets	--	--
Funded Status	(86,90,876)	73,68,181
Unrecognized transitional liability	--	--
Unrecognized past service cost – non vested benefits	--	--
Net Assets/Liability recognized in the balance sheet	(86,90,876)	73,68,181

<b>EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Current Service Cost	5,08,535	4,19,576
Interest Cost	4,60,511	3,77,208
Expected return on plan assets	--	--
Net actuarial (gain) / loss recognized in the year	3,53,649	(93,054)
Transitional Liability recognized in the year	--	--
Past service cost – non-vested benefits	--	--
Past service cost – vested benefits	--	--
Expenses recognized in the statement of profit and loss (This is shared between AASM & PSM)	13,22,695	7,03,730

## b) ARIGNAR ANNA SUGAR MILLS :

<b>PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Discount Rate	6.81%	6.41%
Salary escalation rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Expected rate of return on Plan Assets	0.00%	0.00%



<b>AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Present value of the obligation	1,55,22,473	1,36,83,681
Fair value of plan assets	--	--
Funded Status	(1,55,22,473)	(1,36,83,681)
Unrecognized transitional liability	--	--
Unrecognized past service cost – non vested benefits	--	--
Net Assets/Liability recognized in the balance sheet	(1,55,22,473)	(1,36,83,681)

<b>EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Current Service Cost	27,04,791	27,55,929
Interest Cost	8,77,124	7,66,796
Expected return on plan assets	--	--
Net actuarial (gain) / loss recognized in the year	(2,65,554)	16,15,870
Transitional Liability recognized in the year	--	--
Past service cost – non-vested benefits	--	--
Past service cost – vested benefits	--	--
Expenses recognized in the statement of profit and loss	33,16,361	51,38,595

**v) Segment Reporting:**

The Company is engaged in Manufacture of Sugar and allied activities, Consulting and Sale of Power. Disclosure as required by Accounting Standard 17 “Segment Reporting” issued by the institute of Chartered Accountants of India is given below.

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2022 (Rs.)</b>	<b>Year ended 31<sup>st</sup> March 2021 (Rs.)</b>
<b>Segment Revenues</b>		
Manufacture&Sale of Sugar	73,62,00,557	64,00,52,405
Consulting	49,12,500	55,12,500
Sale of Power	7,47,68,880	7,33,75,914
Unallotted	1,76,99,121	74,61,253
<b>Total</b>	<b>83,35,81,058</b>	<b>72,64,02,072</b>
<b>Segment Expenses</b>		
Manufacture& Sale of Sugar	90,29,69,845	80,95,57,963
Consulting	1,50,000	15,20,474
Sale of Power	4,63,20,620	2,52,12,681
Unallotted	33,74,193	26,30,237
<b>Total</b>	<b>95,28,14,658</b>	<b>83,89,21,355</b>

<b>Segment Assets</b>		
Manufacture of Sugar	<b>96,78,52,121</b>	85,34,89,219
Consulting	41,61,20,358	41,59,32,902
Sale of Power	35,20,86,501	27,73,82,604
Unallotted	3,72,11,649	13,68,01,783
<b>Total</b>	<b>1,77,32,70,629</b>	<b>1,74,23,56,778</b>
<b>Segment Liabilities</b>		
Manufacture of Sugar	1,55,73,74,653	1,53,26,12,470
Consulting	1,28,37,623	1,04,83,035
Sale of Power	14,96,61,964	13,76,61,846
Unallotted	5,33,96,389	6,15,99,427
<b>Total</b>	<b>1,77,32,70,629</b>	<b>1,74,23,56,778</b>

**vi) Related party disclosures:**

As per AS-18, "Related party Disclosures" the related parties where control exists or where significant influence exists and with whom transactions have taken place are as below:

<b>Subsidiary (Held directly) Perambalur Sugar Mills (% held is 96.04%)</b>	<b>2021-2022 Rs.</b>	<b>2020-2021 Rs.</b>
<b>Balance Sheet Transactions</b>		
Loan Outstanding	5,48,95,196	5,00,27,127/-
<b>Profit and Loss Transactions:</b>		
Cane Purchase	59,49,456	18,25,686/-
Sharing of HO Income	11,78,859	9,48,969/-
Sharing of HO Expenses	1,47,63,696	96,25,619/-
Sharing of HO Depreciation	5,14,603	2,24,916/-
Spares & Consumables (Net)	--	5,76,123/-

**vii) Taxes on Income:**

Considering the Current year losses and brought Forward Losses and allowances available for set off there is no income tax liability for the current year.

**viii) Earnings per Share:**

<b>Sl. No.</b>	<b>Particulars</b>	<b>2021-2022</b>	<b>2020-2021</b>
(a)	Profit / Loss after Tax (in Rs)	(11,92,33,600)	(11,25,19,283)
(b)	No. of shares outstanding (in Nos)	21,82,43,639	21,82,43,639
(c)	Weighted Average share outstanding ( in Nos )	21,82,43,639	21,82,43,639
(d)	Basic EPS ( in Rs) ( a/b)	(0.55)	(0.52)
(e)	Diluted EPS ( in Rs) (a/c)	(0.55)	(0.52)

**ix) OTHER DISCLOSURES:****(i) Land:**

- a) The company had entered into a land lease agreement with TANGEDCO on 12/03/2010 and leased out land measuring 20.00 acres of land in the Aringar Anna Sugar Mills premises at Kurungulam for implementation of cogeneration project by the TANGEDCO.

**(ii) Fraud:**

The Company detected/ identified alleged fraud during the FY 2015-2016 on the company by cane growers in collusion with company employees/officers. Based on the report of the Enquiry Officers appointed by the Company, 8 employees were terminated from service and 21 employees were punished with increment stoppage for one to three years. Further, the investigation against 45 staff and 88 cane growers by the police department and the process of filing of charge sheet is in progress.

Nature of Fraud	Alleged Misappropriation of Assets of the Company
Approximate amount involved	Rs., 2.40 Crores
Parties Involved	Cane Growers, Employees/Officers

**iii) Expenses of Head office is shared in the percentage (%) of;**

Aringar anna sugar mills (39%): Perambalur Sugar Mills (61%)

- iv) Previous year's figures have been suitably regrouped wherever necessary to conform to this year's classification.

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthikumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

## TAMILNADU SUGAR CORPORATION LIMITED

### Note forming part of the financial statements

#### Note No: 2 - Share Capital

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>A. EQUITY AND LIABILITIES</b>		
(1) SHAREHOLDERS' FUNDS		
<b>(a) Share Capital</b>		
(i) Authorised		
<b>22,00,00,000 Equity Shares of Rs.10/- each</b>	<b>22,00,000.00</b>	<b>22,00,000.00</b>
<b>(ii) Issued, Subscribed and Paid up</b>		
21,82,43,639 Equity shares of Rs.10/- each fully paid up* with voting rights (PY 21,82,43,639 Equity Shares of Rs.10/- each)	<b>21,82,436.39</b>	<b>21,82,436.39</b>
* Note:		
1. This includes 3,80,000 Equity Shares of Rs.10/- each allotted during the year 2016-17 as fully paid up with reference to the amounts received from the Govt. and accounted as Capital Reserves in the earlier years in Perambalur Sugar Mills		
2. This includes 3,80,000 Equity Shares of Rs.10/- each allotted during the year 2011-12 as fully paid up with reference to the amounts received from the Govt. and accounted as Capital Reserves in the earlier years in Arignar Anna Sugar Mills		
3. This includes 7,24,20,000 Equity Shares of Rs.10/- each allotted as fully paid up for consideration other than cash during the year 2010 - 11.		
4. This includes 13,72,72,158 Equity Shares of Rs.10/- each allotted as fully paid up for consideration other than cash during the year 2020 - 2021.		
<b>Total</b>	<b>21,82,436.39</b>	<b>21,82,436.39</b>

#### Note No: 2(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting Year:

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares with voting rights</b>			
<b>Year ended 31 March, 2022</b>			
- Number of shares	21,82,43,639	-00	21,82,43,639
- Amount (Rs.1000's)	21,82,436.39	-00	21,82,436.39
<b>Year ended 31 March, 2021</b>			
- Number of shares	8,09,71,481	13,72,72,158	21,82,43,639
- Amount (Rs.1000's)	8,09,714.81	13,72,721.58	21,82,436.39

Note No: (2b) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholders	As at 31-Mar 2022		As at 31-Mar 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Governor of Tamilnadu	21,72,43,639	99.54%	21,72,43,639	99.54%

Note No: 2(c) - Shareholding of promoters

Promoter Name	Shareholding at the beginning of the year		
	No. of Shares	% of Total Shares	% Change during the year
Governor of Tamilnadu	21,72,43,639	99.54%	-
Total	21,72,43,639		

Note No: 3 - Reserve & Surplus

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance		
Add: Profit / (Loss) for the year	(21,92,130.40)	(20,79,611.12)
Closing balance	(1,19,233.60)	(1,12,519.28)
<b>Closing Balance</b>	<b>(23,11,364.00)</b>	<b>(21,92,130.40)</b>
<b>Total</b>	<b>(23,11,364.00)</b>	<b>(21,92,130.40)</b>

Note No: 4 Long term borrowings

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Term loans</b>		
<b>Secured</b>		
(i) Central Government Financial Assistance as Soft Loan from TCCB Secured by creation of charge on Fixed Assets	9,018.05	23,770.58
(ii) Covid Term Loan from Banks	6,610.04	18,670.00
<b>Unsecured Loan</b>		
(iii) Cash Credit Loan from MDCC.Bank	15,537.51	15,537.51
<b>Total</b>	<b>31,165.60</b>	<b>57,978.10</b>

**Note No: 4 (i) Loan from TCCB**

Long term loan borrowed from TCCB amounting to Rs.472.29 lakhs @ 11.50% (with penal interest of 2% for default, if any) repayable in 48 monthly instalments with reimbursement of interest @ 7% from central Government for one year to ensure FRP cane price disbursement which is guaranteed by State Government..

**Note No: 4 (ii) Covid Term Loan**

During 2020-2021 Thanjavur Central Co-Operative Bank Ltd (TCCB) released Rs.186.70 Lakhs @ 10.50% of Interest (with penal interest of 2%) repayable in 18 Equal Monthly Instalments with Moratorium period 6 Months.

**Note No: 4 (iii) Cash Credit Loan from MDCC.Bank**

Madura Sugar Unit has availed Cash Credit Facilities from MDCC Bank. As the unit Operation was closed down. the MDCC Bank has invoked Government Guarantee issued for Cash Credit. As the Government settled Cash Credit availed at the time of guarantee Invoked and the interest accrued from the date of Invocation to the date of settlement is outstanding not settled by Govt. is due for payment.

**Note No: 5 - Long Term Provisions**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Provision for employee benefits -</b>		
Provision for Earned Leave benefit	16,318.80	16,724.27
<b>Total</b>	<b>16,318.80</b>	<b>16,724.27</b>

**Note No: 6 - Short Term Borrowings**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Secured</b>		
(a) Secured - Cash Credit From TCCB Secured by pledge of stock of sugar valid upto 30/09/2022 @ 11.50% p.a, guaranteed by State Government.	4,64,994.72	3,00,314.55
(b) Current Maturities of Long term borrowings (Ways & Means Advance from TN. Govt.)	7,59,053.29	5,90,641.29
<b>Total</b>	<b>12,24,048.01</b>	<b>8,90,955.84</b>

**Note No: 6(a) - Details of the loans, Terms of repayment and delay in payment****i. Loan From Government**

Product Name	Principal ( in Rs.)	Interest ( in Rs.)	Interest & Penal Interest Rate	Repayable schedule
Ways & Means Advance for Repayment of TIIC Loan	7,60,59,292	4,44,86,291.00	13%+2.5%	Within FY 2018-19
Ways & Means Advance for Settlement of FRP 2017-18	11,06,00,000	6,56,42,995.00	13%+2.5%	Within FY 2018-19
Ways & Means Advance for Cane Payment 2018-19	16,15,22,000	5,90,42,265.00	12.60%+2.5%	Within FY 2019-20
Ways & Means Advance for Bonus to Employees 2018-19	11,30,000	4,19,323.00	13%+2.5%	Within FY 2019-20
Ways & Means Advance for Bonus 2019 - 20	27,30,000	5,69,613.00	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2015-16	6,03,63,000	1,18,68,854.00	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2015-16	6,03,63,000	1,06,15,123.00	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2016-17	11,78,74,000	2,04,71,000.00	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for Settlement of FRP 2020-21	16,60,82,000	1,22,30,916.00	12.80+2.5%	Within FY 2021-22
Ways & Means Advance for Bonus 2020 - 21	23,30,000	1,22,564.00	12.80+2.5%	Within FY 2021-22
<b>Total</b>	<b>75,90,53,292</b>	<b>22,54,68,944</b>		

The Company has defaulted in the repayment of due (Principal & Interest) amounting to Rs.,98,45,22,236/- to State Government. (PY Rs.,71,21,29,454/-)

**Note No: 7 - Trade payables**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Trade payables:</b>		
(i) Micro, Small, Medium Enterprises	1,630.80	4,604.41
(ii) Others	1,36,940.77	4,14,811.40
<b>Total</b>	<b>1,38,571.57</b>	<b>4,19,415.82</b>

**TRADE PAYABLES AGEING SCHEDULE**

Particulars	Outstanding for following periods from due date of payment									
	< 1 Year		1-2 Years		2-3 Years		> 3 Years		Total	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(I) MSME	1,630.80	4,434.44	-	169.98	-	-	-	-	1,630.80	4,604.41
(II) Others	1,20,285.22	3,25,364.94	1,091.48	1,054.55	666.91	750.52	14,475.11	87,641.40	1,36,518.73	4,14,811.40
(I) Disputed Dues - MSME	-	-	-	-	-	-	-	-	-	-
(II) Disputed Dues - Others	-	-	-	-	422.04	-	-	-	422.04	-
<b>Total</b>	<b>1,21,916.02</b>	<b>3,29,799.38</b>	<b>1,091.48</b>	<b>1,224.52</b>	<b>1,088.95</b>	<b>750.52</b>	<b>14,475.11</b>	<b>87,641.40</b>	<b>1,38,571.57</b>	<b>4,19,415.82</b>

**Note No: 8 - Other current liabilities**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
(a) Liability for Area Development Fund	3,428.27	3,428.27
(b) Interest accrued and due on Ways & Means Advance from Govt.	2,25,468.94	1,21,488.16
(c) Other Liabilities	2,47,634.11	2,35,311.84
<b>Total</b>	<b>4,76,531.32</b>	<b>3,60,228.28</b>

**Note No: 9 - Short Term Provision**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
(a) Provision for employee benefits:(Short Term)		
(i) Provision for bonus	1,859.57	1,990.07
(ii) Provision for Pension contribution	582.84	430.83
(iii) Provision for Earned Leave benefit	7,894.55	4,327.59
(iv) Provision for Gratuity	5,225.97	-
<b>Total</b>	<b>15,562.92</b>	<b>6,748.49</b>



## Note No: 10 - Property, Plant &amp; Equipment

Particulars	Land	Buildings	Plant & Equipments	Furniture & Fittings	Vehicles	Computer	Total
	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)
Cost As at March 31, 2020	2,541.85	79,007.13	2,83,703.66	15,604.49	6,708.07	6,855.83	3,94,421.04
Additions	-	840.73	65.07	186.26	-	257.54	1,349.60
Disposals	-	6,047.42	1,30,550.22	10,272.00	1,419.41	4,773.09	1,53,062.14
Cost As at March 31, 2021	<b>2,541.85</b>	<b>73,800.44</b>	<b>1,53,218.51</b>	<b>5,518.74</b>	<b>5,288.66</b>	<b>2,340.28</b>	<b>2,42,708.50</b>
Additions	-	-	-	590.60	-	56.46	647.06
Disposals/adjusted	-	-	-	-	-	-	-
Cost As at March 31, 2022	<b>2,541.85</b>	<b>73,800.44</b>	<b>1,53,218.51</b>	<b>6,109.35</b>	<b>5,288.66</b>	<b>2,396.74</b>	<b>2,43,355.56</b>
Depreciation as at March 31, 2020	-	49,904.75	2,62,240.13	14,808.79	5,015.29	6,538.24	3,38,507.21
Charges for the Year	-	1,192.17	1,322.16	262.05	375.17	303.87	3,455.41
Disposals/adjusted	-	5,029.68	1,29,573.23	10,256.15	1,419.41	4,773.09	1,51,051.55
Depreciation as at March 31, 2021	-	46,067.24	1,33,989.07	4,814.69	3,971.05	2,069.02	1,90,911.07
Charges for the Year	-	902.62	1,267.04	761.13	345.32	202.15	3,478.24
Disposals/adjusted	-	-	-	-	-	-	-
Depreciation as at March 31, 2022	-	46,969.86	1,35,256.10	5,575.82	4,316.36	2,271.17	1,94,389.31
Net Block	-	-	-	-	-	-	-
As at March 31, 2020	<b>2,541.85</b>	<b>29,102.39</b>	<b>21,463.53</b>	<b>795.70</b>	<b>1,692.78</b>	<b>317.59</b>	<b>55,913.83</b>
As at March 31, 2021	<b>2,541.85</b>	<b>27,733.20</b>	<b>19,229.44</b>	<b>704.05</b>	<b>1,317.61</b>	<b>271.26</b>	<b>51,797.43</b>
As at March 31, 2022	<b>2,541.85</b>	<b>26,830.59</b>	<b>17,962.41</b>	<b>533.53</b>	<b>972.30</b>	<b>125.57</b>	<b>48,966.25</b>

**Note:** Depreciation of Rs.5,14,603/- (PY Rs.2,24,916/-) is shared with Perambalur sugar mills being depreciation on Head office assets and hence net depreciation of Rs.2963637/- (PY Rs.32,30,497/-) is debited to profit and loss statement.

## Note No: 11 - Non-current investments

Particulars	As at 31-Mar-2022			As at 31-Mar-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)	Rs. (in 1000's)
<b>Investments (At cost):</b>						
<b>A. Trade</b>						
a. 5,60,200 Equity Shares of Rs. 10/- each fully paid up in Tamil Nadu Newsprint & Papers Ltd.	5,602.00	-	5,602.00	5,602.00	-	5,602.00
<b>B. Non - Trade</b>						
a. 3,60,97,501 Equity Shares of Rs. 10/- each fully paid in the Subsidiary Company, Perambalur Sugar Mills Limited	-	3,60,975.01	3,60,975.01	-	3,60,975.01	3,60,975.01
b. 2,000 Shares of Rs. 50/- each in Madurai District Central Co-operative Bank Limited.	-	100.00	100.00	-	100.00	100.00
c. 20,000 Shares of Rs.5/ each in Thanjavur District Central Co-operative Bank Limited - Thanjavur	-	100.00	100.00	-	100.00	100.00
d. 1 Share of Rs.5/ each in Erode District Central Co-operative Bank Limited.	-	0.01	0.01	-	0.01	0.01
e. 1 Share of Rs.10/ each in Tamil Nadu State Coop. Bank Limited, Chennai	-	0.01	0.01	-	0.01	0.01
<b>Total</b>	<b>5,602.00</b>	<b>3,61,175.03</b>	<b>3,66,777.03</b>	<b>5,602.00</b>	<b>3,61,175.03</b>	<b>3,66,777.03</b>
Aggregate amount of unquoted investments	-	-	3,61,175.03	-	-	3,61,175.03
Aggregate amount of quoted investments at Face Value	-	-	5,602.00	-	-	5,602.00
Aggregate market value of listed and quoted investments	[ @167.65 (NSE) ]		93,917.53	[ @146.55 (NSE) ]		82,097.31

**Note No: 12 - Long term loans & advances**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
A. Secured, considered good		
B. Unsecured, considered good		
(a) Capital advances	1,12,389.58	1,12,389.58
(b) Trade Advances		
<b>Total</b>	<b>1,12,389.58</b>	<b>1,12,389.58</b>

**Note No: 13 - Other Non Current Assets**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
Security Deposits	5,020.47	4,204.78
<b>Total</b>	<b>5,020.47</b>	<b>4,204.78</b>

**Note No: 14 - Inventories**

(At lower of cost and net realisable value as certified by Management)

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
(i) Work In process		
(a) Sugar	24,110.74	20,587.73
(b) Molasses	3,000.27	3,279.73
<b>Sub Total (A)</b>	<b>27,111.01</b>	<b>23,867.46</b>
(ii) Finished Goods		
(a) Sugar	5,92,413.84	6,55,840.23
(b) Molasses	45,962.07	28,456.21
(c) Baggasse	1,286.25	149.50
<b>Sub Total (B)</b>	<b>6,39,662.16</b>	<b>6,84,445.94</b>
(iii) Stores/Spares	9,245.06	11,468.73
Less: provision for obsolete Stores	2,345.56	4,722.27
<b>Sub Total (C)</b>	<b>6,899.50</b>	<b>6,746.46</b>
(iv) Others		
(a) Fertilizer & Pesticides	546.20	700.77
(b) Tools & Appliances	11.52	25.55
(c) Pressmud	1,585.32	1,815.06
<b>Sub Total (D)</b>	<b>2,143.04</b>	<b>2,541.38</b>
<b>Total (A+B+C+D)</b>	<b>6,75,815.71</b>	<b>7,17,601.24</b>

## Note No: 15 - Trade Receivable

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	3,01,801.14	2,47,728.50
Doubtful	589.16	1,719.24
	<b>3,02,390.30</b>	<b>2,49,447.74</b>
Less: Provision for doubtful trade receivables	589.16	1,719.24
<b>Sub total (A)</b>	<b>3,01,801.14</b>	<b>2,47,728.50</b>
<b>b) Trade receivables outstanding for a period less than six months from the date they were due for payment</b>		
Unsecured, considered good	64,206.68	63,842.19
<b>Sub total (A)</b>	<b>64,206.68</b>	<b>63,842.19</b>
<b>Total (A+B)</b>	<b>3,66,007.83</b>	<b>3,11,570.69</b>

## TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment											
	< 6 Months		6 Months -1 Years		1-2 Years		2-3 Years		> 3 Years		Total	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(i) Undisputed Trade Receivables - Considered good	64,206.68	59,054.12	14,331.83	1,02,940.57	1,59,969.49	94,149.71	75,446.17	36,471.80	51,464.49	17,235.24	3,65,418.67	3,09,851.44
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-	-	589.16	1,719.25	589.16	1,719.25
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	64,206.68	59,054.12	14,331.83	1,02,940.57	1,59,969.49	94,149.71	75,446.17	36,471.80	52,053.65	18,954.48	3,66,007.83	3,11,570.69

## Note No: 16 - Cash and cash equivalent

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
(a) Cash on hand	34.88	50.31
<b>Sub total (A)</b>	<b>34.88</b>	<b>50.31</b>
(b) Balances with banks		
(i) In current accounts	28,023.49	11,411.24
(ii) In deposit accounts	4,136.49	5,016.93
(iii) Other earmarked accounts (SUBUCAS & NADP Scheme)	1,941.90	4,566.74
<b>Sub total (B)</b>	<b>34,101.89</b>	<b>20,994.91</b>
<b>Total (A+B)</b>	<b>34,136.77</b>	<b>21,045.22</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements

## Note No: 17 - Short Term Loan &amp; Advances

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>A. Secured, considered good</b>		
<b>B. Unsecured, considered good</b>		
(a) Loans and advances to employees	2,852.73	1,006.98
(b) Advance to Growers, suppliers and contractors	8,452.38	5,858.79
(c) Other Advances	24,895.39	36,025.20
<b>Sub total</b>	<b>36,200.50</b>	<b>42,890.98</b>
<b>C. Doubtful</b>		
(i) Advance to Growers, suppliers and contractors Doubtful	5,362.74	5,362.74
Less: Provision for other doubtful loans and advances	5,362.74	5,362.74
<b>Sub Total</b>	<b>-00</b>	<b>-00</b>
(ii) Other Advances		
Doubtful	1,747.98	1,747.98
Less: Provision for doubtful advances	1,747.98	1,747.98
<b>Sub Total</b>	<b>-00</b>	<b>-00</b>
<b>Total</b>	<b>36,200.50</b>	<b>42,890.98</b>

**Note No: 18 - Other Current Assets**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
Unsecured, considered good		
(a) Accrual		
Interest accrued on Bank Deposits	615.35	541.31
(b) Amount recoverable from Subsidiary Company	54,895.20	50,027.13
(c) Amount recoverable for cane diversion to other Mills	3,110.90	3,110.90
(d) Prepaid expenses	4,499.04	2,167.93
(e) Balances with government authorities	-0.00	-0.00
(i) TDS	8,207.17	7,593.01
(ii) Service Tax,E.D ,VAT credit receivable	2,490.62	627.30
(f) Others	5,217.71	5,593.11
(g) Deposit with Others (Tamilnadu Power Finance Corporation Ltd)	48,920.50	44,419.14
<b>Total</b>	<b>1,27,956.50</b>	<b>1,14,079.83</b>

**Note No: 19 - Revenue from operation**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>(i)(a) Manufactured goods</b>		
Sale of Sugar	6,89,980.41	5,16,311.14
Sale of Molasses	43,720.26	1,22,917.25
Sale of Pressmud	1,385.03	171.37
Sale of Power-Co-Gen	74,768.88	73,375.91
Sale of Baggase	0.75	-0.00
<b>Sub Total (A)</b>	<b>8,09,855.33</b>	<b>7,12,775.67</b>
<b>(b) Traded goods</b>		
Sale of Fertiliser and Pesticides	959.67	650.89
Sale of Farm/Parasite Lab. Products	154.44	1.76
<b>Sub Total (B)</b>	<b>1,114.11</b>	<b>652.65</b>
<b>(ii) Sale of services</b>		
Consultancy service charges from co-operative sugar mills	4,912.50	5,512.50
<b>Sub Total (C)</b>	<b>4,912.50</b>	<b>5,512.50</b>
<b>Total (A)+(B)+(C)</b>	<b>8,15,881.94</b>	<b>7,18,940.82</b>

## Note No: 20 - Other Income

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>(a) Interest income</b>		
From Bank on Fixed Deposits	1,707.09	1,466.64
From others	962.91	1,321.50
<b>(b) Dividend income:</b>	-0.00	-0.00
From long-term investments- Others	1,680.60	3,361.20
(c) Rent received	278.71	278.71
(d) Subsidy received	7,665.06	-0.00
(e) Scrap Sales	4,457.52	955.98
(f) Others	947.23	77.22
<b>Total</b>	<b>17,699.12</b>	<b>7,461.25</b>

## Note No: 21 - Cost of materials consumed

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Material consumed:</b>		
Sugarcane Consumed	5,45,507.82	5,29,828.18
<b>Total</b>	<b>5,45,507.82</b>	<b>5,29,828.18</b>

## Note No: 22 - Purchase of Trading goods

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Fertiliser and Pesticides	836.00	580.00
<b>Total</b>	<b>836.00</b>	<b>580.00</b>

## Note No: 23 - Net (increase) / decrease of Inventories

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Finished goods		
Sugar: Opening Stock	6,55,840.23	6,07,708.03
Closing Stock	5,92,413.84	6,55,840.23
<b>Sub Total (a)</b>	<b>63,426.39</b>	<b>(48,132.20)</b>
Molasses: Opening Stock	28,456.21	73,494.63
Closing Stock	45,962.07	28,456.21
<b>Sub Total (b)</b>	<b>(17,505.85)</b>	<b>45,038.42</b>
Baggasse: Opening Stock	149.50	230.00
Closing Stock	1,286.25	149.50
<b>Sub Total (c)</b>	<b>(1,136.75)</b>	<b>80.50</b>

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Work in process</b>		
Sugar-in-process: Opening Stock	20,587.73	15,363.99
Closing Stock	24,110.74	20,587.73
<b>Sub Total (d)</b>	<b>(3,523.01)</b>	<b>(5,223.74)</b>
Molasses-in-process: Opening Stock	3,279.73	4,282.22
Closing Stock	3,000.27	3,279.73
<b>Sub Total (e)</b>	<b>279.46</b>	<b>1,002.49</b>
Fertilizer & Pesticides :Opening Stock	700.77	27.38
Closing Stock	546.20	700.77
<b>Sub Total (f)</b>	<b>154.57</b>	<b>(673.40)</b>
Pressmud : Opening Stock	1,815.06	150.40
Closing Stock	1,585.32	1,815.06
<b>Sub Total (g)</b>	<b>229.74</b>	<b>(1,664.66)</b>
<b>Net (increase) / decrease (a+b+c+d+e+f+g)</b>	<b>41,924.55</b>	<b>(9,572.59)</b>

**Note No: 24 - Employee benefits expense**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
(a) Salaries, Wages and Bonus	96,762.43	1,03,154.32
(b) Contribution to		
(i) Provident fund	9,854.75	10,912.99
(ii) Pension fund	298.34	430.83
(c) Gratuity contribution scheme	11,785.95	(2,298.81)
(d) Staff welfare expenses	2,328.45	1,384.17
(e) Earned Leave	4,639.06	5,842.33
<b>Total</b>	<b>1,25,668.97</b>	<b>1,19,425.82</b>

**Note No: 25 - Finance Cost**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
(a) Interest expense on:		
(i) Bank loan (Term Loan, Soft loan and Cash credit)	1,35,368.59	1,06,556.28
(ii) Ways & Means Loans	0.60	3.87
<b>Total</b>	<b>1,35,369.20</b>	<b>1,06,560.15</b>



## Note No: 26 - Other Expenses

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Carriage Inwards		
Co-Gen Expenses	46,320.62	25,212.68
Process Stores consumed	5,196.35	4,648.28
Consumption of packing materials	7,034.76	6,288.09
Power and fuel	15,742.60	12,728.14
Self generation tax on electricity	427.56	518.84
Rent	1,215.83	1,240.86
Repairs and maintenance - Buildings	22.80	1,093.78
- Machinery	18,209.49	8,627.49
- Others	1,251.97	1,187.13
Insurance	1,853.51	2,774.55
Rates and taxes	2,674.59	2,332.15
Travelling and conveyance	739.34	467.46
Printing and stationery	204.27	345.78
Postage, Telephone	250.63	454.49
Selling & Distribution Expenses	1,068.60	948.98
Bank charges	70.13	51.25
Entertainment Expenses	125.74	109.33
Legal and professional	1,742.50	387.67
Subscription to Associations	701.98	787.38
Corporate Meeting Expenses	617.55	783.17
Payments to auditors (Refer Note (i) below)	193.23	150.55
Guarantee Commission	1,510.86	2,034.72
Prior period items (Refer Note (ii) below)	(16,101.00)	4,447.52
Security Charges	8,165.53	7,708.97
Filing Fees (ROC)	-0.00	-0.00
Debts / advances written off	-0.00	-0.00
Less : Provisions for Doubtful Debts/Advances withdrawn	-0.00	960.19
Loss on retirement of Assets	-0.00	2,010.59
Miscellaneous expenses	1,305.06	569.29
<b>Total</b>	<b>1,00,544.49</b>	<b>88,869.30</b>

**Note No. 26. Other expenses (contd.)**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>(i) Payments to the Auditors comprises</b>		
As Auditors - Statutory audit	150.00	150.00
For Reimbursement of Expenses	43.23	0.55
<b>Total</b>	<b>193.23</b>	<b>150.55</b>
<b>(ii) Details of Prior period items (net)</b>	-0.00	-0.00
Prior period expenses	1,184.07	5,941.25
Less: Prior period income	17,285.07	1,493.73
<b>Total</b>	<b>(16,101.00)</b>	<b>4,447.52</b>

**Note No: 27 - Value of Imports**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Value of imports calculated on C.I.F basis by the company during the financial year in respect of –</b>		
I. Raw materials;	-	-
II. Components and spare parts;	-	-
III. Capital goods;	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No: 28 - Dividends Remitted in Foreign Currency**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-
Amount of Dividend Remitted in Foreign currency	-	-
Number of Non resident Shareholders	-	-
Number of shares held	-	-
Year to which dividend related	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No: 29 - Details of Crypto Currency or Virtual Currency**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:-		
(a) profit or loss on transactions involving Crypto currency or Virtual Currency		
(b) amount of currency held as at the reporting date,		
(c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.		
<b>Total</b>		

**Note No: 30 - . Earnings in Foreign exchange**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Earnings in foreign exchange	-	-
Export of goods calculated on F.O.B. basis;	-	-
Royalty, know-how, professional and consultation fees;	-	-
Interest and dividend;	-	-
Other income, indicating the nature thereof	-	-
<b>Total</b>	-	-

**Note No: 31 - Wilful Defaulters**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs.(in 1000's)	Rs.(in 1000's)
Where a company is a declared wilful defaulter by any bank or financial institution or other lender, following details shall be given:	-	-
(a) Date of declaration as wilful defaulter,	-	-
(b) Details of defaults (amount and nature of defaults)	-	-
<b>Total</b>	-	-

## Note No: 32 - Ratios

S. No.	Particulars	Formula	2021-2022	2020-2021	Variance (in %)	Reason for variance
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.67	0.72	7.10	
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$	9.74	97.89	90.05	Due to the increase in Govt. Ways and means advance during the current year
3	Debt Service Coverage Ratio	$\frac{\text{Earnings available for Debt Service}}{\text{Debt Service}}$	0.33	0.04	835.60	Earnings increased considerably during the current year
4	Return on Equity	$\frac{\text{Net Profits after taxes - Preference Dividend}}{\text{Average Shareholder's Equity}}$	1.72	2.42	171.19	The loss is increased
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods sold or Sales}}{\text{Average Inventory}}$	1.17	1.01	16.23	
6	Trade Receivables Turnover Ratio	$\frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$	2.41	2.86	15.69	
7	Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	1.96	1.38	41.90	Purchases has been increased
8	Net Capital Turnover Ratio	$\frac{\text{Net Sales}}{\text{Working Capital}}$	1.33	1.53	13.19	
9	Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Net Sales}}$	0.15	0.16	6.62	
10	Return on Capital Employed	$\frac{\text{Earnings before Interest and taxes}}{\text{Capital Employed}}$	3.13	3.37	192.76	Earnings increased considerably during the current year
11	Return on Investment	$\frac{\text{Net Profit}}{\text{Cost of Investment}}$	0.05	0.05	5.97	

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2022**

Rs. in Thousands

Particulars	Current year		Previous year	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/Loss as per P&L Account		-1,19,233.60		-1,12,519.28
<b>Adjustment for</b>				
<b>Add:</b>				
Loss on assets written off	-		2,010.59	
Depreciation (Net of sharing)	3,478.24		3,455.41	
Finance cost	1,35,369.20	<b>1,38,847.44</b>	1,06,560.15	<b>1,12,026.15</b>
<b>Less:</b>				
Interest income from bank and others	2,669.99		2,788.14	
Dividend received	1,680.60	4,350.59	3,361.20	6,149.34
<b>Operating profit/loss before Working Capital Changes</b>		<b>15,263.25</b>		<b>(6,642.48)</b>
<b>Change in operating assets and liabilities</b>				
<b>Increase / Decrease in:</b>				
Inventories	41,785.53		(8,081.50)	
Trade Receivables	(54,437.14)		(1,19,760.74)	
Short term loans & Advances	6,690.48		(1,185.76)	
Other Current Assets	(11,083.55)		(9,246.41)	
Trade Payable	(2,80,844.24)		70,155.45	
Current liabilities	12,322.27		2,82,337.23	
Short term & Long term Provisions	8,408.96		2,246.68	
Long Term Loans & Advances	-	(2,77,157.69)	(31,599.60)	1,84,865.36
Cash generated from Operations		(2,61,894.45)		1,78,222.88
<b>Less: Income taxes paid</b>		-		-
<b>Net Cash Flow from Operating Activities (a)</b>		<b>-2,61,894.54</b>		<b>1,78,222.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE		(647.06)		(1,349.60)
Interest Income		1,686.03		1,321.50
Dividend Income		1,680.60		3,361.20
<b>Net cash from Investing Activities (b)</b>		<b>2,719.57</b>		<b>3,333.10</b>

Particulars	Current year		Previous year	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(Decrease) in Long Term Borrowings		(26,812.49)	-	4,896.65
Increase/(Decrease) in Short Term Borrowings		3,33,092.17	-	(1,59,290.75)
Interest paid		(31,388.42)	-	(47,668.54)
<b>Net Cash from Financing Activities (c)</b>		<b>2,74,891.26</b>	-	<b>(2,02,062.64)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>		15,716.39		(20,506.65)
Cash and cash equivalent at the beginning of the year		16,478.48		36,985.13
Cash and cash equivalent at the end of the year		32,194.86		16,478.48

## Note

- The above cash flow statement has been prepared under indirect method as per AS-3.
- Component of Cash and Cash Equivalents:

Cash on hand	34.88	50.31
Balance with banks		
- in current accounts	28,023.49	11,411.24
- in deposit accounts	4,136.49	5,016.93
	<u>32,194.87</u>	<u>16,478.48</u>

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

# **PART - III**

**TAMIL NADU SUGAR CORPORATION LIMITED**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31ST MARCH, 2022**

**AND**

**CONSOLIDATED PROFIT & LOSS ACCOUNTS**

**FOR THE YEAR ENDED 31.3.2022**

**GANESH VENKAT & CO.**  
**CHARTERED ACCOUNTANTS**

**No.9D, Kamalabai Street,**  
**T. Nagar, Chennai-600 017**

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Qualified Opinion:**

We have audited the accompanying consolidated financial statements of Tamilnadu Sugar Corporation Limited ("hereinafter referred to as the 'Holding Company'"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group / Company"), which comprise the consolidated Balance Sheet as at 31st March, 2022, and the consolidated Statement of Profit and Loss, and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, of consolidated Loss and its consolidated cash flows for the year ended on that date.

#### **Basis for Qualified Opinion:**

Attention is drawn to:

- (1) Note in standalone financial statements with regard to the status of Madura Sugars Unit at Madurai and Machinery Workshop Unit at Maraimalainagar, whose operation stopped long back. The assets and liabilities are carried at book value and the unit's accounts are prepared under going concern basis. In the absence of adequate information, the disclosure requirements and impact on the financials, if any, are not determinable.
- (2) The confirmation of balances for Debtors, Loans & Advances, Trade payable, and Other current assets are not obtained. In the absence such comprehensive confirmation, the impact if any, on the carrying value of those items and the consequential impact on the loss of the Company for the year under consideration is not determinable.
- (3) The note relating to purchase tax not provided for in the books Rs.3,13,49,918/-, (net of provisions already made) for which there are no pending appeals as on date. As a prudent measure, in our opinion, the tax liability for the undisputed known liability should have been provided for in the consolidated financial statements.
- (4) The Trade payable, Trade receivable, Other Current Liabilities, Long Term loans and advances, Short Term loans and advances includes old outstanding balances, for which some provisions have been made, no recoveries or settlement recorded and outstanding for many years, most of the parties are not traceable and the nature of liability/recoverability are not known and confirmations of outstanding balances neither received nor subsequently settled and also lapsed by the law of limitations. The total of these items Rs.12,19,66,579/- debit and Rs.2,18,34,489/- credit. We are unable to comment on the appropriateness of retaining the old balances in the financial statements.

Had the above qualification in para 3 to 4 been given effect in the consolidated financial statements,

- a) the reported Loss after Tax would have been Rs (-) 38,03,61,691/- (as against reported loss of Rs. (-) 19,12,20,286/-),



- b) the Trade Payable would have been Rs.46,51,17,691/- (as against the reported Trade Payables of Rs.47,95,92,804/-),
- c) the Short term borrowing & Other Current Liabilities would have been Rs.4,09,16,20,066/- (as against the reported Short term borrowing & Other Current Liabilities of Rs.4,09,89,79,443/-),
- d) the Short Term Loans and Advances would have been Rs.14,25,33,736/-(as against the reported Short Term Loans and Advances of Rs.14,94,45,510/-), and
- e) the Other Current Assets would have been Rs.3,06,80,502/-(as against the reported Other Current Assets of Rs.8,83,39,900/-),

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the Basis for Qualified Opinion section above.

#### **Emphasis of Matter**

Without qualifying our report, we draw attention to note to the consolidated financial statements relating to (1) the fact that there is several law suits filed against the company and also there are pending cases filed against the employees & cane growers on fraud during the previous period. The outcome of these pending litigations depends upon the judgments to be pronounced by the various courts/ appellate authorities and is presently uncertain and (2) pending finalization of the Project cost for the Co-gen project and share of cost commitment is not yet finalized and (3) interest payable, if any, on the dues to the MSME outstanding settlements. Considering these uncertainties, no adjustments have been considered in the consolidated financial statements and our report is not modified in respect of these matters.

#### **Responsibility of Management and Those charged with Governance for Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 control 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 Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion of the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of the reasonable knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

We did not audit the financial statements/financial information of a subsidiary, whose financial statements/financial information reflect total assets of Rs.1,47,25,73,969/-as at 31st March, 2022, total revenue of Rs.91,21,66,934/-and net cash flows amounting to Rs.1,07,656/-for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable 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 of the aforesaid consolidated statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
  - (d) except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
  - (e) with regard to the directors' disqualification, based on the information and explanations given to us and based on our examination of the records of the Group, the provisions of section 164(2) of the Companies Act shall not apply as per MCA Notification dt.05-06-2015.

- (f) 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, based on the information and explanations given to us, the provisions of section 197 relating to remuneration to directors shall not apply as per MCA Notification dt.05-06-2015.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- a. The consolidated financial statements disclosed the details of pending litigations which would impact its financial position in the notes on accounts;
- b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Group.
3. In our opinion and according to information and explanation given to us the qualifications or adverse remarks by the respective auditor of the subsidiary on the matters specified in the paragraph 3 and 4 of Companies (Auditor's Report) Order 2020 issued by Central Government of India in the terms of sub section (11) of section 143 of Companies Act 2013 to the extent applicable (" the order") are provided in the format below as per requirement of clause 3 (xxi) of the order.

S.no	Name	CIN	Nature of company	Clause number of CARO Report which is qualified or adverse
1	Perambalur Sugar Mills Ltd	U15520TN1976SGC007172	Subsidiary company	3(i)(a)(A),3(i)(b),3(ii)(a),3(vi),3(vii)(b),3(ix)(a),3(xiv),3(xvii)

Place: Trichy

Date: 28.11.2022

**For M/s GANESH VENKAT AND CO,**

Chartered Accountants,

Firm Registration No: 005293S,

**M.KOUSIK GANESH**

Partner,

Membership No: 023536

UDIN: 22023536BENAAS3416

**Annexure “A” to the Independent Auditor’s Report on consolidated financial statement****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”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Tamilnadu Sugar Corporation Limited (“the Holding Company/the Group / the Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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.

### **Basis of qualified opinion**

We observed significant deficiencies in the internal financial controls relating to review and providing for (a) impairment losses on closed units of the Company, (b) review of investments and advances given to the subsidiaries whose net worth is fully eroded; (c) periodical review and accounting for the effects of pending litigations and undisputed tax dues (d) obtaining confirmation of balances for trade receivables, loans and advances, trade payable and other current assets and the related reconciliation with the books of account; (e) Pending updating of Fixed Assets Register and physical verification of fixed assets not conducted during the year for a Unit (f) periodical review of physical verification of inventory not being conducted; and (g) the functions of internal audit system to be strengthened to commensurate with size and nature of the business.

### **Qualified Opinion**

In our opinion and according to the information and explanations given to us, the Company has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 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.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place: Trichy

Date: 28.11.2022

**For M/s GANESH VENKAT AND CO,**

Chartered Accountants,

Firm Registration No: 005293S,

**M.KOUSIK GANESH**

Partner,

Membership No: 023536

UDIN: 22023536BENAAS3416

**K.P.ANANDH, IA & AS**

**ACCOUNTANT GENERAL (Audit-II)**

Tamil Nadu & Puducherry,  
"Lekha Pariksha Bhavan",  
361, Anna Salai,  
Chennai – 600 018.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TAMILNADU SUGAR CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2022.**

The preparation of Consolidated financial statements of Tamil Nadu Sugar Corporation Limited Chennai for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28.11.2022.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the consolidated financial statements of Tamil Nadu Sugar Corporation Limited Chennai for the year ended 31 March 2022 under section 143 (6)(a) read with section 129(4) of the Act. conducted a supplementary audit of the financial statements of Perambalur Sugar Mills Limited. Chennai for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors 'report under section 143(6)(b) of the Act.

Place : Chennai  
Date : 22.12.2022

For and on the behalf of the  
Comptroller & Auditor General of India,  
sd/-  
**Accountant General**

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2022**

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs. in lakhs	Rs. in lakhs
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	21,824.36	21,824.36
	(b) Reserves and surplus	3	(55,878.60)	(53,966.40)
	(c) Share Pending Allotment	3a	17,110.44	17,110.44
	(d) Minority Interest		(1,539.68)	(1,501.67)
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	534.11	929.15
	(b) Long-term provisions	5	266.62	246.37
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	27,944.57	21,398.71
	(b) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises; and	7	16.31	46.04
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	7	4,779.62	8,939.83
	(c) Other current liabilities	8	12,959.97	10,282.48
	(d) Short-term provisions	9	282.29	155.15
	<b>Total</b>		<b>28,299.99</b>	<b>25,464.48</b>



Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs. in lakhs	Rs. in lakhs
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant & Equipment	10	1,087.78	1,176.29
	(ii) Intangible Assets			
	(iii) Capital Work in Progress		24.75	
	(b) Non-current investments	11	63.13	63.13
	(c) Long-term loans and advances	12	1,788.26	1,788.26
	(d) Other Non Current Assets	13	72.03	94.67
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	15,953.22	14,104.24
	(b) Trade receivables	15	6,568.19	4,427.21
	(c) Cash and cash equivalent	16	363.77	282.28
	(d) Short-term loans and advances	17	1,494.46	2,763.06
	(e) Other current assets	18	883.40	765.33
	<b>Total</b>		<b>28,299.99</b>	<b>25,464.48</b>
	<b>Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements</b>	I		

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31st March, 2022**

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs. in lakhs	Rs. in lakhs
I	Revenue from operations (net)	19	17,190.66	13,848.31
II	Other income	20	266.82	113.66
III	<b>TOTAL INCOME (I+II)</b>		<b>17,457.48</b>	<b>13,961.97</b>
IV	<b>EXPENSES</b>			
	(a) Cost of Materials Consumed	21	13,349.42	9,824.53
	(b) Purchases of Stock-in-Trade	22	14.36	9.75
	(c) Changes in Inventories	23	(1,828.57)	922.24
	(d) Employee Benefits Expense	24	2,431.71	2,383.62
	(e) Finance Costs	25	3,247.25	2,730.91
	(f) Depreciation and Amortisation Expense	10	131.32	139.39
	(g) Other Expenses	26	2,062.20	1,435.72
	<b>TOTAL EXPENSES</b>		<b>19,407.69</b>	<b>17,446.16</b>
V	<b>Profit/Loss Before Tax (III-IV)</b>		<b>(1,950.21)</b>	<b>(3,484.19)</b>
VI	<b>Tax Expense:</b>		-	-
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
VII	<b>Profit / (Loss) for the year from Continuing Operations</b>		<b>(1,950.21)</b>	<b>(3,484.19)</b>
VIII	<b>Profit / (Loss) from Discontinuing Operations</b>		-	-

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rs. in lakhs	Rs. in lakhs
IX	Tax Expenses of Discontinuing Operations		-	-
X	Profit / (Loss) from Discontinuing Operations (After Tax)		-	-
XI	Profit / (Loss) for the year Before Minority Interest		(1,950.21)	(3,484.19)
	Minority Interest		(38.01)	(118.31)
	Profit / (Loss) for the year		(1,912.20)	(3,365.88)
XII	Earnings Per Equity Share			
	(i) Basic		(0.88)	(1.54)
	(ii) Diluted		(0.88)	(1.54)

See Accompanying Notes forming part of the statements 1-26

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

## TAMIL NADU SUGAR CORPORATION LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year ended March 31, 2022

### A. Significant Accounting Policies :

#### 1. Basis of preparation of financial statements

- a. The financial statements of the Group have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies(Accounts) Rules, 2014 issued by the Central Government and the relevant provisions of the Companies Act, 2013, as amended to the extent applicable.
- b. All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of Assets and Liabilities, disclosure of Contingent Liabilities as at the date of the financial statements and the reported amounts of Revenue and Expenses during the reported period. The actual results could differ from those estimates.
- c. Principles of Consolidation: The Group's consolidated financial statements include those of Tamilnadu Sugar Corporation and its subsidiary Company Perambalur Sugar Mill (hereinafter Group / Company). All significant intercompany transactions and balances have been eliminated in the Consolidated Statements.
- d. **List of Subsidiaries and proportions of Voting power held:**

Name of the Subsidiary company	Country of incorporation/ residence	Proportion of ownership interest / proportion of voting power held
Perambalur Sugar Mill	India	94.98 %

- e. Minority's Share of Net Asset of the Company for the year is identified and presented in the Consolidated Balance Sheet as a separate Item from Liabilities and the equity of the Company's Shareholders.

#### ii. Inventory Valuation: (AS-2)

- **Sugar** – Stock-at relevant season's cost or net realizable value whichever is lower.
- **Molasses**- at since realized/realizable value.
- **Bagasse** - at since realized/realizable value.
- **Sugar in Process** - at relevant season's cost or market value less packing material cost, whichever is lower based on which final product of sugar is valued
- **Molasses in Process**- at realized/realizable value.
- **Standing Crop**- at estimated value.
- **Fertilizer, Pesticides and Diesel**- at weighted average cost.
- **Bio-Compost**- at market value.
- **Stores and Spares**- at weighted average cost.
- **Tools and Tackles**- Written off in two years.
- **Press mud** – at estimated value.

**iii Cash Flow Statement: (AS-3)**

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 “Cash Flow Statements”.

**iv Events occurring after the Balance Sheet Date: (AS-4)**

Events occurring after the Balance Sheet date are those that occur between the Balance Sheet date and the date on which the Financial Statements are approved. Such events may necessitate adjustment of assets and liabilities or a financial impact of which may require a disclosure. The Company considers and makes necessary disclosures for all such material events.

**v Prior period items: (AS-5)**

Income/Expenditure which arises in the current year as a result of errors or omissions in the preparation of financial statements of earlier years are treated as prior period adjustments. Prior period expenses and income have been recognized as per the provisions contained in the Accounting Standard (AS-5). In addition to that income / expenses relating to previous year which materializes during the current year have also been considered as prior period items.

Material items of change that impacts current year results due to change in accounting estimates are disclosed as per requirements of AS-5.

A Change in Accounting Policy is considered which would result in a more appropriate presentation of the Financial Statement of the Enterprise, in order that relevance and reliability of information presented, is enhanced.

**vi Revenue Recognition: (AS-9)**

- Sale of Sugar and Molasses stated at exclusive of duties and recognized as and when the risks and rewards are transferred.
- Sale of Scrap excludes Excise Duty wherever applicable.
- Traded goods are recognized when the title of goods are transferred.
- Service income is recognized as per the terms of the contract.
- Rental income is recognized as per the agreements entered thereto.
- Interest income is recognized on time proportion basis and rates implicit.
- Dividend income is recognized when the right to receive is established.
- Sale of Power is recognized as per the agreements entered thereto.

**v) Property, plants and Equipment's:(AS-10)**

Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation. Cost is inclusive of the expenditure incurred for the installation and erection in bringing fixed assets to usable condition and net of Input credit. The asset retired from active use and is held for disposal is to be recognized at lower of net book value and net realizable value. No depreciation has been provided for Madura Sugars and Maraimalar Nagar workshop assets other than Buildings, Furniture & Fittings, Water supply arrangements and Books.

**Depreciation:**

- a. For the assets which are existed as on 31-03-1989 depreciation is charged on WDV Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets.
- b. For the assets added on or after 01-04-1989 depreciation is charged on SLM Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets, and on addition during the current year depreciation provided on pro-rata basis.

**viii) Investments: (AS-13)**

The Long Term Investments are carried at cost less provisions made for any diminution in carrying value other than temporary. The Short Term Investments are carried at lower at cost and fair value.

**ix) Retirement Benefits to Employees: (AS 15)****Gratuity**

The Liability for Gratuity as on the date of the Balance Sheet is estimated and provided for as per Actuarial Valuation as required by the Accounting Standard 15 (R) and the company has entered into Group Gratuity Scheme with LIC of India.

**Leave Encashment**

Leave encashment is paid for in accordance with the rules of the Company and provided based on the Actuarial valuation,

**Other Benefit Plans**

Contributions paid / payable under defined contribution plans are recognized in the statement of Profit and Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions

**x) Borrowing Cost (AS-16)**

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit and loss.

**xi) Segment reporting (AS-17)**

The Company is engaged in Manufacture & sale of Sugar, Power Generation & Distribution, Consulting and other allied activities, Consulting. These are reportable segments for the year. Entire Operations of the Company is only in domestic hence reportable geographical segment does not arise. Segment wise Income, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, Expenses, Assets and Liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated Revenue/Expenses/Assets/Liabilities".

**xii) Leases (AS-19)**

Lease rental in respect of operating lease arrangements are charged to expense on a straight-line basis over the term of the related lease agreement.

**xiii) Earnings Per Share (AS-20)**

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the outstanding shares for deriving basic EPS, and also the shares that would be issued on the conversion of all dilutive potential equity shares.

**xiv) Taxes on Income: (AS-22)**

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation and timing differences in allowances in tax purposes, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

**xv) Impairment (AS-28)**

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets, are charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

**xvi) Provisions and Contingent Liabilities and Contingent Assets (AS-29)**

Provisions are recognized based on a determination whether a present obligation arising from one or more past events exists on balance sheet date, and for which it is probable that there would be cash outflow and a reliable estimate can be made of the amount of the obligation.

No provision or disclosure is made when, as a result of obligating events and onerous contracts, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote & the fact is disclosed.

**26) NOTES TO THE ACCOUNTS****1. STATUS OF UNITS' OPERATION.**

Due to economic non-viability, the Sugar Machinery Workshop at Maraimalarnagar and Madura Sugars at Madurai were closed in October 2002 and in February 2005 respectively. The following assets of the above units are carried at their book values.

Particulars	As on 31.03.2022		As on 31.03.2021	
	Sugar Machinery Workshop (Rs.,)	Madura Sugars (Rs.,)	Sugar Machinery Workshop (Rs.,)	Madura Sugars (Rs.,)
Fixed Assets	6,44,273/-	50,61,067	6,46,630/-	52,19,849/-
Net Current Assets	(16,56,144)	(53,02,731)	(15,53,834)	(36,46,394)

The Assets of Sugar Machinery Workshop and Madura Sugars are carried in books of account of the company at Book Value instead of lower of net book value and net realisable value as per the requirement of Accounting Standard 10. However, in the opinion of the Company's Management, all the assets are likely to realise much higher value than the carrying value in the Balance Sheet, as supplemented by the valuation report obtained on 25-06-2015 by the Management.

The Fixed Assets of Sugar Machinery Workshop (other than Land, Buildings and Electrical installations) are physically transferred to the Company's unit, Aringar Anna Sugar Mills (AASM) Thanjavur since the year 2002.

The crushing operations of Madura Sugars has been suspended from 2002-03 season due to non-availability of cane and all the employees left the company under the Voluntary Retirement Scheme.

The Company has sent a proposal to the Government for disposal of Madura Sugars as there is no possibility of revival of the unit owing to insufficient cane availability and it is not viable to operate at low capacity (1250 TCD) unit.

The Account of these units is prepared as per going concern basis and the carrying value of assets is more than net realizable value as per AS-10 Property, Plant and Equipment.

## **2. CONTINGENT LIABILITIES AND COMMITMENTS: (to the extent not provided for)**

### **a) Claims against the Company not Acknowledged as debts:**

#### **i. MADURA SUGARS PURCHASE TAX LIABILITY ARE AS UNDER**

All appeals relating to Purchase tax from 1979 -1980 to 2000-2001 are disposed off by the respective authorities and giving effort order has been passed by the Assistant Commissioner (CT) dated 01-02-2017. As per the revised order and the demand notice dated 18-06-2019, the total tax due are Rs.,5,22,33,310/-. The demand includes for the period 1978-79 to 1983-84 relating to the erstwhile management amounting to Rs.,1,11,68,590/-. Out of this balance outstanding of Rs.,4,10,64,720/-, a sum of Rs.,57,76,973/- has already been provided for. Pending disposal of appeals, the company has paid a sum of Rs.,39,37,831/- which is shown as Loans and Advances. Company is in the process exploring all possibilities of further appeals, waiver proceeding, etc and hence the tax due Rs.,3,13,49,918/- has not been provided for in the books.

#### **ii) Labour matters:**

#### **Notes on the orders of Madras High Court for implementing Revision of wages of Sugar Wage Board Employees:**

Tamil Nadu All Co-operative and Public Sector Sugar Mills staff Peravai filed a writ petition No.2325/2004 and obtained orders on revision of pay scale on par with common cadre system employees with effect from 01/04/2003. Orders of Madras High Court was received in July, 2015. The Financial Commitment is not quantifiable. The Company has filed Writ Appeal No.54/55 of 2016 against the orders and obtained status quo on 27.1.2016 in CMP No.561, 562, 563 of 2016.

#### **iii) Aringar Anna Sugar Mills (AASM), Madura sugars (MS) &Perambalur sugar mills (PSM).**

Some of the employees of the company have filed claims for which 106 cases( AASM-28, MS-72, PSM-6) involving labour and personnel matters are pending disposal in the Court of law, the Company disputed the same. The claim amounts in these cases are not quantifiable.

#### **iv) Madura Sugars:**

The Company has disbursed gratuity due to 103 out of 151 NMRs who were eligible for gratuity as per the Payment of Gratuity Act, 1972 from the Madura Sugars Gratuity Trust Fund, during the year 2013-14 but they



have disputed for higher amount after receiving entitled amount by approaching Labour Court. Remaining 48 NMRs have not collected and disputed with the Labour Court. The claims amount in these cases are not quantifiable.

**v) PERAMBALUR SUGAR MILL:**

**CONTINGENT LIABILITY NOT PROVIDED FOR**

**Levy Sugar Excess Realization Case – 1977-78 and 1979-80 Season's Production**

- (i) Consequent to the fixation of final price by the Government of India for the Levy Sugar sold out of 1977-78 and 1979-80 season's production, the company is contingently liable to repay Rs.24.16 lakhs out of the interim price received for sale of sugar out of these two season's production as may be applicable. However, the company has requested Govt. of India to adjust the buffer stock subsidy of Rs.10.95 lakhs as well as the differential levy price of levy sugar exported during 1977-78 and 1979-80 season amounting to Rs.10.52 lakhs receivable from the Govt. of India against the company's liability of Rs.24.16 lakhs.
- (ii) Provision for labour cases which are pending before the Appellate Authorities have not been made.
- (iii) Due to TANGEDCO towards Share Capital Contribution by the Cane Growers net of recoveries Rs.,3.45Crores.

**(iv) DISPUTED STATUTORY DUES**

The following dues have not been deposited on account of a dispute (in case of Perambalur sugar mills)

(In Rs.)		
Name of the Statute	2021-22	2020-21
( a ) Commercial Tax (Purchase Sales Tax) (Dispute is pending at STAT Madurai) (Dispute is pending at DCCT Appeal Trichy)	2,51,61,000/-	2,51,61,000/-
( b ) Income Tax (Dispute is pending at cit (Appeal) ITAT Chennai.)	99,76,765/-	55,04,000/-

**b) COMMITMENTS:**

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for: **Nil**
- (ii) Growers have to contribute 10%project cost of co-generation and modernization unit of 115.72 crores, i.e 11.57 crores which has to be paid/adjusted to TANGEDCO. The Company has retained Rs. 11.24Crores from cane payment and other dues to farmersand paid Rs.11.24crores to TANGEDCO. The Shortfall if any, in 10% contribution has to be borne by the Government as per G.O. Hence the overall Commitment to TANGEDCO towards Investments in Equity Shares by the company is Rs.0.34 Crores, which will be reimbursed by Government as per G.O.

**(iii) CURRENT LIABILITIES:**

- a) Amount Rs.16,30,804/- is shown as payable to Micro, Small and Medium Enterprises based on the information provided as on 31.3.2022, all the dues were settled subsequently without interest.
- b) Confirmation of balances in respect of Sundry creditors not obtained at this year end.

**(iv) LOANS AND ADVANCES:****a) Arignar Anna Sugar Mills :****Advance to TANGEDCO:**

TANGEDCO and AASM have entered in to joint development agreement of the projects as per GO. Ms No 24 Industries (MIC.1) Department dated 26/02/2008. The G.O. was issued for setting up Cogeneration Plant using bagasse generated by AASM as principal raw material.

The project will be Build, Own and Transfer (BOT) principle for a period of 13 years further extendable to additional 5 years on mutual consent. The Sugar Mill will be entitled to take over the Cogeneration facility after fully debt servicing of the loan taken by the board.

TANGEDCO is responsible to procure, execute, commission and hand over the co-generation power plant along with sugar factory modernization equipments to AASM who shall be responsible for operation and maintenance from Commercial Operation Date (COD).

The cost of project of Co-generation is Rs.78.66 Crores and cost of Project for modernization of Aringar Anna Sugar Mills is Rs.37.06 Crores. TANGEDCO has raised loan for a term of 13 years with 3 years moratorium period for the project. Cane growers of Aringar Anna Sugar Mills to contribute 10% of the project cost and shortfall, if any, will be provided by Government, as equity. The company has no capital commitments except 10% contribution as equity around 0.33 Lakhs, in the event amount not reimbursing the same.

A sum of Rs. 11,23,89,584 has been given to TANGEDCO by the company towards contribution of cane growers in cogeneration/modernization project and balance is only around 0.33 Lakhs as per present project cost.

COD is not yet finalized during the year Arignar Anna Sugar Mills billed Rs.7,47,68,880/- (PY 7,33,75,914/-) towards sale of Power to TANGEDCO. TANGEDCO has balance amount of Rs.23,96,96,917/- is due from them on account of power export to TANGEDCO.

**b) PERAMBALUR SUGAR MILL:****CO-GENERATION & MODERNIZATION**

The cost of project of Co-Generation is Rs.96.14 crores and cost of project for Modernization of Perambalur Sugar Mills is Rs.42.72 crores TANGEDCO has raised loan for a term of 13 years with 3 years moratorium period for the project. Cane growers of Perambalur Sugar Mills have to contribute 10% of the project cost and short fall, if any, will be provided by Government as equity. The company has no capital commitments except 10% contribution as equity.

During the year the PSM billed Rs.8,47,13,257/- towards sale of Power.

**c) Other Advances:**

- i. When the company changed its accounting year from sugar year (October to September) to uniform accounting year and compiled the Accounts for 1987-89 (18 months), the Company had paid advance bonus to the employees. While the recovery of the said advance bonus was ordered by the Government of Tamilnadu, the employees of Sugar Mills filed a Writ Petition before the High Court of Madras, challenging the recovery. The Writ Petition was allowed in favour of employees but the Government of Tamilnadu was permitted to issue notice to the Petitioners and pass appropriate order. Pending issue of final Order by Government of Tamilnadu the same

is shown under Advance. However, for employees who have already retired, the advance bonus amount has been written off. The balance outstanding as on 31-03-2022(after writing off Rs.44,484) is Rs.1,63,144/-

- ii) As a prudent measure, the Company has not recognized Net Deferred Tax Asset up to 31st March 2022 on account of timing difference relating to carry forward Income tax losses and depreciation.

**v) Segment Reporting:**

The Company is engaged in the development of Manufacture of Sugar and allied activities, Consulting and Sale of Power. Disclosure as required by Accounting Standard 17 "Segment Reporting" is given below.

Particulars	Year ended 31 <sup>st</sup> March 2022 (Rs.)	Year ended 31 <sup>st</sup> March 2021 (Rs.)
<b>Segment Revenues</b>		
Manufacture&Sale of Sugar	1,56,36,54,234	1,25,91,53,505
Consulting	49,12,500	55,12,500
Sale of Power	15,94,82,137	12,40,68,210
Unallotted	1,77,82,436	74,61,253
<b>Total</b>	<b>1,74,58,31,307</b>	<b>1,39,61,95,468</b>
<b>Segment Expenses</b>		
Manufacture& Sale of Sugar	1,86,50,45,894	1,69,46,82,515
Consulting	1,50,000	15,20,474
Sale of Power	7,22,01,155	4,57,83,708
Unallotted	33,74,193	26,30,237
<b>Total</b>	<b>1,94,07,71,242</b>	<b>1,74,46,16,934</b>
<b>Segment Assets</b>		
Manufacture of Sugar	<b>1,76,14,57,765</b>	1,88,85,18,422
Consulting	41,61,20,358	41,59,32,902
Sale of Power	61,52,09,054	45,74,44,019
Unallotted	3,72,11,649	13,68,01,783
<b>Total</b>	<b>2,82,99,98,825</b>	<b>2,89,86,97,126</b>
<b>Segment Liabilities</b>		
Manufacture of Sugar	4,41,49,65,575	3,99,40,28,905
Consulting	1,28,37,623	1,04,83,035
Sale of Power	19,71,47,459	18,36,90,274
Unallotted	5,33,96,389	6,15,99,427
<b>Total</b>	<b>4,73,31,38,471</b>	<b>4,24,98,01,641</b>

**vi) Taxes on Income :**

Considering the Current year losses and brought Forward Losses and allowances available for set off there is no income tax liability for the current year, the provision for income tax does not arise.

**vii) Earnings per Share:**

Sl. No.	Particulars	2021-22	2020-21
(a)	Profit/ Loss after Tax (in Rs)	(19,12,20,286)	(33,65,90,266)
(b)	No. of shares outstanding (in Nos)	21,82,43,639	21,82,43,639
(c)	Weighted Average share outstanding ( in Nos )	21,82,43,639	21,82,43,639
(d)	Basic EPS(inRs) [(a)/(b)]	(0.88)	(1.54)
(e)	DilutedEPS(inRs) [(a)/(c)]	(0.88)	(1.54)

**viii) OTHER DISCLOSURES:****i. Land:**

- a) The company had entered into a land lease agreement with TANGEDCO on 12/03/2010 and leased out land measuring 20.00 acres of land in the Arignar Anna Sugar Mills premises at Kurungulam for implementation of cogeneration project by the TANGEDCO.
- b) The Company had entered into a land lease agreement with TANGEDCO on 12.03.2010 and leased out land admeasuring 29.98 acres of land in the Perambalur sugar mills premises at Eraiyur for implementation of Co-generation Project by the TNEB.

**ii. CLAIMS RELATED TO SUPPLY OF MACHINERY TO THE COMPANY– Perambalur Sugar Mill**

M/S Walchand Nagar Industries Ltd., have filed a civil suit claiming a sum of Rs.10,64,409/- relating to the supply of machinery to the unit mill of the company during expansion. The company has not provided for the additional interest liability of Rs.4,45,567/- and further interest at 24% as the case is pending disposal before the Chennai High Court.

**iii. WATER CHARGES**

The Company has made full payment on the contractual quantity of 11.50 Lakh K.Ls of water as per the initial agreement with P.W.D at Rs.0.50/K.L. upto the year 1999-2000 pending Govt. approval for execution of fresh agreement. The Company is however making payment of Rs.3.25 Lakhs per annum for water charges on the quantity of water being drawn each year from the VellarRiver not exceeding 6.50 Lakh K.L. from the year 2000-01.

## ix) ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE-III OF THE COMPANY ACT 2013

	Net Assets (Total Assets Less: Total Liabilities)		Shares in Profit (or) Loss	
	As % of Consolidated Net Assets / Liabilities	Amount (Rs.)	As % of Consolidated Profit / Loss	Amount (Rs.)
<u>Subsidiary Company</u> Perambalur Sugar Mills Ltd, Perambalur	73.5%	(1,35,84,49,884)	38.86%	(7,57,89,651)
Minority Interest	8.33%	(15,39,68,096)	5.02%	(38,01,096)

ix) Previous year figures have been suitably regrouped wherever necessary to conform to this year's classification.

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

## TAMILNADU SUGAR CORPORATION LIMITED

### Note forming part of the financial statements

#### Note No: 2 - Share Capital

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. In lakhs	Rs. In lakhs
<b>A. EQUITY AND LIABILITIES</b>		
(1) SHAREHOLDERS' FUNDS		
<b>(a) Share Capital</b>		
(i) Authorised		
<b>22,00,00,000 Equity Shares of Rs.10/- each</b>	<b>22,000</b>	<b>22,000</b>
<b>(ii) Issued, Subscribed and Paid up</b>		
21,82,43,639 Equity shares of Rs.10/- each fully paid up* with voting rights (PY 8,09,71,481 Equity Shares of Rs.10/- each)	<b>21,824</b>	<b>21,824</b>
* Note:		
1. This includes 3,80,000 Equity Shares of Rs.10/- each allotted during the year 2016-17 as fully paid up with reference to the amounts received from the Govt. and accounted as Capital Reserves in the earlier years in Perambalur Sugar Mills		
2. This includes 3,80,000 Equity Shares of Rs.10/- each allotted during the year 2011-12 as fully paid up with reference to the amounts received from the Govt. and accounted as Capital Reserves in the earlier years in Arignar Anna Sugar Mills		
3. This includes 7,24,20,000 Equity Shares of Rs.10/- each allotted as fully paid up for consideration other than cash during the year 2010 - 11.		
4. This includes 13,72,72,158 Equity Shares of Rs.10/- each allotted as fully paid up for consideration other than cash during the year 2020 - 2021.		
<b>Total</b>	<b>21,824</b>	<b>21,824</b>

**Note No: 2(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting Year:**

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares with voting rights</b>			
<b>Year ended 31 March, 2022</b>			
- Number of shares	21,82,43,639	-	21,82,43,639
- Amount (Rs.1000's)	21,824	-	21,824
<b>Year ended 31 March, 2021</b>			
- Number of shares	21,82,43,639	-	21,82,43,639
- Amount (Rs.1000's)	21,824	-	21,824

Note No: (2b) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholders	As at 31-Mar 2022		As at 31-Mar 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Governor of Tamilnadu	21,72,43,639	99.54%	21,72,43,639	99.54%

Note No: 2(c) - Shareholding of promoters

Promoter Name	Shareholding at the beginning of the year		
	No. of Shares	% of Total Shares	% Change during the year
Governor of Tamilnadu	21,72,43,639	99.54%	-
Total	21,72,43,639	99.54%	-

Note No: 3 - Reserve & Surplus

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. In lakhs	Rs. In lakhs
<b>(a) Capital reserve (Government Grant)</b>		
Opening balance	16.06	16.06
Add: Additions during the year		
Less: Utilised / transferred during the year		
<b>Closing Balance</b>	<b>16.06</b>	<b>16.06</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(53,982.46)	(50,616.58)
Add: Profit / (Loss) for the year	(1,912.20)	(3,365.88)
Closing balance	(55,894.66)	(53,982.46)
<b>Total</b>	<b>(55,878.60)</b>	<b>(53,966.40)</b>

**Note No: 3a. Share Capital Pending Allotment**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. In lakhs	Rs. In lakhs
<b>Perambalur Sugar Mills</b>		
Government of Tamilnadu has issued orders vide G O No.MS 88 dated 29-03-2019 to convert all Loans borrowed from it, alongwith interest accrued till 31-03-2018 into Equity based on which Board has resolved to convert all the Loans borrowed from Tamilnadu Government along with Interest accrued till 31-03-2018 into Equity. The Authorised Share Capital was increased to accommodate the said conversion. Increase in authorised share capital was done during 2019-2020. Government of Tamilnadu, vide its G O No. MS 89, Industries (MIC1) Department dt: 16.03.2020 approved to issue Equity Shares in Perambalur Sugar Mills Ltd (PSM). However, in a later development, the Board of Directors have represented to the Government to issue a fresh G O for issue of Preference Shares Capital instead of Equity Share Capital. Since the Allotment of Preference Shares are in process, the same amount continues to be shown as Share Capital Pending Allotment as on 31-03-2021.	17,110.44	17,110.44
<b>Tamilnadu Sugar Corporation Ltd</b>		
Balance as per Last Year		
Less : Transferred to Capital Account		-
<b>Total</b>	<b>17,110.44</b>	<b>17,110.44</b>

**Note No: 4 Long term borrowings**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. In lakhs	Rs. In lakhs
<b>Term loans</b>		
<b>Secured</b>		
(i) Central Government Financial Assistance as Soft Loan from TCCB Secured by creation of charge on Fixed Assets	228.91	496.08
(ii) Covid Term Loan from TCCB	149.82	277.70
<b>Unsecured Loan</b>		
(iii) Loan From Government	-	-
Less : Current Maurities of Long Term Debt	-	-
(iii) Cash Credit Loan from MDCC.Bank	155.38	155.38
<b>Total</b>	<b>534.11</b>	<b>929.15</b>



**Note No: 4 (i). Loan From TCCB**

Long term loan borrowed from TCCB amounting to Rs.472.29 lakhs @ 11.50% (with penal interest of 2% for default, if any) repayable in 48 monthly instalments with reimbursement of interest @ 7% from central Government for one year to ensure FRP cane price disbursement which is guaranteed by State Government.

**Note No: 4 (i). Loan From TDCCB for PSM**

Long term loan borrowed from Banks for the year 2019-20 amounting to Rs.471.93 Lakhs @ 11.50% (with penal interest of 2% for default, if any) repayable in 48 monthly installments with reimbursement of interest @ 7% from central government for one year to ensure FRP cane price disbursement which is guaranteed by State Government. Current Outstanding of the above loan is Rs. 138.73 Lakhs

**Note No: 4 (ii) Covid Term Loan**

For Tasco :During 2020-2021 Thanjavur Central Co-Operative Bank Ltd (TCCB) released Rs.186.70 Lakhs @ 10.50% of Interest (with penal interest of 2%) repayable in 18 Equal Monthly Instalments with Moratorium period 6 Months.

For PSM: During 2021-2022 State Bank of India (SBI) released Rs.91.00 Lakhs @ 7.80% of Interest repayable in 36 Equal Monthly Instalments. Current Outstanding of the above loan is Rs. 83.72 Lakhs

**Note No: 4 (iv) Cash Credit Loan from MDCC.Bank**

Madura Sugar Unit has availed Cash Credit Facilities from MDCC Bank. As the unit Operation was closed down. the MDCC Bank has invoked Government Guarantee issued for Cash Credit. As the Government settled Cash Credit availed at the time of guarantee Invoked and the interest accrued from the date of Invocation to the date of settlement is outstanding not settled by Govt. is due for payment.

**Note No: 5 - Long Term Provisions**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.in lakhs	Rs.in lakhs
<b>Provision for employee benefits -</b>		
Provision for Earned Leave benefit	266.62	246.37
<b>Total</b>	<b>266.62</b>	<b>246.37</b>

**Note No: 6 - Short Term Borrowings**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.in lakhs	Rs.in lakhs
<b>Secured</b>		
1. Cash Credit From TCCB / Consortium bankers Secured by pledge of stock of sugar valid upto 30/09/2021 @ 11.50% p.a, guaranteed by State Government.	10,177.93	7,288.97
2. Long term borrowings (Ways & Means Advance from TN. Govt.)	17,766.64	14,109.75
<b>Total</b>	<b>27,944.57</b>	<b>21,398.71</b>

**Note No: 6(2) - Details of the loans, Terms of repayment and delay in payment****i. Loan From Government**

Product Name	Principal ( in Rs.)	Interest ( in Rs.)	Interest & Penal Interest Rate	Repayable schedule
<b>For Tasco</b>				
Ways & Means Advance for Repayment of TIIC Loan	760,59,292	4,44,86,291	13%+2.5%	Within FY 2018-19
Ways & Means Advance for Settlement of FRP 2017-18	11,06,00,000	6,56,42,995	13%+2.5%	Within FY 2018-19
Ways & Means Advance for Cane Payment 2018-19	16,15,22,000	5,90,42,265	12.60%+2.5%	Within FY 2019-20
Ways & Means Advance for Bonus to Employees 2018-19	11,30,000	4,19,323	13%+2.5%	Within FY 2019-20
Ways & Means Advance for Bonus 2019 - 20	27,30,000	5,69,613	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2015-16	6,03,63,000	1,18,68,854	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2015-16	6,03,63,000	1,06,15,123	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for SAP Arrear 2016-17	11,78,74,000	2,04,71,000	13.3 % + 2.5%	Within FY 2020-21
Ways & Means Advance for Settlement of FRP 2020-21	16,60,82,000	1,22,30,916	12.80+2.5%	Within FY 2021-22
Ways & Means Advance for Bonus 2020 - 21	23,30,000	1,22,564	12.80+2.5%	Within FY 2021-22
<b>For PSM</b>				
Tamilnadu Industrial Development Corporation Ltd	8,58,00,000	30,84,93,810	16.5%+2.0%	Within FY 2003-04
Ways & Means Advance from Government of Tamilnadu	22,61,50,000	12,98,84,564	13%+2.5%	Within FY 2018-19
Ways & Means Advance from Government of Tamilnadu	18,50,000	9,59,086	13%+2.5%	Within FY 2018-19
Ways & Means Advance from Government of Tamilnadu	8,68,85,476	5,07,72,105	13%+2.5%	Within FY 2018-19
Ways & Means Advance from Government of Tamilnadu	16,64,90,000	5,98,06,241	13%+2.5%	Within FY 2019-20
Ways & Means Advance from Government of Tamilnadu	25,09,000	9,20,547	13%+2.5%	Within FY 2019-20
Ways & Means Advance from Government of Tamilnadu	3,96,97,000	1,37,70,372	13.3%+2.5%	Within FY 2019-20
Ways & Means Advance from Government of Tamilnadu	25,00,000	5,20,712	13.3%+2.5%	Within FY 2020-21
Ways & Means Advance from Government of Tamilnadu	6,11,99,500	1,20,33,332	13.3%+2.5%	Within FY 2020-21
Ways & Means Advance from Government of Tamilnadu	6,11,99,500	1,07,84,527	13.3%+2.5%	Within FY 2020-21
Ways & Means Advance from Government of Tamilnadu	8,60,53,000	1,49,44,695	13.3%+2.5%	Within FY 2020-21
Ways & Means Advance from Government of Tamilnadu	19,50,57,000	1,40,91,131	12.80+2.5%	Within FY 2021-22
Ways & Means Advance from Government of Tamilnadu	22,20,000	1,16,778	12.80+2.5%	Within FY 2021-22
<b>Total</b>	<b>1,77,66,63,768</b>	<b>842,566,844</b>		

The Company has defaulted in the repayment of due to State Government (Principal & Interest) amounting to Rs.2,61,92,30,612/- (PY Rs.,1,77,66,63,768/-)

## Note No: 7 - Trade payables

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.(in 1000's)	Rs.(in 1000's)
<b>Trade payables:</b>		
(i) Micro,Small,Medium Enterprises	16.31	46.04
(ii) Others	4,779.62	8,939.83
<b>Total</b>	<b>4,795.93</b>	<b>8,985.88</b>

## TRADE PAYABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment									
	< 1 Year		1-2 Years		2-3 Years		> 3 Years		Total	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(I) MSME	16.31	44.34	-	1.70	-	-	-	-	16.31	46.04
(II) Others	3,679.24	7,519.46	751.89	451.34	95.46	60.60	248.60	908.43	4,775.20	8,939.82
(I) Disputed Dues - MSME	-	-	-	-	-	-	-	-	-	-
(II) Disputed Dues - Others	-	-	-	-	4.22	-	-	-	4.22	-
<b>Total</b>	<b>1,219.16</b>	<b>3,297.99</b>	<b>10.91</b>	<b>12.25</b>	<b>10.89</b>	<b>7.51</b>	<b>144.75</b>	<b>876.41</b>	<b>4,795.73</b>	<b>8,985.88</b>

## Note No: 8 - Other current liabilities

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.in lakhs	Rs.in lakhs
(a) Liability for Area Development Fund	58.47	58.47
(b) Interest accrued and due on Ways & Means Advance from Govt.	8,425.67	5,950.17
(c) Other Liabilities	4,475.82	4,273.83
<b>Total</b>	<b>12,959.96</b>	<b>10,282.48</b>

## Note No: 9 - Short Term Provision

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs.in lakhs	Rs.in lakhs
(a) Provision for employee benefits:(Short Term)		
(i) Provision for bonus	40.65	38.55
(ii) Provision for Pension contribution	20.63	20.22
(iii) Provision for Earned Leave benefit	135.74	96.38
(iii) Provision for Gratuity	85.26	-
<b>Total</b>	<b>282.29</b>	<b>155.15</b>

**Note No: 10 - Property, Plant & Equipment**

Particulars	Land	Buildings	Plant & Equipments	Furniture & Fittings	Vehicles	Computer	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost As at March 31, 2020	34.36	1,327.59	6,037.27	213.65	99.45	126.23	7,838.55
Additions	-	8.41	96.98	4.19	-	2.58	112.16
Disposals	-	60.47	1,305.50	102.72	14.19	47.73	1,530.61
Cost As at March 31, 2021	<b>34.36</b>	<b>1,275.53</b>	<b>4,828.75</b>	<b>115.12</b>	<b>85.26</b>	<b>81.08</b>	<b>6,420.10</b>
Additions	-	3.50	36.60	6.00	-	1.86	47.96
Disposals/adjusted	-	-	-	-	-	-	-
Cost As at March 31, 2022	<b>34.36</b>	<b>1,279.03</b>	<b>4,865.35</b>	<b>121.12</b>	<b>85.26</b>	<b>82.94</b>	<b>6,468.06</b>
Depreciation as at March 31, 2020	-	828.56	5,390.82	203.37	74.64	117.54	6,614.93
Charges for the Year	-	25.00	99.74	3.67	5.32	5.66	139.39
Disposals/adjusted	-	50.30	1,295.73	102.56	14.19	47.73	1,510.51
Depreciation as at March 31, 2021	-	803.26	4,194.83	104.48	65.77	75.47	5,243.81
Charges for the Year	-	22.09	98.25	8.87	5.02	2.24	136.47
Disposals/adjusted	-	-	-	-	-	-	-
Depreciation as at March 31, 2022	-	825.35	4,293.08	113.35	70.79	77.71	5,380.28
Net Block							
As at March 31, 2020	<b>34.36</b>	<b>499.03</b>	<b>646.45</b>	<b>10.28</b>	<b>24.81</b>	<b>8.69</b>	<b>1,223.62</b>
As at March 31, 2021	<b>34.36</b>	<b>472.27</b>	<b>633.92</b>	<b>10.64</b>	<b>19.49</b>	<b>5.61</b>	<b>1,176.29</b>
As at March 31, 2022	<b>34.36</b>	<b>453.68</b>	<b>572.27</b>	<b>7.77</b>	<b>14.47</b>	<b>5.23</b>	<b>1,087.78</b>

**Note** 1. Assets which were retired from active life are removed from gross block and depreciation balance in the above schedule.

2. Land includes Rs.6,64,094/- being the pro-rata value of land (Perambalur Sugar Mills Ltd) purchased by TNCSEF ON BEHALF OF Co-Operative & Public Sector Sugar Mills.

**Capital Work in process ageing**

CWIP	Amount in CWIP for the period of			Total
	Less than 1 year	1-2 Years	2-3 Years	
	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	
Projects in progress	24.75	-	-	24.75
Projects temporarily suspended	-	-	-	-

## Note No: 11 - Non-current investments

Particulars	As at 31-Mar-2022			As at 31-Mar-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs
<b>Investments (At cost):</b>						
<b>A. Trade</b>						
a. 6,11,130 Equity Shares of Rs. 10/- each fully paid up in Tamil Nadu Newsprint & Papers Ltd.	61	-	61	61	-	61
<b>B. Non - Trade</b>						
a. 2,000 Shares of Rs. 50/- each in Madurai District Central Co-operative Bank Limited.	-	1	1	-	1	1
b. 20,000 Shares of Rs.5/ each in Thanjavur District Central Co-operative Bank Limited - Thanjavurd	-	1	1	-	1	1
c. 1 Share of Rs.5/ each in Erode District Central Co-operative Bank Limited.	-	-	-	-	-	-
d. 1 Share of Rs.10/ each in Tamil Nadu State Coop. Bank Limited, Chennai	-	-	-	-	-	-
e. 40 Equity Share of Rs.50/- each fully paid in the Tiruchirappalli District Co-Operative Supply and Marketing Society Ltd	-	-	-	-	-	-
<b>Total</b>	<b>61</b>	<b>2</b>	<b>63</b>	<b>61</b>	<b>2</b>	<b>63</b>
Aggregate amount of unquoted investments			2			2
Aggregate amount of quoted investments at Face Value			61			61
Aggregate market value of listed and quoted investments	[ @167.65 (NSE) ]		10,24,55,945	[ @146.55 (NSE) ]		8,95,61,102

**Note No: 12 - Long term loans & advances**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
A. Secured, considered good	-	-
B. Unsecured, considered good		
(a) Capital advances	1,788.26	1,788.26
(b) Trade Advances		
<b>Total</b>	<b>1,788.26</b>	<b>1,788.26</b>

**Note No: 13 - Other Non Current Assets**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
Security Deposits	72.03	94.67
<b>Total</b>	<b>72.03</b>	<b>94.67</b>

**Note No: 14 - Inventories**

(At lower of cost and net realisable value as certified by Management)

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
(i) Work In process		
(a) Sugar	415.98	440.01
(b) Molasses	58.37	66.08
<b>Sub Total (A)</b>	<b>474.35</b>	<b>506.09</b>
(ii) Finished Goods		
(a) Sugar	14,148.15	12,882.84
(b) Molasses	1,154.86	575.06
(c) Baggasse	12.86	1.49
<b>Sub Total (B)</b>	<b>15,315.87</b>	<b>13,459.39</b>
(iii) Stores/Spares	174.61	177.82
Less: provision for obsolete Stores	46.41	70.17
<b>Sub Total (C)</b>	<b>128.20</b>	<b>107.64</b>
(iv) Others		
(a) Fertilizer & Pesticides	17.46	12.71
(b) Tools & Appliances	0.12	0.26
(c) Standing Crops	17.23	18.15
<b>Sub Total (D)</b>	<b>34.81</b>	<b>31.11</b>
<b>Total (A+B+C+D)</b>	<b>15,953.22</b>	<b>14,104.24</b>

## Note No: 15 - Trade Receivable

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	5,926.92	3,788.79
Doubtful	17.33	28.63
	<b>5,944.25</b>	<b>3,817.42</b>
Less: Provision for doubtful trade receivables	17.33	28.63
<b>Sub Total (A)</b>	<b>5,926.13</b>	<b>3,788.79</b>
b) Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	642.07	638.42
<b>Sub Total (B)</b>	<b>642.07</b>	<b>638.42</b>
<b>Total (A+B)</b>	<b>6,568.19</b>	<b>4,427.21</b>

## Note No: 15(a) - Trade Receivable Ageing

## TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment											
	< 6 Months		6 Months -1 Years		1-2 Years		2-3 Years		> 3 Years		Total	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(i) Undisputed Trade Receivables - Considered good	1362.02	590.54	346.62	2298.93	2902.78	959.62	1426.21	366.93	524.67	194.00	6562.30	4410.02
(ii) Undisputed Trade Receivables - Considered doubtful									5.89	17.19	5.89	17.19
(iii) Disputed Trade Receivables - Considered good											-	-
(iv) Disputed Trade Receivables - Considered doubtful											-	-
<b>Total</b>	<b>1362.02</b>	<b>590.54</b>	<b>346.62</b>	<b>2298.93</b>	<b>2902.78</b>	<b>959.62</b>	<b>1426.21</b>	<b>366.93</b>	<b>530.56</b>	<b>211.19</b>	<b>6568.19</b>	<b>4427.21</b>

**Note No: 16 - Cash and cash equivalent**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
(a) Cash on hand	1.45	1.00
<b>Sub total (A)</b>	<b>1.45</b>	<b>1.00</b>
(b) Balances with banks		
(i) In current accounts	282.68	116.56
(ii) In deposit accounts	49.33	57.66
(iii) Other earmarked accounts (SUBUCAS & NADP Scheme)	30.31	107.06
<b>Sub total (B)</b>	<b>362.32</b>	<b>281.28</b>
<b>Total (A+B)</b>	<b>363.77</b>	<b>282.28</b>

**Note No: 17 - Short Term Loan & Advances**

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
<b>A. Secured, considered good</b>		
<b>B. Unsecured, considered good</b>		
(a) Loans and advances to employees	64.79	27.36
(b) Advance to Growers, suppliers and contractors	117.03	138.40
(c) Other Advances	1,312.64	2,597.30
<b>Sub total</b>	<b>1,494.45</b>	<b>2,763.06</b>
<b>C. Doubtful</b>		
(i) Advance to Growers, suppliers and contractors Doubtful	53.63	53.63
Less: Provision for other doubtful loans and advances	53.63	53.63
<b>Sub Total</b>	<b>-</b>	<b>-</b>
(ii) Other Advances		
Doubtful	29.18	29.77
Less: Provision for doubtful advances	29.18	29.77
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,494.46</b>	<b>2,763.06</b>



## Note No: 18 - Other Current Assets

Particulars	As at 31-Mar 2022	As at 31-Mar 2021
	Rs. in Lakhs	Rs. in Lakhs
Unsecured, considered good		
(a) Accrual		
Interest accrued on Bank Deposits	6.17	5.42
(b) Amount recoverable from Subsidiary Company	55.52	31.11
(c) Amount recoverable for cane diversion to other Mills	82.80	68.02
(d) Prepaid expenses	-	-
(e) Balances with government authorities		
(i) TDS	103.64	104.71
(ii) Service Tax, E.D, VAT credit receivable	45.22	21.18
(f) Others	100.85	90.70
(g) Deposit with Others (Tamilnadu Power Finance Corporation Ltd)	489.21	444.19
<b>Total</b>	<b>883.40</b>	<b>765.33</b>

## Note No: 19 - Revenue from operation

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>(i)(a) Manufactured goods</b>		
Sale of Sugar	14,552.15	10,211.52
Sale of Molasses	938.69	2,312.52
Sale of Pressmud	0.01	-
Sale of Power-Co-Gen	30.97	11.31
Sale of Baggase	0.54	0.01
<b>Sub Total (A)</b>	<b>1,594.82</b>	<b>1,240.68</b>
<b>(b) Traded goods</b>		
Sale of Fertiliser and Pesticides	21.18	12.20
Sale of Farm/Parasite Lab. Products	3.17	4.94
<b>Sub Total (B)</b>	<b>24.36</b>	<b>17.14</b>
<b>(ii) Sale of services</b>		
Consultancy service charges from co-operative sugar mills	49.13	55.13
<b>Sub Total (C)</b>	<b>49.13</b>	<b>55.13</b>
<b>Total (A)+(B)+(C)</b>	<b>17,190.66</b>	<b>13,848.31</b>

**Note No: 20 - Other Income**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>(a) Interest income</b>		
From Bank on Fixed Deposits	28.43	15.13
From others	78.71	13.22
<b>(b) Dividend income:</b>	-	-
From long-term investments- Others	18.33	36.67
(c) Rent received	2.80	2.79
(d) Subsidy received	76.65	-
(e) Scrap Sales	45.03	20.33
(f) Others	16.87	25.53
<b>Total</b>	<b>266.82</b>	<b>113.66</b>

**Note No: 21 - Cost of materials consumed**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>Material consumed:</b>		
Sugarcane Consumed	13,349.42	9,824.53
<b>Total</b>	<b>13,349.42</b>	<b>9,824.53</b>

**Note No: 22 - Purchase of Trading goods**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
Fertiliser and Pesticides	14.36	9.75
<b>Total</b>	<b>14.36</b>	<b>9.75</b>

**Note No: 23 - Net (increase) / decrease of Inventories**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>Finished goods</b>		
Sugar: Opening Stock	12,882.84	13,096.38
Closing Stock	14,148.15	12,882.84
<b>Sub Total (a)</b>	<b>(1,265)</b>	<b>214</b>
Molasses: Opening Stock	575.06	1,608.19
Closing Stock	1,154.86	575.06
<b>Sub Total (b)</b>	<b>(579.80)</b>	<b>1,033.14</b>
Baggasse: Opening Stock	1.49	6.95
Closing Stock	12.86	1.49
<b>Sub Total (c)</b>	<b>(11.37)</b>	<b>5.45</b>

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>Work in process</b>		
Sugar-in-process: Opening Stock	440.01	153.64
Closing Stock	415.98	440.01
<b>Sub Total (d)</b>	<b>24.03</b>	<b>(286.37)</b>
Molasses-in-process: Opening Stock	66.08	42.82
Closing Stock	58.37	66.08
<b>Sub Total (e)</b>	<b>7.71</b>	<b>(23.26)</b>
Fertilizer & Pesticides :Opening Stock	12.71	7.68
Closing Stock	17.46	12.71
<b>Sub Total (f)</b>	<b>(4.76)</b>	<b>(5.02)</b>
Standing Crops :Opening Stock	-	-
Closing Stock	1.38	-
<b>Sub Total (g)</b>	<b>(1.38)</b>	-
Pressmud : Opening Stock	18.15	2.92
Closing Stock	15.85	18.15
<b>Sub Total (h)</b>	<b>2.30</b>	<b>(15.23)</b>
<b>Net (increase) / decrease (a+b+c+d+e+f+g+h)</b>	<b>(1,828.57)</b>	<b>922.24</b>

**Note No: 24 - Employee benefits expense**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
(a) Salaries, Wages and Bonus	1,950.57	2,042.17
(b) Contribution to		
(i) Provident fund	202.34	195.02
(ii) Pension fund	2.98	4.31
(c) Gratuity contribution scheme	159.61	8.53
(d) Staff welfare expenses	69.82	75.18
(e) Earned Leave	46.39	58.00
<b>Total</b>	<b>2,431.71</b>	<b>2,383.62</b>

**Note No: 25 - Finance Cost**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
(a) Interest expense on:		
(i) Bank loan (Term Loan, Soft loan and Cash credit)	1,965.78	2,088.13
(ii) Ways & Means Loans	1,281.47	642.78
<b>Total</b>	<b>3,247.25</b>	<b>2,730.91</b>

**Note No: 26 - Other Expenses**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
Carriage Inwards	-	4.76
Co-Gen Expenses	722.01	457.84
Process Stores consumed	146.12	98.14
Consumption of packing materials	174.06	116.85
Power and fuel	347.76	263.19
Self generation tax on electricity	12.34	7.99
Rent	15.71	21.91
Repairs and maintenance - Buildings	21.06	11.25
- Machinery	370.94	188.10
- Others	38.02	27.86
Insurance	47.07	46.10
Rates and taxes	30.52	45.56
Travelling and conveyance	13.06	9.56
Printing and stationery	8.63	8.55
Postage, Telephone	5.51	7.75
Selling & Distribution Expenses	38.54	22.36
Bank charges	19.15	11.41
Entertainment Expenses	1.80	1.59
Legal and professional	23.16	7.50
Subscription to Associations	8.07	37.53
Corporate Meeting Expenses	15.20	19.97
Payments to auditors (Refer Note (i) below)	2.84	2.86
Other Administrative Expenses	101.48	13.28

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
Guarantee Commission	32.71	20.35
Prior period items (Refer Note (ii) below)	(309.41)	(129.03)
Security Charges	127.21	77.09
Filing Fees (ROC)	-	-
Debts / advances written off	-	-
Less : Provisions for Doubtful Debts/Advances withdrawan	11.13	9.60
Loss on retirement of Assets	-	20.11
Miscellaneous expenses	37.53	5.69
<b>Total</b>	<b>2,062.20</b>	<b>1,435.72</b>

**Note No. 26. Other expenses (contd.)**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>(i) Payments to the Auditors comprises</b>		
As Auditors - Statutory audit	2.36	2.36
For Reimbursement of Expenses	0.48	0.51
<b>Total</b>	<b>2.84</b>	<b>2.86</b>
<b>(ii) Details of Prior period items (net)</b>		
Prior period expenses	46.66	95.08
Less: Prior period income	356.06	224.11
<b>Total</b>	<b>(309.41)</b>	<b>(129.03)</b>

**Note No: 27 - Value of Imports**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
<b>Value of imports calculated on C.I.F basis by the company during the financial year in respect of –</b>		
I. Raw materials;	-	-
II. Components and spare parts;	-	-
III. Capital goods;	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No: 28 - Dividends Remitted in Foreign Currency**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-
Amount of Dividend Remitted in Foreign currency	-	-
Number of Non resident Shareholders	-	-
Number of shares held	-	-
Year to which dividend related	-	-
<b>Total</b>	-	-

**Note No: 29 - Details of Crypto Currency or Virtual Currency**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:-		
(a) profit or loss on transactions involving Crypto currency or Virtual Currency		
(b) amount of currency held as at the reporting date,		
(c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.		
<b>Total</b>		

**Note No: 30 - . Earnings in Foreign exchange**

Particulars	For the Year ended 31-Mar-2022	For the Year ended 31-Mar-2021
	Rs. in Lakhs	Rs. in Lakhs
Earnings in foreign exchange	-	-
Export of goods calculated on F.O.B. basis;	-	-
Royalty, know-how, professional and consultation fees;	-	-
Interest and dividend;	-	-
Other income, indicating the nature thereof	-	-
<b>Total</b>	-	-

## Note No: 31 - Ratios

S. No.	Particulars	Formula	2021-2022	2020-2021	Variance (in %)	Reason for variance
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.55	0.55	0.38	
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$	(0.84)	(0.69)	20.39	
3	Debt Service Coverage Ratio	$\frac{\text{Earnings available for Debt Service}}{\text{Debt Service}}$	0.59	(0.21)	(382.77)	Turnover has been increased
4	Return on Equity	$\frac{\text{Net Profits after taxes - Preference Dividend}}{\text{Average Shareholder's Equity}}$	0.06	0.09	(35.94)	Net loss has been decreased
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods sold or Sales}}{\text{Average Inventory}}$	1.14	0.95	20.39	
6	Trade Receivables Turnover Ratio	$\frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$	3.13	3.83	(18.27)	Sales has been increased
7	Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	3.36	2.47	36.20	Purchase has been increased
8	Net Capital Turnover Ratio	$\frac{\text{Net Sales}}{\text{Working Capital}}$	(0.83)	(0.75)	10.72	
9	Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Net Sales}}$	(0.11)	(0.24)	(54.23)	Net loss has been decreased
10	Return on Capital Employed	$\frac{\text{Earnings before Interest and taxes}}{\text{Capital Employed}}$	(0.08)	0.04	(282.61)	Net loss has been decreased
11	Return on Investment	$\frac{\text{Net Profit}}{\text{Cost of Investment}}$	(0.09)	(0.15)	(43.19)	Net loss has been decreased

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date  
**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)

**TAMIL NADU SUGAR CORPORATION LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2022**

Amount in Lakhs

Particulars	2021-22 (Rs. In lakhs)		2020-21 (Rs. In lakhs)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/Loss as per P&L Account		(1,950.23)		(3,484.21)
<b>Adjustment for</b>				
<b>Add:</b>				
Loss on assets written off	-		20.11	
Depreciation (Net of sharing)	136.48		139.39	
Finance cost	3,247.25	<b>3,383.73</b>	2,730.91	<b>2,890.41</b>
<b>Less:</b>				
Interest income from bank and others	107.14		32.43	
Dividend received	18.33	125.48	36.67	69.10
		<b>1,308.02</b>		<b>(661.91)</b>
<b>Operating profit/loss before Working Capital Changes</b>				
<b>Change in operating assets and liabilities</b>				
<b>Increase / Decrease in:</b>				
Inventories	(1,848.99)		941.56	
Trade Receivables	(2,141.77)		(1,615.34)	
Short term loans & Advances	1,268.61		(284.61)	
Other Current Assets	(57.51)		42.89	
Trade Payable	(4,190.15)		(660.63)	
Current liabilities	1,771.62		5,067.28	
Short term & Long term Provisions	62.12		50.81	
Long Term Loans & Advances	-	(5,137.65)	(330.10)	3,210.84
<b>Cash generated from Operations</b>		<b>(3,829.62)</b>		<b>2,548.93</b>
<b>Less: Income taxes paid</b>		-		-
<b>Net Cash Flow from Operating Activities (a)</b>		<b>(3,829.62)</b>		<b>2,548.93</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE		(72.71)		(112.15)
Interest Income		97.31		19.85
Dividend Income		18.33		36.67
<b>Net cash from Investing Activities (b)</b>		<b>42.94</b>		<b>(55.63)</b>



Particulars	2021-22 (Rs. In lakhs)		2020-21 (Rs. In lakhs)	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(Decrease) in Long Term Borrowings		(395.05)		(46.45)
Increase/(Decrease) in Short Term Borrowings		6,545.86		(3,127.89)
Interest paid		(2,207.43)		(1,132.17)
<b>Net Cash from Financing Activities (c)</b>		<b>3,943.37</b>		<b>(4,305.50)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>		156.68		(1,809.20)
Cash and cash equivalent at the beginning of the year		175.22		1,988.42
Cash and cash equivalent at the end of the year		333.47		175.22

## Note

- The above cash flow statement has been prepared under indirect method as per AS-3.
- Non cash items relating to conversion of share pending allotment to share capital are not cash flows hence not considered
- Component of Cash and Cash Equivalents:

Cash on hand	1.45	1.00
Balance with banks		
- in current accounts	282.68	116.56
- in deposit accounts	49.33	57.66
	<u>333.46</u>	<u>175.22</u>

**G. Alagarsamy**  
Company Secretary

**C. Arumugam**  
Chief Accounts Officer

**G.Senthilkumari**  
Director

**T.Anbalagan, I.A.S.,**  
Chairman & Managing Director (FAC)

Place: Chennai  
Date: 28/11/2022

As per our report of even date

**For Ganesh Venkat and Co .,**  
Chartered Accountants  
Firm Reg No: 005293S

**M.Kousik Ganesh**  
(Partner)  
(M.No. 023536)