Raízen Energia S.A.

(*A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board – IASB)*

Financial statements at March 31, 2020 and independent auditors' report

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MANAGEMENT REPORT

In compliance with legal and statutory provisions, the Management of Raízen Energia S.A. hereby presents the Management Report and the Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as with the accounting practices adopted in Brazil and rules of the Brazilian Securities and Exchange Commission (CVM). The Company adopted all the standards, reviews of standards, and interpretations issued by IASB and those which are in force for financial statements for the period ended March 31, 2020.

Adoption of CPC 06 (R2) / IFRS 16 – Leases
Since April 1st, 2019, the Company has applied CPC 06 (R2) / IFRS 16 - Leases, which concerns lease accounting principles, and replaces IAS 17 - Leases and its interpretations. Raízen chose the modified retrospective approach, without resubmiting the 2018/19 Consolidated Financial Statements. Additional information regarding the adoption of this standard is included on management note 2.3 (i) of the Financial Statements.

OPERATIONAL PERFORMANCE

We present below the consolidated results of Raízen Energia, mainly engaged in the production and trading of sugarcane products, including raw (called VHP) and white sugar, anhydrous and hydrated ethanol, in addition to activities related to cogeneration of energy from biomass and ethanol and energy trading operations. Raízen Energia's fiscal year begins in April and ends in March of each year. This report addresses the results for the quarter beginning on January 1, 2020 and ending on March 31, 2020 (4Q20), and for the year beginning on April 1, 2019 and ending on March 31, 2020 (2019/20 crop year).

Financial Highlights – Combined and Consolidated

Raízen Energia	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Sugarcane crushed (Mln	-	0.2	n/a	59.6	59.7	-0.2%
TRS/ha	-	7.5	n/a	9.6	9.2	4.3%
Sugar Mix - Production	0% vs 100%	25% vs 75%	n/a	49% vs	48% vs 52%	n/a
Adjusted EBITDA* (R$ Mln)	1,544.7	930.6	66.0%	3,437.0	2,918.7	17.8%

* Excluding the impact from the change in biological assets, foreign exchange effect on sugar, IFRS 16 and other non-recurrent effects.

Definitions

4Q'19: quarter ended March 31, 2019.

3Q'20: quarter ended December 31, 2019.

4Q'20: quarter ended March 31, 2020.

FY 2019: period from April 1st, 2018 to March 31, 2019.

FY 2020: period from April 1st, 2019 to March 31, 2020.

EBITDA LTM: Last twelve months (from April 1st, 2019 to March 31, 2020).

Operating and Financial Metrics

Raízen Energia: Adjusted EBITDA reached R$1.5 billion (+66%) in 4Q'20, **due to sales concentrated in the last quarter of the crop with better prices**. The Otto cycle's lower demand affected own ethanol sales (-12%) in the quarter, which was offset by higher sugar sales (+35%). **In the crop year, Adjusted EBITDA totaled R$3.4 billion (+18%)**, reflecting higher own sugar sales volume and better prices of all products.

Raízen Energia

Brazil's Center-South region ended the last quarter of the 2019/20 crop year with a total of 590 million tons of crushed sugarcane (+3%), according to UNICA data. The increase in crushing was due to a better distribution of rainfall associated with an improvement in the quality of the raw material (ATR 138.6 kg registering an increase of 1% in relation to 2018/19). In the crop year, production mix was 34% sugar versus 66% for sugarcane destined to ethanol production.
Raízen's sugarcane crushing period had already ended in 3Q'20 with a total of 60 million tons of crushed sugarcane in 2019/20 crop year and a mix favoring ethanol production (51% vs 49% for sugar) due to the higher profitability of the biofuel compared with sugar. This quarter recorded a small production of ethyl alcohol (70%) destined to donations focused on tackling the new Coronavirus.

Net revenue totaled R$9.0 billion in 4Q'20 (+26%) and R$30.7 billion in the crop (+37%) mainly due to higher sales volume and better sugar and ethanol average prices, both in the quarter and in the crop year. We highlight below the impact on revenue by-product:

Sugar: Net revenue stood at R$2.3 billion in 4Q'20 (+45%), driven by a higher sales volume concentration in the quarter (+35% vs 4T'19), and a higher average commodity price (R$1,224/ton, +7%). In the 2019/20 crop year, net revenue totaled R$4.6 billion (+20%), with an average price 14% higher than in the previous crop.

Ethanol: Net revenue stood at R$3.6 billion 4Q'20 (+23%), boosted by better average price (R$2,304/m³, +15%). In the crop year, net revenue rose 26% to R$11.5 billion, with an average price of R$2,156/m³, (+15%). The higher average price reflects the economic hedge strategy on ethanol sales and the higher volume exported.

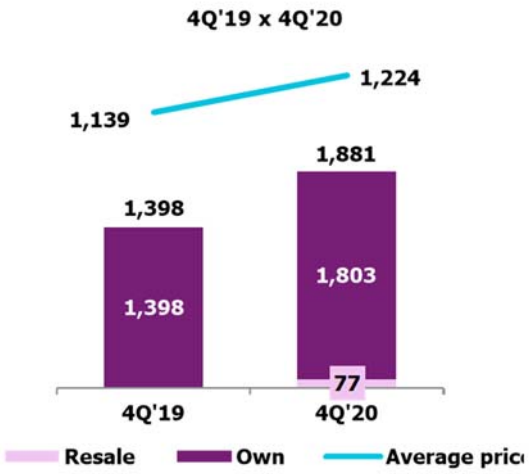
Electricity: Net revenue from electricity trading totaled R$667 million in 4Q'20 (-9%), affected by lower negotiated volumes in the period, reaching average price of R$314/MWh. In the crop year, net revenue totaled R$3.9 billion (+12%) due to higher trading volumes.

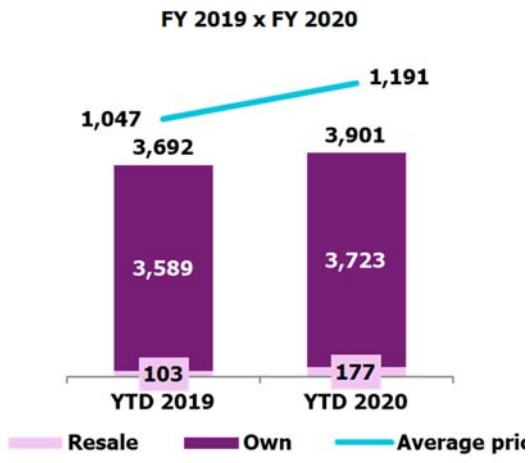
Other Products and Services: Net revenue from other products and services was R$2.4 billion in 4Q'20 (+30%) and R$10.7 billion (+80%) in the crop year, comprised by oil byproducts imports and other products and services, which, due to the nature of the operation, may significantly impact revenue and costs, according to market opportunities, but cause a limited effect on gross profit.

Sales breakdown (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Net operating revenue (adjusted)	**8,995.3**	**7,131.0**	**26.1%**	**30,710.6**	**22,369.2**	**37.3%**
Total Sugar Sales	**2,302.8**	**1,592.6**	**44.6%**	**4,646.8**	**3,865.7**	**20.2%**
Domestic Market	421.9	377.1	11.9%	1,542.3	1,299.8	18.7%
Exports Market	1,880.9	1,215.5	54.7%	3,104.5	2,565.9	21.0%
Total Ethanol Sales	**3,618.9**	**2,950.6**	**22.6%**	**11,480.2**	**9,096.3**	**26.2%**
Domestic Market	2,181.2	2,105.7	3.6%	6,673.3	6,354.3	5.0%
Exports Market	1,437.7	844.9	70.2%	4,806.9	2,742.0	75.3%
Total Energy Sales	**667.3**	**735.9**	**-9.3%**	**3,866.0**	**3,463.5**	**11.6%**
Other products and services	**2,406.3**	**1,851.9**	**29.9%**	**10,717.6**	**5,943.7**	**80.3%**
Sugar foreign exchange effect	-	(11.0)	n/a	-	36.4	n/a
Net operating revenue	**8,995.3**	**7,120.0**	**26.3%**	**30,710.6**	**22,405.6**	**37.1%**

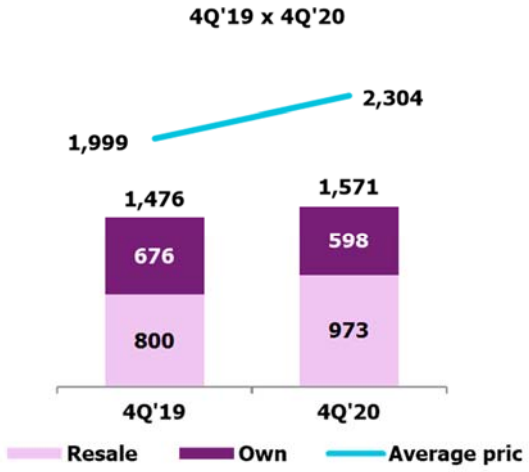
Note: Net revenue from sugar exports includes the effect of hedge accounting – price and foreign exchange of sugar.

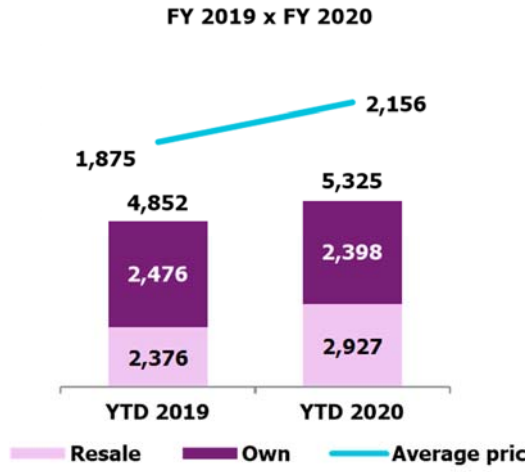
Sugar Sales Volume (`000 ton & R$/ton)



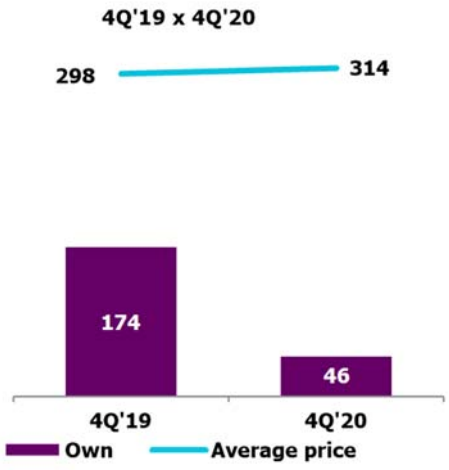


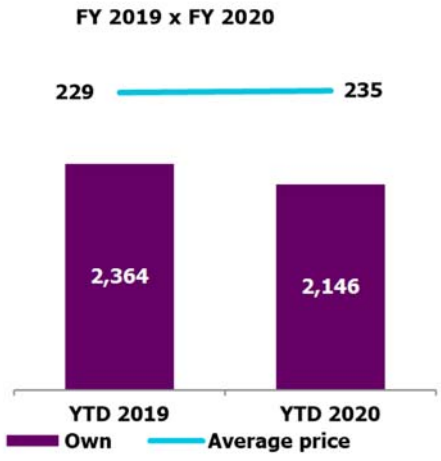
Ethanol Sales Volume (`000 cbm & R$/cbm)





Cogeneration Sales Volume (MWh & R$/MWh)





Inventories: Sugar	4Q'20	4Q'19	Var %
000 ton	142.5	91.6	55.6%
R$ Mln	138.7	91.6	51.4%
R$/ton	973.3	1,000.0	-2.7%

Inventories: Ethanol	4Q'20	4Q'19	Var %
'000 m³	508.8	291.3	74.7%
R$ Mln	752.0	361.7	>100%
R$/m³	1,478.0	1,241.7	19.0%

Cost of goods sold totaled R$8.1 billion (+23%) in 4Q'20 and R$28.3 billion (+37%) in 2019/20, driven by higher oil byproducts and ethanol resale and trading volume. The unit cash cost of own products sold, in sugar-equivalent, reached R$784/ton in the quarter (+5%) and R$753/ton in the crop year (+11%). When adjusted by the impact of the CONSECANA average price on sugarcane provided by suppliers and land leasing in the period, sales unit cash cost would total R$735/ton (-2%) in 4Q'20 and R$705/ton (+4%) in the 2019/20 crop year, mainly reflecting production mix and inflation in the period.

Cost of goods sold (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Cost of goods sold	**(8,116.7)**	**(6,618.9)**	**22.6%**	**(28,322.7**	**(20,711.3)**	**36.7%**
Own Sugar	(1,844.8)	(1,377.9)	33.9%	(3,851.5)	(3,335.3)	15.5%
Own Ethanol	(1,071.7)	(1,137.1)	-5.8%	(3,898.6)	(3,621.9)	7.6%
Own Energy Cogeneration	(3.0)	(23.8)	-87.6%	(234.7)	(252.0)	-6.9%
Total Resale and Trading	(5,169.4)	(4,001.8)	29.2%	(20,154.2)	(12,869.6)	56.6%
Other products and services	(14.4)	(78.3)	-81.7%	(303.9)	(632.3)	-51.9%
IFRS16 effect	(14.1)	-	n/a	119.3	-	n/a
Equivalent Sugar Cash Cost (R$/ton)	**(783.8)**	**(747.9)**	**4.8%**	**(753.1)**	**(678.4)**	**11.0%**
Sugar Cash Cost - Own (R$/ton)	(760.5)	(726.3)	4.7%	(766.5)	(683.4)	12.2%
Ethanol Cash Cost - Own (R$/m³)	(1,324.5)	(1,241.1)	6.7%	(1,184.2)	(1,078.0)	9.8%
Equivalent Sugar Cash Cost - excl. CONSECANA effect (R$/ton)	**(735.4)**	**(747.9)**	**-1.7%**	**(704.7)**	**(678.4)**	**3.9%**

Note: Cash cost of own sales volumes excludes depreciation and amortization of planting and tilling, agricultural depreciation (machinery and equipment), industrial depreciation and off-season maintenance.

Selling, general, and administrative expenses totaled R$354 million (-2%) in 4Q'20 and R$1.5 billion (+1%) in the 2019/20 crop year, in line with the previous crop year.

Adjusted EBITDA reached 1.5 million (+66%) in 4Q'20, reflecting the commercialization strategy for the crop year, with a higher concentration of sales in the crop's last quarter**. In the crop year, Adjusted EBITDA totaled R$3.4 billion (+18%)**, as a result of higher sales volume, coupled with the commercialization strategy and higher average prices of all products during the crop year.

EBITDA & EBIT (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
EBITDA	**1,926.7**	**893.8**	**>100%**	**4,399.2**	**2,936.1**	**49.8%**
Biological asset effects	(41.8)	25.8	n/a	(12.9)	261.2	n/a
Sugar foreign exchange effect	-	11.0	n/a	-	(36.4)	n/a
Non-recurring effects	-	-	n/a	-	(242.2)	n/a
IFRS 16 effect	(340.2)	-	n/a	(949.3)	-	n/a
Adjusted EBITDA	**1,544.7**	**930.6**	**66.0%**	**3,437.0**	**2,918.7**	**17.8%**
EBIT	**785.9**	**205.2**	**>100%**	**1,271.0**	**827.2**	**53.7%**
Biological asset effects	(41.8)	25.8	n/a	(12.9)	261.2	n/a
Sugar foreign exchange effect	-	11.0	n/a	-	(36.4)	n/a
Non-recurring effects	-	-	n/a	-	(242.2)	n/a
IFRS 16 effect	13.6	-	n/a	(119.3)	-	n/a
Adjusted EBIT	**757.7**	**242.0**	**>100%**	**1,138.8**	**809.8**	**40.6%**

The position of sugar volumes and prices fixed with trading companies or via derivative financial instruments, in US dollars and converted into Brazilian Reais, respectively, until March 31, 2020, is summarized as follows:

Summary of Hedge Operations	2020/21	2021/22
Sugar		
Volume ('000 ton)	2,256.0	1,123.0
Average price (¢R$/lb)*	60.3	64.3
Average price (¢US$/lb)*	13.5	13.4

Note: The average price in ¢R$/lb considers the exchange rate hedged through financial instruments, while net revenue is recorded at the exchange rate realized during the period.
* Includes polarization premium.

Investments reached R$1.0 billion (-7%) in 4Q'20 and R$2.8 billion (+7%) of the 2019/20 crop year, in line with the plan for the year. The increase mainly derives from higher tillage handling investments, due to a larger area of cultivation and adjustment to the cane field renewal level in certain regions, as well as investments related to HSE & Sustaining for industrial plants maintenance.

Capex (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Total Capex	**1,004.4**	**1,080.2**	**-7.0%**	**2,827.0**	**2,641.7**	**7.0%**
Maintenance Capex	**689.3**	**730.9**	**-5.7%**	**2,077.5**	**1,894.3**	**9.7%**
Biological assets	227.8	271.0	-15.9%	1,295.5	1,229.7	5.4%
Off-season maintenance	461.5	459.9	0.3%	782.0	664.6	17.7%
Operational Capex	**204.0**	**135.4**	**50.7%**	**376.6**	**252.4**	**49.2%**
HSE & Sustaining	153.9	117.6	30.9%	270.2	190.5	41.8%
Mechanization	36.4	2.5	>100%	78.2	32.1	>100%
Industrial	13.7	15.3	-10.5%	28.2	29.8	-5.4%
Project Capex	**111.1**	**213.9**	**-48.1%**	**372.9**	**495.0**	**-24.7%**
Cogeneration and Expansion	19.4	51.1	-62.0%	84.6	113.4	-25.4%
Others	91.7	162.8	-43.7%	288.3	381.6	-24.4%

Net debt cost was **R$125 million** compared with R$107 million in 4Q'19 mainly due to net debt increase in the period. **Other charges and monetary variations** were negative in **R$111 million** in 4Q'20 driven by the effect of exchange rate variation on balances not designated as hedge accounting, impacted by higher exchange rate volatility (BRL vs USD) in the quarter. **Bank expenses, fees and others** were negative in **R$31 million** driven by debt issuance costs.

Financial results (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Debt Gross Cost	(124.9)	(107.3)	16.4%	(454.7)	(469.1)	-3.1%
Income from financial investments	14.3	23.7	-39.7%	64.3	86.7	-25.8%
Sub-total: cost net debt	**(110.6)**	**(83.6)**	**32.3%**	**(390.4)**	**(382.4)**	**2.1%**
Other expenses and monetary variation	(111.2)	30.3	n/a	(98.1)	86.0	n/a
Bank Expenses, Fee and Others	(31.0)	(19.0)	63.1%	(110.3)	(51.9)	>100%
Net financial result	**(252.8)**	**(72.3)**	**>100%**	**(598.7)**	**(348.3)**	**71.9%**
IFRS 16 Effects	**(81.3)**	**-**	**n/a**	**(333.9)**	**-**	**n/a**
Net financial result Total	**(334.1)**	**(72.3)**	**>100%**	**(932.6)**	**(348.3)**	**>100%**

EBITDA Reconciliation (R$ Mln) – Raízen Energia

EBITDA Reconciliation (R$ Mln)	4Q'20	4Q'19	Var %	FY 2020	FY 2019	Var %
Net income - Controlling shareholders	**284.3**	**96.0**	**>100%**	**175.8**	**468.1**	**-62.4%**
Net income - Non-Controlling shareholders	37.7	0.8	>100%	98.1	4.9	>100%
Net income for the period	**322.0**	**96.8**	**>100%**	**273.9**	**473.0**	**-42.1%**
Income tax and social security	129.8	36.0	>100%	64.5	5.9	>100%
Net financial result	334.1	72.3	>100%	932.6	348.3	>100%
Depreciation and amortization	1,140.8	688.7	65.6%	3,128.2	2,108.9	48.3%
EBITDA	**1,926.7**	**893.8**	**>100%**	**4,399.2**	**2,936.1**	**49.8%**

POLICY ON DISTRIBUTION OF DIVIDENDS AND INTEREST ON OWN CAPITAL

Raízen Energia S.A. follows the Brazilian Corporation Law for the purpose of distributing dividends and its bylaws provide for the payment of mandatory dividend to common shares of 1% of adjusted net income for each year ended March 31. The amounts distributed and paid as dividends and interest on own capital are explicitly stated in the statements of cash flows, statements of changes in shareholders' equity and in the notes to the financial statements for the year ended March 31, 2020.

SOCIAL AND ENVIROMENTAL RESPONSIBILITY

Raízen seeks to be the benchmark company in sustainability in the industries where it operates, through the incorporation of best environmental, social and governance practices in its business strategy, promoting shared value within the chain.

As an energy company, Raízen is prepared for the dynamic scenario of the segments in which it operates. Thus, we have adopted Sustainability as a central element of our strategy. Throughout the 2019/2020 crop, we went further: we started structuring a strategic plan that seeks to address actions and set goals based on priority areas for the continuity of our businesses.

The work started by analyzing relevant topics and sustainability trends among over 30 clients and financial institutions, in addition to relying on experts from the sugar and energy industries and Raízen's internal public.

As a result, we have prioritized some topics, which will form the company's Strategic Sustainability Plan, after a thorough study and definition of our ambitions, action plans and goals, to be strategically structured as of the next crops.

Topics such as climate change, sustainable source and certifications, health and safety, best environmental practices, renewable energies, water management and social performance occupy a prominent position in this agenda.

Aiming to improve the governance regarding this area, the company implemented the Sustainability Committee in 2019/2020, which includes representatives of the top leadership, such as the CEO and Vice-Presidents, who strategically discuss its Sustainability agenda.

Moreover, the Corporate Social Responsibility Committee (CSR) is part of this structure, where matters are discussed with representatives of the shareholders (Shell and Cosan), who address relevant issues to the Board of Directors.

Aiming to ensure a high level of transparency and engagement with its stakeholders, Raízen publishes its Annual Report annually (following the guidelines of the GRI - Global Reporting Initiative international standard), thus reaffirming the Company's commitment to dialogue with its strategic audiences. The

report presents the performance in key indicators, in addition to the result of actions developed by Raízen during the crop year.

CLIMATE CHANGES AND EMISION MANAGEMENT

Since its creation, Raízen quantifies and manages Greenhouse Gas (GHG) emissions from its activities through the Annual Emissions Inventory. The inventory covers all the company's operations and is audited by an independent third party, thus making it a robust management tool.

The quality of information reported and used as an internal diagnosis is fundamental. Therefore, we invest in a software for data collection and automated calculation of emissions, in addition to having more than 80% of emissions coming from system integrations. This means that said data are not handled and, consequently, generate less uncertainty to the results.

Also aiming to better manage the GHG emissions from our processes, we carry out the Life Cycle Analysis (LCA) of our products annually, with a special focus on the carbon footprint. The knowledge obtained through the Inventory and the LCA allowed Raízen to commit to reducing its carbon footprint of ethanol produced by 10% by 2030. Said reduction will be achieved through the more efficient use of inputs and productivity gains in sugarcane fields, thus stressing our commitment to the low carbon economy and the efficient use of land.

With a view to business continuity, Raízen has been working on mapping and incorporating risks resulting from climate change into the risk matrices of the company's business throughout the last crops. These risks are the result of a study carried out in the 2017/2018 crop, using a consulting firm specialized in the subject, where reputational, operational, regulatory and market aspects were analyzed. The results obtained reinforced that Raízen is on the right track and that its businesses can take advantage of many opportunities, especially regarding regulatory and market aspects.

SUSTAINABLE SOURCE AND CERTIFICATIONS

Raízen has 22 of its ethanol and sugar producing units certified according to the international Bonsucro standard – the only standard developed specifically for sugarcane production – which certifies that the units follow its highest sustainability requirements. The Bonsucro certification, a voluntary initiative, is recognized by the European Commission for complying with the criteria established by the European Renewable Energy Directive (Directive 2009/28/EC). With this certification, companies can sell their products to European Union (EU) countries and to other markets and clients with high standards of sustainability requirements.

Raízen also maintains other certifications that attest to the quality of its products and the excellence of its processes, such as ISO 9001 and FSSC 22000 (certifications that ensure the quality and safety of Raízen products, respectively), ISO 14001 and OSHAS 18001 (environmental management and occupational health and management systems, respectively) and Sedex Global (a platform that allows to store, share and communicate production and quality information with clients). Moreover, the company also meets the requirements for registration with the EPA (United States Environmental Protection Agency Program, mandatory for ethanol producers that sell biofuel in the North American market), as well as registration with CARB (California Air Resources Board), which ensures compliance with the fuel production and transportation rules provided for in the Low Carbon Fuel Standard.

Our certification strategy also extends to second generation ethanol (E2G) produced from sugarcane bagasse. This plant, whose operation started in 2014/2015, is integrated with the Costa Pinto unit in the city of Piracicaba (SP) and achieved a productivity index of 226 liters of E2G per ton of biomass on a dry basis. All E2G production meets the most stringent sustainability standards of Bonsucro and ISCC, in addition to the criteria for accessing the American and European Union markets.

In the continuous search for more sustainable production, Raízen developed the ELO Program in partnership with Imaflora and Solidaridad, two internationally recognized institutions operating in the sustainable development of agricultural commodity chains. This is an unprecedented initiative worldwide to promote sustainability in Raízen's sugarcane supply chain. The project allowed Raízen to expand its sustainable performance by providing knowledge, processes and resources to engage its sugarcane suppliers to adopt measures that guarantee adequate working conditions, best practices for preserving the environment and, consequently, an integrated management of processes and businesses. Currently, the ELO Program serves approximately 2,000 producers, accounting for 94% of the volume of sugarcane from third parties.

HEALTH AND SAFETY

Safety is a priority topic for Raízen, that disseminates responsibility for safe attitudes among its employees and partners. Raízen has the challenge of attaining a zero accident rate in all its businesses, focusing on safe behavior as the key to achieving this goal, which has yielded significant improvements in its accident rates year after year, a scenario that also occurred in the 2019/2020 crop.

Health and safety are two of the main pillars of the Company's operations, reflected in how the Integrated Operations Management System (SIGO) program is followed in daily operations. SIGO is an integrated platform that manages activities involving HSE risks in all Raízen activities, focused on preventive behaviors and continuous improvement.

BEST ENVIRONMENTAL PRACTICES

The Company's environmental performance is based on the recognition that, as one of the leading companies in the country's energy industry, it is responsible for preserving the environment and minimizing the impacts caused by its activities. For this purpose, the Company invests in the conscious use of its resources, always seeking the best practices.

Raízen has been a signatory to the Agro-Environmental Protocol for the Sugar and Alcohol Sector since 2007. This document, an agreement signed between the government of the State of São Paulo and the Union of the Sugarcane Industry (Unica) of São Paulo, lists principles and technical guidelines to be adopted by the industries in the sugarcane chain regarding environmental issues. Among these principles, we highlight the anticipation of the legal deadlines established for the elimination of burning practice during the sugarcane harvest. Aiming to achieve this goal, Raízen made significant investments in monitoring and responding to fire in the sugarcane fields, using high-definition, long-range cameras to identify fire outbreaks and responding rapidly to prevent spread.

RENEWABLE ENERGY

Raízen operates in a circular economy system, taking advantage of all waste and inputs used in its processes to generate new forms of energy, thus directly contributing to the environment, generating less industrial waste and creating sustainable products that help cleaning the Brazilian energy matrix.

Through sugarcane bagasse, the company stands out as one of the largest producers of bioenergy, supplying the demand of its plants and exporting energy to the national grid. Furthermore, bagasse is used as a raw material for the production of second generation ethanol, a technology that allows the production of up to 50% more ethanol within the same planted area, thus significantly reducing the carbon footprint of this product.

With Raízen's production of bioenergy through the burning of bagasse, the company issues and markets REC's with partners committed to the use of renewable energy in its processes. RECs are certificates that allow the renewable source of electricity consumption to be traced. It represents one megawatt-hour (MWh) of renewable energy generated and inserted in the national grid.

In 2019, Raízen acquired a portion of Cosan Biomassa S.A. and entered the bagasse pellet market, through which it seeks to access international markets by exporting another source of clean energy.

Seeking to establish itself even more consistently as an integrated energy company, Raízen continues the construction of its first biogas plant, through which it will produce electricity for the national GRID using other waste from its process, the filter cake and stillage, as raw material.

In June 2019, the company also opened its first photovoltaic panel plant. The project, still in the pilot phase, is located in Piracicaba (SP). In total, there will be 3,800 panels inserted in an area of 40,000 square meters, the size equivalent to two soccer fields – which represents the largest area destined for solar energy in the State of São Paulo. In the initial phase, 18 Shell gas stations and two B2B clients were mapped and will be the first to benefit from said project.

WATER RESOURCES

The efficient use of natural resources in our operations is part of a responsible action. For example, through the ReduSa program, the decrease in water collection from external sources and the engagement of all production units have been fundamental to achieving positive results. The initiative was recognized during Bonsucro Global Week 2019, an annual event that aims to share sustainable practices in the sugar-energy sector worldwide. The lower intake of water, for example, generates benefits for the society surrounding the facilities and stresses our strategy towards a circular economy, with high resilience to external factors, such as possible water scarcity scenarios.

SOCIAL PERFORMANCE

Raízen understands and recognizes that its activities have a potential impact, either positive or negative, on various stakeholders, including communities in the areas of influence of its operations.

Considering the fact that a satisfactory performance in the Company's activities is directly related to a good relationship with stakeholders and the generation of value for the communities, Raízen has developed a Social Performance Policy which establishes its objectives regarding the management of social risks and opportunities in its operations. As one of the tools in this policy, the Company deployed a software that analyzes and classifies social investment and sponsorship opportunities according to the potential return of each one. Thus, Raízen minimized the analysis subjectivity and the results of projects were maximized, since the software is parameterized with the Company's objectives.

Through the Social Responsibility area, the Company invests in social projects in the areas of education and social inclusion. In 2019, over 200 initiatives were supported in municipalities where we operate. Raízen employees also have the opportunity to get involved in actions that positively impact the socially vulnerable populations in their surroundings, through the program Raízen Volunteers in Action (VOAR). Overall, 3 million people were impacted by the social actions promoted by Raízen and its employees.

The Company also maintains the Raízen Foundation, a social organization that offers young people aged 14, 15 and 16 a complementary training to regular education. Through a project that takes place outside school hours, it seeks to encourage young people in situations of social vulnerability to discover themselves professionally and lead their own journeys. Over 800 young people are currently part of the project in seven municipalities, and the Foundation intends to reach 10,000 young people over the next five years.

For further information, please see the latest Raízen Annual Report.
http://www.raizen.com.br/relatorioanual/

HUMAN RESOURCES

As of March 31, 2020, considering the employees of our companies, we had 28,843 employees (29,108 in March 2019). All our employees, including migrant and temporary rural workers, are directly hired by the Company under the Brazilian Labor Code (CLT) regime.

The Company maintains harmonious relationships with Workers' Unions that represent its employees. Collective bargaining agreements and conventions to which we are a party or directly negotiate have, in general, a term of 12 months. The Company is committed to complying with the applicable labor legislation and the conditions agreed in the collective bargaining instruments entered into with the unions, applying them equally to unionized and non-unionized employees.

We offer our employees, including our executives, a benefits package that includes balanced meals, health care, hospital and dental assistance, medication purchase allowance, food basket or food stamps, group life insurance, scholarships, among others, applicable to the different internal audiences of the Company. All of our employees are entitled to profit sharing programs, customized by area of activity and developed in accordance with applicable legislation, counting on the participation of workers' commissions and representatives of professional unions, whose remuneration is based on the achievement of goals and operational performance. The members of our Board of Directors are not entitled to these benefits.

The Company has been laying the groundwork for a solid career and succession plan of its employees, besides ensuring the continuity of the performance evaluation programs, based on the meritocracy model.

We created the Raízen University, an initiative that will integrate the learning and development actions of all areas. Thus, the structure currently includes six units, strategically connected to the challenges of the markets in which we operate.

In each unit, there are schools that deepen the subjects according to the individual development path. However, there are some prerequisites for everyone: Health, Safety and Environment (HSE); "Nossa RAIZ"; and Ethics and Sustainability. There is also the Continuing Education Center, which fosters the continuous self-development of our team. Through training and experience, we will promote the exchange and integration between different areas of knowledge.

CORPORATE GOVERNANCE

The Company bases its relationship with its stakeholders on the principles of transparency, equity, quality of accountability and corporate responsibility.

Aiming to ensure management and business transparency, the Company has an information disclosure policy, with the purpose of ensuring that data for the market is presented in a broad, transparent, homogeneous and consistent manner.

The Company maintains robust internal control procedures, objectively adapting itself to the needs provided for by its Corporate Governance principles.

In line with the best governance practices, the Company has committees to support the monitoring and deliberations of its Board of Directors, such as the Audit Committee, Financial Committee, Compensation Committee and Corporate Social Responsibility Committee.

STATEMENT OF THE EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS

In compliance with the provisions of article 25, paragraph one, item 6 of CVM Instruction No. 480/09, the Company's Directors declare that discussed, reviewed and agreed with the information in Company's financial statements for the fiscal year ended March 31, 2020.

STATEMENT OF THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITORS' REPORT

In compliance with the provisions of article 25, paragraph one, item 5 of CVM Instruction No. 480/09, the Company's Directors declare that discussed, reviewed and agreed with opinion expressed in KPMG Auditores Independentes auditors' report issued on June 5, 2020 for the fiscal year ended March 31, 2020.

RELATIONSHIP WITH EXTERNAL AUDITORS

The policy of the Company and its subsidiaries for contracting services other than external audit from independent auditors follows principles that preserve their independence. These principles comprise, in accordance with internationally accepted standards: (a) the auditor should not audit his own work; (b) the auditor should not exercise management role for the client, and (c) the auditor should not legally represent the interests of his clients.

Throughout the year, in compliance with CVM Instruction No. 381/03, we hereby inform that KPMG Auditores Independentes exclusively provided audit services for the individual and consolidated financial statements for the year ended March 31, 2020, and its related parties provided tax compliance, assurance services on the sustainability report and greenhouse gases inventory for base year 2019. We understand that those services do not represent a conflict of interest, loss of independence or objectivity of our independent auditors.

Independent auditors' report on the individual and consolidated financial statements

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board – IASB)

To the Board of Directors and Shareholders of Raízen Energia S.A.

São Paulo – SP

Opinion

We have audited the individual and consolidated financial statements of Raízen Energia S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the statement of financial position as of March 31, 2020 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Raízen Energia S.A. as of March 31, 2020, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the following section denominated "Auditors' responsibilities for the audit of the individual and consolidated financial statements". We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements included in the Accountants Professional Code of Ethics ("*Código de Ética Profissional do Contador*") and in professional standards issued by the Federal Accounting Council ("*Conselho Federal de Contabilidade*"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Evaluation of recoverable amounts of cash-generating units that contain goodwill based on the expectation of future profitability arising from business combinations

See Notes 2.3 (k) and 13 of individual and consolidated financial statements

Key audit matter	How our audit addressed this matter
Business combinations made by the Company resulted in the recognition of goodwill based on expected future profitability, the recoverable amount of which should be evaluated annually. The evaluation of the recoverable amount of the Company's cash-generating units ("CGUs") involves significant judgments in determining the assumptions used in the projections of cash flows, including commodity sales prices, productivity of agricultural areas, cost inflation, exchange, growth and discount rates. Due to judgmental complexity and estimates used in the determination of recoverable amounts of CGUs and the impact that eventual changes in the assumptions and estimates used in the measurement of this amount would may result in impact on the individual and consolidated financial statements, we consider this matter significant in our audit.	Our audit procedures included, but were not limited to: ▪ We evaluated the design and operating effectiveness of key internal controls related to determination of recoverable amounts of CGUs that has goodwill arising from business combinations based on studies provided by the Company. ▪ With the assistance of our corporate finance specialists, we evaluated the reasonableness of the key assumptions in the preparation of recoverable analysis of CGUs that has goodwill arising from business combinations, and we evaluated the reasonableness of the key assumptions used in the projections of cash flows, including commodity sales prices, productivity of agricultural areas, exchange, growth and discount rates and consistence of such assumptions with the Company's business plan and external information as such as sensitivity analysis over the key assumptions used by the Company. ▪ Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information.

	Based on the audit procedures summarized above, we consider acceptable the recoverable amounts of CGUs that contain goodwill based on the expectation of future profitability, as well as the respective disclosures, in the context of the individual and consolidated financial statements taken as a whole for the year ended March 31, 2020.

Measurement of fair value of biological assets	
See Notes 2.3 (g) and 7 of the individual and consolidated financial statements	
Key audit matter	How our audit addressed this matter
The Company and its subsidiaries measure its biological assets at fair value and this measurement requires critical judgment in the determination of the assumptions, which include, among others, the future sales price of sugar, sugar cane productivity, harvest area and discount rate. Due to judgmental complexity of the estimates made to measure the fair value of biological assets and the impact that eventual changes in the assumptions and significative estimates used in the measurement would have in the individual and consolidated financial statements, we consider this matter significant in our audit.	Our audit procedures included, but were not limited to: ▪ We evaluated the design and operating effectiveness of the Company's key internal controls related to the calculation of the fair value of biological assets. ▪ With the assistance of our corporate finance specialists, we have evaluated, the reasonableness of the main assumptions used to measure the biological assets fair value, including the future price of sugar, sugar cane productivity, harvest area and discount rate and, compare sugar cane productivity with internal and external available historical information, as well, we performed a sensitivity analysis over the key assumptions used by the Company. ▪ Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information. Based on the audit procedures summarized above, we consider that the measurement of the biological assets, as well as the respective disclosures, are acceptable, in the context of the individual and consolidated financial statements taken as a whole, for the year ended March 31, 2020.

Valuation of financial instruments, including derivatives and designation of hedge accounting	
See Notes 2.3 (c) and 26 of individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
The Company and its subsidiaries have operations with financial instruments, including derivative financial instruments to hedge the risks of commodities prices, exchange rate and interest. Based on the complexity of estimates and the high level of judgments involved in measuring the fair value of the financial instruments, including derivatives as well as determining a hedge ratio and its effectiveness and, the significant impacts that possible changes in the measurement assumptions of financial instruments and hedge designations may cause, we consider this matter to be significant in our audit.	Our audit procedures included, but were not limited to: ▪ We evaluated the design and operating effectiveness of the Company's key internal controls related to the calculation of the fair value of derivative financial instruments and the documentation prepared for the designation of hedge accounting. ▪ With the assistance of our specialists in financial instruments, we have evaluated the adequacy of the documentation supporting the hedge relationships as well as the reasonableness of the main assumptions used to calculate the fair value of derivatives financial instruments, using information from recent market transactions, discounted cash flow and credit risk of the Company and its counterparties. ▪ Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information. During our audit procedures we identified corrected and uncorrected adjustments, in subsidiaries, due to assumptions used on the measurement that impacted the valuation of financial instruments. Once were considered immaterial, the uncorrected adjustments were not booked by the Company. Based on the audit procedures summarized above, we consider that the measurement of derivatives financial instruments, as well as the respective disclosures, are acceptable in the context of the individual and consolidated financial statements for the year ended March 31, 2020.

Realization of deferred income and social contribution tax assets	
See Notes 2.3 (n) and 17 (b) of individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
The Company and its subsidiaries have deferred income and social contribution tax assets arising from temporary differences, tax losses carry forward and negative basis of social contribution which were considered recoverable based on projections of future taxable income. The company and its subsidiaries uses certain assumptions and significant estimates in determining future taxable income, such as, projected economic growth, commodities prices and cost inflation, as well as the recoverability period and interpretation of tax laws, which are the base for the expected realization of the deferred tax assets. Due to the level of judgment used in the projections of future taxable income, its estimates and assumptions and, the impact that possible changes in the assumptions and estimates, which may impact the amount recognized of deferred tax assets on the individual and consolidated financial statements, we consider this matter significant in our audit.	Our audit procedures included, but were not limited to: ▪ We evaluated the design and operating effectiveness of the key internal controls related to the determination of projections of future taxable income in accordance with studies prepared by Management. ▪ With the assistance of our corporate finance specialists, we evaluate the reasonableness of key assumptions used in preparing future taxable income projections, including projected economic growth, commodities prices and cost inflation, as well as the recoverability period and the consistency of these assumptions with the Company business plan. We also performed a sensitivity analysis over the significant assumptions used. ▪ Evaluation, with the assistance of our tax specialists, whether tax basis used to calculate deferred taxes was adequate, applying prevailing tax law as reference. ▪ Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information. Based on the audit procedures summarized above, we consider that the value of the deferred income and social contribution tax assets, in relation to its recoverability, as well as the respective disclosures, are acceptable, in the context of the individual and consolidated financial statements taken as a whole, for the year ended March 31, 2020.

Leasing operations: Measurement of right of use and lease liabilities	
See Notes 2.4.1 and 15 of individual and consolidated financial statements	
Key Audit Matter	How our audit addressed this matter
The Company and subsidiaries have lease agreements which were characterized within the scope of CPC 06 (R2) / IFRS 16 - Leases, adopted by the Company, which came into force for periods begging on, or after, as of January 1, 2019 (applicable to the Company on April 1, 2019). This standard introduced complex accounting aspects for the recognition and measurement of right-of-use assets and lease liabilities. Due to the high level of judgment involved in the determination of the assumptions used for measure the right of use and lease liability, such as lease term, the discount rates, evaluation of the contracts that is in the scope, and the impacts that a change in assumptions associated with judgments and estimates adopted by the Company and its subsidiaries could have on the individual and consolidated financial statements, we consider this matter significant in our audit.	Our audit procedures included, but were not limited to: ▪ Evaluation of the design of key internal controls related to the measurement of the right-of-use assets and the lease liabilities. ▪ Evaluation, with the assistance of our corporate finance specialists, of assumptions used in determining discount rates, including comparing the assumptions used by the Company and its subsidiaries with data obtained externally, and sensitivity analysis on discount rates. ▪ Evaluation, based on a sample, of agreements that could potentially contain leases, including the analysis of clauses based on the renewal clauses based on the relevant facts and circumstances that could create economic incentives for their exercise; ▪ Evaluation, based on a sample of agreements, of theamounts considered in the measurement of the right-of-use asset and the lease liability, including the analysis of the data used in the measurement and, recalculation of the recognized amounts. ▪ Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information. During our audit procedures we identified corrected adjustments in a subsidiary related to initial measurement of right of use and lease liability that, even though immaterial were booked. Based on the audit procedures summarized above, we consider that the amounts recognized as right-of-use assets and lease liabilities, as well as the respective disclosures, are acceptable in the context of the individual and consolidated financial statements taken as

	a whole, for the year ended March 31, 2020.

Other matters - Statements of added value

The individual and consolidated statement of added value (DVA) for the year ended March 31, 2020, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of Company's individual and consolidated financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying individual and consolidated financial statements and the auditors' report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the management report and we do not express any form of assurance conclusion on that report.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated 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 and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and subsidiaries financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated 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 the internal controls relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company`s and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the 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 and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated 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 auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the individual and 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

São Paulo, June 05, 2020

KPMG Auditores Independentes

CRC 2SP014428/O-6

(Original signed in Portuguese)

Ulysses M. Duarte Magalhães

Accountant CRC 1RJ092095/O-8

RAÍZEN ENERGIA S.A.

Statement of financial position at March 31
(In thousands of reais – R$)

	Note	Parent company		Consolidated	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	3	3,030,814	537,241	6,473,747	3,189,859
Restricted cash	4	103,833	84,687	180,186	134,966
Derivative financial instruments	26	2,766,327	239,512	4,406,076	788,279
Trade accounts receivable	5	280,251	232,031	1,166,380	974,024
Inventories	6	599,307	477,554	1,327,707	789,371
Biological assets	7	690,838	654,348	897,315	813,995
Recoverable income tax and social contribution	17.a.1	183,411	386,692	195,503	418,302
Recoverable taxes	8	247,656	133,467	453,635	221,494
Other financial assets	9	280,966	265,860	314,273	306,457
Related parties	10	2,899,513	1,247,672	3,792,096	2,413,896
Dividends receivable		7,640	61,802	-	-
Other receivables		169,606	258,357	231,477	318,492
Total current assets		11,260,162	4,579,223	19,438,395	10,369,135
Non-current assets					
Derivative financial instruments	26	1,484,248	514,076	1,812,316	562,684
Other financial assets	9	97,853	324,827	258,768	526,969
Recoverable income tax and social contribution	17.a.1	457,827	388,813	489,727	414,230
Recoverable taxes	8	226,202	52,052	303,195	77,369
Related parties	10	338,756	359,409	3,152,840	3,416,858
Deferred income tax and social contribution	17.b	986,362	437,132	1,137,283	390,400
Judicial deposits	18	259,129	241,435	403,704	381,020
Other receivables		229,732	203,517	258,855	232,020
Investments	11	6,837,722	5,606,301	586,202	572,918
Property, plant and equipment	12	6,527,442	6,094,306	10,837,504	9,846,271
Intangible assets	13	1,465,461	1,472,164	1,830,886	1,841,711
Rights of use	15.a	3,769,256	-	4,390,329	-
Total non-current assets		22,679,990	15,694,032	25,461,609	18,262,450
Total assets		33,940,152	20,273,255	44,900,004	28,631,585

See the accompanying notes to the financial statements.

Statement of financial position at March 31
(In thousands of reais – R$) **(Continued)**

	Note	Parent company 2020	Parent company 2019	Consolidated 2020	Consolidated 2019
Liabilities					
Current liabilities					
Suppliers	14	871,874	751,447	6,110,835	4,189,363
Lease liabilities	15.b	792,423	-	915,059	-
Loans and financing	16	3,087,599	1,384,892	3,597,675	1,506,095
Derivative financial instruments	26	2,704,909	227,548	4,036,490	766,549
Payroll and related charges payable		374,340	342,072	446,377	399,418
Income tax and social contribution payable	17.a.2	-	-	53,389	22,655
Taxes payable		86,366	48,909	165,822	157,343
Dividends payable	20.b	3,017	7,164	22,516	10,011
Related parties	10	2,994,818	1,263,016	1,223,909	656,335
Advances from clients	5	190,002	22,715	210,349	71,640
Other liabilities		1,028,884	89,074	1,089,715	126,561
Total current liabilities		12,134,232	4,136,837	17,872,136	7,905,970
Non-current liabilities					
Lease liabilities	15.b	2,312,109	-	2,822,603	-
Loans and financing	16	7,282,796	4,994,057	12,948,167	10,570,881
Derivative financial instruments	26	1,242,869	366,026	1,305,645	379,050
Taxes payable		170,080	168,344	179,541	177,611
Related parties	10	2,773,260	1,812,752	1,008,813	398,863
Provision for legal disputes	18	391,112	337,665	512,055	436,786
Deferred income tax and social contribution	17.b	-	-	507,814	267,504
Other liabilities		151,944	154,811	155,053	156,894
Total non-current liabilities		14,324,170	7,833,655	19,439,691	12,387,589
Total liabilities		26,458,402	11,970,492	37,311,827	20,293,559
Equity	20				
Share capital		6,512,609	6,511,193	6,512,609	6,511,193
Capital reserves		1,089,121	1,089,121	1,089,121	1,089,121
Equity valuation adjustments		(519,411)	(228,801)	(519,411)	(228,801)
Income reserves		399,431	931,250	399,431	931,250
		7,481,750	8,302,763	7,481,750	8,302,763
Interest of non-controlling shareholders		-	-	106,427	35,263
Total equity		7,481,750	8,302,763	7,588,177	8,338,026
Total liabilities and equity		33,940,152	20,273,255	44,900,004	28,631,585

See the accompanying notes to the financial statements.

RAÍZEN ENERGIA S.A.

Statements of income
Years ended March 31
(In thousands of reais - R$, except income per share)

	Note	Parent company		Consolidated	
		2020	2019	2020	2019
Net operating revenue	21	7,683,036	6,946,851	30,710,614	22,405,637
Costs of products sold and services provided	23	(6,732,079)	(6,250,751)	(28,322,670)	(20,711,290)
Gross income		950,957	696,100	2,387,944	1,694,347
Operating revenue (expenses)					
Selling	23	(697,331)	(663,906)	(840,125)	(849,198)
General and administrative	23	(462,960)	(446,938)	(623,810)	(593,416)
Other operating revenue, net	24	196,827	217,165	368,204	544,481
Equity accounting result	11	879,278	922,951	(21,206)	30,985
		(84,186)	29,272	(1,116,937)	(867,148)
Income before financial income (loss) and income tax and social contribution		866,771	725,372	1,271,007	827,199
Financial income (loss)					
Financial expenses	25	(1,153,269)	(760,686)	(1,353,705)	(996,675)
Financial revenues	25	210,337	278,784	443,542	570,141
Net exchange variation	25	(576,174)	(38,423)	(670,807)	(70,635)
Net effect of the derivatives	25	534,096	85,267	648,408	148,891
		(985,010)	(435,058)	(932,562)	(348,278)
Income (loss) before income tax and social contribution		(118,239)	290,314	338,445	478,921
Income tax and social contribution	17.a				
Current		(21,550)	(13)	(265,237)	(146,886)
Deferred		315,617	177,800	200,771	140,987
		294,067	177,787	(64,466)	(5,899)
Net income for the year		175,828	468,101	273,979	473,022
Attributable to:					
Company's controlling shareholders		175,828	468,101	175,828	468,101
Company's non-controlling shareholders		-	-	98,151	4,921
		175,828	468,101	273,979	473,022
Net earnings per common share:					
Basic and diluted	20.e			0.024	0.064

See the accompanying notes to the financial statements.

RAÍZEN ENERGIA S.A.

Statements of comprehensive income
Years ended March 31
(In thousands of reais – R$)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Net income for the year	175,828	468,101	273,979	473,022
Comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial losses	(3,545)	(1,218)	(4,132)	(1,524)
Actuarial losses (effect of subsidiaries included)	(587)	(209)	-	-
Deferred taxes on adjustments (Note 17.b)	1,205	414	1,205	511
	(2,927)	(1,013)	(2,927)	(1,013)
Items that are or may be reclassified to statements of income or loss				
Net result from financial instruments designated as hedge accounting (Note 26.e)	(683,551)	(335,840)	(683,551)	(335,840)
Effect of foreign currency translation - CTA	163,458	(2,748)	163,458	(2,748)
Deferred taxes on adjustments (Note 17.b)	232,410	114,186	232,410	114,186
	(287,683)	(224,402)	(287,683)	(224,402)
Others components of the comprehensive income (loss) for the year	(290,610)	(225,415)	(290,610)	(225,415)
Total comprehensive income (loss) for the year	(114,782)	242,686	(16,631)	247,607
Attributable to:				
Company's controlling shareholders	(114,782)	242,686	(114,782)	242,686
Company's non-controlling shareholders	-	-	98,151	4,921
Total comprehensive income (loss) for the year	(114,782)	242,686	(16,631)	247,607

See the accompanying notes to the financial statements.

RAÍZEN ENERGIA S.A.

Statements of changes in equity
Years ended March 31
(In thousands of reais – R$)

	Attributable to the parent company's shareholders										
		Capital reserves			Income reserves						
	Share capital	Capital reserve	Goodwill special reserve	Equity valuation adjustments	Tax incentive reserve	Legal	Profit retention	Retained earnings	Total	Interest of non-controlling shareholders	Total equity
Balances at March 31, 2018	6,505,526	846,010	243,111	(3,386)	310,190	203,122	720,564	-	8,825,137	(970)	8,824,167
Initial adoption of IFRS 9 / CPC 48	-	-	-	-	-	-	-	(163)	(163)	-	(163)
Balances at April 1, 2018	6,505,526	846,010	243,111	(3,386)	310,190	203,122	720,564	(163)	8,824,974	(970)	8,824,004
Comprehensive income (loss) for the year											
Net income for the year	-	-	-	-	-	-	-	468,101	468,101	4,921	473,022
Net result with financial instruments designated as hedge accounting (Note 26.e)	-	-	-	(221,654)	-	-	-	-	(221,654)	-	(221,654)
Equity valuation adjustment - Actuarial liability	-	-	-	(1,013)	-	-	-	-	(1,013)	-	(1,013)
Effect of foreign currency translation - CTA	-	-	-	(2,748)	-	-	-	-	(2,748)	-	(2,748)
	-	-	-	(225,415)	-	-	-	468,101	242,686	4,921	247,607
Distributions to Company's shareholders											
Business combination (Note 29.2.ii)	-	-	-	-	-	-	-	-	-	30,000	30,000
Capital increase (Note 11.e.i)	-	-	-	-	-	-	-	-	-	4,159	4,159
Redemption and allocation of dividends to holders of preference shares (Note 20.b)	5,667	-	-	-	-	-	-	(7,164)	(1,497)	-	(1,497)
Formation of tax incentive reserve of subsidiaries (Note 20.d.ii)	-	-	-	-	97,716	-	-	(97,716)	-	-	-
Payment of dividends (Note 20.b)	-	-	-	-	-	-	(720,564)	(42,836)	(763,400)	(2,847)	(766,247)
Formation of profit reserves and others (Note 20.b)	-	-	-	-	-	23,397	296,825	(320,222)	-	-	-
	5,667	-	-	-	97,716	23,397	(423,739)	(467,938)	(764,897)	31,312	(733,585)
Balances at March 31, 2019	6,511,193	846,010	243,111	(228,801)	407,906	226,519	296,825	-	8,302,763	35,263	8,338,026
Comprehensive income (loss) for the year											
Net income for the year	-	-	-	-	-	-	-	175,828	175,828	98,151	273,979
Net result with financial instruments designated as hedge accounting (Note 26.e)	-	-	-	(451,141)	-	-	-	-	(451,141)	-	(451,141)
Equity valuation adjustment - Actuarial liability	-	-	-	(2,927)	-	-	-	-	(2,927)	-	(2,927)
Effect of foreign currency translation - CTA	-	-	-	163,458	-	-	-	-	163,458	-	163,458
	-	-	-	(290,610)	-	-	-	175,828	(114,782)	98,151	(16,631)
Distributions to Company's shareholders											
Business combination (Note 29.1.i)	-	-	-	-	-	-	-	-	-	4,162	4,162
Redemption and allocation of dividends to holders of preference shares (Note 20.b)	1,416	-	-	-	-	-	-	(2,147)	(731)	-	(731)
Formation of tax incentive reserve of subsidiaries (Note 20.d.ii)	-	-	-	-	80,006	-	-	(80,006)	-	-	-
Payment of dividends (Note 20.b)	-	-	-	-	-	-	(296,725)	-	(296,725)	(11,650)	(308,375)
Formation of profit reserves and others (Note 20.b)	-	-	-	-	-	8,791	84,014	(92,805)	-	-	-
Minimum mandatory dividends (Note 20.b)	-	-	-	-	-	-	-	(870)	(870)	(19,499)	(20,369)
Realization of reserves (Note 20.b)	-	-	-	-	(407,905)	-	-	-	(407,905)	-	(407,905)
	1,416	-	-	-	(327,899)	8,791	(212,711)	(175,828)	(706,231)	(26,987)	(733,218)
Balances at March 31, 2020	6,512,609	846,010	243,111	(519,411)	80,007	235,310	84,114	-	7,481,750	106,427	7,588,177

See the accompanying notes to the financial statements.

RAÍZEN ENERGIA S.A.

Statements of cash flows - indirect method
Years ended March 31
(In thousands of reais – R$)

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash flow from operating activities				
Income (loss) before income tax and social contribution	(118,239)	290,314	338,445	478,921
Adjustments:				
Depreciation and amortization (Note 23.a)	2,540,112	1,644,753	3,128,170	2,108,939
Change in the fair value and realization of gain or loss of goodwill of biological assets fair value (Note 23.a)	(18,889)	239,335	(12,881)	261,158
Equity accounting result of subsidiaries and associated companies (Note 11)	(879,278)	(922,951)	21,206	(30,985)
Capital gain on dilution of ownership interest (Note 24)	-	(109,467)	-	(109,467)
Net interest, inflation adjustments and exchange variation	1,240,314	443,349	1,304,241	355,304
Gain with derivative financial instruments, net	(346,908)	(354,605)	(892,688)	(419,616)
Income (loss) determined in the sales of biological and property plant and equipment	4,040	(1,225)	3,641	2,792
Income (loss) from commercial operations (Note 24)	35,933	27,290	(24,892)	(22,574)
Fair value of liability financial instruments (Note 25)	(3,178)	52,140	5,874	57,807
Net formation of provision for legal disputes and contingencies	102,548	60,603	133,870	86,487
Credits from indemnity suits (Note 24)	-	-	-	(221,373)
Net recognition of tax credits	(46,745)	(5,434)	(110,718)	(9,594)
Formation (reversal) of estimated loss from obsolescence of inventories	5,741	(1,484)	6,022	(1,163)
Revenue from investment grant – ICMS	-	-	(80,006)	(92,341)
Gain in bargain purchase (Note 24)	(219,921)	-	(219,921)	-
Formation (reversal) to estimated loss in investments, property plant and equipment and intangible assets, net	2,650	(133,573)	2,452	(136,692)
Other	(27,133)	880	(27,048)	3,893
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	183,036	53,525	133,837	233,943
Inventories	22,981	(30,987)	(369,901)	(14,106)
Restricted cash	(14,302)	(51,864)	(32,961)	(43,779)
Derivative financial instruments	514,451	122,824	537,112	147,670
Judicial deposits	(21,369)	(19,162)	(21,350)	(21,965)
Suppliers and advances to suppliers	(61,329)	(23,874)	1,548,874	1,589,038
Recoverable and payable taxes, net	(10,917)	32,642	(42,266)	137,238
Related parties	(16,112)	209,931	(853,899)	(1,355,662)
Payroll and related charges payable	32,268	(25,055)	45,903	(30,200)
Provision for legal disputes	(40,846)	(34,201)	(60,133)	(43,698)
Other assets and liabilities, net	157,314	(52,435)	75,749	(62,833)
Payment of income tax and social contribution on net income	-	-	(196,264)	(210,569)
Net cash generated by operating activities	3,016,222	1,411,269	4,340,468	2,636,573
Cash flow from investment activities				
Acquisitions of companies, net of acquired cash (Note 29)	(25,003)	(25,845)	(189,798)	(38,577)
Additions to the investment (Note 11.d.i)	(186,306)	(71,366)	(23,872)	(25,732)
Additions to property, plant and equipment and intangible assets	(1,668,870)	(1,560,635)	(2,162,030)	(1,936,232)
Dividends received from subsidiaries	273,212	1,042,276	1,034	-
Cash received upon disposal of property plant and equipment assets	21,687	18,376	19,440	15,238
Additions to biological assets	(623,147)	(594,227)	(710,405)	(671,212)
Cash received on disposal of equity interest	-	-	-	3,662
Receipts of principal of intragroup export prepayments ("PPEs")	-	-	1,126,624	-
Amortizations of interest of –intragroup PPEs	-	-	132,274	126,810
Net cash used in investment activities	(2,208,427)	(1,191,421)	(1,806,733)	(2,526,043)
Cash flow from financing activities				
Loans and financing - Third-parties	5,268,698	3,337,912	5,375,633	4,133,125
Amortizations of principal of third party loans and financing	(1,584,834)	(1,670,579)	(3,026,684)	(3,164,313)
Payment of interest on third party loans and financing	(432,553)	(383,663)	(603,440)	(583,178)
Amortizations of third party lease liabilities	(766,555)	-	(864,782)	-
Amortizations of intragroup lease liabilities	(145,737)	-	(145,737)	-
Redemption of (investment in) financial investments linked to financing (Restricted cash)	72	(1,280)	10,185	13,149
Payment of dividends (Note 20.b)	(711,794)	(780,482)	(726,291)	(780,482)
Amortizations of intragroup interest of PPEs obtained	(62,422)	(68,907)	-	-
Net asset management -intragroup	(216,551)	(229,266)	(80,288)	(13,212)
Net cash generated (used) in financing activities	1,348,324	203,735	(61,404)	(394,911)
Net increase (decrease) in cash and cash equivalents	2,156,119	423,583	2,472,331	(284,381)
Cash and cash equivalents at the beginning of the year	537,241	106,390	3,189,859	3,321,777
Effect of exchange-rate change on cash and cash equivalents	337,454	7,268	811,557	152,463
Cash and cash equivalents at the end of the year	3,030,814	537,241	6,473,747	3,189,859

Supplementary information to the cash flow is shown in Note 30.

See the accompanying notes to the financial statements.

RAÍZEN ENERGIA S.A.

Statements of added value
Years ended March 31
(In thousands of reais – R$)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Revenues				
Gross sales of products and services	8,218,258	7,500,120	32,352,319	23,960,173
Returns of sales, discounts and rebates	(20,511)	(17,571)	(72,857)	(44,050)
Net formation of estimated loss from allowance for doubtful accounts	(1,365)	(761)	(1,451)	(3,856)
Other operating revenue, net	199,478	83,592	370,656	407,789
	8,395,860	7,565,380	32,648,667	24,320,056
Inputs acquired from third parties				
Costs of products sold and services provided	(3,157,288)	(3,036,150)	(23,965,820)	(16,741,661)
Materials, energy, outsourced services and other	(840,061)	(778,254)	(967,688)	(953,640)
Gain (loss) arising from change in the fair value and realization of the capital gain or loss of biological assets	18,889	(239,335)	12,881	(261,158)
(Formation) reversal of estimated loss in investments, property plant and equipment and intangible assets, net	(2,650)	133,573	(2,452)	136,692
Net (formation) reversal of estimated loss from obsolescence of inventories	(5,741)	1,484	(6,022)	1,163
	(3,986,851)	(3,918,682)	(24,929,101)	(17,818,604)
Gross added value	4,409,009	3,646,698	7,719,566	6,501,452
Depreciation and amortization	(2,540,112)	(1,644,753)	(3,128,170)	(2,108,939)
Net added value produced	1,868,897	2,001,945	4,591,396	4,392,513
Added value received as transfers				
Equity accounting result	879,278	922,951	(21,206)	30,985
Financial revenues	210,337	278,784	443,542	570,141
Gain from exchange variation	80,753	102,024	90,105	115,778
Gain on derivative operations	534,097	151,304	648,408	195,495
	1,704,465	1,455,063	1,160,849	912,399
Added value payable	3,573,362	3,457,008	5,752,245	5,304,912
Distribution of added value				
Personnel				
Direct remuneration	849,533	772,249	1,184,718	1,075,138
Benefits	288,286	275,834	340,283	325,691
FGTS	103,081	102,639	121,228	120,969
	1,240,900	1,150,722	1,646,229	1,521,798
Taxes, duties and contributions				
Federal	256,074	257,916	1,133,745	1,024,186
Deferred federal taxes	(315,617)	(177,800)	(200,771)	(140,987)
State	272,955	278,919	729,286	655,597
Municipal	9,823	8,355	13,229	10,846
	223,235	367,390	1,675,489	1,549,642
Third-party capital remuneration				
Financial expenses	1,153,269	760,686	1,353,705	996,675
Loss from exchange variation	656,927	140,447	760,912	186,413
Loss on derivative operations	-	66,037	-	46,604
Rental and leases	121,602	459,291	138,481	491,345
	1,931,798	1,426,461	2,253,098	1,721,037
Remuneration of own capital				
Dividends	1,601	44,334	1,601	44,334
Retained earnings	175,828	468,101	273,979	473,022
Non-controlling interest in retained earnings	-	-	(98,151)	(4,921)
	177,429	512,435	177,429	512,435
Distributed added value	3,573,362	3,457,008	5,752,245	5,304,912

See the accompanying notes to the financial statements.

1. Operations

Raízen Energia S.A. ("Company", "Group", "Raízen Energia" or "RESA") is a publicly-held company enrolled in the Brazilian Securities and Exchange Commission ("CVM") in Category B, headquartered at Brigadeiro Faria Lima Avenue, 4.100, 11° floor, Parte V, Itaim Bibi, São Paulo/SP, Brazil. RESA was established on June 1, 2011 and is indirectly and jointly controlled by Royal Dutch Shell ("Shell") and Cosan Limited ("Cosan").

The term Raízen, when mentioned, corresponds to the establishment of a joint venture between Shell and Cosan, in the ethanol, sugar and energy segment.

The Company and its subsidiaries are mainly engaged in producing and trading sugar, ethanol and pallets, including abroad through its subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, and co-generating energy produced from sugarcane bagasse at its 26 mills located in Brazil's Center-Southern Region and trading business of electricity.

Sugarcane farming requires a period ranging from 12 to 18 months for maturing and harvesting and generally starts between the months of April and May every year, and usually ends between November and December, period in which sugar and ethanol are also produced. Production is sold during the whole year and does not fluctuate over the seasons, but is affected by normal market supply and demand. Because of its production cycle, the Company's fiscal year starts on April 1 and ends on March 31.

During the years ended March 31, 2020 and 2019, the Company and its subsidiaries underwent the following internal restructuring and business combinations: i) Acquisition of Raízen Biomassa S.A. "Biomassa" (formerly Cosan Biomassa S.A.) ii) Acquisition of Nova América Agrícola Ltda. iii) Acquisition of the Santa Cândida and Paraíso mills from Tonon Bioenergia S.A., Tonon Holding S.A. and Tonon Luxembourg S.A., all of them under the Court-Ordered Reorganization; iv) Acquisition of equity interest in RWXE Participações S.A.; v) Acquisition of Ryballa Participações Ltda. See Note 29.

Covid-19

In 2020, several countries implemented social isolation measures to fight the Covid-19 pandemic. The Company implemented a contingency plan aimed at preserving the health and integrity of its employees, in addition to ensuring the Company's safety and continuity, as our products and services are considered essential activities, since they are strategic inputs in hospitals, safety, food and energy.

The extent to which the Covid-19 pandemic may affect our operational results, financial position and cash flows will depend on future developments, which are highly uncertain and cannot be predicted upon the disclosure of these financial statements, including new information that may arise on the severity of Covid-19 and the measures taken to contain the virus or address its impact. Thus, due to the adverse impacts of Covid-19, the Company opted to temporarily suspend its financial guidance for 2020'21 crop. Based on the information currently available, the main assessments and, where applicable, the main effects of the Covid-19 pandemic on our operating income (loss) are as follows:

i) Going concern assumption:

The Company's financial statements have been prepared and are being disclosed considering the going concern assumption for its relevant businesses.

ii) Impairment of non-financial assets and tax credits:

The Company assessed impairment loss indicators of non-financial assets and tax credits and concluded that, even with a potential reduction in cash flows and expected income for the 2020/2021 crop, the value in use of cash generating units continues to be significantly higher than its carrying amount, and, regarding taxes, the expectation of the taxable basis for main taxes remains, in addition to the fact that most taxes are not due for offsetting purposes.

iii) Estimated loss from allowance for doubtful accounts:

The impairment losses associated with the credit risk on financial assets are calculated based on the future expectation of loss, considering the individual situation of clients and the economic group to which they belong. Considering that the Company operates mostly with real guarantees from its clients, and carries out a thorough credit analysis, and when applicable, requires cash advances for the shipment of its products, there was no recognition of losses due to Covid-19.

iv) Net realizable value of inventories:

The Company uses the estimated sale price in the normal course of business, net of selling expenses as an assumption of net realizable value. Therefore, the drop in prices, mainly for ethanol in Brazil, impacted by the consumption decrease caused by social isolation, resulted in the recognition of an estimated loss from consolidated realization of inventories of R$ 5,876 as of March 31, 2020.

v) Liquidity:

We preventively reinforced the liquidity level during this period of high volatility by contracting new credit facilities around R$ 2 billion with financial institutions in Brazil and abroad, made by the Raízen Group (Raízen Combustíveis and Raízen Energia). As of the other loans of the Raízen Group, the funding mentioned does not contain financial covenants. The Group ended the year ended March 31, 2020 with consolidated cash of R$ 8,601,660. Additionally, the Raízen Group maintained the revolving credit facility, an unused credit line of up to US$ 1 billion. There was no change in the Raízen Group's credit risk, as of maintained the investment grade in the corporate ratings issued by S&P and Fitch during the months of April and May 2020, as disclosed in Note 26.k.

The Company ended the year ended March 31, 2020 with consolidated cash of R$ 6,473,747, reinforced by accessed credit facilities. Consolidated working capital (current assets – current liabilities) ended the same year with a positive balance of R$ 1,566,294 and a consolidated net income of R$ 273,979.

vi) Capex

The Company does not expect reductions or significant impacts on its recurring and operating investments for the 2020/21 crop, but rather a rationalization of its expansion projects not relate to Group's operating activities, which will be postponed for the next years.

vii) Leases

There has been no change in the amounts previously recorded as rights of use assets or lease liabilities as a result of contractual amendments linked to Covid-19 so far.

viii) Contractual commitments

There has been no execution for or against the Company on its contracts, whether via cancellation or legal exercise of force majeure clauses.

Cyber attack

On March 11, 2020, the Company suffered a cyber-attack (ransomware) and decided to temporarily shut down all of its systems to perform an analysis to identify possible impacts. We had a partial and temporary interruption of our activities and, as expected internally for this type of situation, our operations were carried out contingently until the restart of the systems.

After the incident, the Group implemented certain additional preventive measures to reduce cyber risks, including hiring a company to perform forensic work on the above-mentioned attack, which affected part of the environment hosted in the Group's data center, as well as user machines (desktops and laptops) connected to the network. Based on the experience and tools of the contracted company, on interviews with the Group's executives and on the technical evidence present in the IT environment, it was possible to determine a list of servers to be further verified. The process and characteristics of the attack were identified for the purpose of evolving and improving the Group's technological environment.

Although the temporary interruption of the systems has generated certain impacts on our operations, there was no material financial impact, which is recognized in these financial statements.

2. Presentation of financial statements and significant accounting policies

2.1. Preparation basis

The individual and consolidated financial statements have been prepared and are presented in accordance with accounting policies adopted in Brazil, which include Brazilian Corporate Law, standards issued by the Brazilian Securities Exchange Commission (CVM), pronouncements of Accounting Pronouncement Committee ("CPC") and that are in conformity with international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and evidence all and only relevant information in financial statements, which are consistent with those used by Management.

The presentation of the Individual and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly held companies. The IFRS do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

The issue of financial statements was authorized by the Management on June 5, 2020.

a) Measurement basis

The individual and consolidated financial statements were prepared using historical cost as the value base, except, when applicable, for the valuation of certain assets and liabilities as inventories, biological assets, related parties, financial instruments (including derivative instruments) and loans and financing, which may be measured at fair value.

b) Functional and presentation currency

These individual and consolidated financial statements are being presented in Reais, functional currency of the Company. The functional currency of subsidiaries operating in international economic environment is the US dollar. All the balances have been rounded to the nearest thousand, unless otherwise indicated. The financial statements of each subsidiary included in the consolidation of the Company, as well as those utilized as a basis to account for investments under the equity accounting result method, are prepared based on the functional currency of each company. For the subsidiaries located abroad, its assets and liabilities were translated into reais at the foreign exchange rate at the end of the year and income (loss) was calculated at monthly average rate during the year. The translation effects are recorded in equity of these subsidiaries.

c) Significant judgments, estimates and assumptions

The preparation of Company's individual and consolidated financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities in the base date of the financial statements.

These estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Should there be a significant change in the facts and circumstances on which the estimates and assumptions made are based, there may be a material impact on the Group's results and financial position.

The significant accounting estimates and assumptions are set out below:

Income tax, social contribution and other taxes payable

The Company is subject to income tax and social contribution in all countries in which it operates. Therefore, significant judgment is required to determine provision for such taxes.

In certain transactions, the final determination of the tax is uncertain. When applicable, the Company also recognizes provisions to cover certain situations in which it is probable that additional tax amounts will be owed. When final result of such issues differs from initially estimated and recorded amounts, these differences affect current and deferred tax liabilities and income (loss) and comprehensive income in the period in which definitive value is determined.

Deferred income and social contribution tax

Deferred income tax and social contribution assets are recognized for all tax loss carryforwards not utilized to the extent that it is probable that there will be future taxable income to allow their use in the future. In addition, the Company recognized deferred taxes based on temporary differences determined based on tax basis and book value of certain assets and liabilities, using prevailing rates. Substantial judgment from Management is required to determine the amount of the deferred income tax and social contribution assets that can be recognized, based on the reasonable term and amount of future taxable income, along with future tax rationalization. See Note 17.

Biological assets

Biological assets are measured at fair value on each reporting date, and the effects of changes in fair value between the periods are recognized directly in the cost of products sold. See Note 7.

Property, plant and equipment and intangible assets, including goodwill

The accounting treatment given to property, plant and equipment and intangible assets includes estimates to determine the useful life period for depreciation and amortization purposes, in addition to the fair value at acquisition date of the assets acquired through business combinations.

The Company performs, on an annual basis, an evaluation of impairment indicators of recoverable values of goodwill and intangible assets with undefined useful life. Property plant and equipment and intangible assets with defined life are subject to depreciation and amortization are impairment tested whenever events or changes in circumstances indicate that the book value may not be recoverable.

The determination of the recoverable amount of the cash-generating unit to which the goodwill was allocated also includes the use of estimates and assumptions and requires a significant degree of Management’s judgment. See Notes 11, 12 and 13.

Provision for legal disputes

The Company and its subsidiaries recognize the provision for tax, civil, labor and environmental disputes. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of internal and external attorneys. Such provisions are reviewed and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions. See Note 18.

Fair value of financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted by the market, when possible. However, when such data are not available, a certain level of judgment is required to establish the fair value. Judgment includes considerations on the data utilized, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments. See Note 26.

2.2. Consolidation basis

The consolidated financial statements include financial statements of Raízen Energia and its subsidiaries for the years ended March 31, 2020 and 2019. The direct and indirect subsidiaries are listed below:

	2020			2019		
	Direct	Indirect	Total	Direct	Indirect	Total
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta")	92.29%	7.71%	100.00%	91.21%	8.79%	100.00%
Benálcool Açúcar e Álcool Ltda. ("Benálcool")	100.00%	-	100.00%	100.00%	-	100.00%
Bioenergia Araraquara Ltda. ("Bio Araraquara")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Barra Ltda. ("Bio Barra")	99.99%	0.01%	100.00%	99.99%	0.01%	100.00%
Bioenergia Caarapó Ltda. ("Bio Caarapó")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Gasa Ltda. ("Bio Gasa")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Jataí Ltda. ("Bio Jataí")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Maracaí Ltda. ("Bio Maracaí")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100.00%	100.00%	-	100.00%	100.00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100.00%	100.00%	-	100.00%	100.00%
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")	47.37%	52.63%	100.00%	47.37%	52.63%	100.00%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	99.99%	0.01%	100.00%	99.99%	0.01%	100.00%
Raízen Ásia PT Ltd. ("Raízen Ásia")	-	100.00%	100.00%	-	100.00%	100.00%
Raízen Biotecnologia S.A. ("Biotecnologia")	100.00%	-	100.00%	100.00%	-	100.00%
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	31.48%	68.52%	100.00%	31.48%	68.52%	100.00%
Raízen Energy Finance Ltd. ("Raízen Energy Finance")	100.00%	-	100.00%	100.00%	-	100.00%
Raízen Fuels Finance S.A. ("Raizen Fuels")	100.00%	-	100.00%	100.00%	-	100.00%
Raízen International Universal Corp. ("RIUC")	100.00%	-	100.00%	100.00%	-	100.00%
Raízen North América, Inc. ("Raízen North América")	-	100.00%	100.00%	-	100.00%	100.00%
Raízen Paraguaçú Ltda. ("Raízen Paraguaçú")	100.00%	-	100.00%	100.00%	-	100.00%
Raízen Trading LLP ("Raízen Trading")	100.00%	-	100.00%	100.00%	-	100.00%
São Joaquim Arrendamentos Agrícolas Ltda. ("São Joaquim")	-	100.00%	100.00%	-	100.00%	100.00%
Unimodal Ltda. ("Unimodal")	53.17%	20.24%	73.41%	53.17%	20.24%	73.41%
Raízen-Geo Biogás S.A. ("Biogás")	85.00%	-	85.00%	85.00%	-	85.00%
Raízen Biogás SPE Ltda. ("Raízen Biogás SPE")	99.90%	0.10%	100.00%	99.90%	0.10%	100.00%
RWXE Participações S.A. ("RWXE")	-	70.00%	70.00%	-	70.00%	70.00%
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	-	70.00%	70.00%	-	70.00%	70.00%
Raízen GD Ltda.	-	100.00%	100.00%	-	100.00%	100.00%
Raízen Biomassa S.A. (i)	81.50%	-	81.50%	-	-	-
RZ Agrícola Caarapó Ltda. (ii)	100.00%	-	100.00%	-	-	-

(i) On December 02, 2019, the Company acquired of 81.5% of Biomassa shares. See Note 29.1.i.
(ii) On January 2, 2020, the Company acquired all the shares of RZ Agricola Caarapó Ltda (formerly Nova América Agrícola Caarapó Ltda). See Note 29.1.ii.

The subsidiaries are fully consolidated from the date of control acquisition, and continue to be consolidated up to the date when control no longer exists. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, and utilizing accounting policies consistent and, when required, with the policies adopted by the Parent Company.

Balances and transactions arising from operations between consolidated companies, such as: revenues and expenses and unrealized income (loss) are fully eliminated.

The accounting policies described below have been consistently applied to all the years presented in these individual and consolidated financial statements.

2.3. Description of significant accounting policies

The accounting policies described below have been consistently applied to all the years presented in these individual and consolidated financial statements, except for the adoption as of April 1, 2019 of certain standards, amendments to standards and interpretations to IFRS issued by IASB (Note 2.4).

a) Revenue recognition

Revenues from sales of products or goods (Note 21), including resales of products in the foreign market made by subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, are recognized when the entity transfers the risks and rewards and provide the products and goods to the client and as a result, transfers to the buyer the control of products and goods in a specific moment. Selling prices are established based on purchase orders or contracts. Goods or services whose revenue is deferred are recorded within "Other liabilities" and accounted for as revenues upon transfer of control in a specific moment of goods or services to the client.

The revenue from the sale of the electric power co-generated is recorded based on the energy available in the network and the tariffs specified in the supply agreements, or the current market price, according to each case. Due to the billing flow of certain contracts, the electric power produced and sold through auctions is initially calculated as prepaid revenue and is only recognized in the statement of income when the electric power is available to be used by clients.

Revenue is presented net of taxes (Excise Tax) (“IPI”), Value-added Tax on Sales and Services (“ICMS”), Social Integration Program - PIS (“PIS”), Social Contribution on Revenues (“COFINS”), National Institute of Social Security (“INSS”) and other, returns, rebates and discounts, as well as eliminations of sales among Group’s companies, in case of consolidated financial statements.

b) Transactions in foreign currency

Foreign currency transactions are translated into the functional currency (the real) using the exchange rates prevailing at the dates of the transactions, or the dates of valuation when items are remeasured.

Monetary assets and liabilities denominated in a foreign currency are converted into reais using the foreign exchange rates prevailing at the balance sheet date, and foreign exchange gains and losses arising from the settlement of these transactions and the translation at year-end exchange rates are recognized in the statement of income within “Financial result", unless they qualify as hedge accounting, in which case they are recognized in Statement of Comprehensive Income.

Non-monetary items that are measured at the historical cost in a foreign currency are translated using the translation rate of the transaction start date. Non-monetary assets that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

c) Financial instruments – Initial recognition and subsequent measurement

The Company adopted IFRS 9 (CPC 48) – Financial instruments as of April 1, 2019, which established new requirements for: classification and measurement of financial assets, measurement and recognition of asset impairment losses, hedge accounting and disclosure. All financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions. The table below summarizes the impacts on the adoption of IFRS 9 (CPC 48).

Statement of financial position at March 31, 2018:

				Parent company
	Disclosed at 03/31/2018	Adjustment due to initial adoption of IFRS 9 / CPC 48	Note	Balance at 04/01/2018
Assets				
Trade accounts receivable	215,994	(28)	5	215,966
Deferred income tax and social contribution	145,350	9	17.b.3	145,359
Investments (reflex effect)	5,427,452	(144)	11	5,427,308
	5,788,796	(163)		5,788,633
Equity				
Retained earnings	-	(163)		(163)
	-	(163)		(163)

				Consolidated
	Disclosed at 03/31/2018	Adjustment due to initial adoption of IFRS 9 / CPC 48	Note	Balance at 04/01/2018
Assets				
Trade accounts receivable	602,365	(221)	5	602,144
Deferred income tax and social contribution	82,766	58	17.b.3	82,824
	685,131	(163)		684,968
Equity				
Retained earnings	-	(163)		(163)
	-	(163)		(163)

(i) Other information

On April 1, 2018, there were no impacts on the statements of income, comprehensive income, changes in equity, cash flows and added value as a result of the amendments mentioned above.

(i) Financial assets

Measurement

In the initial recognition, a financial asset is classified as measured: (i) at amortized cost; (ii) at fair value through other comprehensive income; or (iii) at fair value through profit or loss.

Reclassification between classes occurs when there is a change in the business model for the management of financial assets and liabilities. In this case, all instruments related to the change are reclassified upon said change.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at fair value through profit or loss: (i) its purpose is to maintain financial assets to receive contractual cash flows; and (ii) its contractual terms generate, on specific dates, cash flows related to the payment of principal and interest on principal outstanding value.

A financial asset is measured at fair value through other comprehensive income if it meets both conditions below and is not designated as measured at fair value through profit or loss: (i) purpose is to receive contractual cash flows and sell financial assets; and (ii) its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified at fair value through profit or loss.

Evaluation of business model

The Company carries out an evaluation of the purpose of the business in which a financial asset is held in the portfolio, since this better reflects the way in which the business is managed and the information is provided to management.

The information considered is mainly comprised by: (i) the policies and goals established for the portfolio and operation of policies. They include matters of whether management's strategy focuses on obtaining contractual interest revenues, maintaining a certain interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets; (ii) how the performance of the portfolio is evaluated and reported to the Company's management; (iii) risks that affect the performance of the business model (and the financial assets held in that business model) and the manner in which those risks are managed; (iv) how business executives are remunerated - for example, if the remuneration is based on the fair value of managed assets or in contractual cash flows obtained; and (v) the sales rate, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales expectations.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, which is consistent with the ongoing recognition of the Company's assets.

Financial assets held for trading or managed with a performance evaluated based on fair value are measured at fair value through profit or loss.

Evaluation whether the contractual cash flows represent solely payments of principal and interest

For the purpose of evaluating contractual cash flows, the principal is defined as the fair value of the financial asset at the initial recognition. Interest is mainly defined as a consideration at the time value of money and for the risk credit associated with the main value outstanding over a period of time and the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

The Company considers the contractual terms of the instruments to evaluate whether the contractual cash flows are only payments of principal and interest. It includes evaluating whether the financial asset contains a contractual term that could change the time or amount of the contractual cash flows so that it would not meet this condition. When conducting this evaluation, the Company considers: (i) contingent events that change the amount or timing of cash flows; (ii) terms that may adjust the contractual rate, including variable rates; (iii) the prepayment and the extension of the term; and (iv) the terms that limit the Company's access to cash flows of specific assets (for example, based on the performance of an asset).

Impairment of financial assets

The Company adopts the expected credit loss model to financial assets measured at amortized cost, contractual assets and debt instruments measured at fair value through other comprehensive income, but is not applicable to investments in equity instruments.

The expected loss matrix adopts by the Company, considers the grouping of clients with similar credit characteristics, by sales channel and rating (client risk rating, measured internally).

(ii) Financial liabilities

They are measured at amortized cost or fair value through profit or loss. As of March 31, 2020, in the case of the Company, they included loans and financing, payables to suppliers and related parties and derivative financial instruments and other liabilities.

(iii) Offset of financial instruments - net presentation

Assets and liabilities are presented net in the balance sheet if, and only if, there is a current legal and enforceable right to offset the recognized amounts and if the intention of offsetting, or realizing the asset and settling the liability simultaneously.

(iv) Derecognition (write-off)

A financial asset is written off when: (i) The rights to receive cash flows from the asset have expired; and (ii) the Company transfers its rights to receive cash flows of the asset or assumes an obligation to fully pay cash flows received, to a third party under terms of an "onlending" agreement; and (a) the

Company transfers substantially all risks and benefits of the asset, or (b) the Company does not transfer either retains substantially all the risks and benefits related to the asset, but transfers control over the asset.

(v) Derivative financial instruments and hedge accounting

The cash flow hedge relationships of highly probable future exports or imports are considered continuous hedge relationships and they also if they qualify for hedge accounting.

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as non-deliverable forwards, commodity forward contracts and swaps to provide protection against the risk of change in the foreign exchange rates, prices of commodities. The derivative financial instruments designated in hedging operations are initially recognized at fair value on the date on which the instrument is obtained, and are subsequently measured also at fair value. They are presented as financial assets when the fair value of the instrument is positive; and as financial liabilities when the fair value is negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are recognized directly in the statement of income, with the exception of financial instruments designated as hedge accounting, such as cash flow hedge, which is recognized directly in equity in other comprehensive income. The fair value of financial instruments that do not qualify as hedge accounting are recognized in income (loss) for the period in the case of instruments related to operating transactions in operating captions (for example: revenue, cost, expenses), and in financial results in the case of instruments linked to financial operations.

For hedge accounting purposes, there are the following classifications: (i) fair value hedge, in providing protection against exposure to changes in the fair value of recognized asset or liability or of unrecognized firm commitment, or of identified part of such asset, liability or firm commitment, which is attributable to a particular risk and may affect the result; (ii) cash flow hedge, in providing protection against the change in the cash flows that is attributable to a particular risk associated with a recognized asset or liability or with a foreseen transaction that is highly likely and that might affect the result; or (ii) hedge of a net investment in a foreign operating unit.

In the initial recognition of a hedge relationship, the Company formerly classifies and documents the hedge relationship to which the Company wishes to apply hedge accounting, as well the objective and the risk management strategy of Management for hedge purposes, based on solid policies and practices applied by Management which, among others, estimates that will not be over hedge in relation to underlying instruments.

The documentation mainly includes: (i) the identification of the hedge instrument, (ii) the hedged item or transaction, (iii) the nature of the risk to be hedged, (iv) the statement of transaction complies with Management's policies and practices and (v) correlation between hedge instruments for purposes of offsetting the exposure to changes in the fair value of the hedged item or cash flows related to the hedged risk. The nature of the high probability of the foreseen transaction to be hedged, as well as the

foreseen periods of transfer of the gains or losses resulting from the hedge instruments from equity to income, are also included in the documentation of the hedge relationship.

In practice, main hedges that meet accounting hedge criteria are as follows:

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is initially recorded directly in equity or other comprehensive income, while any ineffective portion is recognized directly in income (loss) for the year.

Amounts recognized in other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial revenue or interest expense is recognized, or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts recognized in equity are transferred to the initial book value of the non-financial asset or liability. If the forecast transaction or firm commitment is no longer expected to occur, the amounts previously recognized in equity are transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in comprehensive income (loss) remains in equity until the forecast transaction or firm commitment affects profit or loss.

Fair value hedge and fair value option of certain financial liabilities

The Company designates certain debts with linked derivatives, as liabilities measured at fair value through profit or loss, in order to eliminate, or significantly reduce, inconsistencies in measurement that would otherwise result in the recognition of gains or losses on the loans and derivatives on different bases. As a result, fluctuations of loans fair value are recognized in Financial results.

d) Inventories

In general, inventories are valued at the average cost of acquisition or production. Except for Raízen Trading's inventories, which are valued at fair value, which are designated at fair value, not exceeding the net realizable value. Costs of finished products and products in process include raw material, direct labor costs and other direct costs as well as respective direct production expenses (based on regular operating capacity) less loan costs. The net realizable value is the sales price estimated for the normal course of the businesses, less estimated completion execution costs and selling expenses.

The estimated losses for slow-moving or obsolete warehouse inventories are constituted when these inventories have not being utilized for a period of 2 years and are not considered strategic by the Management.

e) Related parties

Raízen Group (RESA and RCSA), in which the Company is inserted, conducts a fully integrated management of its companies and subsidiaries' cash flow.

Of main instruments used for managing cash between the Group's companies that are applicable to the Company, the following are emphasized:

(i) Management of Financial Resources ("GRF") Agreement – operation used between companies domiciled in Brazil

RESA, as centralizer of the Group's corporate activities, is responsible for cash management based on said contract.

These operations are presented in the statement of cash flows, on a net basis, within "Cash flows from financing activities".

(ii) Export Prepayments Agreements ("PPEs") – operation used between companies domiciled in Brazil and companies domiciled abroad

In certain situations, Group companies domiciled abroad raise funds in the international financial market and then transfer such funds to Group companies domiciled in Brazil, in the form of Export Prepayment agreements. These contracts are formalized based on product export volumes, sufficient to settle them.

Said operations are presented in the statement of cash flows of the investments when granted (outflow of funds) and, when received (inflow of funds), in the statement of cash flows regarding the financing.

Financial and operating transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Company would contract with third parties.

f) Investments in associated companies and subsidiaries (individual financial statement)

Investments in entities over which the Company has significant influence or control are accounted for under the equity method. They are initially considered in balance sheet at cost, plus changes after the acquisition of the ownership interest.

The statement of income reflects the share in the results from operations of associated companies or subsidiaries based on the equity method. When a change is directly recognized in the equity of the associated company or subsidiary, the Company will recognize its share in the changes and report such fact in the statement of changes in equity, when applicable.

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment on the Company's investment in its associated company or subsidiary. The Company determines, at each balance sheet closing date, if there is objective evidence that investment in the associated company or subsidiary suffered impairment loss. If so, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the associated company or subsidiary and the book value and recognizes the amount in the statement of income.

Unrealized gains from transactions between the Company and its associated companies and joint ventures are eliminated to the extent of the Company's interest. The accounting policies of the associated companies are changed when required in order to assure the consistency with the policies adopted by the Company.

g) Biological assets

Biological assets refer to sugarcane crops that are measured at fair value, excluding the land on which they are located, under the discounted cash flow method.

For sugarcane, the Company uses future cash flows in discounted at present value and are projected in accordance with the productivity cycle projected for each harvest, taking into consideration the estimated useful life of assets, the prices of total recoverable sugar, estimated productivities, estimated costs to be incurred with production, harvesting, loading and transportation per planted hectare.

Changes in fair values between periods, as well as amortization, are allocated to in Statement of Income under "Cost of products sold" caption.

h) Property, plant and equipment

Property, plant and equipment items (sugarcane planting included) are stated at historical acquisition or construction cost less accumulated depreciation and impairment losses, when applicable.

The cost includes expenditures that are directly attributable to the acquisition of assets. The cost of assets built by the Company includes materials and direct labor, as well as any other costs attributable to bringing the assets to the location and condition requires for them to operate in the manner intended by Management, and loan costs on qualifiable assets. Borrowing costs relating to funds raised for works in progress are capitalized until the projects are concluded.

The Company and its subsidiaries perform the main maintenance activities scheduled for their manufacturing units on an annual basis (off-season period). This usually occurs between the months from January to March, with the objective of inspecting and replacing components.

The main annual maintenance costs include costs of labor, materials, outsourced services and overhead allocated during the off-season period. These costs are classified as frequent replacement parts and components, in property, plant and equipment, and are fully amortized in the following crop season.

The cost of an equipment item that must be replaced on an annual basis is accounted for as a component of the equipment costs and depreciated over the following crop. The costs of normal periodic maintenance are accounted for in expenses when incurred as the replaced components do not improve the production capacity of the asset or introduce refinements in the equipment. Lands are not depreciated.

As of March 31, 2020 and 2019 depreciation of such assets was calculated based on estimated useful life for each asset. The weighted average annual depreciation rates are as follows:

Class of property plant and equipment assets	Annual average rate
Buildings and improvements	2%
Machinery, equipment and facilities	5%
Furniture and fixtures	10%
IT equipment	21%
Vehicles, vessels and aircraft	8%
Sugarcane planting	20%

Residual values and the useful lives of material assets are reviewed and adjusted, if adequate, at the end of each year.

i) Leases

As of April 1, 2019, IFRS 16 (CPC 06 (R2)) initiated to be applied in the Company's financial statements (See Notes 2.4.1 and 17). Thus, the Company started to recognize rights of use asset and lease liabilities on the lease inception date.

The lease liabilities are initially measured at the present value of the payments of rents that have not been paid on the transition date, discounted using the Company's incremental rate on loans, a nominal rate based on the Group's indebtedness, which corresponds to approximately 100% of CDI for recognized leases.

During the year ended March 31, 2020, the discount rates applied, pursuant to the contractual term, were as follows:

	Rates	
Contractual term (years)	Nominal	Real
1	5.0%	1.6%
2	5.6%	1.9%
3	6.2%	2.3%
4	6.6%	2.7%
5	6.9%	3.0%
6	7.1%	3.1%
7	7.3%	3.3%
8	7.4%	3.4%
9	7.6%	3.5%
>10	7.7%	3.6%

The lease term is equivalent to the minimum non-cancellable term of the agreements and the Company does not add the periods covered by a renewal option to the lease term, except where the Company is reasonably certain that the renewal option will be exercised. For example, in the case of agricultural contracts where the Company has the renewal prerogative for a pre-established number of crops under the terms of the contract.

The right-of-use asset is initially measured at cost, which comprised the value of initial measurement of the lease liability and, when applicable, adjusts in regard to payments in advance, initial direct costs, estimates for the removal and dismantling of the underlying asset and incentives received.

The right-of-use asset is subsequently amortized using the depreciation method applied to similar items of property, plant and equipment and, if applicable, reduced by impairment losses.

The Company remeasures the lease liabilities when there is a change in the lease term or a change in future lease payments resulting from a change in index or rate used to determine these payments, recognizing the remeasurement value of the lease liability as adjustment to the asset of right of use.

j) Intangible assets

i) Goodwill

Goodwill is the positive difference between the paid for the acquisition of a business and the net fair value of assets and liabilities of the acquired subsidiary. Goodwill in the acquisition of subsidiaries is disclosed in Investments and Intangible Assets caption in individual and consolidated financial statements.

The goodwill is maintained at cost value, less possible impairment losses, when applicable, and the accounting test is carried out at least every year. For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating units of the Company that are expected to benefit from the business combination, regardless of other assets or liabilities of the acquiree being allocated to those units.

ii) Intangible assets with defined useful life

Intangible assets with defined useful lives are carried at cost, less accumulated amortization and accumulated impairment losses, when applicable.

On March 31, 2020 and 2019 the annual weighted average amortization rates are as follows:

Class of intangible assets	Annual average rate
Software license	20%
Agricultural Partnership Agreements	9%
Sugarcane supply agreements	10%
Technology	10%
Other	38%

Residual values and the useful lives of material assets are reviewed and adjusted, if adequate, at the end of each year.

k) Impairment of non-financial assets:

The Company and its subsidiaries assess every year whether there are indicators of an asset’s loss of value. In the event such indicators are identified, the Company estimates the asset's recoverable value.

The recoverable value of an asset is the greater among: (a) fair value less costs which would be incurred to sell; and (b) its value in use. When required, value in use is usually determined based on the discounted cash flow (before taxes) from the continued use of the asset until the end of its useful life.

Regardless of the existence of impairment indicators, goodwill and intangible assets with an indefinite useful life, if any, are annually tested for impairment.

When the book value of an asset exceeds its recoverable value, the loss is recognized as an operating expense in the statement of income.

l) Provisions

Provisions are recognized when: (i) the Company has a present legal or non-formalized obligation (constructive obligation) as a result of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) amount may be reliably estimated.

m) Employee benefits

The Company has a supplementary pension plan comprised by a defined contribution and partial defined benefit plan for all employees.

Regarding the defined contribution, the expense is recognized in income (when occurred) and defined benefit, the Company recognizes a liability based on a methodology that considers a number of factors determined by actuarial estimates, which employ certain assumptions for defining pension plan costs or (revenue).

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are stated directly in equity as other comprehensive income, when they occur.

Past costs of services are immediately recognized in the income figures.

n) Income tax and social contribution

Revenues (expenses) tax and social contribution expenses of the year include current and deferred taxes. Income taxes are recognized in the statement of income, except to the extent they are related to items directly recognized in equity or comprehensive income, when applicable. In that case, the tax is also recorded in equity or comprehensive income.

The current and deferred income tax and social contribution charge is calculated based on enacted, or substantially enacted, tax acts, at the balance sheet date of countries in which the Company's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Company in the calculations of income tax with respect to situations in which applicable tax regulation is subject to interpretations; and forms provisions, when applicable, based on estimated values for payment to tax authorities.
Income tax is computed on taxable income at the rate of 15%, plus a 10% for income exceeding R$ 240 in the 12-month period, whereas social contribution is computed at the rate of 9% on taxable income, recognized on the accrual basis. That is, on a compound basis, the Company is subject to a theoretical tax rate equivalent to 34%.

Deferred income tax and social contribution in connection with tax losses, social contribution negative bases and temporary differences are shown as net in the balance sheet when there is a legal right and an intention to offset these on calculation current taxes related with the same legal entity and the same tax authority.

Accordingly, deferred tax assets and liabilities in different entities or countries are in general presented separately, and not netted value. Deferred taxes are calculated based on the tax rates in force when they are realized or reviewed annually.

Prepayments or current amounts that can be offset are presented in current and non-current assets, in accordance with their expected realization.

o) Capital and remuneration to shareholders

The share capital is comprised of common and preference shares. Incremental expenses attributed directly to share issues, if any, are shown as a deduction from equity, as an additional capital contribution, net of tax effects.

The only class A preference share as well as each common share, is entitled to one vote on resolutions by Company's shareholders' meetings, as well as R$ 0.01 (one centavo) fixed annual dividends.

Class B preference shares issued by the Company have no voting rights or intended to refund assets, chiefly represented by tax benefits contributed by shareholder Cosan, as these are employed by the Company. C preference shares, previously issued by the Company for shareholder Shell, were fully redeemed in Extraordinary Shareholders' Meeting held on July 31, 2017.

Class D preference shares have no voting rights and are entitled to a fixed annual dividend by the shareholder Shell.

Remuneration to shareholders is paid as dividends and/or interest on own capital based on limits defined by the Company's Bylaws and prevailing laws.

p) Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is equal to the fair value of the assets transferred, liabilities assumed and equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are recorded in the statement of income as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Non-controlling interests to be recognized are determined for each acquisition carried out.

The excess of the consideration transferred plus the acquisition date fair value of any previous ownership interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. For acquisitions in which the Company attributes fair value to

non-controlling interests, the determination of goodwill also includes the value of any non-controlling interest in the acquiree, and the goodwill is determined considering the Company's and non-controlling interests. When the consideration transferred is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the statement of profit or loss for the year as bargain purchase.

q) Segment information

An operating segment is a component of the Company which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Company. All operating results of the operating segments are frequently reviewed by the Company's CEO and Board of Directors for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance, for which individual financial information is available.

The Company has a single business segment: Ethanol, Sugar and Bioenergy, as disclosed in Note 22.

r) Statement of value added

Statement of added value has been prepared in accordance with accounting pronouncement CPC 09 – Statement of Added Value, also issued by Accounting Pronouncement Committee.

2.4. Changes in significant accounting policies due to the new IFRS / CPC and IFRIC / ICPC

As of April 1, 2019, the Company adopted IFRS 16 - Leases (CPC 06 (R2) - Leases) and ICPC 22 / IFRIC 23 - Uncertainties over Income Tax Treatments, issued by IASB.

2.4.1 IFRS 16 (CPC 06 (R2)) - Leases

General Aspects

IFRS 16 (CPC 06 (R2)) introduces a single model of accounting of leases in the balance sheet to lessees. A lessee recognizes an asset of rights of use that represents its right to use the leased asset, and lease liabilities that represent its obligation to make lease payments. Optional exemptions were available for short-term leases and low value items. The lessor’s accounting remains similar to the current standard, that is, lessors continue to classify leases as financial or operating leases.

IFRS 16 (CPC 06 (R2)) replaces the existing lease standards, including CPC 06 (IAS 17) Commercial Lease Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Complementary Aspects of Commercial Lease Operations and is effective, in the case of Raízen Group, as of April 1, 2019.

Based on such accounting standard, the most significant impact was that the Company recognized new assets and liabilities for its leases, formerly recognized as operating leases, in connection with agricultural leases and partnerships, lease of machinery and agricultural implements, lease of properties and trucks. In addition, the nature of expenses related to these leases were changed, since IFRS 16 (CPC 06 (R2)) replaced the linear operating lease expense for expenses of amortization of the rights of use and interest on lease liabilities.

Transition

The Company opted to adopt the modified retrospective approach, which does not require the restatement of the corresponding amounts, does not affect the equity and allows the adoption of practical expedients. Therefore, the comparative information presented for the prior year was not restated.

In addition, the following main practical expedients were used for the transition to the new requirements of lease accounting: (a) adoption of IFRS 16 (CPC 06 (R2)) to all the agreements signed prior to April 1, 2019 which were identified as leases according to CPC 06 (IAS 17) and related interpretations; (b) use of a single nominal discount rate to all similar agreements; (c) there was no recognition of agreements expiring within the twelve-month period commencing on the date of initial adoption of the standard; and (d) were considered the past experience in the evaluation of options for term extension or termination, when applicable. As provided for in the standard, the Company also did not adopt IFRS 16 (CPC 06 (R2)) for agreements with indefinite terms.

The table below summarizes the first impacts of the adoption of IFRS 16 (CPC 06 (R2):

Statement of financial position at March 31, 2019:

	Parent company				Consolidated			
	Disclosed at 03/31/2019	Initial adoption adjustment to IFRS 16 (CPC 06 (R2))	Note	Balance at 04/01/2019	Disclosed at 03/31/2019	Initial adoption adjustment to IFRS 16 (CPC 06 (R2))	Note	Balance at 04/01/2019
Assets								
Current assets								
Other credits	258,357	(105,631)		152,726	318,492	(126,107)		192,385
Other assets	4,320,866	-		4,320,866	10,050,643	-		10,050,643
Total current assets	4,579,223	(105,631)		4,473,592	10,369,135	(126,107)		10,243,028
Non-current assets								
Rights of use	-	3,531,828	15	3,531,828	-	3,954,410	15	3,954,410
Other assets	15,694,032	-		15,694,032	18,262,450	-		18,262,450
Total non-current assets	15,694,032	3,531,828		19,225,860	18,262,450	3,954,410		22,216,860
Total assets	20,273,255	3,426,197		23,699,452	28,631,585	3,828,303		32,459,888
Liabilities								
Current liabilities								
Lease liabilities	-	680,460	15	680,460	-	765,203	15	765,203
Related parties	1,263,016	134,048	10	1,397,064	656,335	134,048	10	790,383
Other liabilities	2,873,821	-		2,873,821	7,249,635	-		7,249,635
Total current liabilities	4,136,837	814,508		4,951,345	7,905,970	899,251		8,805,221
Non-current liabilities								
Lease liabilities	-	2,024,978	15	2,024,978	-	2,342,341	15	2,342,341
Related parties	1,812,752	586,711	10	2,399,463	398,863	586,711	10	985,574
Other liabilities	6,020,903	-		6,020,903	11,988,726	-		11,988,726
Total non-current liabilities	7,833,655	2,611,689		10,445,344	12,387,589	2,929,052		15,316,641
Equity	8,302,763	-		8,302,763	8,338,026	-		8,338,026
Total liabilities and equity	20,273,255	3,426,197		23,699,452	28,631,585	3,828,303		32,459,888

2.4.2 ICPC 22 / IFRIC 23 – Uncertainties in relation to tax treatments

This interpretation clarifies how to apply recognition and measurement requirements of CPC 32 – Income taxes (IAS 12 – Income Taxes) in case there is uncertainty on income tax treatments. In these circumstances, the entity must recognize and measure its current or deferred tax assets or liabilities by applying requirements of CPC 32 (IAS 12), based on taxable income, tax bases, taxable losses not used, tax credits not used, and tax rates, determined in accordance with this interpretation. This interpretation is effective, in the case of the Company, as of April 1, 2019 and no impacts had been identified in connection with such interpretation and which had not been disclosed in the annual financial statements of the Company.

2.4.3 Other information

On April 1, 2019, there were no impacts on the statements of income, comprehensive income, changes in equity, cash flows and as a result of the amendments made to the new IFRS/CPCs and IFRIC/ICPCs mentioned above.

2.5. New CPC/IFRS and ICPC/IFRIC Interpretations (IASB Financial Reporting Interpretations Committee) applicable to financial statements

The effective new standards and interpretations issued by the IASB, but not yet in effect until the date of the issuance of the Group's financial statements, are described below. The early adoption of standards, although accepted by the IASB, is not allowed in Brazil by the Accounting Pronouncement Committee (CPC).

The Company intends to adopt these new and amended standards and interpretations, if applicable, when they come into force. The following changed standards and interpretations should not have a significant impact on Company's individual and consolidated financial statements:

i) Changes in the references to the conceptual framework in CPC / IFRS standards.
ii) Definition of business (amendments to CPC 15 / IFRS 3).
iii) Definition of materiality (amendments to CPC 26/IAS 1 and CPC 23/IAS 8).

3. Cash and cash equivalents

		Average yield rate		Parent company		Consolidated	
	Index	2020	2019	2020	2019	2020	2019
Funds in banks and in cash				1,697,060	379,415	3,027,182	1,544,831
Values awaiting foreign exchange closure (1)				1,333,754	157,368	1,441,368	162,854
Investment Funds (2)	CDI	98.59%	97.27%	-	-	21,997	290,603
Bank deposit certificate (CDB) and commitments (3)	CDI	98.79%	99.02%	-	458	1,983,200	1,191,571
				3,030,814	537,241	6,473,747	3,189,859
Domestic (domestic currency)				112,260	50,189	2,132,840	1,563,169
Abroad (foreign currency) (Note 26.d)				2,918,554	487,052	4,340,907	1,626,690
				3,030,814	537,241	6,473,747	3,189,859

(1) Refer basically to receiving foreign currency funds from overseas clients, for which obtaining foreign exchange from financial institutions was not yet concluded until the balance sheet date, and to foreign funds intended to settle debts related to export performance.

(2) Refer to investment in fixed income funds managed by first-class financial institutions, divided into quotas, at exclusive discretion of the Company, with daily earnings and liquidity.

(3) Refer to investments in fixed income funds such as CDBs and Repurchase Agreements in first-class financial institutions with daily yield and liquidity.

4. Restricted cash

		Average yield rate		Parent company		Consolidated	
	Index	2020	2019	2020	2019	2020	2019
Financial investments linked to financing (1)	CDI	100.02%	100.02%	157	628	32,346	40,565
Investments related to derivative operations (Note 26.g) (2)	CDI	101.19%	101.34%	20,408	40,699	20,408	40,699
Margin on derivative operations (Note 26.g) (3)	-	-	-	83,268	43,360	127,432	53,702
				103,833	84,687	180,186	134,966
Domestic (domestic currency)				20,566	41,327	52,754	81,264
Abroad (foreign currency) (Note 26.d)				83,267	43,360	127,432	53,702
				103,833	84,687	180,186	134,966

(1) Correspond to LFTs (Financial Treasury Bills) with prime banks, held by virtue of National Bank of Economic and Social Development ("BNDES") financing and with redemption subject to payment of certain portions of the mentioned financing.

(2) Refer to investments such as CDBs and overseas public bonds with first-class financial institutions, which are used as collateral provided in transactions with derivative instruments.

(3) Margin deposits in derivative operations refer to margin requirements by counterparts in transactions with derivative instruments, and are exposed to US dollar exchange fluctuations (Note 26.g).

5. Trade accounts receivable

	Parent Company		Consolidated	
	2020	2019	2020	2019
Domestic	183,105	232,065	534,389	701,569
Abroad (Note 26.d)	101,277	2,732	659,560	297,104
Estimated loss from allowance for doubtful accounts	(4,131)	(2,766)	(27,569)	(24,649)
	280,251	232,031	1,166,380	974,024

The Company has no trade notes assigned as collateral. The maximum exposure to credit risk on the balance sheet date is the book value of each kind of trade accounts receivable.

The aging list of trade accounts receivable is as follows:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Falling due	267,975	225,692	1,098,906	938,405
Overdue (days):				
Up to 30	11,580	1,518	38,626	9,000
31–90	554	4,840	18,448	10,403
91–180	446	-	6,263	11,446
>180	3,827	2,747	31,706	29,419
	16,407	9,105	95,043	60,268
	284,382	234,797	1,193,949	998,673

The estimated losses in allowance for doubtful accounts were calculated based on credit risk analysis, which contemplates loss history, individual situation of clients, situation of the corporate group to which they belong, real guarantees for debts and when applicable the assessment of the legal advisors. Allowance for doubtful accounts is considered sufficient by the Company's Management to cover possible losses on amounts receivable; movement is as follows:

	Parent company	**Consolidated**
March 31, 2018	(3,664)	(26,821)
Initial adoption of IFRS 9 / CPC 48 (Note 2.3.c)	(28)	(221)
Estimated loss	(2,200)	(8,159)
Write-off	3,126	11,159
Exchange-rate change	-	(607)
March 31, 2019	(2,766)	(24,649)
Estimated loss, net	(1,365)	(1,451)
Exchange-rate change	-	(1,469)
March 31, 2020	(4,131)	(27,569)

As of March 31, 2020, the Company had the amounts of R$ 190,002 and R$ 210,349 in Parent Company and Consolidated, respectively, (R$ 22,715 and R$ 71,640, in Parent Company and Consolidated, respectively as of March 31, 2019) recorded in current liabilities, under "Advances from clients" caption, which substantially refer to the receipts from foreign clients for acquisition of sugar and ethanol. When applicable, accounts receivable and advances from clients are presented net.

6. Inventories

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Finished goods:				
Sugar	68,504	60,647	132,232	87,471
Ethanol	342,342	245,707	919,236	481,174
Warehouse and other	188,461	171,200	276,239	220,726
	599,307	477,554	1,327,707	789,371

As of March 31, 2020, inventories are deducted by the estimated loss on obsolescence, realization and low turnover and/or obsolete inventories, in the amount of R$ 22,362 and R$ 30,151 in Parent Company and Consolidated (R$ 16,621 and R$ 21,767 in 2019 in the Parent Company and Consolidated, respectively on March 31, 2019). The movement in these losses is as follows and was recognized in the statement of income under the caption Cost of products sold and services rendered:

	Parent company	Consolidated
March 31, 2018	(18,105)	(22,930)
Estimated loss	(10,707)	(11,891)
Reversal	12,191	13,054
March 31, 2019	(16,621)	(21,767)
Estimated loss	(17,911)	(27,902)
Reversal / Realization	12,170	19,518
Balance at March 31, 2020	(22,362)	(30,151)

7. Biological assets

The Company's biological assets correspond to uncut sugarcane cultivated in sugarcane crops that will be used as raw material to produce sugar, ethanol and bioenergy at harvest time.

The cultivated areas represent only sugarcane crops, not considering plots of land where these crops are, which are recognized as property plant and equipment assets.

The following assumptions were used in the determination of the fair value:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Estimated harvest area (hectares)	383,375	379,236	436,663	435,341
Amount of ATR per hectare	10.26	10.05	10.38	10.18
Average ATR price per Kg projected (R$/Kg)	0.61	0.62	0.61	0.62

As of March 31, 2020, cash flows were discounted at 5.30% (6.72% as of March 31, 2019) which is the WACC (Weighted Average Capital Cost) of the Company.

The Company periodically reviews assumptions used to calculate biological assets, adjusting it in case there are significant changes in relation to those previously projected.

Movement in biological assets (sugarcane) is detailed below:

	Parent company	Consolidated
Balance at March 31, 2018	775,289	947,815
Additions of sugarcane treatments	613,898	694,500
Absorption of harvested sugarcane costs	(507,364)	(577,183)
Change in fair value	(54,078)	5,335
Realization of fair value	(183,419)	(266,494)
Business combination (Notes 29.2.i and iii)	10,022	10,022
Balance at March 31, 2019	654,348	813,995
Additions of sugarcane treatments	641,408	731,275
Absorption of harvested sugarcane costs	(623,808)	(707,432)
Change in fair value	(51,244)	3,197
Realization of fair value	70,134	9,685
Business combination (Note 29.1.ii)	-	46,595
Balance at March 31, 2020	690,838	897,315

Fair value estimate could increase (decrease) if:

- Estimated ATR price was higher (lower);
- Estimated productivity (tons per hectare and ATR quantity) were higher (lower); and
- If the discount rate were lower (higher)

The Company's sugarcane planting operations are exposed to changes from climate changes, pests and diseases, forest fires and other forces of nature.

Weather conditions may historically cause fluctuations in the sugar and alcohol industry and therefore in Companies operating income because they affect crops by means of increasing or reducing harvests.

8. Recoverable taxes

	Parent company		Consolidated	
	2020	2019	2020	2019
PIS and COFINS (i)	150,911	31,706	293,478	56,598
ICMS	212,307	52,243	321,797	107,966
Excise tax ("IPI")	31,545	29,111	36,472	33,642
Refis	41,510	40,261	41,510	40,261
Other	37,585	32,198	63,573	60,396
	473,858	185,519	756,830	298,863
Current	(247,656)	(133,467)	(453,635)	(221,494)
Non-current	226,202	52,052	303,195	77,369

(i) ICMS on the calculation basis of PIS and COFINS

Since the adoption of the non-cumulative PIS and COFINS tax regime, the Company has been legally claiming the right to exclude ICMS from the PIS and COFINS calculation basis. During the year ended March 31, 2020, the Company concluded that the necessary legal assuredness for the recognition of said tax credits was achieved, in light of the fact that certain events occurred that solidified the understanding that the decision of March 15, 2017 by Brazil's Federal Supreme Court ensures the taxpayer's right to exclude ICMS from the PIS/COFINS calculation basis. Management's understanding is supported by legal opinions issued by legal advisors.

Thus, the Company recognized non-current assets, credits consolidated in the amount of R$ 96,939 and R$ 177,524 under "Recoverable taxes", parent company and consolidated, respectively, from certain lawsuits with final and unappealable decisions for the whole period as of 5 years from the date of filing of lawsuits and, in the case of the lawsuits without final and unappealable decisions, the credits as of October 2, 2017 on a prospective basis, as leading case conclusion providing claim right to taxpayers. Such credits were recognized in the statement of income in the amounts of R$ 54,730 and R$ 130,808, in the parent company and consolidated, respectively.

Credits in the amount of R$ 42,209 and R$ 46,716, in the parent company and consolidated, respectively, whose taxable event preceded the establishment of Raízen by Cosan and Shell shareholders (pursuant to Note 1), were recognized in the caption Related parties in non-current liabilities, and shall be refunded as they are used by the Company.

9. Other financial assets

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Credits from indemnity suits - refundable (1)	97,852	89,916	97,852	89,916
Credits from indemnity suits - own (2)	-	-	177,629	221,373
National Treasury Certificates - CTN (3)	280,966	500,770	297,459	521,943
Other	1	1	101	194
	378,819	590,687	573,041	833,426
Current	(280,966)	(265,860)	(314,273)	(306,457)
Non-current	97,853	324,827	258,768	526,969

(1) Receivables from legal disputes on which a final judgment favorable to RESA was taken, which were not part of the net assets contributed by Cosan to set up the Group. Therefore, RESA recognized a liability in the same amount, classified as current and non-current liabilities in the related parties (Note 10.c) caption, given that RESA has the obligation to reimburse those receivables to Cosan when they are actually collected. These credits yield IPCA-E (Special Amplified Consumer Price Index) and Selic rate change plus annual interest of 6% as applicable.

(2) Receivables from a final and unappealable judgment in favor of Raízen Araraquara, a subsidiary of the Company, relating to the lawsuit of the Instituto do Açúcar e do Álcool ("IAA") against the Federal Government, filed by Copersucar in 1990. The lawsuit involves the awarding of compensation for losses caused to the mills by the Federal Government when setting prices below market prices. The amount of R$ 221,373 was recognized in the year ended March 31, 2019 under the heading of Other operating revenues (expenses), net (Note 24). In the year ended March 31, 2020, the Company received R$ 43,744 of credits from indemnity suits.

(3) Brazilian Treasury Certificates are government bonds issued by the Brazilian Treasury within the Special Agriculture Industry Securitization Program - PESA, with a 20-year original maturity (falling due between 2019 and 2025) and which pledged to secure its related financing transaction called PESA. These bonds bear annual compound interest of 12%, plus the IGP-M (General Market Price Index). Their value on maturity date tends to be equivalent to the principal value of the debt due under PESA and may be used for settlement. During the year ended March 31, 2020, the Company redeemed R$ 271,844 for PESA's partial settlement.

10. Related parties

a) Summary of related party balances

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Assets				
Assets classification per currency:				
Domestic (domestic currency)	3,123,195	1,425,032	1,780,411	1,188,455
Abroad (foreign currency) (Note 26.d)	115,074	182,049	5,164,525	4,642,299
	3,238,269	1,607,081	6,944,936	5,830,754
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	392,476	154,278	392,476	154,278
Raízen Biomassa S.A.	43,208	-	-	-
Raízen Biogás Ltda	38,161	34,342	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	1,047,659	-	-	-
Bioenergia Barra Ltda	405,006	542,254	-	-
Other	4,338	3	-	-
	1,930,848	730,877	392,476	154,278
Commercial and administrative operations (2)				
Raízen Combustíveis S.A. and its subsidiaries	165,692	63,087	2,998,452	1,731,573
Nova América Agrícola Caarapó Ltda.	-	-	32	110,952
Shell Trading US Company	-	-	1,972	83,924
Agroterenas S.A.	-	-	36,019	34,338
Cosan S.A.	15,796	12,208	15,796	12,208
Novamérica Agrícola Ltda.	34,463	-	-	-
Raízen and Wilmar Sugar Pte. Ltd.	-	-	2,189	56,047
Comgás - Companhia de Gás de São Paulo	16,083	11,843	16,083	11,843
Philipínas Shell Petroleum Corp.	-	-	4,784	5,056
Shell Trading Rotterdam	-	-	14,745	12,709
Rumo Group	24,407	21,046	24,772	21,304
Raízen Trading LLP	42,961	118,994	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	234,273	4,534	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	89,467	5,303	-	-
Raízen International Universal Corporation	71,584	62,726	-	-
Raízen Paraguaçú Ltda.	18,137	17,253	-	-
Unimodal Ltda.	3,617	3,617	-	-
Other	40,893	9,810	20,953	18,332
	757,373	330,421	3,135,797	2,098,286
Financial operations (3)				
Raízen Combustíveis S.A. and its subsidiaries	-	-	2,795,958	2,963,729
	-	-	2,795,958	2,963,729
Corporate restructuring				
Geo Energética Participações S.A.	-	-	-	1,663
Framework operations (4)				
Cosan S.A Indústria e Comércio	549,519	545,454	617,974	612,469
Nova America - Agrícola Caarapó	-	-	2,202	-
Shell Brazil Holding B.V	529	329	529	329
	550,048	545,783	620,705	612,798
	3,238,269	1,607,081	6,944,936	5,830,754
Current assets	(2,899,513)	(1,247,672)	(3,792,096)	(2,413,896)
Non-current assets	338,756	359,409	3,152,840	3,416,858

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Liabilities				
Classification of liabilities per currency:				
Domestic (domestic currency)	3,873,233	1,128,001	1,876,643	826,730
Abroad (foreign currency) (Note 26.d)	1,894,845	1,947,767	356,079	228,468
	5,768,078	3,075,768	2,232,722	1,055,198
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	441,013	244,530	441,013	244,530
Bioenergia Barra Ltda. and its subsidiaries	296,017	175,973	-	-
Agrícola Ponte Alta Ltda.	126,314	67,101	-	-
Raízen Centrooeste Açúcar e Álcool Ltda.	-	37,959	-	-
Raízen Paraguaçú Ltda.	481,541	30,893	-	-
WX Energy Comercializadora de Energia Ltda.	107,764	77,533	-	-
RWXE Participações S.A.	513	-	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	252,250	37,492	-	-
Benálcool Açúcar e Álcool Ltda.	1,268	1,397	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	186,111	27,837	-	-
	1,892,791	700,715	441,013	244,530
Commercial and administrative operations (2)				
Shell Trading US Company	-	-	356,079	148,501
Nova América Agrícola Caarapó Ltda.	-	-	-	19,464
Nova América Agrícola Ltda.	-	-	14,789	9,769
Propriedades Agrícola Radar and its subsidiaries	11,813	5,375	11,813	5,375
Bioenergia Barra Ltda. and its subsidiaries	7,708	6,580	-	-
Rumo Group	27,197	18,694	31,645	20,891
Raízen International Universal Corp.	2,166	312,668	-	-
Raízen Trading LLP	422,017	99,736	-	-
Agroterenas S.A.	-	-	34,217	15,703
Cosan S/A Indústria e Comercio	5,040	1,826	5,040	1,826
Raízen Paraguaçú Ltda	12,825	12,303	-	-
Iogen Energy Corporation	-	-	-	-
Raízen Combustíveis S.A. and its subsidiaries	32,736	17,459	44,692	34,360
Raízen Centroeste Açúcar e Alcool Ltda.	223,443	613	-	-
Nova América S.A. Terras	-	-	622	79,967
Other	90,368	13,767	18,031	11,144
	835,313	489,021	516,928	347,000
Financial operations (3)				
Raízen Fuels Finance Limited	1,894,845	1,535,363	-	-
	1,894,845	1,535,363	-	-
Corporate restructuring			-	
Raízen Biogás Ltda.	-	9,426	-	-
	-	9,426	-	-
Framework operations (4)				
Cosan S.A Indústria e Comércio	398,905	334,167	530,472	458,507
Agrícola Ponte Alta Ltda.	1,915	1,915	-	-
	400,820	336,082	530,472	458,507
Preference shares (5)				
Cosan S.A	3,745	5,161	3,745	5,161

Lease liabilities (6)				
Radar Propriedades Agrícolas S/A	146,736	-	146,736	-
Aguassanta Agrícola S/A	143,546	-	143,546	-
Nova Agrícola Ponte Alta S/A	108,040	-	108,040	-
Jatobá Prod Agr Ltda.	65,563	-	65,563	-
Nova Amaralina S/A Proprriedades Agricolas	55,805	-	55,805	-
Terrainvest Propriedades Agrícolas S/A	52,932	-	52,932	-
Seringueira Propriedades Agricolas Ltda	45,825	-	45,825	-
Aguapar Agrícola Ltda.	38,763	-	38,763	-
Agrobio Investimento e Participações S/A	26,307	-	26,307	-
Terras da Ponte Alta S/A	17,200	-	17,200	-
Proud Participações S/A	9,846	-	9,846	-
Bioinvestiments Negócios e Participações S/A	8,522	-	8,522	-
Other	21,479	-	21,479	-
	740,564	-	740,564	-
	5,768,078	3,075,768	2,232,722	1,055,198
Current liabilities	(2,994,818)	(1,263,016)	(1,223,909)	(656,335)
Non-current liabilities	2,773,260	1,812,752	1,008,813	398,863

(1) Asset management

The amounts recorded in assets and liabilities refer to funds made available and received from companies, respectively, as a way of managing financial resources. Regarding these operations, the Company recorded, in the year ended March 31, 2020, financial expenses, net in the amounts of R $ 55,076 and R $ 40,587 (R $ 24,740 and R$ 5,620 in the year ended March 31, 2019) Parent Company and Consolidated, respectively, due to cash management.

(2) Commercial and administrative operations

The sum stated in assets refers to reimbursement of administrative expenses, transactions for the sale of goods, such as: sugar, ethanol and other materials, as well as advances for acquisition of sugar cane and port lifting transactions. Amount recorded in liabilities refers to reimbursement of administrative expenses, rendering of services, advances from clients for export of sugar and purchase of products such as: sugar, sugarcane, diesel oil and ethanol.

(3) Financial operations

As of March 31, 2020 and 2019, the amount recorded in assets refers to export prepayment agreements ("PPE") receivable from Raízen Combustíveis S.A., as stated below:

						Consolidated	
Contract	**Currency**	**Principal value in foreign currency**	**Maturity**	**Annual effective average interest rate**	**Index**	**2020**	**2019**
Export prepayment (PPE) (1)	USD	219,000	04/27/2020	3.64%	Libor	-	853,988
Export Prepayments (PPE)	USD	350,000	01/20/2027	5.49%	-	1,767,773	1,378,404
		569,000				1,767,773	2,232,392
Export Prepayments (PPE)	Euro (€)	66,000	10/15/2021	3.09%	-	413,826	292,949
Export Prepayments (PPE)	Euro (€)	40,000	01/20/2022	1.99%	*Euribor*	243,357	175,669
Export Prepayments (PPE)	Euro (€)	60,000	09/21/2022	2.10%	*Euribor*	371,002	262,719
		166,000				1,028,185	731,337
						2,795,958	2,963,729
					Current	(36,534)	(20,091)
					Non-current	2,759,424	2,943,638

(1) On March 20, 2020, Raízen Fuels received the amounts of R$ 1,126,624 and R$ 132,274, regarding principal and interest, respectively, in advance from this contract.

As of March 31, 2020, the amount recorded in liabilities refers mainly to export prepayment agreements ("PPE") due to Raízen Fuels as shown below:

						Parent company	
Contract	**Currency**	**Principal value in foreign currency**	**Maturity**	**Annual effective average interest rate**	**Index**	**2020**	**2019**
Export prepayment (PPE) (1)	USD	200,000	04/30/2024	2.60%	Libor	1,099,825	779,900
Export prepayment (PPE) (1)	USD	31,000	04/27/2020	3.64%	Libor	-	121,381
Export Prepayments (PPE)	USD	25,000	01/20/2027	5.49%	-	114,772	84,795
Export prepayment (PPE) (1)	USD	125,000	01/20/2027	5.49%	-	680,248	549,287
		381,000				1,894,845	1,535,363
					Current	(9,301)	(6,886)
					Non-current	1,885,544	1,528,477

(1) The Company assigns certain PPE as liability measured at fair value through profit or loss. Accordingly, the said export prepayment is increased by the fair value evaluation in the amount of R$ 65,999 (R$ 64,359 on March 31, 2019), with a negative impact in the income (loss) of R$ 21,201 (negative - R$ 44,106 in the year ended March 31, 2019).

(4) Framework agreement

As of March 31, 2020, amounts recorded in assets and liabilities refer to amounts spent or payable, fully reimbursable, resulting from establishment of Raízen. In the year ended March 31, 2020, the Company recognized the amounts of R$ 42,209 and R$ 46,716, in the parent company and consolidated, respectively, referring to the exclusion of ICMS from the PIS and COFINS tax calculation basis. See Note 8.

(5) Preference shares

The balance of preference shares payable, recorded in liabilities, refers to tax benefit amounts to reimburse Cosan, when effectively utilized by the Company, determined at balances of tax losses and negative basis of social contribution and tax benefit on amortization of goodwill ("GW").

During the year ended March 31, 2020, the Company proposed the allocation of R$ 1,416 of dividends to the holders of Class B preference shares. See Note 20.b.

(6) Lease liabilities

On March 31, 2020, the amount recorded in liabilities refers to lease agreements of transactions with related parties.

	Parent company and consolidated
Balance at March 31, 2019	-
Initial adoption - IFRS 16 (CPC 06 (R2)) (Note 2.3.1)	720,759
Balances at April 1, 2019	720,759
Addition of new agreements	29,190
Write-off of agreements	(19,093)
Payment of principal	(145,737)
Interest adjustment	63,719
Remeasurement of the agreements (1)	91,726
	740,564
Current	(177,619)
Non-current	562,945

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA´s index variation).

b) Summary of related-party transactions (4)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Sale of products, net of returns				
Raízen Trading LLP	2,011,669	1,217,638	-	-
Raízen International Universal	3,921,156	1,624,151	-	-
Raízen Combustíveis S.A. and its subsidiaries	1,006,221	554,252	10,709,805	7,133,545
Raízen and Wilmar Sugar Pt	-	-	299,713	1,384,680
Shell Brasil Petróleo Ltda.	-	-	12,251	-
Shell Trading US Company	-	-	761,476	430,822
Raízen Paraguaçu Ltda.	97,206	147,884	-	-
Other	138,097	198,471	148,131	77,004
	7,174,349	3,742,396	11,931,376	9,026,051
Purchase of goods and services				
Shell Trading US Company	-	-	(4,190,511)	(1,560,087)
Raízen Combustíveis S.A. and its subsidiaries	(546,166)	(538,665)	(612,794)	(607,966)
Raízen Trading LLP	(643,841)	(459,400)	-	-
Rumo Group (i)	(230,118)	(282,116)	(276,483)	(313,507)
Agroterenas S.A.	-	-	(348,099)	(252,940)
Nova América Agrícola Caarapó Ltda.	-	-	(169,863)	(184,306)
Raízen Araraquara Açúcar e Álcool Ltda.	(125,263)	(89,981)	-	-
Raízen Paraguaçu Ltda.	(68,227)	(25,334)	-	-
Cosan Lubrificantes e Especialidades S.A.	(19,763)	(15,159)	(25,521)	(20,560)
CTC - Centro de Tecnologia Canavieria Ltda.	(13,155)	(10,736)	(14,540)	(11,716)
Shell Brasil Petróleo	(6,540)	(6,408)	(7,626)	(7,776)
Agroterenas S.A.	-	-	(20,586)	(8,407)
Other	(44,196)	(44,668)	(215,443)	(195,392)
	(1,697,269)	(1,472,467)	(5,881,466)	(3,162,657)
Renewed collection of shared expenses (1)				
Raízen Combustíveis S.A. and its subsidiaries	133,265	131,492	133,265	131,492
Rumo Group (i)	35,299	28,716	35,299	28,716
Companhia de Gás de São Paulo	32,703	34,952	32,703	34,952
Raízen Paraguaçú Ltda.	22,980	22,715	-	-
Bioenergia Barra Ltda and its subsidiaries	9,834	9,287	-	-
Cosan Lubrificantes e Especialidades S.A.	7,406	6,595	7,406	6,596
Raízen Caarapó Açúcar e Álcool Ltda.	8,464	7,608	-	-
Other	25,330	22,421	8,544	6,541
	275,281	263,786	217,217	208,297
Land leases (2)				
Radar group (iii)	-	(72,179)	-	(72,179)
Janus Group	-	(29,397)	-	(29,397)
Tellus group	-	(22,299)	-	(22,299)
Aguassanta Group (i)	-	(12,134)	-	(12,134)
Barrapar Participações S.A.	-	(21)	-	(21)
	-	(136,030)	-	(136,030)

Net financial income (loss) (3)				
Raízen Trading LLP and subsidiaries	(111)	(11,561)	-	-
Bioenergia Barra Ltda and its subsidiaries	15,525	3,584	-	-
Agrícola Ponte Alta Ltda.	1,764	(9,765)	-	-
Raízen Internacional Universal	5,610	1,848	-	-
Tellus group	(3,432)	-	(6,758)	-
Janus Group	(4,957)	-	(10,232)	-
Aguassanta Group	(6,956)	-	(14,684)	-
Radar Group	(15,360)	-	(31,941)	-
Raízen Araraquara Açúcar e Álggol Ltda.	(11,653)	(6,293)	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	(13,399)	(4,701)	-	-
Raízen Combustíveis S.A. and its subsidiaries	(38,577)	(5,620)	1,057,094	512,415
Raízen Fuels Finance Limited	(600,455)	(315,763)	-	-
Other	(8,123)	(1,359)	4,456	9,106
	(680,124)	(349,630)	997,935	521,521

(i) The term Rumo Group refers to the railway and port operations represented by the companies Rumo S.A., Elevações Portuárias S.A, Logispot Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.

(ii) The term Aguassanta group refers to land lease transactions for the planting of sugarcane with entities Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda., Palermo Agrícola S.A. and Vila Santa Empreendimentos Imobiliários Ltda.

(iii) The term Radar group refers to land lease transactions for the planting of sugarcane, and main entities in the group are Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Terras da Ponte Alta, Nova Santa Barbara Agrícola S.A., Radar II Propriedades Agrícolas S.A., Vale da Ponte Alta S.A., Proud Participações S.A. and Bioinvestments Negócios S.A.

(1) Expenses incurred by shared corporate, management and operating costs reimbursed from related parties;

(2) Expenses incurred with land leased from related parties, outside Raízen Group;

(3) It mainly refers to charges produced by the as a way of administering financial resources, due the financial management of cash and Export prepayments.

(4) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Company would contract with third parties.

c) Summary of shareholder Cosan's refundable and rechargeable balances

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Current assets				
Other receivable (i)	77,880	55,053	88,350	64,807
	77,880	55,053	88,350	64,807
Non-current assets				
Judicial deposits (Note 18)	111,796	121,788	226,372	234,389
Other financial assets (Note 9)	97,852	89,916	97,852	89,916
Other receivable (i)	111,377	67,410	117,898	69,395
	321,025	279,114	442,122	393,700
Total assets	398,905	334,167	530,472	458,507
Current liabilities				
Taxes payable	8,445	8,442	9,557	10,876
Other payable (ii)	204,887	177,859	234,189	204,892
	213,332	186,301	243,746	215,768
Non-current liabilities				
Taxes payable (ii)	169,530	167,859	178,897	176,950
Provision for legal disputes (Note 18)	166,657	191,294	195,331	219,751
	336,187	359,153	374,228	396,701
Total liabilities	549,519	545,454	617,974	612,469

(i) Refer mainly to legal expenses receivable from the shareholder.
(ii) Refer mainly to tax credits to be reimbursed to shareholder.

d) Directors and members of the Board of Directors

Property plant and equipment and variable remuneration to key management personnel, including statutory officers and members of the Board of Directors that is recognized in income (loss) for the year is as follows:

	2020	**2019**
Regular remuneration	(56,911)	(55,341)
Bonuses and other variable remuneration	(50,760)	(35,521)
Total remuneration	(107,671)	(90,862)

The Company shares the corporate, managerial and operational structures and costs of its related party Raízen Combustíveis S.A. ("RCSA"). Key management personnel and other administrative jobs are performed mainly by employees of the Company. Accordingly, as of March 31, 2020, RCSA reimbursed to the Company throughout the shared structure, including key management personnel and other employees, the amount of R$ 44,992 (R$ 51,275 in the year ended in 2019).

e) Other significant information involving related parties

Considering that the Raízen Group operates corporate treasury, the Company is the guarantor of certain debts of its RCSA related party.

11. Investments

a) Parent company

				Investments (1)		Equity accounting result	
	Country	Business	Equity interest percentage	2020	2019	2020	2019
Book value							
Agrícola Ponte Alta Ltda.	Brazil	Ethanol trade	92.29%	1,005,060	836,221	167,111	104,492
Benálcool Açúcar e Álcool Ltda.	Brazil	*Holding*	100.00%	4,006	3,678	331	1,373
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.04%	120,148	113,496	7,517	4,519
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Sugar and ethanol plant	31.48%	247,677	227,637	20,195	16,121
Raízen Centroeste Açúcar e Álcool Ltda.	Brazil	Ethanol plant	47.37%	733,671	652,085	82,096	55,120
Logum Logística S.A.	Brazil	Logistics	30.00%	309,550	314,269	(25,389)	(19,400)
Raízen Araraquara Açúcar e Álcool Ltda. (3)	Brazil	Sugar and ethanol plant	99.99%	924,469	915,932	11,786	211,026
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	86,626	54,799	10,535	7,748
Raízen International Universal Corporation	British Virgin Islands	Ethanol and sugar trade	100.00%	69,333	28,485	17,921	32,274
Raízen and Wilmar Sugar PTE Ltd.	Singapore	Trading of sugar	50.00%	47,924	35,601	845	19,011
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	50,898	38,161	(11)	(18)
Raízen Paraguaçu Ltda. (3)	Brazil	Sugar and ethanol plant	100.00%	1,107,202	955,494	153,393	96,994
Bionergia Barra Ltda.	Brazil	Cogeneration of energy	99.99%	1,071,860	747,890	327,346	250,152
Uniduto Logística S.A.	Brazil	Logistics	46.48%	47,550	48,709	(4,373)	26,723
Raízen-Geo Biogás S.A.	Brazil	Biogas plant	85.00%	19,926	21,887	(1,960)	(1,636)
Raízen Trading LLP	United Kingdom	Trading	100.00%	216,675	216,773	114,263	117,237
Ryballa Participações Ltda.	Brazil	Sugar and ethanol plant	100.00%	-	-	-	1,215
Raízen Biomassa S.A. (5)	Brazil	Biomass	81.50%	(26,798)	-	(4,941)	-
RZ Agrícola Caarapó Ltda. (6)	Brazil	Sugar and ethanol plant	100.00%	367,608	-	3,654	-
Subtotal				6,403,385	5,211,117	880,319	922,951
Investment goodwill (4)							
Benálcool Açúcar e Álcool Ltda.			100.00%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			100.00%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.04%	45,514	45,514	-	-
Ryballa Participações Ltda.			100.00%	5,400	5,400	-	-
Raízen Biomassa S.A. (5)			81.50%	39,153	-	(1,041)	-
Subtotal				434,337	395,184	(1,041)	-
Total investments				6,837,722	5,606,301	879,278	922,951
Provision for negative equity in subsidiaries and associated companies (2)							
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Other	Brazil	-		(3)	(3)	-	-
Total provision for negative equity				(1,926)	(1,926)	-	-
						879,278	922,951

(1) Investments assessed under the equity accounting result; (2) Classified in the non-current liabilities, under "Other obligations" caption; (3) As of March 31, 2020, balances of investments include a portion allocated to goodwill from merger of Curupay and acquisition of Usina Zanin in the amounts of R$ 87,371 and R$ 66,196 (negative) R$ 94,723 and R$ 62,933 (negative) as of March 31, 2019, respectively. Goodwill amortizations of said recognitions, classified in Parent company as equity accounting result, totaled R$ 7,351 and R$ 3,263 (R$ 8,661 and R$ 3,826 on March 31, 2019), respectively; (4) Goodwill on the purchase of shares; (5) As of December 02, 2019, the Company acquired of 81.5% of Biomassa shares. See Note 29; (6) On January 2, 2020, the Company acquired all the shares of RZ Agricola Caarapó Ltda. The details of this operation are described in Note 29.

(b) Consolidated

				Investments (1)		Equity accounting result	
	Country	Business	Equity interest percentage	2020	2019	2020	2019
Book value							
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.58%	123,556	116,717	7,711	4,651
Logum Logística S.A.	Brazil	Logistics	30.00%	309,550	314,269	(25,389)	(19,400)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	47,550	48,709	(4,373)	26,723
Raízen and Wilmar Sugar Pte. Ltd.	Singapore	Trading	50.00%	47,924	35,601	845	19,011
Subtotal				528,580	515,296	(21,206)	30,985
Investment goodwill (2)							
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.58%	51,946	51,946	-	-
Subtotal				57,622	57,622	-	-
Total investments				586,202	572,918	(21,206)	30,985

(1) Investments assessed under the equity accounting result; (2) Goodwill on the purchase of shares.

Movement in interest in subsidiaries and associated companies:

	Parent company	Consolidated
Balance at March 31, 2018	5,427,452	346,461
Equity accounting result	923,039	30,985
Additions (Note 11.e.i)	82,374	26,793
Dividends declared	(1,010,437)	-
Effect of foreign currency translation - CTA	45,682	-
Revaluation (Note 11.e.ii)	241,259	241,259
Initial adoption of IFRS 9 / CPC 48 (Note 2.3.c)	144	-
Reductions (Note 11.e.iii)	(103,570)	(75,738)
Other	358	3,158
Balance at March 31, 2019	5,606,301	572,918
Equity accounting result	879,278	(21,206)
Additions (Note 11.d.i)	186,306	23,872
Dividends declared	(6,788)	-
Gain in bargain purchase (Note 29)	219,921	-
Dividends received (Note 11.d.ii)	(210,168)	(1,034)
Effect of foreign currency translation - CTA	163,461	11,652
Other	(589)	-
Balance at March 31, 2020	6,837,722	586,202

c) Summarized financial information of associated companies, considering adjustments to equity value, when applicable.

- March 31, 2020

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,355,141	103,219	811,416	59,421	542,186
Liabilities	(1,323,309)	(908)	(180,386)	(536,080)	(446,339)
Equity	1,031,832	102,311	631,030	(476,659)	95,847
Year ended March 31, 2020					
Net operating revenue	173,415	-	227,341	-	2,112,914
Net income/(loss)	(84,630)	(8,486)	39,481	(1,148)	1,690

- March 31, 2019

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,101,565	104,814	789,042	29,267	593,148
Liabilities	(1,054,003)	(7)	(192,949)	(296,033)	(521,946)
Equity	1,047,562	104,807	596,093	(266,766)	71,202
Year ended March 31, 2019					
Net operating revenue	169,620	-	180,452	-	2,082,119
Net income/(loss)	(99,780)	(1,288)	23,730	(909)	38,272

(1) The fiscal year of these investees ends on December 31.
(2) Significant influence over these companies has been defined, mainly, based on the Company's right to elect key management personnel and to decide on their significant operational and some strategic issues.
(3) Jointly controlled entity in which the Company interest is 50% in common shares, whose fiscal year ends on August 31. The Company did not form an estimated loss for equity accounting result, given that it has no legal or constructive obligations to make payments on account of that company.
(4) Year ended March 31, every year.

d) Transactions occurred up to March 31, 2020

ii) (i) Additions to investment

Capital increase in Logum Logística S.A. ("Logum")

In the year ended March 31, 2020, capital increases were resolved, approved and subscribed totaling R$ 68,900. The sum underwritten by the Company in these transactions totaled R$ 20,670, fully paid-in in current account.

In these operations, there were no changes in the percentage of interest in share capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

Capital increases in Uniduto Logística S.A. ("Uniduto")

In the year ended March 31, 2020, capital increases were resolved, approved and subscribed totaling R$ 6,890. The sum underwritten by the Company in these transactions totaled R$ 3,202, fully paid-in in current account.

In these operations, there were no changes in the percentage of interest in share capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

Acquisition of RZ Agrícola Caarapó Ltda.

On January 2, 2020, the Company acquired all the shares of RZ Agrícola Caarapó Ltda (formerly Nova América Agrícola Caarapó Ltda), and the amount of R$ 162,434 related to this transaction was recorded. See Note 29.1.i.

ii) Dividends received

Based on the results for the year ended March 31, 2019, the investee Centro de Tecnologia Canavieira S.A. "CTC" allocated dividends to the Company in the amount of R$ 1,034, which were received on November 19, 2019.

Based on the results for the year ended March 31, 2020, Raízen Trading destined dividends to the Company in the amount of R$ 209,134 and they were received on March 30, 2020.

e) Transactions occurred up to March 31, 2019

(i) Additions to the investment

Capital increase in Logum Logística S.A. ("Logum")

In the year ended March 31, 2019, capital increases were resolved, approved and subscribed totaling R$ 104,400. The sum underwritten by the Company in these transactions totaled R$ 20,880, fully paid-in in cash.

Capital increases in Uniduto Logística S.A. ("Uniduto")

In the year ended March 31, 2019, capital increases were resolved, approved and subscribed totaling R$ 10,440. The sum underwritten by the Company in these transactions totaled R$ 4,852, fully paid-in in cash.

In these operations, there were no changes in the percentage of interest in share capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

Capital increase at Biogás

As of August 31, 2018, Company's capital increase was resolved, approved and subscribed totaling R$ 27,724. Of this amount, R$ 521 were paid in by the Company on the same date as contribution of assets; R$ 7,796 (R$ 6,548 for the Company and R$ 1,248 for the minority shareholder) were paid in on September 15, 2018 through direct deposit; R$ 8,318 (R$ 7,070 by the Company and R$ 1,248 by the minority shareholder) were paid on October 15, 2018, and R$ 11,089 (R$ 9,426 by the Company and R$ 1,663 by the minority shareholder) were paid in the year ended March 31, 2020.

Acquisition of Ryballa

On October 8, 2018, RESA acquired investee Ryballa from company Agro Pecuária Furlan S.A. for R$ 32,016, and investment and goodwill amount to R$ 26,616 and R$ 5,400, respectively. See Note 29.2.iii

CTC's capital increase

During the CTC's Board of Directors' Meeting held on December 14, 2018 a R$ 5,652 capital increase in CTC was approved, without an issue of new shares. On February 06, 2019, the capital increase was paid in and ratified by the Board of Directors. Accordingly, the Company recognized an investment of R$ 1,061, according to the interest held by it.

ii) Revaluation of investment

According to accounting annual evaluation of investment recoverability at Logum pursuant to IAS 36 (CPC 01) - Asset Impairment and IAS 28 (CPC 18) - Investments in Associated Company and Subsidiary, on December 31, 2018, the Company recognized estimated impairment losses, previously recorded, in the amount of R$162,384, being R$131,792 in income (loss) for the year under "Other operating revenues (expenses), net" caption (Note 24), referring to direct interest in Logum, and R$30,592 under "Equity accounting result" caption, referring to RESA's indirect interest in Logum via associated company Uniduto.

In the year ended March 31, 2019, Logum obtained capital contributions from the shareholders, completed its corporate restructuring process and contracted a long-term loan. These main factors allowed Logum to implement and develop Phase I of the project, by balancing the capacity to collect and deliver fuels and having access to the largest consumer center in the country, the metropolitan region of São Paulo. Furthermore, Logum negotiated supply agreements and signed contracts to use Transpetro's infrastructure with Petrobras. Thus, the current infrastructure of the project is the backbone of the next business plan stages, which will increase volumes as system gains capillarity, connecting ethanol producers and consumers.

These factors and assumptions were considered sufficient and resulted in a positive cash flow projection for the project, higher than the investment's accounting balances.

Moreover, upon completion of the corporate restructuring, RESA obtained an additional shareholding from former shareholders of Logum, its associated company, generating a gain in the ownership interest of R$ 109,467, recognized as a contra entry to profit (loss) for the year under "Other operating revenues (expenses)" (Note 24).

At the end of these operations, the Company started to hold direct and indirect ownership interest of 30% and 34.65%, respectively, in Logum (20.81% and 25.65% as of March 31, 2018).

iii) Decreases in investment

Capital decrease to be paid-up at Logum

On December 27, 2018, the shareholders, as a result of the agreed corporate restructuring, decided to cancel the subscribed but not paid-in share capital in Logum and due to this, RESA recognized a decrease in the investment of R$ 61,457. Impacts were recorded in caption "Related parties", see Note 10.

Capital decrease to be paid-up - Uniduto

On December 27, 2018, Logum's shareholders, as a result of the agreed corporate restructuring, the shareholders decided to cancel the subscribed but not paid-in share capital. Due to this, the capital to be paid by RESA in Uniduto for the indirect interest in Logum was also canceled, representing a reduction in RESA's investment in Uniduto, in the amount of R$ 14,281. Impacts were recorded in caption "Related parties", see Note 10.

Ryballa Merger

On January 2, 2019, Ryballa was merged into RESA. As a result of this transaction, the Company recognized a reduction of R$ 27,832 in investment. see Note 29.2.iii.

12. Property, plant and equipment

a) Parent company

	Lands and rural properties	Buildings	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Works in progress	Frequently replaced parts	Sugarcane planting	Other	Total
Cost:										
March 31, 2018	14,915	825,431	4,267,850	514,758	148,215	391,323	962,191	4,279,863	19,010	11,423,556
Additions	-	2,844	20,258	943	1,918	531,110	523,072	579,019	-	1,659,164
Business combination (1)	-	-	(6,290)	(3,217)	-	(521)	-	20,948	-	10,920
Write-offs	-	(7)	(44,044)	(33,946)	(8,920)	-	-	-	(4,087)	(91,004)
Transfer between cost and depreciation	-	-	-	-	-	-	(510,411)	-	-	(510,411)
Transfers (2)	-	118,969	283,980	37,916	40,329	(517,816)	-	-	144	(36,478)
Reversal of estimated loss, net (3)	-	(2)	1,927	(141)	-	-	-	-	-	1,784
March 31, 2019	14,915	947,235	4,523,681	516,313	181,542	404,096	974,852	4,879,830	15,067	12,457,531
Additions	-	7,874	22,963	33	4	518,189	612,922	612,737	-	1,774,722
Write-offs	-	-	(36,382)	(29,798)	(433)	-	-	-	(3,031)	(69,644)
Transfer between cost and depreciation	-	-	-	-	-	-	(505,149)	-	-	(505,149)
Transfers (2)	-	156,318	198,081	31,453	12,691	(439,391)	-	-	4,062	(36,786)
Estimated loss (3)	-	-	(1,258)	(455)	(937)	-	-	-	-	(2,650)
March 31, 2020	14,915	1,111,427	4,707,085	517,546	192,867	482,894	1,082,625	5,492,567	16,098	13,618,024
Accumulated depreciation:										
March 31, 2018	-	(254,078)	(1,546,598)	(233,145)	(96,650)	-	(510,410)	(3,087,026)	(19,010)	(5,746,917)
Depreciation expense in the year	-	(27,379)	(234,432)	(44,668)	(18,161)	-	(504,671)	(370,695)	(5)	(1,200,011)
Write-offs	-	5	37,326	25,073	7,473	-	-	-	3,976	73,853
Transfer between cost and depreciation	-	-	-	-	-	-	510,410	-	-	510,410
Transfers (2)	-	(3,169)	6,479	(659)	(3,211)	-	-	-	-	(560)
March 31, 2019	-	(284,621)	(1,737,225)	(253,399)	(110,549)	-	(504,671)	(3,457,721)	(15,039)	(6,363,225)
Depreciation expense in the year	-	(30,346)	(245,637)	(39,269)	(19,604)	-	(543,969)	(397,046)	(732)	(1,276,603)
Write-offs	-	-	17,743	22,897	326	-	-	-	2,968	43,934
Transfer between cost and depreciation	-	-	-	-	-	-	505,149	-	-	505,149
Transfers (2)	-	(44)	575	(177)	(191)	-	-	-	-	163
March 31, 2020	-	(315,011)	(1,964,544)	(269,948)	(130,018)	-	(543,491)	(3,854,767)	(12,803)	(7,090,582)
Net residual value:										
March 31, 2020	14,915	796,416	2,742,541	247,598	62,849	482,894	539,134	1,637,800	3,295	6,527,442
March 31, 2019	14,915	662,614	2,786,456	262,914	70,993	404,096	470,181	1,422,109	28	6,094,306

(1) It refers to: i) the final adjustments in the allocation of the acquisition price of Santa Candida and Paraíso plants in the amount of (R$ 9,507). See Note 29.2.i; ii) Contribution of capital in Raízen Biogás through the transfer of assets in the amount of (R$ 521), see Note 11.e.i; iii) Acquisition of Ryballa in the amount of R$ 20,948. See Note 29.2.iii.
(2) Relates to the transfers between classes of property, plant and equipment and of intangible assets.
(3) Refers to net (formation) of estimated loss in property plant and equipment assets, recognized in income (loss) for the year under "Other operating revenues (expenses), net" caption (Note 24).

b) Consolidated

	Lands and rural properties	Buildings	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Works in progress	Frequently replaced parts	Sugarcane planting	Other	Total
Cost:										
March 31, 2018	37,926	1,480,011	8,554,170	585,897	178,660	528,258	1,245,901	4,976,918	29,145	17,616,886
Additions	-	3,359	27,117	1,384	4,386	709,476	664,582	640,521	(3)	2,050,822
Business combination (1)	-	66	(6,277)	(3,217)	79	-	-	20,948	-	11,599
Write-offs	-	(7)	(55,279)	(32,114)	(9,124)	-	-	-	(4,087)	(100,611)
Transfer between cost and depreciation	-	-	-	-	-	-	(665,300)	-	-	(665,300)
Transfers (2)	-	169,317	361,185	37,901	45,579	(656,038)	-	-	5,312	(36,744)
Reversal of estimated loss, net (3)	-	-	5,148	(241)	(7)	-	-	-	-	4,900
Other	-	-	-	-	75	-	-	-	-	75
March 31, 2019	37,926	1,652,746	8,886,064	589,610	219,648	581,696	1,245,183	5,638,387	30,367	18,881,627
Additions	-	9,663	37,489	37	434	737,599	786,642	718,173	374	2,290,411
Business combinations (1)	4,660	64,336	141,565	41,895	3,753	-	-	198,734	328	455,271
Write-offs	-	-	(42,640)	(33,833)	(436)	-	-	-	(5,319)	(82,228)
Transfer between cost and depreciation	-	-	-	-	-	-	(648,027)	-	-	(648,027)
Transfers (2)	-	162,053	281,976	25,343	13,333	(524,075)	-	-	4,469	(36,901)
Estimated loss (3)	-	-	(1,170)	(342)	(940)	-	-	-	-	(2,452)
Other	-	-	-	-	232	-	-	-	(155)	77
March 31, 2020	42,586	1,888,798	9,303,284	622,710	236,024	795,220	1,383,798	6,555,294	30,064	20,857,778
Accumulated depreciation:										
March 31, 2018	-	(403,679)	(3,055,919)	(271,904)	(116,034)	-	(665,301)	(3,644,899)	(26,826)	(8,184,562)
Depreciation expense in the year	-	(43,591)	(421,071)	(50,540)	(21,344)	-	(648,027)	(411,733)	(1,811)	(1,598,117)
Write-offs	-	5	43,944	27,009	7,647	-	-	-	3,976	82,581
Transfer between cost and depreciation	-	-	-	-	-	-	665,301	-	-	665,301
Transfers (2)	-	(6,404)	10,426	(1,171)	(3,409)	-	-	-	(1)	(559)
March 31, 2019	-	(453,669)	(3,422,620)	(296,606)	(133,140)	-	(648,027)	(4,056,632)	(24,662)	(9,035,356)
Depreciation expense in the year	-	(47,662)	(441,678)	(45,079)	(22,936)	-	(692,423)	(439,985)	(3,184)	(1,692,947)
Write-offs	-	-	22,531	31,100	326	-	-	-	5,251	59,208
Transfer between cost and depreciation	-	-	-	-	-	-	648,027	-	-	648,027
Transfers (2)	-	(44)	579	(180)	(188)	-	-	-	-	167
Other	-	-	-	-	-	-	-	-	627	627
March 31, 2020	-	(501,375)	(3,841,188)	(310,765)	(155,938)	-	(692,423)	(4,496,617)	(21,968)	(10,020,274)
Net residual value:										
March 31, 2020	42,586	1,387,423	5,462,096	311,945	80,086	795,220	691,375	2,058,677	8,096	10,837,504
March 31, 2019	37,926	1,199,077	5,463,444	293,004	86,508	581,696	597,156	1,581,755	5,705	9,846,271

(1) It refers to: i) Final adjustments in the allocation of the acquisition price of Santa Candida and Paraíso plants for (R$ 9,507). See Note 29.2.i; ii) Acquisition of RWXE in the amount of R$ 158 (see Note 29.2.ii); iii) Acquisition of Ryballa for R$ 20,948. See Note 29.2.iii. Refers to the acquisition of Raízen Biomassa S.A. in the amount of R$ 141,267 (Note 29.1.i). and the acquisition of RZ Agricola Caarapó Ltda in the amount of R$ 314,004 (see Note 29.1.ii).
(2) Relates to the transfers between classes of property, plant and equipment and of intangible assets.
(3) Refers to net (formation) of estimated loss in property plant and equipment assets, recognized in income (loss) for the year under "Other operating revenues (expenses), net" caption (Note 24).

Works in progress

The balance of work in progress refers mainly to: i) stillage concentration project; ii) project for receiving the chopped sugar cane and separate the straw for the co-generation of energy; iii) installation of tanks to increase ethanol storage capacity; and, iv) a new plant for converting stillage into biogas; v) investments for industrial maintenance and improvement, agricultural automation, in addition to Security, Health and Environment.

In the year ended March 31, 2020, several projects of this nature were concluded, totaling R$ 531,728.

Borrowing cost capitalization

In the year ended March 31, 2020 the costs of loans capitalized in the Parent Company and Consolidated were R$ 28,690 and R$ 37,748 (R$ 23,183 and R$ 29,719 as of March 31, 2019), respectively. The annual weighted average rates of debt finance charges for the Parent Company and Consolidated were 7.09% and 6.99% as of March 31, 2020 (6.57% and 6.65% as of March 31, 2019), respectively.

13. Intangible assets

a) Parent company

	Software license	Goodwill	Agricultural Partnership Agreements	Sugarcane supply agreements	Technology (3)	Total
Cost or evaluation:						
March 31, 2018	202,231	1,618,676	18,411	26,011	183,729	2,049,058
Additions	54	-	-	-	1,407	1,461
Business combinations (1)	-	21,135	-	-	-	21,135
Transfers (2)	36,478	-	-	-	-	36,478
March 31, 2019	238,763	1,639,811	18,411	26,011	185,136	2,108,132
Additions	6,271	-	-	-	-	6,271
Transfers (2)	36,497	-	-	-	-	36,497
March 31, 2020	281,531	1,639,811	18,411	26,011	185,136	2,150,900
Accumulated amortization:						
March 31, 2018	(131,249)	(368,026)	(15,476)	(15,606)	(53,962)	(584,319)
Amortization expenses in the year	(27,746)	-	(2,686)	(3,405)	(18,372)	(52,209)
Transfers (2)	560	-	(249)	249	-	560
March 31, 2019	(158,435)	(368,026)	(18,411)	(18,762)	(72,334)	(635,968)
Amortization expenses in the year	(29,633)	-	554	(2,007)	(18,511)	(49,597)
Transfers (2)	126	-	-	-	-	126
March 31, 2020	(187,942)	(368,026)	(17,857)	(20,769)	(90,845)	(685,439)
Net residual value:						
March 31, 2020	93,589	1,271,785	554	5,242	94,291	1,465,461
March 31, 2019	80,328	1,271,785	-	7,249	112,802	1,472,164

(1) Refers to the final adjustments in the allocation of the acquisition price of Santa Candida and Paraíso plants, see Note 29.2.i.

(2) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

(3) (1) Refers to technology developed by Iogen to produce second-generation ethanol ("E2G"). These technologies are represented by contractual rights including, among others, RESA's exclusive marketing of those rights in the locations where it operates. The average period of amortization will be 10 years, which is the expected return period of the technologies developed for the production of E2G.

b) Consolidated

	Software license	Goodwill	Agricultural Partnership Agreements	Sugarcane supply agreements	Contractual relationships with clients	Public concession rights of use	Technology	Other	Total
Cost or evaluation:									
March 31, 2018	222,948	1,943,765	18,411	181,516	-	12,541	183,729	24,756	2,587,666
Additions	130	-	-	-	-	-	1,407	(75)	1,462
Business combination (1)	3	34,965	-	-	16,196	-	-	-	51,164
Transfers (2)	36,672	-	-	-	-	-	-	72	36,744
Other	-	-	-	-	-	-	-	1,358	1,358
March 31, 2019	259,753	1,978,730	18,411	181,516	16,196	12,541	185,136	26,111	2,678,394
Additions	6,649	-	-	-	-	-	-	-	6,649
Business combination (1)	233	-	-	-	-	-	-	-	233
Write-offs	(16)	-	-	-	-	-	-	-	(16)
Transfers (2)	36,614	-	-	-	-	-	-	-	36,614
Other	-	-	-	-	-	-	-	3,072	3,072
March 31, 2020	303,233	1,978,730	18,411	181,516	16,196	12,541	185,136	29,183	2,724,946
Accumulated amortization:									
March 31, 2018	(151,410)	(431,380)	(15,476)	(91,195)	-	(12,195)	(53,963)	(21,206)	(776,825)
Amortization expenses in the year	(28,050)	-	(2,686)	(10,966)	-	(346)	(18,369)	-	(60,417)
Transfers (2)	559	-	(249)	249	-	-	-	-	559
March 31, 2019	(178,901)	(431,380)	(18,411)	(101,912)	-	(12,541)	(72,332)	(21,206)	(836,683)
Amortization expenses in the year	(30,005)	-	555	(7,767)	(1,767)	-	(18,513)	-	(57,497)
Transfers (2)	120	-	-	-	-	-	-	-	120
March 31, 2020	(208,786)	(431,380)	(17,856)	(109,679)	(1,767)	(12,541)	(90,845)	(21,206)	(894,060)
Net residual value:									
March 31, 2020	94,447	1,547,350	555	71,837	14,429	-	94,291	7,977	1,830,886
March 31, 2019	80,852	1,547,350	-	79,604	16,196	-	112,804	4,905	1,841,711

(1) It refers to: i) Final adjustments in the allocation of the acquisition price of Santa Candida and Paraíso plants in the amount of R$ 21,135. See Note 29.2.i; ii) Acquisition of RWXE in the amount of R$ 24,629 (see Note 29.2.ii); iii) Acquisition of Ryballa for R$ 5,400 (see Note 29.2.iii. and iv): Acquisition of Biomassa for R$ 264, see note (Note 29.1.i).

(2) Relates to the transfers between classes of property, plant and equipment and of intangible assets.

Goodwill

Refers to goodwill paid for expected future profitability, amortized on a straight-line basis up to March 31, 2009, when, as required by IAS 38 (CPC 04) - Intangible Assets, it was no longer amortized. On March 31, 2020 and 2019, goodwill balance is as follows:

	Parent company	Consolidated
Goodwill	**2020**	**2020**
Acquisition of Costa Rica Canavieira Ltda.	57,169	57,169
Acquisition of Cerrado Açúcar e Álcool S.A.	24,660	24,660
Acquisition of former Cosan S.A. Açúcar e Álcool (currently, RESA)	558	558
Acquisition of Univalem S.A. Açúcar e Álcool	5,018	5,018
Acquisition of Usina Açucareira Bom Retiro S.A.	81,575	81,575
Acquisition of Usina Benálcool	100,046	149,247
Acquisition of Usina Santa Luíza	42,348	42,348
Acquisition of Usina Zanin Açúcar e Álcool	-	98,380
Acquisition of Vertical	-	4,313
Acquisition of Corona Group	380,003	380,003
Acquisition of Destivale Group	42,494	42,494
Acquisition of Mundial Group	87,435	87,435
Establishment of FBA – Franco Brasileira S.A. Açúcar e Álcool	4,407	4,407
Merger of Curupay S.A. Participações	-	109,841
Capital payment at Mundial	14,800	14,800
Acquisition of Santa Cândida and Paraíso plants (Note 29.2.i)	431,272	431,272
Acquisition of Participações S.A. (Note 29.2.ii)	-	8,430
Acquisition of Ryballa Participações Ltda (Note 29.2.iii)	-	5,400
	1,271,785	1,547,350

Impairment analysis for cash generating units containing goodwill

The Company tests goodwill for impairment on an annual basis.

Goodwill is allocated to the Cash-generating Units (CGUs) identified according to the operating region, as follows:

	Consolidated
Operating region	**2020**
Piracicaba	144,144
Jaú	431,830
Araraquara	545,391
Araçatuba	303,401
Assis	109,841
Other	12,743
	1,547,350

The Company, to determine recoverable value, uses the value in use method, which is based on projection of expected discounted cash flows of cash generating units determined by Management based on budgets that take into consideration assumptions related to each CGU using information available in the market and prior performances. Discounted cash flows were prepared over a period of 20 years and taken to perpetuity without considering real growth rate, according to the reasonable recovery time of the assets related to the activities of the Company's economic industry. Actual growth rate was not considered in the cash flow period nor in perpetuity, based on past performance and on expected market development. The discount rate used was 5.12% per annum (6.72% on March 31, 2019).

The main assumptions used for RESA were as follows: expected sales price of commodities in the long-term, productivity of agricultural areas, performance of Total Recoverable Sugar (“ATR”), and operating and administrative costs. Every cash flow was discounted at rates that reflect specific risks related to relevant assets in each cash generating unit.

As a result of annual tests, non significant impairment of assets and goodwill was recognized in the years ended March 31, 2020 and 2019. As aforementioned, determination of assets recoverability depends on the accomplishment of certain assumptions that are influenced by market, technological, and economic conditions prevailing at the time in which recoverability is tested and, therefore, it is not possible to determine if recoverability losses will occur in the future and, in case they occur, if they will be material.

14. Suppliers

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Materials and services (i)	477,673	437,626	2,442,055	2,029,805
Sugarcane (i)	253,428	182,925	304,492	231,161
Suppliers - Agreement (ii)	140,773	130,896	3,364,288	1,928,397
	871,874	751,447	6,110,835	4,189,363
Domestic (domestic currency)	871,430	748,721	1,334,107	1,310,441
Abroad (foreign currency) (Note 26.d)	444	2,726	4,776,728	2,878,922
	871,874	751,447	6,110,835	4,189,363

i. The balance payable to suppliers of materials and services mostly consists of acquisition of machinery and equipment for production facilities, as sourcing of products for resale.

ii. The Company has agreements related to payments to financial institutions ("Agreements") that permit certain suppliers to advance their receivables referring to products and services rendered to the Company, directly with financial institutions. In said Agreements, supplier may choose to grant or not and the financial institutions decide whether to acquire or not said credit, without interference from the Company. Using the Agreements does not imply any change in notes issued by the suppliers, and the same original value and payment term conditions are maintained, which, as average, is around 60 to 90 days, period that is consistent with the Company's recurring operating cycle.

15. Lease

15.a. Rights of use

As of March 31, 2020, the rights-of-use are presented for the following underlying assets:

a) Parent company

	Land	Property	Aircrafts, crafts and vehicles	Machinery and equipment	Industrial park	Total
Cost or evaluation:						
March 31, 2019	-	-	-	-	-	-
Initial adoption - IFRS 16 (CPC 06 (R2)) (Note 2.4.1)	3,110,010	47,174	122,603	168,029	84,012	3,531,828
April 1, 2019	3,110,010	47,174	122,603	168,029	84,012	3,531,828
Additions	659,076	674	101,899	21,451	-	783,100
Write-off	(119,363)	(729)	(67,415)	(84,313)	-	(271,820)
Remeasurement (1)	497,311	4,599	41,671	2,141	5,346	551,068
March 31, 2020	4,147,034	51,718	198,758	107,308	89,358	4,594,176
Amortization:						
March 31, 2019	-	-	-	-	-	-
Additions	(714,763)	(12,199)	(51,678)	(40,449)	(5,831)	(824,920)
March 31, 2019	(714,763)	(12,199)	(51,678)	(40,449)	(5,831)	(824,920)
Net residual value:						
March 31, 2020	3,432,271	39,519	147,080	66,859	83,527	3,769,256

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA´s index variation)..

b) Consolidated

	Land	Property	Aircrafts, crafts and vehicles	Machinery and equipment	Industrial park	Total
Cost or evaluation:						
March 31, 2019	-	-	-	-	-	-
Initial adoption - IFRS 16 (CPC 06 (R2)) (Note 2.4.1)	3,523,705	47,525	127,584	171,584	84,012	3,954,410
April 1, 2019	3,523,705	47,525	127,584	171,584	84,012	3,954,410
Additions	836,788	12.106	115,047	75,296	-	1,039,237
Write-off	(121,481)	(978)	(72,269)	(86,012)	-	(280,740)
Remeasurement (1)	585,329	4600	44,581	(39,114)	5,347	600,743
Business combination (2)	-	111	-		-	111
March 31, 2020	4,824,341	63,364	214,943	121,754	89,359	5,313,761
Amortization:						
March 31, 2019	-	-	-	-	-	-
Additions	(803,747)	(17,990)	(54,307)	(42,112)	(5,831)	(923,987)
Write-off	-	107	304	231	-	642
Transfers	-	(12)	-	12	-	-
Business combination (2)	-	(87)	-	-	-	(87)
March 31, 2020	(803,747)	(17,982)	(54,003)	(41,869)	(5,831)	(923,432)
Net residual value:						
March 31, 2020	4,020,594	45,382	160,940	79,885	83,528	4,390,329

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA´s index variation).

(2) As of December 02, 2019, the Company acquired of 81.5% of Biomassa shares. See Note 29.1.i.

We present below the weighted average amortization rates by rights of use class as of March 31, 2020:

Class	Average rate (% p.a.)
Land	19%
Properties	35%
Aircrafts, crafts and vehicles	33%
Machinery and equipment	21%
Industrial park	7%

15.b. Lease liabilities

Movement in lease liabilities, during the year ended March 31, 2020 is as follows:

	Parent company	Consolidated
Balance at March 31, 2019	-	-
Initial adoption - IFRS 16 (CPC 06 (R2)) (Note 2.4.1)	2,705,438	3,107,544
Balances at April 1, 2019	2,705,438	3,107,544
Additions	753,912	1,010,049
Write-off	(255,171)	(262,445)
Payments	(766,555)	(864,783)
Interest	246,968	285,799
Remeasurement (1)	459,574	509,017
Transfers	(39,634)	(47,553)
Business combination (Note 29.1.i)	-	34
	3,104,532	3,737,662
Current	(792,423)	(915,059)
Non-current	2,312,109	2,822,603

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA´s index variation).

The weighted average incremental rate of loans is applied to lease liabilities as of March 31, 2020, was 8.59% per annum.

As of March 31, 2020, the maturity profile of the consolidated lease liabilities of third parties and related parties (Note 10.a.6) of Consolidated is as follows:

Periods (months):	Present value	Future value
1–12	847,730	1,161,106
13–24	747,014	1,016,328
25–36	672,276	885,800
37–48	537,796	702,310
49–60	410,053	535,628
61–72	314,019	409,532
73–84	263,553	334,882
85–96	181,279	233,284
97–120	137,079	173,093
>121	367,427	476,576
	4,478,226	5,928,539
Potential direct PIS and COFINS recoverable (1)	(414,236)	(548,390)
	4,063,990	5,380,149

(1) Refers to the potential right to PIS / COFINS credits on lease payments calculated based on the theoretical rate of 9.25%. This disclosure aims to comply with Circular Letter / CVM / SNC / SEP / Nº 02/2019 and represents only an estimate. Therefore, it does not effectively constitute the credits that may be taken by RESA in the future, and when such a fact occurs, said credits may be materially different due to the possibility of the effective rate being different from the theoretical rate or the payment not being subject to borrowing. , for example, due to subsequent changes in tax legislation.

16. Loans and financing

Description	Final maturity	Index	Finance charges Annual effective average interest rate 2020	2019	Parent company 2020	2019	Consolidated 2020	2019
Classification of debts per currency:								
Denominated in Reais					7,739,706	5,314,078	8,875,466	6,318,396
Denominated in US Dollar and Euro (Note 26.d)					2,660,510	1,101,943	7,703,519	5,798,674
					10,400,216	6,416,021	16,578,985	12,117,070
Type of debts (1):								
BNDES	Mar 2024	URTJLP	6.19%	9.23%	8,540	29,916	9,572	31,217
BNDES	Dec 2030	Fixed rate	3.59%	3.92%	216,933	336,657	383,931	565,752
BNDES	Apr 2024	UMBND	6.68%	6.68%	11,539	11,795	36,539	35,531
BNDES	Dec 2038	IPCA	7.36%	-	65,143	-	128,956	-
Advances on exchange contracts "ACC"	Sep 2020	Fixed rate	1.71%	-	880,423	-	880,423	-
Debentures	Nov 2023	IPCA + interest	7.06%	10.52%	1,115,357	430,795	1,115,357	430,795
Working Capital	Aug 2020	CDI	4.41%	-	-	-	33,457	-
Working Capital	Apr 2020	FED	0.83%	-	-	-	16,644	-
Export Prepayments (PPE)	Aug 2025	USD + Libor	3.19%	3.96%	1,780,087	1,101,943	2,062,651	1,299,758
Term Loan Agreement	Apr 2024	USD + Libor	2.95%	3.86%	-	-	1,051,522	1,755,952
Financial Rural Product Note (CPF-R)	Nov 2023	CDI	4.35%	-	2,017,442	-	2,017,442	-
Senior Notes Due 2027 ("Senior 2027')	Jan 2027	Dollar (USA)	5.30%	5.30%	-	-	2,681,081	2,012,038
Resolution 2471 (PESA)	Apr 2023	IGP-M	7.53%	9.42%	305,470	564,690	328,965	594,381
PESA	Oct 2025	Fixed rate	3.00%	3.00%	46	53	46	53
Credit Notes	Oct 2020	CDI	3.91%	6.86%	84,941	171,205	84,941	171,205
Finame/Leasing	Jan 2025	Fixed rate	6.64%	6.59%	37,464	49,634	57,571	76,477
Finame/Leasing	Mar 2021	URTJLP	8.29%	10.32%	45	89	45	89
Finep	Nov 2022	Fixed rate	5.00%	-	-	-	88,278	-
Loan 4131	Dec 2020	Fixed rate	4.34%	-	-	-	54,778	-
Rural credit	Apr 2020	Fixed rate	-	6.05%	-	370,389	-	370,389
Certificate of Agribusiness Receivables (CRA)	Jul 2029	CDI	3.57%	6.28%	1,985,954	2,353,003	2,439,894	2,804,834
Certificate of Agribusiness Receivables (CRA)	Jul 2029	IPCA + interest	7.29%	8.85%	1,890,832	995,853	2,150,473	1,237,673
Schuldschein	Oct 2021	Fixed rate - EUR	2.88%	2.88%	-	-	382,920	292,621
Schuldschein	Sep 2022	*Euribor*	1.79%	1.87%	-	-	573,499	438,304
					10,400,216	6,416,022	16,578,985	12,117,069
Expenses incurred with the placement of the securities:								
BNDES					(1,357)	(1,740)	(2,135)	(2,606)
Certificate of Agribusiness Receivables (CRA)					(15,590)	(21,313)	(15,590)	(21,313)
Debentures					(180)	(539)	(180)	(539)
Export Prepayments (PPE)					-	(13,481)	(142)	(13,642)
Term Loan Agreement					-	-	-	(574)
Finep					-	-	(199)	-
Finem					(268)	-	(397)	-
CPR-F					(12,426)	-	(12,426)	-
Senior notes due 2027					-	-	(2,074)	(1,419)
					(29,821)	(37,073)	(33,143)	(40,093)
					10,370,395	6,378,949	16,545,842	12,076,976
Current					(3,087,599)	(1,384,892)	(3,597,675)	(1,506,095)
Non-current					7,282,796	4,994,057	12,948,167	10,570,881

(1) Loans and financing are usually secured by Company's promissory notes. In certain cases, they also have guarantees from their subsidiaries and from Raízen Combustíveis S.A., in addition to collateral such as: i) credit receivables from energy sale agreements (BNDES); ii) CTN (Note 9) and mortgage of land (PESA); iii) property plant and equipment assets (Note 12); and vi) lien of asset under financing (Finame).

Installments falling due in the long term, less the amortizations of expenses incurred with the placement of the debts, have the following schedule:

	2020	
Months:	**Parent company**	**Consolidated**
13–24	817,190	1,506,265
25–36	67,779	965,522
37–48	1,052,370	1,383,124
49–60	1,315,796	2,362,572
61–72	1,027,497	1,033,257
73–84	254,964	2,898,104
85–96	906,289	912,311
>97	1,840,911	1,887,012
	7,282,796	12,948,167

a) BNDES

Correspond to funds raised by the Company and its subsidiaries destined to financing co-generation projects, greenfield, renewal and implementation of new sugarcane fields (Prorenova) and construction of plant for E2G production.

On March 31, 2019, the Company and its subsidiaries had available credit facilities of financing from BNDES, unused, amounting to R$ 207,210 (R$ 450,519 as of March 31, 2019). The use of these credit facilities depends on the fulfillment of certain contractual conditions.

b) ACC

					Amount	
Engagement	**Bank**	**Purpose**	**Annual effective average interest rate**	**Maturity**	**R$**	**US$**
Mar 2025	BNP Paribas	Export of goods	Fixed rate	Sep 2020	424,521	90,000
Mar 2025	Banco do Brasil	Export of goods	Fixed rate	Sep 2020	399,633	79,250

c) Debentures

In November 2019, CVM granted to the Company, registration of its 4th Public Issuance of Simple Debentures through which 900,000 simple, unsecured debentures, not convertible into shares were issued in three series, with par value of R$1,000, totaling R$900,000.

	Index	**Annual interest rate**	**Annual effective average interest rate**	**Principal**	**Funding expenditures**	**Date of receipt**	**Maturity**
4th series	IPCA	3.54%	7.72%	900,000	8,187	11/28/2019	11/16/2029

As of October 15, 2019, the Company settled the RESA31 debentures of the 1st Issue and 3rd series executed into on October 15, 2013 in the amount of R$ 239,663, and R$ 212,513 - principal and R$ 27,120 - interest.

d) Export prepayment operations

The Company entered into Export prepayment agreements with several financial institutions for financing of future sugar export as follows:

				Amount	
Engagement	**Company**	**Bank**	**Maturity**	**R$**	**US$**
Dec 2015	Raízen Paraguaçú	ING Bank S.A.	Dec 2020	192,740	50,000
Aug 2018	Raízen Energia	The Bank of Nova Scotia	Aug 2024	613,378	150,000
Aug 2018	Raízen Energia	BNP Paribas	Aug 2025	515,675	125,000
Mar 2020	Raízen Energia	Citibank	Sep 2020	326,248	65,000

e) *Term Loan Agreement* (Syndicated loan)

On March 30, 2015, Raízen Luxembourg S.A (subsequently merged by Raízen Fuels) contracted a loan from a syndicate comprised of several global commercial banks in the amount of US$ 450,000 thousands. The contract is subject to USD exchange-rate change and quarterly Libor interest plus annual fixed interest of 1.2%, resulting in effective average interest rate of 4.02% p.a. with quarterly maturity date. On April 25, 2020, Raízen Fuels early settled this loan at the amount of US$ 250,000 thousands. Original maturity date was April 27, 2020.

On March 25, 2019, Raízen Fuels, contracted a new loan from a syndicate in the amount of US$ 200,000 thousands, with a partial amortization of the loan above. Said contract is subject to quarterly Libor interest plus annual fixed interest of 1.05%, resulting in effective average interest rate of 3.65% p.a. with semi-annual interest and final maturity dates on April 30, 2024. By means of this contract, Raízen Fuels also has obtained a revolving credit facility of USD 300,000 thousands, also due in April 2024.

f) Rural Product Note

Engagement	**Issuer**	**Maturity**	**Principal**	**Funding expenditures**
Nov 2019	Banco Bradesco S.A.	Nov 2029	750,000	8,764
Dec 2019	Banco Bradesco S.A.	Nov 2029	250,000	3,984
Dec 2019	Banco Bradesco S.A.	Mar 2025	200,000	-
Dec 2019	Banco Bradesco S.A.	Sep 2020	800,000	-
Mar 2025	Banco Bradesco S.A.	Sep 2020	200,000	-

The funds raised will be used in soil preparation, planting and crop treatments.

g) *Senior Notes Due 2027*

On January 20, 2017, Raízen Fuels issued Senior Notes in the international market according to “Regulations S and 144A", in the amount of US$ 500,000 thousand, which are subject to interest of 5.30% p.a., payable on a half-annual basis in January and July every year and payment of principal in January 2027.

As provided for in Offering Memorandum of the issuance, net funds obtained in the ambit of the Offer were used for prepayment of existing debts.

h) PESA

In the period from 1998 to 2000, the Company and its subsidiaries renegotiated with several financial institutions its debts related to financing of agricultural costs, reducing their financial cost to annual interest rates lower than 7.53%, ensuring amortization of debt with granting and transfer of National Treasury Certificates, redeemable upon debt settlement, using incentive promoted by Brazilian Central Bank Resolution 2471, of February 26, 1998. Said debt may be automatically settled through redemption of CTN's and compliance with contract provisions.

In the year ended March 31, 2020, the Company offset PESA contracts in the amount of R$ 271,844 through redemptions of the CTNs, see Note 9.

i) Credit Notes

Credit notes will be settled through exports to be made up to 2020 and are subject to average interest of 3.91% p.a. payable on a half-annual basis.

j) Finame

Refers to operations related to financing of machinery and equipment through several financial institutions, intended for fixed asset investments. These financings are subject to effective interest of 6.64% p.a., monthly paid and are guaranteed by lien of the financed assets.

k) Rural credit

On April 18, 2018, the Parent Company entered into several agricultural credit agreements in the amount of R$ 350,000 with Banco Bradesco S.A. for use in soil preparation, planting and crop treatments. The contracts bear interest of 6.05% p.a. These contracts were settled in advance as of March 18, 2020, originally maturing in April 2020.

l) CRA

Engagement	Issuer	Issue	Series	Maturity	Principal	Funding expenditures
Oct 2014	Gaia Agro Securitizadora S.A. (2)	10th	1st	Dec 2019	573,013	10,696
Oct 2014	Gaia Agro Securitizadora S.A. (1)	10th	2nd	Dec 2021	101,987	1,887
June 2015	Gaia Agro Securitizadora S.A.	14th	Single	Jun 2021	675,000	12,492
May 2016	RB Capital Companhia de Securitização	1st	3rd	May 2022	465,706	9,328
May 2016	RB Capital Companhia de Securitização (1)	1st	4th	May 2023	209,294	4,191
May 2017	RB Capital Companhia de Securitização	1st	6th	Apr 2023	738,814	13,273
May 2017	RB Capital Companhia de Securitização (1)	1st	7th	Apr 2024	230,877	4,192
Mar 2019	RB Capital Companhia de Securitização	6th	1st	Mar 2025	300,000	6,585
Mar 2019	RB Capital Companhia de Securitização (1)	6th	2nd	Mar 2026	600,000	13,170
July 2019	True Securitizadora S.A.	6th	1st	July 2029	228,190	5,656
July 2019	True Securitizadora S.A.	6th	2nd	July 2029	787,658	19,525

(1) Raising expenditures were fully recognized in the Company's income (loss) due to contracting of swap.
(2) As of December 16, 2019, the CRA contract was settled at the principal amount of R$ 573,013.

Funds raised will be used in activities of Raízen Energia and its subsidiaries, which are substantially related to agribusiness, in the ordinary course of its business, which is understood as transactions, investments and financing needs related to production, trading, processing or industrialization of agricultural products and inputs or of machinery and inputs used in agricultural activity.

m) Schuldschein

Engagement	Bank	Company	Annual effective	Maturity	Amount	
					R$	€
Oct 2014	Citibank, N.A., London branch	Raízen Fuels	2.88% p.a. + Euro €	Oct 2021	201,043	66,000
Jan 2015	Citibank, N.A., London branch	Raízen Fuels	1.69% p.a. + Euro €	Jan 2022	121,052	40,000
Sep 2015	Citibank, N.A., London branch	Raízen Fuels	1.99% p.a. + Euro €	Sep 2022	264,164	60,000

Covenants

The Company and its subsidiaries are not subject to comply with financial ratios, being subject only to certain covenants in loans and financing contracts, such as “cross-default” and “negative pledge”.

Revolving Credit Facility

Raízen Fuels, wholly owned subsidiary of Raízen Energia, has a total revolving credit facility of US$ 300,000 thousand, not used up to end of these financial statements as follows:

Beneficiary	Institution	Amount (US$)	Maturity
Raízen Fuels	Bank syndicate	300,000	Apr 2024

Fair value

On March 31, 2020 and 2019, carrying amount and fair value of loans are as follows:

		Parent company					
		Carrying amount		Fair value (3)		Financial income (loss) (2)	
Description	Classification	2020	2019	2020	2019	2020	2019
Export Prepayments (PPE)	Fair value through profit or loss	1,500,272	1,075,519	1,508,521	1,101,850	18,082	(6,081)
Certificate of Agribusiness Receivables (CRA)	Fair value through profit or loss	1,851,022	1,083,990	1,883,536	1,085,943	(30,561)	(1,953)
Debentures	Fair value through profit or loss	930,273	-	893,415	-	36,858	-
		4,281,567	**2,159,509**	**4,285,472**	**2,187,793**	**24,379**	**(8,034)**

		Consolidated					
		Carrying amount		Fair value (3)		Financial income (loss) (2)	
Description	Classification	2020	2019	2020	2019	2020	2019
Senior Notes Due 2027 (1)	Fair value through profit or loss	826,464	492,213	881,408	535,822	(11,335)	(23,359)
Export Prepayments (PPE)	Fair value through profit or loss	1,775,400	1,273,000	1,785,136	1,300,514	17,778	(27,514)
Certificate of Agribusiness Receivables (CRA)	Fair value through profit or loss	2,098,507	1,231,236	2,143,520	1,237,673	(38,574)	(6,437)
Term Loan Agreement	Fair value through profit or loss	1,088,770	120,885	1,099,825	121,382	(10,558)	(497)
Debentures	Fair value through profit or loss	930,273	-	893,415	-	36,858	-
Loan 4131	Fair value through profit or loss	56,666	-	56,883	-	(43)	-
		6,776,080	**3,117,334**	**6,860,187**	**3,195,391**	**(5,874)**	**(57,807)**

(1) The fair value of *Senior* 2027 is based on the price quotation on the secondary market. As of March 31, 2020, face value was 94.99% (102.41% on March 31, 2019).
(2) Refers to the impact of fair value on financial income (loss), as shown in Note 25.
(3) These debts are presented plus fair value evaluation in the amount of R$ 3,905 and R$ 84,107 (R$ 8,034 and R$ 78,060 as of March 31, 2019) in Parent Company and Consolidated, respectively.

Other loans and financing do not have a value quoted, but the fair value is close to the book value due to their exposure to variable interest rates and insignificant changes in the Company's credit risk which may be accrued by comparing securities quoted and aforementioned.

17. Income tax and social contribution

a) Reconciliation of income and social contribution tax credit (expense):

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Income (loss) before income tax and social contribution	(118,239)	290,314	338,445	478,921
Income tax and social contribution at nominal rate (34%)	40,201	(98,707)	(115,071)	(162,833)
Adjustments for calculation of effective rate:				
Difference between deemed income and taxable income rates (i)	-	-	28,822	37,598
Investment grants - ICMS	-	-	27,244	31,662
Special regime for the reintegration of tax amounts for exporting companies - ("Reintegra")	1,625	4,396	1,872	4,481
Taxation at universal basis related to foreign investments	(43,575)	(53,422)	1,393	(11,109)
Exchange-rate change on foreign investee	-	17,201	-	17,201
Capital gain due to dilution of ownership interest	-	(3,483)	-	(3,483)
Inventories' shortages and differences	(2,218)	(2,525)	(3,207)	(4,817)
Equity result	298,954	313,804	(7,210)	10,535
Credit with indemnification claims	-	-	-	75,267
Other	(920)	523	1,691	(401)
Credit (expense) from income tax and social contribution (current and deferred)	294,067	177,787	(64,466)	(5,899)
Effective rate	248.71%	-61.24%	19.05%	1.23%

(i) Organizations with co-generation activities determined IRPJ and CSLL at deemed income. This type of taxation considers investments of a percentage of income as taxable income, as determined by the law, generating a difference in relation to IRPJ and CSLL nominal rate.

a.1) Recoverable income tax and social contribution

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Taxes on income ("IRPJ")	520,196	614,791	558,732	660,464
Social contribution (CSLL)	121,042	160,714	126,498	172,068
	641,238	775,505	685,230	832,532
Current	(183,411)	(386,692)	(195,503)	(418,302)
Non-current	457,827	388,813	489,727	414,230

a.2) Income tax and social contribution payable

	Consolidated	
	2020	**2019**
IRPJ	44,144	19,467
CSLL	9,245	3,188
	53,389	22,655

b) Deferred income tax and social contribution, net:

b.1) Parent company

				2020	2019
	Basis	**IRPJ 25%**	**CSLL 9%**	**Total**	**Total**
Non-current assets (liabilities)					
Tax losses					
Tax losses	2,496,208	624,052	-	624,052	395,553
Negative basis for social contribution	2,375,911	-	213,832	213,832	139,563
Temporary differences:					
Provision for legal disputes	713,321	178,330	64,199	242,529	198,050
Net exchange variation	1,542,232	385,558	138,801	524,359	225,799
Estimated loss for recovery of assets	147,115	36,779	13,240	50,019	46,255
Remuneration and employee benefits	221,724	55,431	19,955	75,386	65,037
Lease liabilities	176,656	44,164	15,899	60,063	-
Other provisions and other temporary differences	291,241	72,810	26,212	99,022	74,255
Total deferred tax assets		1,397,124	492,138	1,889,262	1,144,512
Biological assets	(43,762)	(10,940)	(3,939)	(14,879)	(8,457)
Cost of capitalized loans	(141,376)	(35,344)	(12,724)	(48,068)	(44,427)
Capital gains	(339,632)	(84,908)	(30,567)	(115,475)	(40,701)
Unrealized results with derivatives	(367,115)	(91,779)	(33,040)	(124,819)	(64,001)
Property plant and equipment assets' useful life review	(972,935)	(243,234)	(87,564)	(330,798)	(309,665)
Amortized tax goodwill	(790,768)	(197,692)	(71,169)	(268,861)	(240,129)
Total deferred tax liabilities		(663,897)	(239,003)	(902,900)	(707,380)
Total deferred assets - Assets, net		733,227	253,135	986,362	437,132

b.2) Consolidated

				2020	2019
	Basis	**IRPJ 25%**	**CSLL 9%**	**Total**	**Total**
Non-current assets (liabilities)					
Tax losses					
Tax losses	3,077,756	769,439	-	769,439	426,429
Negative basis for social contribution	2,957,456	-	266,171	266,171	150,679
Temporary differences:					
Provision for legal disputes	811,053	202,763	72,995	275,758	224,868
Net exchange variation	1,660,415	415,104	149,437	564,541	228,344
Provision on write-off of goodwill	166,656	41,664	14,999	56,663	56,663
Estimated loss for recovery of assets	209,294	52,324	18,836	71,160	69,471
Remuneration and employee benefits	242,815	60,704	21,853	82,557	70,900
Lease liabilities	215,285	53,821	19,376	73,197	-
Other provisions and other temporary differences	167,012	41,753	15,031	56,784	101,744
Total deferred tax assets		1,637,572	578,698	2,216,270	1,329,098
Biological assets	(131,368)	(32,842)	(11,823)	(44,665)	(34,304)
Cost of capitalized loans	(252,444)	(63,111)	(22,720)	(85,831)	(83,082)
Capital gains	(339,632)	(84,908)	(30,567)	(115,475)	(40,701)
Unrealized results with derivatives	(777,132)	(194,283)	(69,942)	(264,225)	(66,558)
Property plant and equipment assets' useful life review	(1,976,938)	(494,235)	(177,924)	(672,159)	(599,591)
Fair value of property plant and equipment assets	(214,668)	(53,667)	(19,320)	(72,987)	(79,235)
Amortized tax goodwill	(974,879)	(243,720)	(87,739)	(331,459)	(302,731)
Total deferred tax liabilities		(1,166,766)	(420,035)	(1,586,801)	(1,206,202)
Total deferred taxes		470,806	158,663	629,469	122,896
Deferred taxes - Assets, net				1,137,283	390,400
Deferred taxes - Liabilities, net				(507,814)	(267,504)
Total deferred taxes				629,469	122,896

b.3) Net movement in deferred taxes:

	Parent company		**Consolidated**	
	2020	**2019**	**2020**	**2019**
Balance at the beginning of the year	437,132	145,350	122,896	(134,996)
Revenue in profit or loss	315,617	177,800	200,771	140,987
Deferred taxes on other comprehensive income	233,615	114,600	233,615	114,697
Initial adoption of IFRS 9 / CPC 48 (Note 2.3.c)	-	9	-	58
Write-off for disposal of ownership interest	-	(627)	-	-
Business combination (Notes 29.1.i and 29.1.ii)	-	-	69,535	-
Other	(2)	-	2,652	2,150
Balance at the end of the year	986,362	437,132	629,469	122,896

b.4) Realization of deferred income tax and social contribution:

In the evaluation of deferred taxes' recovery capacity, future taxable income projections and movements in temporary differences approved by Management are considered. Possibility of using tax losses and negative bases' balances does not expire, but the use of these losses accumulated in prior years is limited to 30% of taxable annual income.

On March 31, 2020, the Company expects to realize deferred tax assets as follows, including tax loss assets, negative basis and temporary differences:

	Parent company	Consolidated
Years:		
2020/2021 crop	102,584	158,901
2021/2022 crop	212,276	199,641
2022/2023 crop	149,703	183,330
2023/2024 crop	178,335	218,751
2024/2025 crop	233,293	621,001
2025/2026 crop	1,013,071	834,646
Total	1,889,262	2,216,270

18. Provision for legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

As of March 31, 2020 and 2019, the balances of lawsuits are as follows:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Tax	102,504	113,742	115,655	124,036
Civil	21,304	25,883	37,088	39,869
Labor	267,304	198,040	359,312	272,881
	391,112	337,665	512,055	436,786
Non-reimbursable legal disputes	224,455	146,371	316,724	217,035
Reimbursable legal claims (Note 10.c)	166,657	191,294	195,331	219,751

When Raízen was setup it was agreed that Cosan would reimburse the Company for legal disputes that were ongoing or originated before its formation, thus, Company should reimburse Cosan regarding the judicial deposits made on the date before its formation. As of March 31, 2020 and 2019, balances of judicial deposits are as follow:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Tax	167,025	165,034	287,553	283,063
Civil	8,158	8,340	8,462	8,587
Labor	83,946	68,061	107,689	89,370
	259,129	241,435	403,704	381,020
Own judicial deposits	147,333	119,647	177,332	146,631
Refundable judicial deposits (Note 10.c)	111,796	121,788	226,372	234,389

i) Non-reimbursable legal disputes

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	10,075	7,293	129,003	146,371
Provisioned for the year	1,240	2,163	152,629	156,032
Write-offs/reversals (i)	(572)	(4,879)	(78,010)	(83,461)
Payments	-	(741)	(40,105)	(40,846)
Inflation adjustment (ii)	-	367	45,992	46,359
				-
March 31, 2020	10,743	4,203	209,509	224,455

(i) Includes the reversal of inflation adjustment in the amount of (R$ 27,959), calculated at the income (loss) for the year under "Financial income (loss)" caption.

(ii) Recognized in the income (loss) for the year as Financial income (loss).

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	18,749	14,763	183,523	217,035
Provisioned for the year	4,870	2,418	203,378	210,666
Write-offs/reversals (i)	(3,611)	(5,107)	(111,543)	(120,261)
Payments	-	(741)	(59,392)	(60,133)
Business combination (Note 29.1.ii)		872	5,626	6,498
Inflation adjustment (ii)	2,234	752	59,933	62,919
March 31, 2020	22,242	12,957	281,525	316,724

(i) Includes the reversal of inflation adjustment in the amount of (R$ 38,954), calculated at the income (loss) for the year under "Financial income (loss)" caption.

(ii) Recognized in the income (loss) for the year as Financial income (loss).

ii) Reimbursable legal disputes (i)

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	103,667	18,590	69,037	191,294
Provisioned for the year	761	2,580	10,403	13,744
Write-offs / reversals (ii)	(15,750)	(3,919)	(15,992)	(35,661)
Payments	-	(3,196)	(13,267)	(16,463)
Inflation adjustment	3,083	3,046	7,614	13,743
March 31, 2020	91,761	17,101	57,795	166,657

(i) The movement does not have and will never have effect on profit or loss, due to Company's right to reimbursement.

(ii) Includes the reversal of inflation adjustment in the amount of R$ 26,233.

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	105,287	25,106	89,358	219,751
Provisioned for the year	763	3,132	12,302	16,197
Write-offs / reversals (ii)	(15,750)	(4,484)	(19,301)	(39,535)
Payments	-	(3,387)	(14,733)	(18,120)
Inflation adjustment	3,113	3,764	10,161	17,038
March 31, 2020	93,413	24,131	77,787	195,331

(i) The movement does not have and will never have effect on profit or loss, due to Company's right to reimbursement.

(ii) Includes the reversal of inflation adjustment in the amount of R$ 28,573.

(iii) Total legal disputes

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	113,742	25,883	198,040	337,665
Provisioned for the year	2,001	4,743	163,032	169,776
Write-offs/reversals	(16,322)	(8,798)	(94,002)	(119,122)
Payments	-	(3,937)	(53,372)	(57,309)
Inflation adjustment	3,083	3,413	53,606	60,102
March 31, 2020	102,504	21,304	267,304	391,112

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2019	124,036	39,869	272,881	436,786
Provisioned for the year	5,633	5,550	215,680	226,863
Write-offs/reversals	(19,361)	(9,591)	(130,844)	(159,796)
Payments	-	(4,128)	(74,125)	(78,253)
Business combination (Note 29.1.ii)	-	872	5,626	6,498
Inflation adjustment	5,347	4,516	70,094	79,957
March 31, 2020	115,655	37,088	359,312	512,055

a) Tax

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Value-added tax on sales and services (“ICMS”) (i)	35,884	34,052	41,480	38,423
Excise tax ("IPI”) (ii)	44,000	58,515	44,000	58,798
Lawyers' fees	10,744	10,076	16,034	13,939
Other	11,876	11,099	14,141	12,876
	102,504	113,742	115,655	124,036
Non-reimbursable legal disputes	10,743	10,075	22,242	18,751
Reimbursable legal disputes	91,761	103,667	93,413	105,285

i) Amount recorded as provision for ICMS credits is substantially represented by: (a) tax assessments received that, despite being defended in administrative and legal levels, are considered as probable loss by the Company’s legal advisors; (b) use of finance credits and charges in matters on which the understanding of the Company’s management and tax advisors differ from tax authorities’ interpretations.

ii) The amount provision for IPI corresponds to “IPI Seletividade”, a matter recently judged by the Federal Supreme Court (“STF”) using the General Repercussion systematic process (General Repercussion 592.145, matter 080) in an unfavorable way to the corporate taxpayer establishing the following concept: Article 2 of Law 8393/1991 is constitutional, from the perspective of the selective nature, by virtue of the essentiality of the product and the isonomic treatment, revealing a maximum rate of 18% of the Tax on Industrialized Products (IPI), which provides for exemption for taxpayers located within the area of operation of the Northeast Development Superintendency (SUDENE) and the Amazon Development Superintendency (SUDAM), and authorization to reduce up to 50% of the tax rate, current taxpayers located in the states of Espírito Santo and Rio de Janeiro.

b) Civil and labor

The Company and its subsidiaries are parties to several civil lawsuits relating to (i) indemnification for material and pain and suffering, (ii) disputes on contracts, (iii) executions, (iv) collection, (v) rendering of accounts, (vi) possessory and (vii) public civil lawsuits related environment.

The Company and its subsidiaries are also parties to various labor lawsuits filed by former employees and employees of service providers who question, among others, payment of overtime, extra for night and dangerous work, rehiring to job position, return of amounts discounted on payroll such as confederation union dues, union dues, and others.

Legal disputes considered as possible loss and, thus, no provision for lawsuits demands has been recognized in the financial statements

a) Tax

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
ICMS (i)	1,754,108	1,751,246	2,182,633	2,196,856
INSS (ii)	197,760	228,809	211,521	237,026
IPI (iii)	268,900	259,444	310,508	295,932
IRPJ and CSLL (iv)	1,047,882	844,531	1,399,508	1,125,276
PIS and COFINS (v)	1,640,274	1,558,184	1,745,539	1,646,769
Offset with IPI credits – Regulatory Instruction 67/98 (vi)	115,350	113,974	136,871	135,215
MP 470 Debt in installments (vii)	189,882	186,431	189,882	186,431
Others	224,816	200,343	335,131	283,955
	5,438,972	5,142,962	6,511,593	6,107,460
Non-reimbursable legal disputes	2,689,214	2,511,897	3,349,845	3,042,884
Reimbursable legal disputes	2,749,758	2,631,065	3,161,748	3,064,576

(i) ICMS

Refers substantially to: (i) part related to fine of tax assessment issued due to alleged lack of ICMS payment and non-compliance with accessory obligation, in agricultural partnership for on-demand industrialization in periods from May 2005 to March 2006 and from May 2006 to March 2007; (ii) ICMS levied on crystal sugar for export that, as understood by tax agent, is classified as semi-finished product and, in accordance with ICMS regulation, would be subject to taxation; (iii) ICMS levied on alleged divergences on sugar and ethanol inventories deriving from comparison between magnetic tax files and inventory registration books; (iv) tax assessment related to charge of ICMS rate difference deriving from ethanol sales to companies located in other states of the Federation, which had their state registrations canceled; and (v) requirement of ICMS deriving from disallowances of diesel credits used in agricultural-industrial production process, the defense was presented because it is essential to the activities of the Company based on article 155, §2, I of Federal Constitution and Complementary Law 87/96; (vi) alleged undue use of untimely credits related to ICMS-ST on diesel in the capacity of final consumer; (vii) alleged undue deemed credit taking; (viii) alleged undue use of tax credits related to freight (transportation services) since the subsequent operation is exempt or not taxed.

(ii) INSS

Possible legal disputes related to INSS involve mainly: (i) review of contingencies linked to IN MPS/SRP No. 03/2005, regarding the period from 2005 to 2011, which are currently assessed as a low probability of having an unfavorable result due to probable recognition of cadence. Regulatory Instruction 03/2005, which restricted constitutional immunity of social security contributions on revenues from export and started to tax exports carried out through trading companies. (ii) requirement of contribution to SENAR in direct and indirect export transactions for which Federal Revenue Service ("RFB") understands that constitutional immunity does not apply; and, (iii) mandatory payment of social security contribution on resale of merchandise in domestic market and to third parties that are not included in calculation basis of social contribution levied only on gross revenue from establishment production and not from acquired goods.

(iii) IPI

SRF Regulatory Instruction no. 67/98 supported procedure adopted by industrial establishments that made shipments without recording and paying IPI related to transactions with cane sugars: demerara, high-quality crystal, special crystal, extra special crystal, and granulated refined sugar carried out in the period from July 6, 1995 to November 16, 1997, and with refined amorphous sugar in the period from January 14, 1992 to November 16, 1997. This standard was carried into effect in the respective proceedings brought by Brazilian Federal Revenue Service (RFB), whose likelihood of loss is classified as possible, according to the assessment of the Company's legal advisors.

(iv) IRPJ and CSLL

Corporate income tax (IRJP) and CSLL (social contribution on net income) substantially refer to:

In reimbursable lawsuits, in December 2011, the Company received tax assessment notices in the restated amount of R$ 382,044 (R$ 463,845 in 2019), filed by the Brazilian Federal Revenue Service, demanding payment of corporate income tax and social contribution for calendar years 2006 to 2009, and questioning: (i) deductibility of amortization expenses of determined goodwill; (ii) offset of tax losses and negative CSLL (social contribution on net income) calculation basis; and, (iii) taxation on revaluation differences of property, plant and equipment items. The Company filed its defense in January 2012 and, together with its legal advisors, classified the amount of R$ 355,743 (R$ 241,473 in 2019) as possible losses.

Additionally, in February 2014, the subsidiary Raízen Paraguaçú (former Raízen Tarumã) received tax assessment notices in the amount of R$ 61,449 (R$ 59,442 in 2019) filed by the Brazilian Federal Revenue Service, demanding payment of corporate income tax and social contribution for calendar years 2009 to 2012, and questioning: (i) amortization of goodwill; and, (ii) offset of tax losses and negative CSLL (social contribution on net income) calculation basis. The Company filed its defense in January 2012 and, together with its legal advisors, classified this lawsuit as a possible loss.

In non-reimbursable lawsuits, in November 2014, the Company received decisions from the Brazilian Federal Revenue Service (RFB) regarding the disallowance of non-cumulative PIS/COFINS credits arising from goods and services purchased in the domestic market and offset with withholding income tax (IRRF) and social contribution (CSLL)/corporate income tax (IRPJ). Since the disallowed credits are linked to goods and services used in the Company's production chain, the disallowance is totally improper and illegal based on current legislation (Law 10637/02 and Law 10833/03), and, for this reason, the expectation of loss is considered possible.

In December 2016, the Company received a tax assessment notice, recoverable from the shareholder Cosan, related to the disallowance of goodwill amortization deductions for the calendar years 2011 to 2012 (corporate action that generated the right to use goodwill occurred in 2006), whose possible amount is R$ 109,600 (R$ 105,560 in 2019).

In February 2018, the Company received a tax assessment notice related to the disallowance of goodwill amortization based on expected future profitability, deducted from the corporate income tax (IRPJ) and social contribution (CSLL) tax base for the calendar years 2013 to 2016 in the amount of R$ 454,362 (R$ 412,691 in 2019). The company filed an administrative defense since the goodwill amortization occurred under the terms of current legislation. The chances of success are classified as possible.

In the last bimester of 2018, the Company was assessed by the Federal Tax Authorities, in which IRPJ and CSLL of 2013 and 2014 are charged for alleged undue deductions of taxable income for the period, monthly estimates that were subject to payment not ratified. The Company filed challenges since current legislation and the opinion No. 88/14 of the National Treasury Attorney's Office (“PGFN”) allow the collection of estimates in offsetting proceedings.

(v) PIS and COFINS

They substantially refer to (i) PIS and CONFINS credits, in the non-cumulative system in the period from 2012 to 2015, provided for in the Laws 10637/2002 and 10.833/2003, respectively. These rejections arise, in summary, due to the restrictive interpretation of the Secretariat of the Federal Revenue Service (RFB) in regard to the concept of “inputs” as well as differences regarding the interpretation of the referred to laws. Such questions are still at the administrative level. (ii) related to unconstitutionality of expansion of PIS / COFINS calculation basis brought by Law no. 9,718/98. It is important to emphasize that the Supreme Federal Court has already settled this matter, deciding that this taxation is unconstitutional and (iii) PIS and COFINS difference determined as a result of CIDE’s offset. For inspectors, this deduction could only be made if it had been paid.

(vi) Offsets with IPI credit - IN 67/98

SRF Regulatory Instruction Number 67/98 brought with it the possibility of a refund of IPI collected in the period from January 14, 1992, to November 16, 1997, on amorphous refined sugar. Accordingly, RESA, for the periods in which payment was made, it pleaded to offset amounts against other taxes due. However, the Federal Revenue Service dismissed requests for restitution as well as an offset. Thus, RESA administratively appealed against the dismissal.

After notification of payment of debts object to an offset in view of the changes introduced by IN SRF Number 210/02, RESA filed a writ of mandamus with an injunction request to suspend the enforceability of offset taxes, with the aim of impeding the Public Administration from executing these debts. The injunction was granted by the competent court.

(vii) MP 470 - Installment payment of debts

Federal Revenue Service partially rejected requests for payment of federal tax debts in installments made by the Company, with the argument that offered tax loss is not sufficient to settle respective debts. The Company and its legal advisors consider that the losses indicated existed and were available for such use.

b) Civil and labor

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Civil	490,861	441,983	763,215	752,219
Labor	158,014	238,079	192,560	291,156
	648,875	680,062	955,775	1,043,375
Non-reimbursable legal disputes	218,090	242,924	325,721	418,095
Reimbursable legal disputes	430,785	437,138	630,054	625,280

19. Commitments (Consolidated)

Purchasing
The Company and its subsidiaries have various purchase commitments for sugarcane with third parties in order to guarantee part of its production in subsequent crops. The amount of sugarcane to be acquired is calculated based on the estimated amount per milled area based on their expected productivity where sugarcane plantations are located. The amount to be paid by the Company is determined at the end of each crop year, according to prices published by the CONSECANA (Council of Sugarcane, Sugar and Ethanol Producers in the São Paulo State – Brazil).
The Company has contracts with Rumo Group, related to transportation services and sugar export services.

As of March 31, 2020, the volumes related to the purchase commitments and service agreements per crop are as follows:

	Sugarcane (In tons)	**Storage (in cubic meters)**	**Transportation and sugar lifting services (In tons)**
2018/2019 crop	27,503,000	1,695,000	3,000,000
2020/2021 crop	34,640,211	1,638,717	3,920,000
2021/2022 crop	31,013,606	1,605,758	4,500,000
2022/2023 crop	27,911,929	1,243,200	4,500,000
As of the 2023/2024 crop.	76,124,572	1,382,400	-
Total	197,193,318	7,565,075	15,920,000
Estimated total payments (nominal value)	13,908,667	363,726	1,681,680

20. Equity

a) Share capital and capital reserve

On March 31, 2020 and 2019, share capital totaled R$ 6,516,354. That caption does not include the balance of redeemable preference shares - liability financial instruments in the amount of R$ 3,745 (R$ 5,161 in 2019) totaling R$ 6,512,609 (R$ 6,511,193 in 2019).

Share capital is fully subscribed for and paid in and is represented as follows:

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A("CIP")	Cosan S.A.	Total
Common	3,621,641,599	3,621,641,599	-	7,243,283,198
Class-A preference shares	-	-	1	1
Class-B preference shares	-	-	133,242,457	133,242,457
Class-D preference shares	100,000	-	-	100,000
Total on March 31, 2020 and 2019	3,621,741,599	3,621,641,599	133,242,458	7,376,625,656

Redeemable preference shares

Tax benefits resulting from NOL and GW recognized before the Raízen formation (Note 10.a.5), should be refund to the respective shareholders as the Company uses them as a decrease in balances of the taxes payable.

For the realization of these refunds, Class B preference shares to Cosan and C and D classes to Shell with the purpose of compensating them through the payment of dividends in the amount of the tax benefit used by the Company.

As of March 31, 2020, the balance of preference shares (Class B and C) recognized in equity under Share capital caption, totaling R$ 3,745 belongs to Cosan (R$ 5,161 as of March 31, 2019), as Note 10.a.5.

Capital reserves

Capital reserve

It mainly corresponds to the goodwill reserve arising from the portion of the issue price of shares with no par value that exceeded the amount allocated to the formation of share capital. That reserve may only be used to increase capital, absorb losses in excess of retained earnings and profit, redeem, reimburse or purchase shares or to pay cumulative dividends to preference shares.

Goodwill special reserve

Derives from downstream mergers in the Company whose goodwill became deductible for income and social contribution tax purposes. Therefore, the Company recognized goodwill special reserve in equity as an effect of downstream mergers and as an offsetting entry to deferred tax assets that is equivalent to the 34% tax benefit resulting from the amortization of this goodwill.

b) Dividends

Bylaws of the Company assures shareholders a minimum mandatory dividend of 1% of net income at the end of fiscal year, adjusted pursuant article 202 of Corporation Law.

Legal reserve and dividend amounts for the years ended March 31, 2020 and 2019 were determined as follows:

	2020	2019
Net income for the year	175,828	468,101
(-) Effect of subsidiary tax incentives	(80,006)	(97,716)
	95,822	370,385
(-) Formation of legal reserve - 5%	(8,791)	(23,397)
Dividend distribution calculation basis	87,031	346,988
Minimum mandatory dividends for common shares - 1%	(870)	-
Dividends to holders of Class B preference shares	(1,416)	(5,667)
Dividends to holders of Class D preference shares	(731)	(1,497)
Total provisioned dividends - Parent Company	(3,017)	(7,164)
Dividends from non-controlling shareholders	(19,499)	(2,847)
Total provisioned dividends - Consolidated	(22,516)	(10,011)

March 31, 2020

Company	Dividends	Year	Approval in AGE and/or AGOE	Nature and type of share	Impact in equity	No impact in equity	Amounts paid	Recipient	Percentage	Payment date
RESA	Retained earnings	Mar 2019	06/26/2019	Common	172,602	-	172,602	Shell / CIP	50% each	06/27/2019
RESA	Income reserve	Mar 2019	06/26/2019	Common	407,905	-	407,905	Shell / CIP	50% each	06/27/2019
WX	Retained earnings	Mar 2019	07/31/2019	Common	7,051	2,847	9,898	Other	100%	08/19/2019
RESA	Retained earnings	Mar 2019	08/20/2019	Common	-	7,164	7,164	Shell / CIP	50% each	08/30/2019
RESA	Retained earnings	Mar 2019	09/25/2019	Common	124,123	-	124,123	Shell / CIP	50% each	09/27/2019
WX	Retained earnings	Mar 2019	12/17/2019	Common	4,599	-	4,599	Other	100%	01/06/2020
WX	Retained earnings	Mar 2025	-	Common	19,499	-	19,499	Other	100%	-
RESA	Retained earnings	Mar 2025	-	Preferred B	-	1,416	-	CIP	100%	-
RESA	Retained earnings	Mar 2025	-	Preferred D	731	-	731	Shell	100%	-
RESA	Retained earnings	Mar 2025	-	Common	870	-	870	Shell / CIP	50% each	-
					737,380	11,427	747,391			

March 31, 2019

Companies	Dividend	Year	Approval in AGE and/or AGOE	Nature and type of share	Impact in equity	No impact in equity	Paid amount	Recipient	Percentage	Payment date
RESA	Retained earnings	Mar 2018	06/20/2018	Common	330,200	-	330,200	Shell / CIP	50% each	06/28/2017
RESA	Minimum mandatory dividends	Mar 2018	07/31/2018	Common	-	5,241	5,241	Shell / CIP	50% each	08/28/2018
RESA	Retained earnings	Mar 2018	07/31/2018	Preferred B	-	10,355	10,355	CIP	100%	08/28/2018
RESA	Retained earnings	Mar 2018	07/31/2018	Preferred D	-	1,486	1,486	Shell	100%	08/28/2018
RESA	Retained earnings	Mar 2017	09/21/2018	Common	390,364	-	390,364	Shell / CIP	50% each	09/26/2018
RESA	Interim	Mar 2019	09/21/2018	Common	42,836	-	42,836	Shell / CIP	50% each	09/26/2018
RESA	Retained earnings	Mar 2019	-	Preferred B	-	5,667	-	CIP	100%	-
RESA	Retained earnings	Mar 2019	-	Preferred D	1,497	-	-	Shell	100%	-
WX	Retained earnings	-	-	Common	2,847	-	-	Other	100%	-
					767,744	22,749	780,482			

c) Equity valuation adjustments

i) Results of foreign currency translation - CTA

Corresponds to conversion differences to the actual accounting information of investees with a functional currency different from Parent Company.

ii) Results from derivatives - hedge accounting

This refers to changes in fair value of financial instruments resulting from *hedging* cash flows of export revenues from VHP sugar, ethanol, exchange fluctuations of Export prepayments.

iii) Actuarial liability

Derives from gains and losses and adjustment for experience and changes in actuarial assumptions on the defined benefit pension plan. This component is recognized in other comprehensive income and will not be reclassified to profit or loss in subsequent years.

iv) Movement in equity valuation adjustments, net of taxes

	2018	Comprehensive income	2019	Comprehensive income	2020
Effect of foreign currency translation - CTA	273	(2,748)	(2,475)	163,458	160,983
Actuarial losses from defined benefit plans	(11,513)	(1,013)	(12,526)	(2,927)	(15,453)
Net gain (loss) on derivative financial instruments - *Hedge accounting*	7,854	(221,654)	(213,800)	(451,141)	(664,941)
Total	(3,386)	(225,415)	(228,801)	(290,610)	(519,411)

d) Profit reserve

i) Legal reserve

As of March 31, 2020 and 2019, the Company allocated 5% of net income for the year to the legal reserve, in accordance with the by-laws and in compliance with Corporation Law.

ii) Tax incentive reserve

		Effect			Impact on income (loss)	
State	**Tax benefit**	**2020**	**2019**	**Note**	**2020**	**2019**
Goiás	Goiás Industrial Development Program (1)	64,696	68,105	24	64,696	63,512
Mato Grosso do Sul	Term of agreement 331/2008 (2)	15,310	29,611	23	15,310	29,611
		80,006	97,716		80,006	93,123

(1) Refers to "Produzir" state incentive program with the State of Goiás, in the form of financing a portion of ICMS payment.
(2) It refers to tax benefit in sugar industrialization transactions in that state, equivalent to 67% of the debt balance of the ICMS and the deemed Ethanol credit.

The entire amount referring to these benefits was allocated to Tax incentive reserve.

iii) Profit retention reserve

Net income for the year remaining balance, after recognition of legal reserve and provision for minimum mandatory dividends, was recognized in this caption. Under Company's by-laws, up to 80% of the year's profit may be allocated to that reserve, to fund operations and to new investments and projects, which may not exceed the percentage of 80% of share capital.

e) Interest of non-controlling shareholders

Corresponds to interest of non-controlling shareholders of 26.59% on equity of subsidiary Unimodal Ltda., 15% on equity of subsidiary Biogás, 30% on equity of subsidiary RWXE and 18.50% on equity of subsidiary Raízen Biomassa.

f) Earnings per share

Basic earnings per share is calculated by dividing profit attributable to company shareholders by the weighted average number of common shares issued during the fiscal year.

The table below presents income and shares data used to calculate basic and diluted income per share for the year ended March 31, 2020 and 2019 (in thousands, except for amounts per share):

Basic and diluted:

	2020	2019
Numerator		
Net income for the year	175,828	468,101
Income (loss) available to preferred shareholders	(1,416)	(5,667)
Income available to common shareholders	174,412	462,434
Denominator:		
Weighted average of outstanding common shares (in thousands)	7,243,283	7,243,283
Basic and diluted earnings per common share (Reais per share)	0.024	0.064

The Company does not have outstanding common shares that could cause dilution or debt convertible in common shares. Thus, the basic and diluted income per share are equivalent.

21. Net operating revenue

	Parent Company		Consolidated	
	2020	2019	2020	2019
Gross revenue from sale of products and services	8,218,258	7,500,120	32,352,319	23,960,173
Sales taxes	(514,711)	(535,698)	(1,568,847)	(1,510,486)
Returns and cancellations	(19,335)	(11,437)	(30,984)	(15,897)
Commercial discounts	(1,176)	(6,134)	(41,874)	(28,153)
Net operating revenue	7,683,036	6,946,851	30,710,614	22,405,637

The net operating revenue is segregated between the following components:

	Parent company		Consolidated	
	2020	2019	2020	2019
Net revenue from sale of products and services	7,814,974	6,680,463	30,525,029	22,184,779
Income (loss) from financial instruments designated as hedge accounting	(173,317)	319,399	(173,317)	319,398
Income (loss) from financial instruments not designated as hedge accounting	41,379	(53,011)	358,902	(98,539)
Net operating revenue	7,683,036	6,946,851	30,710,614	22,405,637

22. Segment information

The Management of Raízen Energia defined the ethanol and sugar and bioenergy segment as the only operating segment, based on reports used by the President of the Company and the Board of Directors, which are the main operating and strategic decision makers. Evaluation and performance goals are defined and followed-up considering EAB segment as a whole.

The EAB segment covers the production and sale of ethanol and sugar generated from sugarcane processing, as well as the cogeneration of energy that is produced from the burning of the sugarcane bagasse.

Since the assets are also used to produce sugar, ethanol and bioenergy, there is no separate disclosure of these assets.

The Company follows-up net operating revenue from trading of its products in the domestic and foreign markets, as follows:

	Consolidated	
	2020	**2019**
Foreign market	9,822,672	5,488,614
Domestic market	20,887,942	16,917,023
Total	30,710,614	22,405,637

Detailing of net operating revenue per product is as follows:

	Consolidated	
	2020	**2019**
Ethanol	11,480,254	9,096,293
Diesel (1)	6,782,952	4,513,653
Sugar	4,646,782	3,902,100
Energy	3,866,040	3,463,545
Gasoline (1)	3,167,655	1,260,378
Other products and services	766,931	169,668
Total	30,710,614	22,405,637

(1) Refers to oil products imports and, based on the nature of the operation, could significant impact revenue and cost, according to market opportunities, but generate limited impact in gross profit.

Percentage of net operating revenue per geographic area is as follows:

	Consolidated	
	2020	**2019**
Brazil	68.01%	75.74%
North America	16.56%	8.63%
Asia	7.57%	12.24%
South America (1)	4.94%	-
Europe	2.89%	3.00%
Other (2)	0.03%	0.39%
Total	100.00%	100.00%

(1) Except Brazil
(2) Africa and Oceania

During the year ended March 31, 2020 and 2019, main EAB clients, which individually represented 5% or more of Company's total revenues, are as follows:

	Consolidated	
Client	**2020**	**2019**
Raízen Combustíveis S.A.	41.93%	29.66%
Petrobrás Distribuidora S.A	12.22%	8.52%

23. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in the income (loss) by function. The reconciliation of the results by nature for the year ended March 31, 2020 and 2019 is as follows:

a) Costs and expenses by nature:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Raw material (1)	(2,599,231)	(2,357,387)	(10,291,415)	(7,323,692)
Purchase of fuel (2)	(136,642)	(127,342)	(9,980,844)	(5,814,337)
Depreciation and amortization	(2,540,112)	(1,644,753)	(3,128,170)	(2,108,939)
Personnel expenses	(889,622)	(903,785)	(1,232,508)	(1,246,066)
Cutting, loading and transportation (CCT)	(696,180)	(725,294)	(937,546)	(931,944)
Maintenance materials	(309,346)	(288,914)	(374,121)	(366,197)

Outsourced labor	(237,228)	(193,083)	(266,509)	(217,804)
Change in fair value of biological assets	(51,244)	(55,919)	3,195	5,335
Realization of fair value of biological assets	70,133	(183,416)	9,686	(266,493)
Electricity purchase	-	-	(2,731,284)	(2,863,881)
Other expenses	(502,898)	(881,702)	(857,089)	(1,019,886)
	(7,892,370)	(7,361,595)	(29,786,605)	(22,153,904)

(1) It presents R$ 15,310 (R$ 29,611 as of March 31, 2019) regarding the ICMS tax incentive. See Note 20.d.ii

(2) The increase in the costs of resales of Diesel and Gasoline is mainly due to a higher volume of these products sold at Raízen Trading.

b) Classified as:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Cost of products sold and services rendered	(6,732,079)	(6,250,751)	(28,322,670)	(20,711,290)
Sales expenses	(697,331)	(663,906)	(840,125)	(849,198)
General and administrative expenses	(462,960)	(446,938)	(623,810)	(593,416)
	(7,892,370)	(7,361,595)	(29,786,605)	(22,153,904)

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Gain on bargain purchase (1)	219,921	-	219,921	-
Net recognition of tax credits	43,100	5,434	99,582	9,594
Revenues from investment grant - (Note 20.d.ii)	-	-	64,696	63,512
Results from commercial operations (2)	(35,933)	(27,290)	24,892	22,574
Revenue from sales of scrap and waste	12,077	12,834	14,526	16,014
(Formation) reversal to estimated loss in investments, property plant and equipment and intangible assets, net (Notes 11, 12 and 13)	(2,650)	133,573	(2,452)	136,692
Results from the sale of property, plant and equipment	(4,318)	866	(3,928)	(3,151)
Net formation of provision for legal disputes and contingencies	(61,705)	(26,402)	(71,675)	(42,789)
Credits from indemnity suits (3)	-	-	-	221,373
Capital gain on dilution of ownership interest (Note 11.e.ii)	-	109,467	-	109,467
Other	26,335	8,683	22,642	11,195
	196,827	217,165	368,204	544,481

(1) Refers to the result of the acquisitions of 81.5% of the shares of Biomassa and 100% of the shares of RZ Agrícola Caarapó Ltda. See Note 29.

(2) Substantially refers to the result of the washout of certain business contracts, in the scope of the execution of the business strategy of the Company in the ordinary course of its businesses.
(3) On March 31, 2019 composed of R$ 221,373 relating to the recognition of credit from indemnity suits. See Note 9.

25. Financial income (loss)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Financial expenses				
Interest	(970,382)	(554,869)	(1,144,194)	(732,286)
Holding loss	(120,321)	(124,307)	(137,394)	(143,556)
PIS and COFINS on financial revenues	(22,467)	(15,131)	(31,165)	(24,243)
Other	(71,967)	(37,422)	(72,826)	(68,502)
	(1,185,137)	(731,729)	(1,385,579)	(968,587)
Fair value of financial instruments (liabilities) (Notes 10 and 16)	3,178	(52,140)	(5,874)	(57,807)
Less: amounts capitalized on qualifying assets (Note 12)	28,690	23,183	37,748	29,719
	(1,153,269)	(760,686)	(1,353,705)	(996,675)
Financial revenues				
Interest	164,266	182,869	349,479	401,129
Yields from financial investments	17,650	15,866	64,334	86,655
Holding gain	28,231	79,981	29,522	82,240
Other	190	68	207	117
	210,337	278,784	443,542	570,141
Net exchange-rate change (1)	(576,174)	(38,423)	(670,807)	(70,635)
Net effect of the derivatives (2)	534,096	85,267	648,408	148,891
	(985,010)	(435,058)	(932,562)	(348,278)

(1) Includes foreign exchange, net losses on assets and liabilities denominated in foreign currency; and
(2) Includes realized and unrealized income (loss) with futures, options, swaps and NDFs and other derivatives.

26. Financial instruments

a) Overview

The Company presents exposure to the following risks deriving from its operations, which are equalized and managed with the use of certain financial instruments:

- price risk
- foreign exchange rate risk
- interest rate risk
- credit risk
- liquidity risk

This note presents information on the Company's exposure to each one of the abovementioned risks, the Company's goals, policies and processes for the risk measurement and management, and the Company's capital management.

b) Risk management structure

The Company has specific treasury and trading policies that set how risk management must be performed. The Company has two main committees to monitor activities and ensure policy compliance: (i) A risk committee whose members gather weekly to analyze the behavior of commodity (sugar, ethanol and oil by-products) and foreign exchange markets and decide on coverage positions and the strategy to fix the prices of exports and imports to reduce the adverse effects of changes in prices and foreign exchange rate. (ii) An ethanol committee whose members gather monthly to assess the risks posed by the sale of ethanol and to comply with the limits set on risk policies; as well as monitoring liquidity and counterparty (credit) risks; (iii) Committee on electric power, which meets on a weekly basis to evaluate risks related to trading of electric power and adequacy to limits defined in risk policies.

The Company and its subsidiaries are exposed to market risks, and main ones are: (i) fluctuations in sugar, electric power, oil by-products and ethanol prices; (ii) fluctuations in foreign exchange rates; and, (iii) fluctuations in interest rates. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

As of March 31, 2020 and 2019, the fair values of transactions with derivative financial instruments for hedging and other purposes were measured at fair value according to observable data, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

	Parent company				Consolidated			
	Notional		Fair value		Notional		Fair value	
	2020	2019	2020	2019	2020	2019	2020	2019
Price risk								
Commodity derivatives								
Futures and options contracts	4,739,805	1,862,471	1,294,503	125,859	5,455,090	1,297,087	1,731,213	129,046
	4,739,805	1,862,471	1,294,503	125,859	5,455,090	1,297,087	1,731,213	129,046
Foreign exchange rate risk								
Foreign exchange rate derivatives								
Futures contracts	280,730	(178,274)	(1,355)	551	280,730	(178,274)	(1,355)	551
Forward contracts	8,679,750	5,845,635	(1,227,282)	(108,964)	8,691,572	5,845,635	(1,229,855)	(108,964)
FX swap	(5,980,689)	(1,375,224)	132,443	60,687	(6,413,701)	(1,561,966)	217,869	64,107
	2,979,791	4,292,137	(1,096,194)	(47,726)	2,558,601	4,105,395	(1,013,341)	(44,306)
Interest rate risk								
Interest derivatives	(6,035,896)	(1,740,015)	104,488	81,881	(2,859,509)	(1,153,019)	158,385	120,624
	(6,035,896)	(1,740,015)	104,488	81,881	(2,859,509)	(1,153,019)	158,385	120,624
Total			302,797	160,014			876,257	205,364
Current assets			2,766,327	239,512			4,406,076	788,279
Non-current assets			1,484,248	514,076			1,812,316	562,684
Total assets			4,250,575	753,588			6,218,392	1,350,963
Current liabilities			(2,704,909)	(227,548)			(4,036,490)	(766,549)
Non-current liabilities			(1,242,869)	(366,026)			(1,305,645)	(379,050)
Total liabilities			(3,947,778)	(593,574)			(5,342,135)	(1,145,599)

c) Price risk

Price risks result from the possibility of fluctuations in the market prices of the products sold by the Company and its subsidiaries, mainly VHP sugar, refined and white sugar, ethanol, electric power and oil by-products. These price fluctuations may cause substantial alterations in the sales revenues of the Company. In order to mitigate these risks, the Company permanently monitors the market, seeking to anticipate price changes. The table below shows the positions of derivative financial instruments to cover the risk of fluctuations in commodity prices, outstanding as of March 31, 2020:

					Consolidated		
					Price risk: goods derivatives outstanding on March 31, 2020		
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (units)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Future	Sold	NYSE LIFFE	Sugar#5	Apr/20–July/20	92,950 t	179,525	15,507
Future	Sold	ICE	*Sugar#11*	Apr/20–Feb/22	4,808,752 t	7,657,841	1,612,340
Options	Sold	ICE	*Sugar#11*	Apr/20–Feb/22	1,055,471 t	88,269	(166,218)
Sub-total sugar future sold					5,957,173 t	7,925,635	1,461,629
Future	Purchased	NYSE LIFFE	Sugar#5	Apr/20–July/20	(43,850) t	(87,845)	(8,650)
Future	Purchased	ICE	*Sugar#11*	Apr/20–June/21	(2,080,765) t	(3,293,563)	(746,473)
Options	Purchased	ICE	*Sugar#11*	Apr/20–June/21	(1,107,899) t	(63,424)	280,788
Options	Purchased	OTC	*Sugar#11*	Apr/21–Apr/21	(485,934) t	(123,339)	(847)
Sub-total sugar future purchased					(3,718,448) t	(3,568,171)	(475,182)
Subtotal sugar future					2,238,725 t	4,357,464	986,447
Future	Sold	B3	Ethanol	Apr/20–Sep/20	3,150 m³	31,851	338
Future	Sold	CME	Ethanol	Apr/20–Mar/21	679,530 m³	2,006,795	351,439
Future	Sold	OTC	Ethanol	Apr/20–Mar/21	749,225 m³	583,294	19,391
Options	Sold	OTC	Ethanol	Apr/20–June/20	4,500 m³	(581)	(3,074)
Sub-total ethanol future sold					1,436,405 m³	2,621,359	368,094
Future	Purchased	B3	Ethanol	Apr/20–Sep/20	(15,600) m³	(149,567)	(844)
Future	Purchased	CME	Ethanol	Apr/20–Dec/20	(561,300) m³	(1,684,374)	(292,268)
Future	Purchased	OTC	Ethanol	Apr/20–Mar/21	(662,250) m³	(442,740)	4,529
Option	Purchased	CME	Ethanol	Apr 2020	(1,000) m³	(38)	(38)
Sub-total ethanol future purchased					(1,240,150) m³	(2,276,719)	(288,621)
Physical fixed	Sold	CHGOETHNL	Ethanol	Apr/20–Mar/21	390,818 m³	890,089	74,003
Sub-total physical fixed ethanol sold					390,818 m³	890,089	74,003
Physical fixed	Purchased	CHGOETHNL	Ethanol	Apr/20–Feb/21	(554,326) m³	(933,165)	(8,116)
Sub-total physical fixed ethanol purchased					(554,326) m³	(933,165)	(8,116)
Sub-total ethanol future					32,747 m³	301,564	145,360
Future	Sold	NYMEX	Gasoline	Apr/20–Feb/22	706,119 m³	1,356,181	584,411
Future	Sold	ICE	Gasoline	Apr/20–Dec/21	508,005 m³	802,963	286,764
Option	Sold	OTC	Gasoline	Apr/20–May/20	55,968 m³	(4,929)	2,979
Subtotal future gasoline sold					1,270,092 m³	2,154,215	874,154

Future	Purchased	NYMEX	Gasoline	Apr/20–June/21	(519,771)	m³	(853,844)	(278,978)
Future	Purchased	ICE	Gasoline	Apr/20–Dec/21	(508,005)	m³	(796,015)	(279,815)
Option	Purchased	CME	Gasoline	Apr/20–May/20	(55,968)	m³	8,118	209
Option	Purchased	NYMEX	Gasoline		-	m³	-	-
Subtotal future gasoline purchased					(1,083,744)	m³	(1,641,741)	(558,584)
Subtotal future gasoline					186,348	m³	512,474	315,570
Physical fixed	Sold	OTC	Energy	Apr/20–Dec/31	13,876,619	mwh	2,706,394	501,138
Sub-total physical fixed electric power sold					13,876,619	mwh	2,706,394	501,138
Physical fixed	Purchased	OTC	Energy	Apr/20–Dec/31	(13,876,619)	mwh	(2,422,806)	(217,302)
Sub-total physical fixed electric power purchased					(13,876,619)	mwh	(2,422,806)	(217,302)
Sub-total physical fixed electric power					-	mwh	283,588	283,836
Net exposure of commodity derivatives as of March 31, 2020							5,455,090	1,731,213
Net exposure of commodity derivatives as of March 31, 2019							1,297,087	129,046

d) Foreign exchange rate risk

Foreign exchange rate risks arise from the possibility of fluctuations in the exchange rates used by the Company for export revenues, imports, financing cash flows and other foreign currency assets and liabilities. The Company uses derivative transactions to manage cash flow risks denominated in US dollars, net of other cash and cash equivalents flows. The table below shows the positions for derivative financial instruments used to cover exchange rate risks:

					Consolidated		
					Price risk: outstanding foreign exchange derivatives on March 31, 2020		
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (US$ thousand)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Future	Sold	B3	Trade dollar	Apr/20–May/20	612,500	3,184,204	(11,742)
Subtotal future sold					612,500	3,184,204	(11,742)
Future	Purchased	B3	Trade dollar	Apr/20–May/20	(558,500)	(2,903,474)	10,387
Subtotal future bought					(558,500)	(2,903,474)	10,387
Term	Sold	OTC/Cetip	*NDF*	Apr/20–May/20	3,462,274	17,999,324	(1,502,699)
Term	Purchased	OTC/Cetip	*NDF*	Apr/20–May/20	(1,790,400)	(9,307,752)	272,844
Subtotal term purchased/sold					1,671,874	8,691,572	(1,229,855)
FX swap	Sold	OTC	FX swap	Oct/21–Jan/27	506,000	2,630,542	(1,197,536)
FX swap	Purchased	OTC	FX swap	Apr/20–Jan/27	(1,739,713)	(9,044,243)	1,415,405
Subtotal of swap					(1,233,713)	(6,413,701)	217,869
Net exposure of foreign exchange derivatives as of March 31, 2020					492,161	2,558,601	(1,013,341)
Net exposure of foreign exchange derivatives as of March 31, 2019					1,073,557	4,105,395	(44,306)

On March 31, 2020 and 2019, the summary of quantitative data on Company's exchange risk exposure was as follows:

	Consolidated	
	2020	
	R$	US$ (in thousands)
Cash and cash equivalents (Note 3)	4,340,907	834,999
Restricted cash (Note 4)	127,432	24,512
Trade accounts receivable - Abroad (Note 5)	659,560	126,870
Related parties (Note 10)	4,808,446	924,932
Suppliers (Note 14)	(4,776,728)	(918,831)
Loans and financing (Note 16)	(7,703,519)	(1,481,816)
Derivatives (Note 26.d) (*)	-	(492,161)
Net foreign exchange exposure	(2,543,902)	(981,495)
Derivatives settled in the month following the closing (**)		342,074
Net foreign exchange exposure as of March 31, 2020 (***)		(639,421)
Net foreign exchange exposure as of March 31, 2019 (***)		(1,766,837)

(*) Refers to the notional foreign exchange derivative transactions.
(**) Settlement at PTAX on the last closing day of the month.
(***) The net foreign exchange exposure, this will be substantially offset by probable future revenues of export products.

e) Hedge accounting effect

The Company formally designates its transactions subject to hedge accounting aiming at hedging cash flows. Hedges are assigned to sugar and ethanol revenues, as applicable, the cost of import of derivatives and foreign currency debt.

As of March 31, 2020 and 2019, the impacts calculated under the Company's equity and the estimated realization in profit or loss that are shown below:

			Period for realization				
Financial instruments	**Market**	**Risk**	**2020/21**	**2021/22**	**>2022**	**2020**	**2019**
Future	OTC / ICE	Sugar#11	569,144	292,919	-	862,063	77,065
Future	B3 / NYMEX / OTC	Ethanol	303,960	-	-	303,960	47,551
Option	ICE	Sugar#11	135,346	-	-	135,346	(26,273)
NDF	OTC	FX	(1,017,620)	(294,100)	-	(1,311,720)	(75,499)
Swap	Debt	FX	-	-	(924,290)	(924,290)	(306,492)
Export Prepayments (PPE)	Debt	FX	-	-	(72,847)	(72,847)	(40,301)
			(9,170)	(1,181)	(997,137)	(1,007,488)	(323,949)
(-) Deferred taxes			3,118	402	339,027	342,547	110,149
Effect in equity at March 31, 2020			(6,052)	(779)	(658,110)	(664,941)	(213,800)

We show below the movement in the balances of other comprehensive income during the year:

	2020	**2019**
Beginning balance	(213,800)	7,854
Gains/(losses) occurred during the year:		
Fair value on commodity futures designated as hedge accounting	1,459,714	501,929
Fair value gain on forward exchange contracts designated as hedge accounting	(1,665,618)	(193,427)
Exchange-rate change on debt contracts designated as hedge accounting	(650,346)	(324,944)
Results from commodities recognized in net operating revenue and other operating revenues and expenses	(246,134)	(434,574)
Results from forward exchange contracts in net operating revenue and other operating revenues and expenses	418,833	115,176
Total movements occurred in the year	(683,551)	(335,840)
Effect of deferred taxes on equity valuation adjustment	232,410	114,186
	(451,141)	(221,654)
End balance	(664,941)	(213,800)

f) Interest rate risk

The Company monitors fluctuations in interest rates applied to certain debts, particularly those exposed to the Libor risk, and uses derivative instruments to mitigate those risks. The table below shows the positions for derivative financial instruments used to cover exchange rate risks:

					Consolidated		
					Price risk: interest derivatives, outstanding as of March 31, 2020		
Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (US$ thou.)	Notional (R$ thousand)	Fair value (R$ thousand)
Interest rate swap	Sold	OTC	Interest rate swap	Oct 2020	77,121	400,927	(17,927)
Interest rate swap	Purchased	OTC	Interest rate swap	Oct/20–Nov/29	(627,164)	(3,260,436)	176,312
Net exposure of interest derivatives as of March 31, 2020					(550,043)	(2,859,509)	158,385
Net exposure of interest derivatives as of March 31, 2019					(295,896)	(1,153,019)	120,624

g) Credit risk

A substantial part of the sales of the Company and its subsidiaries is made to a select group of highly qualified counterparties, as trading companies, fuel distribution companies, electricity distributors and major supermarket chains.

The Group manages credit risk by following specific client acceptance standards, analyzing client credit standing and setting exposure limits per client, requiring, when applicable, letters of credit of top tier banks and taking security interest in assets as security for payment of the credit facilities granted to clients. Management considers that the credit risk is substantially covered by the estimated loss in allowance for doubtful accounts.

Individual risk limits are determined with basis on internal or external classifications in accordance with limits determined by Company’s management. The use of credit limits is regularly monitored. No credit limit was exceeded during the period, and Management does not expect any loss from default by these counterparties in amounts higher than those for which a provision had already been recognized.

The Company enters into commodity derivative agreements in futures markets and options at the New York Board of Trade - NYBOT, Chicago - CBOT and at the London International Financial Futures and Options Exchange - LIFFE, as well as in over-the-counter markets with selected counterparties. The Company enters into foreign exchange rate and commodity derivative agreements at B3 and over-the-counter agreements, mainly with the leading local and foreign banks considered by global credit risk rating agencies to have investment level ratings.

Guarantee margins - Derivative transactions in commodity exchanges (NYBOT, LIFFE and B3) require guarantee margins. The total margin of the Consolidated deposited as of March 31, 2020 is R$ 147,840 (R$ 94,401 as of March 31, 2019), of which R$ 20,408 (R$ 40,699 as of March 31, 2019) in restricted financial investments and R$ 127,432 (R$ 53,702 as of March 31, 2019) in derivative transaction margins.

The Company's over-the-counter derivative transactions do not require a guarantee margin.

The credit risk on cash and cash equivalents is mitigated by the conservative distribution of investment funds and CDBs (Note 3), which is included in this item. The distribution follows strict criteria for allocation and exposure to counterparties that are major national and international banks, mainly considered investment grade by international *rating* agencies.

h) Liquidity risk

It is the risk of the Company may encounter difficulties in performing the obligations associated with its financial liabilities that are settled with payments or with another financial asset. The Company's approach in liquidity management is to guarantee, as much as possible, that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the Company's reputation. As part of the liquidity management process, management prepares business plans and monitors their implementation, discussing positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.

The table below shows the financial liabilities according to their aging schedules:

	Consolidated				
	Up to 1 year	**Up to 2 years**	**3–5 years**	**>5 years**	**Total**
Loans and financing (1)	3,760,898	1,646,041	5,704,116	9,416,369	20,527,424
Suppliers (Note 14)	6,110,835	-	-	-	6,110,835
Derivative financial instruments	4,036,490	217,955	27,570	1,060,120	5,342,135
Related parties (1) (*)	1,047,447	-	-	413,859	1,461,306
Third party and related party lease liabilities (1)	1,161,106	1,016,328	2,123,738	1,627,367	5,928,539
March 31, 2020	16,116,776	2,880,324	7,855,424	12,517,715	39,370,239
March 31, 2019	7,225,653	2,626,561	4,330,180	7,846,224	22,028,618

(1) Undiscounted contractual cash flows.
(*) Except related party lease liabilities.

i) Fair value

Fair value of financial assets and liabilities is the value by which the instrument may be exchanged in a current transaction between parties that are willing to negotiate, and not in a forced sale or settlement. The methods and assumptions used to estimate the fair value are described below.

The fair value of cash and cash equivalents, accounts receivable, other financial assets, accounts payable, related parties and other short-term obligations are close to their carrying amount due to the short-term maturity of these instruments. Fair value of other long-term assets and liabilities does not significantly differ from the carrying amount.

The fair value of loans and financing is close to the amounts recorded in the financial statements, due to the fact that these financial instruments are subject to variable interest rates (Note 16).

Derivatives are valued using valuation techniques with observable market data and refer, mainly, to *swaps* of interest rates, foreign exchange forward contracts, and forward *commodity* contracts. The valuation techniques applied often include pricing models and *swaps* contracts, with present value calculations. The models incorporate various data, including the credit quality of counterparties, foreign exchange spot, and forward rates, interest rate curves, and forward rate curves of the hedge object.

The categories of financial instruments are as follows:

		Consolidated			
		Carrying amount		Fair value	
	Classification	2020	2019	2020	2019
Financial assets					
Cash and cash equivalents, except financial investments (Note 3)	Amortized cost	4,468,550	1,707,685	4,468,550	1,707,685
Interest earnings bank deposits (Note 3)	Fair value through profit or loss	2,005,197	1,482,174	2,005,197	1,482,174
Restricted cash, except for restricted financial investments (Note 4)	Amortized cost	127,432	53,702	127,432	53,702
Restricted interest earning bank deposit (Note 4)	Fair value through profit or loss	52,754	81,264	52,754	81,264
Trade accounts receivable (Note 5)	Amortized cost	1,166,380	974,024	1,166,380	974,024
Derivative financial instruments (2)	Fair value through profit or loss	6,218,392	1,350,963	6,218,392	1,350,963
Related parties (Note 10)	Amortized cost	6,944,936	5,830,754	6,944,936	5,830,754
Other financial assets (Note 9)	Amortized cost	573,041	833,426	573,041	833,426
		21,556,682	12,313,992	21,556,682	12,313,992
Financial liabilities					
Loans and financing (Note 16) (1)	Amortized cost	(9,685,655)	(8,881,585)	(9,809,988)	(8,864,131)
Loans and financing (Note 16)	Fair value through profit or loss	(6,860,187)	(3,195,391)	(6,860,187)	(3,195,391)
Derivative financial instruments (2)	Fair value through profit or loss	(5,342,135)	(1,145,599)	(5,342,135)	(1,145,599)
Suppliers (Note 14)	Amortized cost	(6,110,835)	(4,189,363)	(6,110,835)	(4,189,363)
Related parties (Note 10)	Amortized cost	(2,232,722)	(1,055,198)	(2,232,722)	(1,055,198)
		(30,231,534)	(18,467,136)	(30,355,867)	(18,449,682)

(1) Reported net of expenses incurred with the placement of the securities
(2) As of March 31, 2020, the caption includes derivatives designated as hedging instruments in the amount of R$ 1,007,488 (R$ 323,949 in 2019).

Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments using the valuation technique:

- Level 1: prices quoted (without adjustments) in active markets for identical assets and liabilities.
- Level 2: other techniques for which all data that has significant effect on the recorded fair value is observable, either directly or indirectly.
- Level 3: techniques that use data that have a significant effect on fair value that are not based on observable market data.

Financial instruments are classified as follows:

			Consolidated
Financial instruments valued at fair value	**Level 1**	**Level 2**	**Total**
Interest earnings bank deposits (Note 3)	-	2,005,197	2,005,197
Restricted financial investments (Restricted cash) (Note 4)	-	52,754	52,754
Derivative financial instruments - assets	3,468,509	2,749,883	6,218,392
Loans and financing (Note 16)	-	(6,860,187)	(6,860,187)
Derivative financial instruments - Liabilities	(2,045,561)	(3,296,574)	(5,342,135)
March 31, 2020	1,422,948	(5,348,927)	(3,925,979)
March 31, 2019	126,630	(1,553,219)	(1,426,589)

As of March 31, 2020 and 2019, there were no transfers among such levels in order to determine the fair value of financial instruments.

j) Sensitivity analysis

We present below the sensitivity analysis of the fair value of financial instruments according to the types of risk considered relevant by the Company, pursuant to CVM Instruction No. 475 issued on March 17, 2008.

Assumptions for the sensitivity analysis

The Company has adopted three scenarios for the sensitivity analysis, one probable and two that may show the sundry effects in the fair value of the Company's financial instruments. The probable scenario was set according to the futures market curves of sugar and the US dollar as of March 31, 2020, corresponding to balance of fair value of derivatives on the date. Possible and remote scenarios were set considering impacts of 25% and 50% on sugar and US dollar price curves, which were considered as a basis for the probable scenario.

Sensitivity table

i) Sensitivity on change in fair value of financial instruments

		Impacts on income (loss)				
		March 31, 2020				
	Risk factor	Probable scenario	Remote scenario + (25%)	Balance at fair value	Remote scenario + (50%)	Balance at fair value
Price risk						
Commodity derivatives						
Futures and options contracts						
Purchase and sale commitments	Sugar price increase	986,447	(10,400)	976,047	(20,800)	965,647
Purchase and sale commitments	Gasoline price increase	315,570	(874,603)	(559,033)	(1,749,206)	(1,433,636)
Purchase and sale commitments	Electric power price increase	283,836	(88,361)	195,475	(176,722)	107,114
Purchase and sale commitments	Ethanol price increase	145,360	(49,419)	95,941	(98,838)	46,522
		1,731,213	(1,022,783)	708,430	(2,045,566)	(314,353)
Foreign exchange rate risk						
Foreign exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	FX decr. R$/US$	(1,355)	7,803	6,448	15,607	14,252
Forward contracts						
Purchase and sale commitments	USD incr.	(1,229,855)	(1,807,516)	(3,037,371)	(3,615,032)	(4,844,887)
FX swaps:						
Purchase and sale commitments	USD decr. (US$)	217,869	(448,690)	(230,821)	(897,380)	(679,511)
		(1,013,341)	(2,248,403)	(3,261,744)	(4,496,806)	(5,510,147)
Interest rate risk						
Swap, Term and Futures contracts	Interest rate decrease	158,385	(34,637)	123,748	(69,274)	89,111
		158,385	(34,637)	123,748	(69,274)	89,111
Total		876,257	(3,305,823)	(2,429,566)	(6,611,645)	(5,735,388)

(*) Result projected to occur within 12 months from March 31, 2020.

ii) Net foreign exchange exposure

The probable scenario considers the position as of March 31, 2020. The effects of the possible and remote scenarios that would be recognized in the consolidated statement of income as revenue (expense) on exchange-rate change are as follows:

		Effect of exchange-rate changes			
	Balance	Scenarios			
Net foreign exchange exposure March 31, 2020		**+25%**	**+50%**	**-25%**	**-50%**
Cash and cash equivalents (Note 3)	4,340,907	1,085,227	2,170,454	(1,085,227)	(2,170,454)
Restricted cash (Note 4)	127,432	31,858	63,716	(31,858)	(63,716)
Accounts receivable - Abroad (Note 5)	659,560	164,890	329,780	(164,890)	(329,780)
Related parties (Note 10)	4,808,446	1,202,112	2,404,223	(1,202,112)	(2,404,223)
Suppliers (Note 14)	(4,776,728)	(1,194,182)	(2,388,364)	1,194,182	2,388,364
Loans and financing (Note 16)	(7,703,519)	(1,925,880)	(3,851,760)	1,925,880	3,851,760
Impact on income (loss) for the year		(635,975)	(1,271,951)	635,975	1,271,951

iii) Interest rate sensibility

As of March 31, 2020, the probable scenario considers the annual weighted average rate (4.54%) of floating interest of loans and financing of the Company, and for financial investments and as restricted cash, the CDI (5.41%) accumulated, realized in the last 12 months. In both cases, simulations considers the increase and reduction by 25% and 50%. The consolidated results of this sensitivity are as follows:

		March 31, 2020			
		Interest rate sensibility			
	Probable scenario	**25%**	**50%**	**-25%**	**-50%**
Interest earnings bank deposits	107,151	26,788	53,576	(26,788)	(53,576)
Restricted cash	2,867	717	1,434	(717)	(1,434)
Loans and financing	(559,695)	(139,924)	(279,848)	139,924	279,848
Additional impact in income (loss) for the year	(449,677)	(112,419)	(224,839)	112,419	224,839

k) Capital management

The Company's goal, when managing its capital structure, is to ensure that it will continue as a going concern and be able to finance investment opportunities, by keeping a healthy credit profile and offering an appropriate return to its shareholders.

The Company has relationships with large local and international rating agencies as show below:

Branch	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	05/28/2020
	Global	BBB	Clearance	05/28/2020
Moody's	National	Aaa.Br	Stable	06/28/2019
	Global	Ba1	Stable	06/28/2019
Standard & Poor's	National	brAAA	Stable	04/27/2020
	Global	BBB-	Stable	04/27/2020

The Raízen Group monitors its capital through a combined treasury management of its business, using a leverage ratio represented by the third-party capital divided by equity.

Third party capital, which comprises the Group's net debt, is calculated as the total of loans and financing with the market, net of cash and cash equivalents, export prepayment receivables at the Group, investments and trade notes held as collateral for debt items and derivative financial instruments contracted to hedge the indebtedness.

The financial leverage ratios on March 31, 2020, and 2019 were calculated as follows:

	Consolidated	
	2020	**2019**
Third party capital		
Loans and financing (Note 16)	16,545,842	12,076,976
(-) Cash and cash equivalents (Note 3)	(6,473,747)	(3,189,859)
(-) Financial investments linked to financing (note 4)	(32,346)	(40,565)
(-) National Treasury Certificates - CTN (Note 9)	(297,459)	(521,943)
(-) Export prepayment intragroup (Nota 10.a.3)	(2,795,958)	(2,963,729)
(-) Foreign exchange and interest rate swaps and other derivatives	(373,681)	(184,731)
	6,572,651	5,176,149
Own capital		
Shareholders' equity		
Attributable to the parent company's shareholders	7,481,750	8,302,763
Interest of non-controlling shareholders	106,427	35,263
	7,588,177	8,338,026
Total capital	14,160,828	13,514,175
Leverage ratio	46%	38%

27. Retirement supplementation plan and other employee benefits

(a) Pension fund

Defined contribution

The Company sponsors the Raiz Pension Plan, managed by Raizprev – Private Pension Plan, which is a closed non-profit complementary Pension Plan Entity.

The Entity equipped with administrative, financial and equity autonomy, having as object the administration and implementation of benefit plans of security nature, as defined in the Regulations of Benefit Plans.

The Company has legal and contract obligations that may generate the necessity of making additional extraordinary contributions in case the plan presents negative net income.

During the year ended March 31, 2020, the contribution recognized as expense amounted to R$ 15,393 (R$ 14,125 as of March 31, 2019).

(b) Profit sharing

The Company recognizes a liability and a profit-sharing expense based on a methodology that considers pre-defined targets to employees. The Company recognizes a provision when it is contractually obliged or when there is a past practice that created non-formalized obligation.

28. Insurance

The Company and its subsidiaries have an insurance program and risk management that provides consistent coverage and protection for corporate assets and operations.

Contracted coverage is based on a thorough study of risks and losses and contracted insurance types are considered by Management as sufficient to cover possible claims that may arise, considering the nature of the activities of the Company and its subsidiaries. The main items for March 31, 2020 are detailed as below:

Insured property	Coverage	Amount of coverage
Operating risks	Fire, lightning, explosion and others	953,200
General civil liability (1) and (2)	Third party complaints	404,300
		1,357,500

(1) It includes the amount of CHF 15,000, equivalent to R$ 84,300, related to coverage contracted exclusively for Raízen Trading.
(2) Coverage is applicable for Raízen Group (RESA and RCSA)

29. Corporate restructuring

1) Transactions occurred during the year ended March 31, 2020:

(i) Raízen Biomassa S.A.

On October 01, 2019, RESA and Cosan signed a Share Purchase and Sale Agreement and other covenants under suspensive conditions ("Agreement") aimed at the acquisition, by RESA, of 81.5% of the shares held by Cosan in Raízen Biomassa S.A. "Biomassa" (formerly Cosan Biomassa S.A.) for the price of R$ 1.00 (one Real) assuming Biomassa's debts. The debts were guaranteed by Cosan, which were transferred to Raízen after the completion of the acquisition.

The Share Purchase and Sale Agreement for Biomassa's shares was signed on October 1, 2019 and the completion of the transaction on December 02, 2019 after full verification and implementation of the suspensive conditions. The fair value was considered based on Biomassa's balances on this date.

Biomassa produces and sells sugarcane bagasse pellets and straw. Pellet sales represented R$ 9.2 million in the year ended December 31, 2018. Thus, despite being a still incipient market, RESA is capable of generating outputs.

Through this investment, RESA aims to capture synergies that were suppressed, and insert the company in the business of producing and selling sugarcane biomass pellets and straw, consolidating Raízen's position as an integrated player in the Energy sector.

Pursuant to IFRS 3/CPC 15 - Business Combination, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of Biomassa is described below. The difference between the amount paid and the net assets at fair value resulted in the recognition of a gain on bargain purchase

Captions	Total
Cash and cash equivalents	154
Derivative financial instruments – assets	4,729
Inventories	18,421
Recoverable taxes	20,186
Other credits	1,817
Deferred income and social contribution tax (Note 17.b.3)	62,242
Property, plant and equipment (Note 12)	141,267
Intangible assets (Note 13)	264
Rights of use (Note 15)	24
Loans and financing	(212,426)
Suppliers	(1,808)
Related parties	(10,784)
Other liabilities	(1,554)
Lease liabilities (Note 15)	(34)
Net assets (i)	22,498
Raízen Interest (81.5%)	(18,336)
(-) Cost of acquisition	-
Gain in bargain purchase (Note 24)	**18,336**

i.(i) Minority Interest (18.5%) equivalent to R$ 4,162.

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Acquired assets	Valuation technique
Property, plant and equipment	Market comparison and cost technique: the evaluation model considers the market prices quoted for similar items, when available, and depreciated replacement costs, when applicable. The depreciated replacement cost reflects adjustments of physical deterioration, as well as the functional and economic obsolescence. The fair value of plant and equipment asset items on the acquisition date amounted to approximately R$ 141,267, which represented an adjustment of around R$ 49,318.

Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

(ii) RZ Agrícola Caarapó Ltda.

On October 25, 2019, the Company entered into a Share Purchase and Sale Agreement with Nova América Agrícola Ltda., which provides for the terms and conditions for the acquisition of RZ Agrícola Caarapó Ltda shares held by Nova América Agrícola Ltda. (100% of share capital) for R$ 162,434.

Pursuant to IFRS 3/CPC 15, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of RZ Agrícola Caarapó is described below. The difference between the amount paid and the net assets at fair value resulted in the recognition of a gain on bargain purchase.

Items	Total
Cash and cash equivalents	167
Accounts receivable	1,311
Inventories	15,079
Biological asset (Note 7)	46,595
Other receivables	12,613
Judicial deposits	1,696
Deferred income and social contribution tax (Note 17.b.3)	7,293
Property, plant and equipment (Note 12)	314,004
Suppliers	(10,057)
Salaries and social charges	(3,426)
Taxes and rates	(1,295)
Other liabilities	(13,463)
Provision for legal disputes (Note 18)	(6,498)
Net assets	**364,019**
(-) Consideration transferred	(162,434)
Gain in bargain purchase (Note 24.1)	**201,585**

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Acquired assets	Valuation technique
Property, plant and equipment	Market comparison and cost technique: the evaluation model considers the market prices quoted for similar items, when available, and depreciated replacement costs, when applicable. The depreciated replacement cost reflects adjustments of physical deterioration, as well as the functional and economic obsolescence. The fair value of property plant and equipment asset items on the acquisition date amounted to approximately R$ 314 million, which represented an adjustment of approximately R$ 29 million.

Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

2) Transactions occurred during the year ended March 31, 2019:

(i) Acquisition of Santa Cândida and Paraíso Plants – sugar and ethanol producing units of Tonon Group

As of June 13, 2017, RESA submitted a binding proposal in the total amount of R$ 823.000 with certain precedent conditions for the acquisition of the Santa Cândida and Paraíso plants, within the scope of the Court-Ordered Reorganization of companies Tonon Bioenergia S.A., Tonon Holding S.A. and Tonon Luxembourg S.A., all under court-ordered reorganization.

As of June 16, 2017, the proposal presented by RESA for the acquisition of aforementioned plants, in the form of an Isolated Productive Unit – UPI ("UPI"), was considered the winner by the creditors of the recovered companies in a meeting of creditors held on the aforementioned date.

On September 7, 2017, RESA, in the capacity of buyer, and Tonon Bioenergia S.A., in the capacity of seller, entered into a contract for the purchase and sale of total shares of NK 006 Empreendimentos e

Participações S.A. (“NK 006”), entity established for the specific purpose of receiving net assets linked to Santa Cândida and Paraíso plants, in the form of UPI (“UPI Tonon”).

On August 7, 2017, the transaction was approved by Administrative Council for Economic Defense - CADE and the term has elapsed to the appeal or call-back as of October 24, 2017.

On September 8, 2017, RESA subscribed share capital increase of UPI Tonon with cash payment, and became the single shareholder of NK 006 and consolidated acquired net assets in the ambit of said business combination.

The two plants belonging to UPI Tonon are located in São Paulo State in the municipalities of Bocaina and Brotas, region where Raízen already operates and, together, they have annual crushing capacity of approximately 5.5 million tons of sugarcane.

Pursuant to IFRS 3/CPC 15 - Business Combination, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of UPI Tonon, as well as the measurement of the amount of goodwill by expected future profitability recognized by RESA on the acquisition date, determined up to March 31, 2018 is as follows:

Items	Total
Biological assets	12,736
Other receivables	1
Property, plant and equipment	451,147
Payroll and related charges payable	(10,382)
Financial lease	(27,691)
Fair value of net assets	425,811
(-) Proposal accepted in the scope of court-ordered	823,000
(-) Adjustments in acquisition price	12,948
(-) Total consideration transferred (1)	835,948
Preliminary goodwill	410,137

(1) Of this amount, R$25,003 were settled up to March 31, 2020 (R$ 810,945 until they were settled up to March 31, 2019).

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Acquired assets	Valuation technique
Property, plant and equipment	Market comparison and cost technique: the evaluation model considers the market prices quoted for similar items, when available, and depreciated replacement costs, when applicable. The depreciated replacement cost reflects adjustments of physical deterioration, as well as the functional and economic obsolescence. In addition, the balance of fixed assets is comprised of the balance of sugarcane planting, which was adjusted at fair value considering the assumptions and calculations of RESA. The fair value of sugarcane planting was calculated under the Income Approach method, based on the concept that the fair value of sugarcane planting is related to the present value of net cash flows generated by the asset in the future. The fair value of fixed asset items on the acquisition date amounted to approximately R$ 451,147, which represented an adjustment of around R$ 71,025.

Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

On September 28, 2018, the Company concluded the allocation of the price of the assets acquired and liabilities assumed by the Company in the process of acquiring the Santa Candida and Paraíso plants. The main differences between the preliminary goodwill and the final goodwill are shown below:

Changes	
Fair value of net assets	425,811
(-) Total consideration transferred	835,948
Preliminary goodwill	**410,137**
(-) Fair value of biological assets (note 7)	(2,288)
(+) Property, plant and equipment (Note 12)	9,507
(+) Other liabilities	6,421
(+) Financial lease	7,495
(=) Goodwill adjustments (Note 13)	**21,135**
Final goodwill (Note 13)	**431,272**

Merger of UPI Tonon

At the Special Shareholders' Meeting of September 22, 2017, the merger of UPI Tonon by RESA was resolved and approved by means of appraisal report issued by an independent expert. Thus, the investment by RESA in this company was replaced by shareholders' equity in the amount of R$ 372,161, leaving share capital unchanged, with the consequent extinction of UPI Tonon.

(ii) RWXE Participações S.A.

On April 28, 2018, the Company, through its subsidiary Bio Barra, signed a shareholders agreement with the company WX Energy Participações Ltda. ("WX Participações"), which corresponded to the commitment to invest the amount of R$ 94,626 million in RWXE, parent of the company WX Energy.

On July 5, 2018, the shareholders' agreement between Bio Barra and WX Participações was signed, formalizing the previous Investment commitment. With this operation, the Company acquired control and a 70% stake in the share capital of RWXE for R$ 94,626, of which R$ 44,626 was effectively settled on this same date by the subsidiary Bio Barra. The residual amount will be paid up to July 05, 2021.

RWXE is a company primarily engaged in participating, as partner or shareholder, in the share capital of other companies or ventures, constituted as a result of this business combination.

WX Energy operates in the wholesale market of electric power, authorized by National Agency of Electrical Energy (ANEEL, in Portuguese) and agent of Electric Energy Trading Chamber (CCEE, in Portuguese).

Through these investments, the Company aims to expand its presence in electric energy trading and increase its product portfolio.

Pursuant to IFRS 3/CPC 15 - Business Combination, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of RWXE, is described below. The difference between the amount paid and the net assets at fair value resulted in the recognition of a goodwill for expectation of future returns.

Items	Total
Cash and cash equivalents	63,912
Accounts receivable	187,442
Related parties	50,000
Advances to suppliers	30
Recoverable taxes	73
Property, plant and equipment (Note 12)	158
Intangible assets (note 13)	23,140
Suppliers	(200,672)
Financial instruments - Liabilities	(2)
Taxes payable	(893)
Salaries payable	(51)
Net assets	123,137
Raízen Interest (70%) (*)	86,196
(-) Consideration transferred	94,626
Final goodwill (Note 13)	**8,430**

(*) the remaining 30% refer to the non-controlling shareholders' interest, measured at fair value by the proportional interest in the acquiree's identifiable net assets on acquisition date.

Net operating revenue and net revenue as of acquisition date, up to March 31, 2019, of RWXE was R$ 2,133,285 and R$ 10,420, respectively.

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Acquired assets	Valuation technique
Intangible assets	Contractual relationships with clients: Technique *Multi-period earning excess method* ("MEEM"), this model estimates fair value based on business unit future cash flow discounts. Cash flows considered projected revenues from clients' portfolio and their corresponding costs and expenses in a period of 10 years. Fair value of contract relations totaled R$ 23,137, fully recognized as surplus.

The total amount of goodwill on the expectation of future profitability may, depending on the Company's future valuations, be deductible for tax purposes.

Receivables on the date of purchase are measured and recognized at fair value and represent the gross amount of R$ 187,442 with an expected loss of zero. Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

(iii) Ryballa Participações Ltda ("Ryballa").

On August 13, 2018, after Company's announcement with São Martinho S.A. ("São Martinho"), business provide for the acquisition of the biological assets of Usina Furlan, relating to the Santa Bárbara D'Oeste plant (state of SP), as well as the leasing of land owned by Usina Furlan and Agro Pecuária Furlan S.A. ("Transaction") and the operation was effectively approved by the CADE (Administrative Council for Economic Defense).

On October 8, 2018, by means of the signature of the Term for the completion of the Transaction, Company and São Martinho took on the agricultural and supply agreements which total approximately 1 million tons of sugar and as a counterparty, the obligation to independently make the payment of the respective proportion of 2/3 and 1/3 the approximate amount of R$ 117,000.

The conclusion of this Transaction is aligned with the strategy of increasing the availability of cane for processing at the mills of Raízen. As of March 31, 2019, the Company had already paid R$ 71,343.

Pursuant to IFRS 3/CPC 15 - Business Combination, the fair value of acquired assets and assumed liabilities at the date of acquisition of Ryballa is described below. The difference between the amount paid and the net assets at fair value resulted in the recognition of a goodwill for expectation of future returns.

Items	Total
Cash and cash equivalents	1
Advance to suppliers	917
Biological asset (Note 7)	7,734
Property, plant and equipment (Note 12)	20,948
Suppliers	(917)
Related parties	(2,067)
Net assets	26,616
(-) Consideration transferred	32,016
Final goodwill (Note 11.e.i)	**5,400**

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Acquired assets	Valuation technique
Biological assets	Sugarcane plantation: The fair value was based on the discounted cash flow method, excluding the land on which it is planted. Sugarcane: The fair value was based on future cash flows in accordance with the productivity cycle projected for each harvest, taking into consideration the useful life of assets, the prices of total recoverable sugar, estimated productivities, costs to be incurred with production, harvesting, loading and transportation per planted hectare.

The total amount of goodwill on the expectation of future profitability may, depending on the Company's future valuations, be deductible for tax purposes.

On January 02, 2019, Ryballa was merged into RESA, and the net assets on the date of merger was R$ 27,832.

30. Supplementary information to the cash flow

a) Reconciliation of financing activities from cash flows

We present the reconciliation of financing activities of cash flows for the year ended March 31, 2020 as follows:

		Parent company					
(Assets) / Liabilities	Financial investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities - related parties	Related parties	Dividends payable	Total
Opening balance	(628)	5,878,179	-	-	1,510,363	7,164	7,395,078
Transactions with an impact on the Financial Cash Flow ("FCF")							
Loans and financing - Third-parties	-	5,268,698	-	-	-	-	5,268,698
Amortizations of principal on loans and financing - third parties	-	(1,584,834)	-	-	-	-	(1,584,834)
Amortizations of interest on loans and financing - third parties	-	(432,553)	-	-	-	-	(432,553)
Amortization of lease liabilities - third parties	-	-	(766,555)	-	-	-	(766,555)
Amortization of lease liabilities - related parties	-	-	-	(145,737)	-	-	(145,737)
Financial investments linked to financing	72	-	-	-	-	-	72
Payment of dividends (Note 20.b)	-	-	-	-	-	(711,794)	(711,794)
Payment of interest on loans and financing - intragroup	-	-	-	-	(62,422)	-	(62,422)
Net asset management - intragroup	-	-	-	-	(216,551)	-	(216,551)
	72	3,251,311	(766,555)	(145,737)	(278,973)	(711,794)	1,348,324
Other changes not affecting the financing cash flow							
Interest, inflation adjustments, and exchange-rate changes, net	399	886,953	246,968	63,719	630,559	-	1,828,598
Fair value of liability financial instruments (Note 25)	-	3,178	-	-	-	-	3,178
Redemption and allocation of dividends to preference shares (Note 20.b)		-			-	2,147	2,147
Allocation of dividends (Note 20.b)	-	-	-	-	(1,416)	705,500	704,084
Initial Adoption - IFRS 16 - CPC 06 (R2)	-	-	2,705,438	720,759	-	-	3,426,197
Addition, write-off, remeasurement of lease liabilities and Other	-	69,809	918,681	101,823	-	-	1,090,313
	399	959,940	3,871,087	886,301	629,143	707,647	7,054,517
Closing balance	(157)	10,089,430	3,104,532	740,564	1,860,533	3,017	15,797,919

	Consolidated						
(Assets) / Liabilities	Financial investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities - related parties	Related parties	Dividends payable	Total
Opening balance	(40,565)	11,555,033	-	-	(2,868,315)	10,011	8,656,164
Transactions with an impact on the Financial Cash Flow ("FCF")							
Loans and financing - Third-parties	-	5,375,633	-	-	-	-	5,375,633
Amortizations of principal on loans and financing - third parties	-	(3,026,684)	-	-	-	-	(3,026,684)
Amortizations of interest on loans and financing - third parties	-	(603,440)	-	-	-	-	(603,440)
Amortization of lease liabilities - third parties	-	-	(864,782)	-	-	-	(864,782)
Amortization of lease liabilities - related parties	-	-	-	(145,737)	-	-	(145,737)
Payment of dividends (Note 20.b)	-	-	-	-	-	(726,291)	(726,291)
Financial investments linked to financing	10,185	-	-	-	-	-	10,185
Net asset management - intragroup	-	-	-	-	(80,288)	-	(80,288)
	10,185	1,745,509	(864,782)	(145,737)	(80,288)	(726,291)	(61,404)
Other changes not affecting the financing cash flow							
Interest, inflation adjustments, and exchange-rate changes, net	(1,966)	2,658,880	285,799	63,719	206,343	-	3,212,775
Fair value of liability financial instruments (Note 25)	-	5,874	-	-	-	-	5,874
Redemption and allocation of dividends to preference shares (Note 20.b)	-	-	-	-	-	2,147	2,147
Allocation of dividends (Note 20.b)	-	-	-	-	(1,416)	736,649	735,233
Initial Adoption - IFRS 16 - CPC 06 (R2)	-	-	3,107,544	720,759	-	-	3,828,303
Business combination (Note 29.1.i)	-	212,426	36	-	-	-	212,462
Addition, write-off, remeasurement of lease liabilities and Other	-	70,661	1,209,065	101,823	-	-	1,381,549
	(1,966)	2,947,841	4,602,444	886,301	204,927	738,796	9,378,343
Closing balance	(32,346)	16,248,383	3,737,662	740,564	(2,743,676)	22,516	17,973,103

(1) Presented net of CTN.

b) Non-cash transactions

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Non-cash transactions				
Depreciation of agricultural assets capitalized as biological assets (Note 7)	(18,261)	(19,671)	(20,870)	(23,288)
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 13)	(81,249)	(74,027)	(91,962)	(81,957)
Rights of use (Note 15)	(1,062,348)	-	(1,359,240)	-
Tax credits on property plant and equipment assets, including present value adjustment of property, plant and equipment.	(2,184)	(2,780)	(5,320)	(4,376)
Interest capitalized in property plant and equipment assets (Notes 13 and 25)	(28,690)	(23,183)	(37,748)	(29,719)
Other liabilities	-	(26,366)	-	(57,864)
Subscribed capital to be paid-up (Note 11.d.i)	-	(9,426)	-	-
	(1,192,732)	(155,453)	(1,515,140)	(197,204)

31. Subsequent events

Covid-19

Based on the financial and operating information available up to the issuance of these financial statements, we present below a summary of the main impacts on our statement of income:

- Raízen Energia: Volume of ethanol sales decreased due to social isolation. Conversely, there is no impact on world sugar consumption. In general, Raízen Energia has the capacity to carry the inventory to sell at the time more appropriated. Raízen Energia did not suffer any significant impacts until the issuance of these financial statements.

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