

**May 27, 2022**

**BSE Limited**  
**Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Mumbai 400 001,**  
**Scrip Code: 532183**

Dear Sir/Madam,

**Sub: Intimation of the Outcome of Board of Directors Meeting**

In continuation of our letter dated May 21, 2022, we wish to inform you that the Board of Directors of the Company at their meeting held on today, i.e. May 27, 2022 has, inter alia, and approved the following:

1. Audited Financial Results and Statements for the Quarter and Year Ended on March 31, 2022.
2. MOS & Associates LLP, Chartered Accountants, the statutory Auditors of the Company have issued Auditors' Reports with Modified Opinion on The Financial Statements and Impact of Audit Qualifications is attached herewith.

All the above disclosure submitting Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board Meeting Commenced at 12:05 P.M and concluded at 02:35 P.M

A copy of the said results together with the Auditors' Report is enclosed herewith.

These are also being made available on the website of the Company at [www.gayatrisugars.com](http://www.gayatrisugars.com).

This is for your information and records.

Yours truly

For **Gayatri Sugars Limited**

*Lalit*

**Lalit Kumar Thanvi**  
Company Secretary  
& Compliance Officer



Regd. & Corp. Office:

**Gayatri Sugars Limited**, B2, 2nd Floor, 6-3-1090, TSR Towers,  
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. Telangana

Factories:

**Kamareddy Unit** : Adloor Yellareddy, Sadasivanagar Mandal,  
Kamareddy Dist. - 503 145. Telangana

**Nizamsagar Unit** : Maagi, Nizamsagar Mandal,  
Kamareddy Dist. - 503 302. Telangana

**CIN : L15421TG1995PLC020720**

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**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors**  
**Gayatri Sugars Limited**

**Report on the audit of the Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year-to-date financial results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter and year ended 31<sup>st</sup> March 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the statement;

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting policies & principles generally accepted in India, of the net loss, other comprehensive loss, and other financial information of the company for the quarter and year ended 31<sup>st</sup> March 2022.

**Basis for Qualified Opinion**

As stated in Note 3 to the accompanying Audited Financial Results, regarding the High Court dismissing the writ petition filed by the Company challenging the levy of electricity duty by the State Government on the consumption of electricity by captive generating units, the subsequent dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction being abated. As stated in the said note, the Company has treated the estimated duty amount aggregating to ₹ 283.99 Lakhs as a contingent liability and no provision has been made in respect of the same.

In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact if any on these Audited Financial Results.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the Audited Financial Results.





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

We draw attention to Note 5 of the Audited Financial Results which states that during the year the company has incurred a loss of ₹ 842.09 Lakhs and as at 31st March 2022, the accumulated losses have completely eroded the Net-worth of the Company and the Company's current liabilities exceed the current assets by ₹ 17,203.53 Lakhs.

These factors indicate the existence of Uncertainty that may cast doubt about the company's ability to continue as a going concern. The Audited Financial Results have been prepared on a going concern basis based on a Comfort letter provided by the promoters for continuous support to the Company to meet its financial obligation, in order to enable the Company to continue its operations in the foreseeable future.

Our Opinion is not modified in respect of the above matter.

### **Emphasis of Matters**

Attention is invited to the following material matters:

- i. As stated in Note No.4 of the Audited Financial Results, regarding the restructuring of the SDF loan for which the administrative approval (AA) granted by the Government is subject to fulfillment of certain terms and conditions. Subsequent to completion of the said terms as per the AA, the petition filed by IFCI before DRT for recovery of the SDF dues may be dismissed/ withdrawn for the reasons stated in the said note.

Our conclusion is not modified in respect of the above matter.

### **Management's Responsibilities for the Audited Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



## Auditor's Responsibilities for the Audit of the Audited Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Audited Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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





## Other Matters

The statement includes results for the quarter ended 31<sup>st</sup> March 2022 being the balancing figures between the audited figures in respect of full financial year ended 31<sup>st</sup> March 2022 and the published unaudited year-to-date figures upto the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

for **M O S & Associates LLP**

Chartered Accountants

Firm Registration No.: 001975S/S200020

  
**Gommen Mani**  
Partner

Membership No.: 234119

UDIN: 22234119AJSPLZ7642

Hyderabad 27<sup>th</sup> May 2022



**GAYATRI SUGARS LIMITED**  
**CIN : L15421TG1995PLC020720**  
 Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,  
 Raj Bhavan Road, Somajiguda, Hyderabad-500082

**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022**

(₹ in lakhs)						
S.No	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Revenue from operations	22,478.37	7,541.34	13,953.27	36,069.96	24,788.24
	Other Income	43.19	5.88	11.41	49.73	21.66
	Total Income	22,521.56	7,547.22	13,964.68	36,119.69	24,809.90
2	Expenses					
	a. Cost of Material Consumed	15,436.84	10,128.95	9,272.97	25,674.10	16,885.16
	b. Purchase of stock-in-trade	216.60	56.25	99.03	298.38	248.52
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(360.78)	(4,917.98)	907.64	(266.66)	1,771.01
	d. Employee Benefits Expense	596.41	523.63	479.29	2,019.53	1,854.46
	e. Finance costs	558.67	689.28	624.17	2,530.47	2,573.88
	f. Depreciation and Amortization Expense	274.99	258.42	252.43	1,046.78	1,026.48
	g. Other Expenses	3,150.23	1,460.55	1,595.55	5,659.18	3,296.73
	Total Expenses	19,872.96	8,199.10	13,231.08	36,961.78	27,656.24
3	Profit/ (Loss) before exceptional items and tax (1-2)	2,648.60	(651.88)	733.60	(842.09)	(2,846.34)
4	Exceptional items	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	2,648.60	(651.88)	733.60	(842.09)	(2,846.34)
6	Tax expenses	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	2,648.60	(651.88)	733.60	(842.09)	(2,846.34)
8	Other comprehensive income					
	Items that will not be reclassified to profit or loss:					
	(a) Actuarial gain/ (loss) on defined benefit obligations	(23.79)	(17.42)	(100.34)	(76.03)	(147.95)
9	Total other comprehensive income (7 + 8)	2,624.81	(669.30)	633.26	(918.12)	(2,994.29)
10	Paid Up Equity Share Capital (Face Value ₹ 10/- per Share)	4,370.05	4,370.05	4,370.05	4,370.05	4,370.05
11	Reserves excluding revaluation reserves				(20,593.13)	(19,675.01)
12	Networth				(15,938.91)	(15,096.82)
13	Earnings per Share (of ₹ 10/- each)					
	(not annualised for quarterly figures):					
	- Basic (₹)	6.06	(1.49)	1.68	(1.93)	(6.51)
	- Diluted (₹) (*antidilutive)	4.60	*(1.49)	1.28	*(1.93)	*(6.51)



*T. Sanku Reddy*





**GAYATRI SUGARS LIMITED**  
CIN : L15421TG1995PLC020720  
Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,  
Raj Bhavan Road, Somajiguda, Hyderabad-500082

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2022**

(₹ in lakhs)

Particulars		As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current Assets</b>		
	(a) Property, Plant and Equipment	8,961.48	8,642.89
	(b) Capital work-in-progress	-	55.34
	(c) Intangible Assets	0.11	0.11
	(d) Financial Assets		
	(i) Other Financial Assets	99.05	81.85
	<b>Total Non-Current Assets</b>	<b>9,060.64</b>	<b>8,780.19</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	6,112.87	5,760.33
	(b) Financial Assets		
	(i) Trade Receivables	3,893.24	2,240.58
	(ii) Cash and Cash equivalents	35.95	92.26
	(iii) Other Bank Balances	197.59	-
	(c) Other Current Assets	1,323.24	1,402.61
	<b>Total current assets</b>	<b>11,562.89</b>	<b>9,495.78</b>
	<b>TOTAL ASSETS</b>	<b>20,623.53</b>	<b>18,275.97</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	4,370.05	4,370.05
	(b) Other equity	(20,593.13)	(19,675.01)
	<b>Total equity</b>	<b>(16,223.08)</b>	<b>(15,304.96)</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	7,445.53	7,551.03
	(ii) Other Financial liabilities	-	45.07
	(b) Long Term Provisions	634.66	560.67
	<b>Total Non-current liabilities</b>	<b>8,080.19</b>	<b>8,156.77</b>
	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	11,029.91	12,694.27
	(ii) Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	12,173.75	7,374.97
	(iii) Other Financial Liabilities	3,014.35	3,145.85
	(b) Other current liabilities	2,368.92	2,075.88
	(c) Short Term Provisions	179.49	133.19
	<b>Total current liabilities</b>	<b>28,766.42</b>	<b>25,424.16</b>
	<b>Total liabilities</b>	<b>36,846.61</b>	<b>33,580.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,623.53</b>	<b>18,275.97</b>



*T. Sankar Reddy*







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**SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022**

S.No	Particulars	(₹ in lakhs)				
		Quarter ended			Year ended	
		31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
<b>1</b>	<b>Segment Revenue</b>					
	a) Sugar	22,446.47	6,806.47	13,678.91	34,496.78	21,841.89
	b) Distillery	1,322.41	1,261.01	1,971.19	4,148.34	5,360.57
	<b>Total</b>	<b>23,768.88</b>	<b>8,067.48</b>	<b>15,650.10</b>	<b>38,645.12</b>	<b>27,202.46</b>
	Less : Inter Segment Revenue	1,290.51	526.14	1,696.83	2,575.16	2,414.22
	<b>Revenue from Operations</b>	<b>22,478.37</b>	<b>7,541.34</b>	<b>13,953.27</b>	<b>36,069.96</b>	<b>24,788.24</b>
<b>2</b>	<b>Segment Results</b>					
	a) Sugar	2,921.58	(142.22)	1,259.33	980.10	(952.11)
	b) Distillery	242.50	173.74	87.03	658.55	657.99
	<b>Total</b>	<b>3,164.08</b>	<b>31.52</b>	<b>1,346.36</b>	<b>1,638.65</b>	<b>(294.12)</b>
	Less : Inter Segment Eliminations	-	-	-	-	-
	<b>Total Segment results before Interest and Tax</b>	<b>3,164.08</b>	<b>31.52</b>	<b>1,346.36</b>	<b>1,638.65</b>	<b>(294.12)</b>
	(i) Finance cost	558.67	689.28	624.17	2,530.47	2,573.88
	(ii) Other un-allocable income	43.19	5.88	11.41	49.73	21.66
	<b>Profit/(Loss) before Tax</b>	<b>2,648.60</b>	<b>(651.88)</b>	<b>733.60</b>	<b>(842.09)</b>	<b>(2,846.34)</b>
	Tax	-	-	-	-	-
	<b>Net Profit /(Loss) after Tax</b>	<b>2,648.60</b>	<b>(651.88)</b>	<b>733.60</b>	<b>(842.09)</b>	<b>(2,846.34)</b>
<b>3</b>	<b>Segment Assets</b>					
	a) Sugar	18,321.56	17,038.66	16,013.64	18,321.56	16,013.64
	b) Distillery	2,262.70	1,669.96	2,252.54	2,262.70	2,252.54
	c) Un-allocated	39.27	33.72	9.79	39.27	9.79
	<b>Total</b>	<b>20,623.53</b>	<b>18,742.34</b>	<b>18,275.97</b>	<b>20,623.53</b>	<b>18,275.97</b>
<b>4</b>	<b>Segment Liabilities</b>					
	a) Sugar	36,626.09	37,422.12	33,550.24	36,626.09	33,550.24
	b) Distillery	220.52	160.08	22.66	220.52	22.66
	c) Un-allocated	-	8.03	8.03	-	8.03
	<b>Total</b>	<b>36,846.61</b>	<b>37,590.23</b>	<b>33,580.93</b>	<b>36,846.61</b>	<b>33,580.93</b>

**Notes on segment information :**

a)	The Company is carrying on business segments of sugar and distillery. Based on the "management approach" as defined in Ind AS 108 - Operating segments, the Company evaluates and allocates resources based on the performance by business segments. The segment reporting is presented accordingly. The Accounting principles are applied to record revenue and expenditure of individual segments in preparation of financial results.
b)	The segment results represents the profit earned or loss incurred before interest and tax by each segment.



*T. Sanku Reddy*







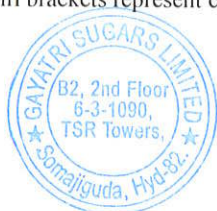
**Gayatri Sugars Limited**  
Statement of Cash Flows for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Cash flow from operating activities:</b>		
Profit before tax	(842.09)	(2,846.34)
Adjustments for:		
Depreciation and amortization expenses	1,046.78	1,026.48
Loss on sale of fixed assets	0.10	-
Finance costs	2,530.47	2,573.88
Exceptional Item	-	-
Interest income	(4.21)	(0.76)
<b>Operating profit before working capital changes</b>	<b>2,731.05</b>	<b>753.26</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(1,652.66)	(988.62)
(Increase) / Decrease in non-current financial asset	(17.20)	(1.95)
(Increase) / Decrease in Other current assets	82.35	(371.30)
(Increase) / Decrease in Inventory	(352.54)	1,814.23
Increase / (Decrease) in non-current financial liabilities	-	(14.32)
Increase / (Decrease) in current financial liabilities	(364.51)	(1,362.61)
Increase / (Decrease) in other current liabilities	247.97	784.14
Increase / (Decrease) in provisions	44.26	19.28
Increase / (Decrease) in Trade Payables	4,798.78	843.68
<b>Cash generated from operations</b>	<b>5,517.50</b>	<b>1,475.79</b>
Direct tax paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities</b>	<b>(A) 5,517.50</b>	<b>1,475.79</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(1,310.91)	(94.04)
Disposal of Fixed Assets	0.78	-
Investment in Fixed Deposits	(197.59)	-
Interest received	1.23	0.60
<b>Net cash used in investing activities</b>	<b>(B) (1,506.49)</b>	<b>(93.44)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of long-term borrowings	(1,441.73)	654.01
Proceeds/(Repayment) from short-term borrowings	(664.12)	(117.98)
Interest and other borrowing cost paid	(1,961.47)	(1,997.67)
<b>Net cash (used in)/ flow from financing activities</b>	<b>(C) (4,067.32)</b>	<b>(1,461.64)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>(A+B+C) (56.31)</b>	<b>(79.29)</b>
Cash and Cash equivalents at the beginning of the year	92.26	171.55
Cash and Cash equivalents as at the end of year	<b>35.95</b>	<b>92.26</b>

**Note:**

Figures in brackets represent cash outflows.



T. Sanku Reddy



**GAYATRI SUGARS LIMITED**

CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,  
Raj Bhavan Road, Somajiguda, Hyderabad- 500 082**Notes :**

- 1 The above published results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.
- 2 The above audited financial results for the quarter and year ended 31st March 2022 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 27th May 2022.
- 3 The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the Company's writ petition (along with the other petitions on the same matter filed by other companies) vide its common order dated May 19, 2016 ('the Order') in which it upheld the validity of levy of Electricity Duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. In the year 2016-17, the Company filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court which dismissed the SLP vide order dated September 27, 2016 on the grounds that these matters were pending before the Board for Industrial and Financial Reconstruction (BIFR), and unless payments were being made by the petitioners as directed in its interim orders @ 15 paise per unit. The Hon'ble Supreme Court also granted liberty to the petitioners to revive the petitions after the decision is given by the BIFR. Currently, the case filed before BIFR stands abated and the Company has not initiated any proceedings before the NCLT.  
  
The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In the event of an unfavourable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation estimates the impact of the potential liability to be ₹ 170 lakhs.  
  
In view of the above, the auditors have made a Qualified Opinion in their Audit Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these audited financial results.
- 4 During the previous years, the company had defaulted in repayment of the Sugar Development Fund (SDF) loan and the defaulted and due amount as at 31st March 2022 is ₹ 4,535.97 Lakhs. Pursuant to the said default, SDF through its monitoring Institution i.e., IFCI Limited had filed a petition before the Debt Recovery Tribunal (DRT) for recovery of its dues. Subsequently, based on various representations made by the company and the entire sugar industry to the Government of India for restructuring of the SDF loan, the Ministry of Consumer Affairs, Food, and Public Distribution had brought out operational guidelines for restructuring loans taken from the Sugar Development Fund under rule 26 dated 3rd January 2022. Pursuant to said guidelines, the company had also applied for restructuring of its SDF loan on 3rd March 2022. According to the terms of restructuring, the company has to withdraw its Interlocutory Application filed before Hon'ble Debt Recovery Tribunal-1, Hyderabad, and accordingly, the company had withdrawn the same on 22nd March 2022. The company's application for the restructuring of the SDF loan was scrutinised by the Committee for Rehabilitation (CRF) in the meeting dated 28th March 2022 and recommended for consideration of restructuring the SDF loan by the Standing Committee. The Standing Committee in its meeting dated 22nd April 2022 considered the recommendations by CRF and recommended for Administrative Approval (AA) from the Ministry of Consumer Affairs, Food, and Public Distribution, for restructuring of the SDF loan and waiver of additional interest in full in respect of SDF loans. The Central Government has granted Administrative Approval (AA) on 20th May 2022 subject to the fulfillment of the security requirement of the re-structured loan, company opening an escrow account for synchronising interest and principal payable on SDF loan, signing of TPA between GOI, company and the nodal agency (IFCI). Pursuant to the said restructuring, the entire additional interest due on the loan shall be waived in full and the balance interest shall be capitalised along with the principal. Further, there shall be a moratorium period of 24 months on the amount due, during the moratorium period, simple interest shall accrue. The entire loan including the accrued interest amount during the moratorium period is to be paid in equal monthly installments over the period of five years after the moratorium period. The moratorium period shall be from the date of granting the administrative approval. The restructured loan shall carry a rate of interest equivalent to the prevailing Reserve Bank of India Bank rate. In view of the above, as the signing of the TPA and opening of the escrow account is pending, the company has not recognised the impact of the restructuring in audited financials for the quarter and year ended 31st March 2022. Further, the company is of the view that once the said loan is restructured, the petition filed by the SDF through its Monitoring agency IFCI before DRT will be dismissed/withdrawn.
- 5 Over the last few years, the Company has been incurring losses and as at 31st March 2022, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets by ₹ 17,203.53/- Lakhs as on that date. During the current year ending 31st March 2022, the company has incurred a loss of ₹ 842.09/- Lakhs. The management is confident that in foreseeable future the financial position of the company will improve. The audited financial results have been prepared on a going concern basis, based on a Comfort letter provided by the promoters for continued support to the Company to meet its financial obligations, in order to enable the Company to continue its operations in the foreseeable future.
- 6 The company has considered all the possible impacts of COVID-19 and associated internal and external factors, known to the management, in preparation of audited financial results for the quarter and year ended 31st March 2022, to assess and determine the carrying amount of its assets and liabilities. Accordingly, as on date, no material impact is estimated in the carrying value of the assets and their recoverability.
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 8 Figures for the quarter ended 31st March 2022 and 31st March 2021 are the balancing figures between the audited figures for the full financial year ended 31st March 2022 and 31st March 2021 (Ind AS) and the published figures for the nine months period ended 31st December 2021 and 31st December 2020 respectively.
- 9 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 10 The previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/disclosures.

Place : Hyderabad  
Date : 27th May 2022  
T. Sarita Reddy  
Managing Director



Annexure – I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31 <sup>st</sup> March 2022 (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016) ₹ in Lakhs				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	36,119.69	36,119.69
	2	Total Expenditure	36,961.78	37,131.78
	3	Net Profit/(Loss)	(842.09)	(1,012.09)
	4	Earnings Per Share Basic (₹) Diluted (₹) (*Anti-Dilutive)	(1.93) *(1.93)	(2.32) *(2.32)
	5	Total Assets	20,623.53	20,623.53
	6	Total Liabilities	36,846.61	37,016.61
	7	Net Worth	(15,938.91)	(16,108.91)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
#impact (as quantified by Management) of qualification considered in Total Expenditure as an exceptional item				
II	Audit Qualification:			
	a. Details of Audit Qualification:			
	<p>As stated in note 3 to the accompanying Audited Financial Results, regarding the High Court dismissing the writ petition filed by the Company challenging the levy of electricity duty by the State Government on the consumption of electricity by captive generating units, the subsequent dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction being abated. As stated in the said note, the Company has treated the estimated duty amount aggregating to ₹ 283.99 Lakhs as a contingent liability and no provision has been made in respect of the same.</p> <p>In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact if any on these Audited Financial Results.</p>			



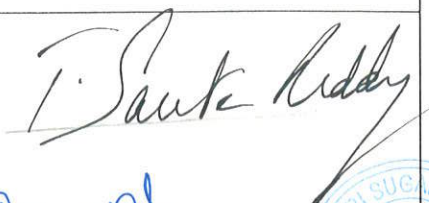




*T. Sanku Reddy*

	<b>b. Type of Audit Qualification:</b> Qualified Opinion/ <del>Disclaimer of Opinion</del> / Adverse Opinion:
	<b>c. Frequency of Qualification:</b> <del>Whether appeared first time</del> /Repetitive/ Since how long continuing:  Appearing since the Annual Audited Results of FY 2016-17
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  -Not Applicable-
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b>  <b>Refer Note 3 of the Financial Results:</b>  <b>Impact of Qualification</b> - ₹ 170 Lakhs debit to the Statement of Profit and Loss for the year ended 31 <sup>st</sup> March 2022 which is to be disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at 31 <sup>st</sup> March, 2022 will increase and the net-worth as at 31 <sup>st</sup> March 2022 shall reduce by the corresponding amount.  <b>Note:</b> In the event of an unfavorable verdict in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation, estimates the impact of the potential liability to be ₹ 170 Lakhs.
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>  - Not Applicable -
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>  No further comments



*T. Sanku Reddy*



III.	<b><u>Signatories:</u></b>	
	Managing Director	
	CFO	
	Audit Committee Chairman	
	Statutory Auditor	
	Place: Hyderabad	
	Date: 27 <sup>th</sup> May, 2022	