

September 03, 2022

To  
The Secretary, Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Maharashtra, India  
Scrip Code: 532183

Dear Madam, Sirs,

**Sub: Annual Report for Financial Year 2021-22 of Gayatri Sugars Limited ('Company')**

This is in furtherance to our AGM Notice dated September 03, 2022 wherein the Company had informed that the 27<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on Monday, September 26, 2022 at 03.30 p.m. (IST) via two-way Video Conference / Other Audio-Visual Means only, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circular dated May 12, 2020 and January 15, 2021.

Please find enclosed herewith the 27<sup>th</sup> Annual Report of Gayatri Sugars Limited for the Financial Year 2021-22 along with the Notice of the 27<sup>th</sup> AGM ('Annual Report'). The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Annual Report is available on the website of the Company at <http://www.gayatrisugars.com/pdf/yrly/AR%20GSL-2021-22.pdf>. This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.  
Thanking you.

Yours faithfully,  
**Gayatri Sugars Limited**

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



Encl.: As Above

Regd. & Corp. Office :

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

**T** +91 40 2341 4823 / 4826  
**F** +91 40 2341 4827

**W** [www.gayatrisugars.com](http://www.gayatrisugars.com)  
**E** [gayatrisugars@gmail.com](mailto:gayatrisugars@gmail.com)  
[cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in)

Factories :

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

**T** +91 8468 248558  
**F** +91 8468 248559

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

**T** +91 8465 275577

**CIN : L15421TG1995PLC020720**



# **GAYATRI SUGARS LIMITED**

**TWENTY SEVENTH ANNUAL REPORT  
2021-22**



## **27<sup>th</sup> Annual General Meeting**

Day : Monday

Date : 26<sup>th</sup> September, 2022

TIME : 3:30 p.m. (IST)

Venue : Through Video Conferencing

# TWENTY SEVENTH ANNUAL REPORT 2021-2022

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1. Mrs. T. Indira Reddy	Chairperson / Director	DIN: 00009906
2. Mr. T.V. Sandeep Kumar Reddy	Vice Chairman / Director	DIN: 00005573
3. Mrs. T. Sarita Reddy	Managing Director	DIN: 00017122
4. Mr. T.R. Rajagopalan	Independent Director	DIN: 00020643
5. Mr. P.V. Narayana Rao	Independent Director	DIN: 07378105
6. Mr. Raghuraj Suresh Bhalarao	Independent Director	DIN: 07652493

### KEY MANAGERIAL PERSONS (KMP) OTHER THAN DIRECTORS

1. Mr. V.R. Prasad	Chief Financial Officer
2. Mr. Lalit Kumar Thanvi (Appointed w.e.f March 09, 2022)	Company Secretary and Compliance Officer

### REGISTERED OFFICE

B2, 2nd Floor, 6-3-1090, T.S.R. Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500082 INDIA  
Phone No: 040-23414823/24/25/26.  
Fax No: 23414827.  
Email: gayatrisugars@gmail.com

### CORPORATE IDENTITY NUMBER

**CIN:** L15421TG1995PLC020720

### AUDITORS

#### **M O S & Associates LLP**

Chartered Accountants  
Somajiguda, Hyderabad

### COST AUDITORS:

#### **M/s Narasimha Murthy & Co**

Cost Accountants, Hyderabad

### BANKERS

1. Union Bank of India
2. Bank of Baroda
3. State Bank of India
4. Punjab National Bank

### REGISTRAR & SHARE TRANSFER AGENTS

M/s. Venture Capital and Corporate  
Investments Private Limited  
H.No. 12-10-167, Bharat Nagar,  
Hyderabad – 500018.  
Ph: 040-23818475, 23818476

### FACTORIES

#### **Kamareddy Unit**

Adloor Yellareddy Village,  
Sadasivanagar Mandal,  
Kamareddy District,  
Telangana State - 503145

#### **Nizamsagar Unit**

Maagi Village,  
Nizamsagar Mandal,  
Kamareddy District,  
Telangana State - 503302

## **NOTICE**

[PURSUANT TO THE SECTION- 101 OF THE COMPANIES ACT, 2013]

NOTICE IS HEREBY GIVEN THAT The **27th (TWENTY SEVENTH) ANNUAL GENERAL MEETING** of the Members of M/s. GAYATRI SUGARS LIMITED will be held on Monday, September 26, 2022 at 03:30 P.M. through Video Conference ("VC") or Other Audit Visual Means (OAVM) to transact the businesses mentioned below.

### **ORDINARY BUSINESS:**

#### **Item No. 1. Adoption of Financial Statements for the Financial Year ended 31st March, 2022:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the reports of the Board of Directors and Auditors thereon.

#### **Item No. 2. Re-appointment of Mrs. T Indira Reddy as "Director" liable to retire by rotation, who has offered herself for re-appointment:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mrs. T Indira Reddy (DIN: 00009906) as a "Director", who shall be liable to retire by rotation."

#### **Item No. 3. Reappointment of M O S & Associates LLP, Chartered Accountants, as statutory auditors of the Company and fixing their remuneration**

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M O S & Associates LLP, Chartered Accountants (Firm registration number: 001975S/S200020) be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 27th AGM till the conclusion of the 32nd AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

### **SPECIAL BUSINESS:**

#### **Item No. 4. Ratification of Remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the "Cost Auditors" of the Company for the Financial Year 2022- 23:**

To consider and ratify the remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the "Cost Auditors" of the Company for the Financial Year 2022- 23 and if thought fit, to pass the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, M/S. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of Sugar, Power and Distillery divisions of the Company for the Financial Year 2022-23, for a remuneration of Rs. 2,00,000 (Rupees Two Lakhs) per annum plus applicable taxes and out of pocket expenses that may be incurred, be and is hereby ratified.

**FURTHER RESOLVED THAT** the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company."

By order of the Board of Directors  
For **Gayatri Sugars Limited**

Sd/-

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

Place: Hyderabad  
Date: August 04, 2022

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its General Circulars No.14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 21/2021 dated December 14, 2021 and other MCA Circulars (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual means ('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with relevant circulars and MCA Circulars, the 27th AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common value. The deemed venue for the 27th AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.

3. Statement as required under Section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc.

In case you are holding Company's shares in physical form, please contact Company's RTA viz Venture Capital And Corporate Investments Private Limited, 12-10-167, Bharat Nagar Hyderabad, 500018, by writing to them or sending a mail at [info@vccipl.com](mailto:info@vccipl.com).

5. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Venture Capital And Corporate Investments Private Limited, 12-10-167, Bharat Nagar Hyderabad, 500018, are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/ Company.
7. Body Corporates are entitled to appoint authorized representative(s) to attend the AGM through VC and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, the body Corporates are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting to the company at [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in).
8. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least 10 days before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
9. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card with original PAN Card for verification, so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir- 05/2009 dated 20th May, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.



10. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2022 to 26th September, 2022 (both days inclusive) for the purpose of AGM.
11. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e, 19th September 2022 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
12. Members may also note that the Notice of the 27th Annual General Meeting is available on the Company's website: [www.gayatrisugars.com](http://www.gayatrisugars.com). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in).

In compliance with the MCA Circulars and SEBI Circulars dated 13th May, 2022. Notice of the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website at [www.gayatrisugars.com](http://www.gayatrisugars.com) on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

13. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
14. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
15. The Board of Directors has appointed M/s Y. Koteswara Rao, Practicing Company Secretaries, CP No. 7427 to act as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company's website [www.gayatrisugars.com](http://www.gayatrisugars.com)

16. **ATTENTION SHAREHOLDER :** SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, has mandated furnishing of PAN, Address with pin code, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities. Folios wherein any one of the cited documents / details are not available on or after April 01, 2023, shall be frozen by the Registrar and Transfer Agent of the Company. The requisite disclosure requirement in Form ISR-1 is enclosed at the end of the report for reference of the shareholders. Kindly consider the same as official communication in accordance with the circular.
17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMP/P/CIR/2022/8, dated 25th January 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities in demat form only while processing service requests viz., Issue of duplicate securities certificate; Sub-division/Splitting of securities certificate; Consolidation of security certificates/



/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under Investors Corner and on the website of the Company's RTA. Member may also send email to obtain format by sending an email to [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in) or the RTA. It may be noted that any service request can be processed only after the folio is KYC complaint.

18. As per provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be. The member may request a copy of the same, if required by sending an email to [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in) or the RTA.
19. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re- appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.

#### **E-VOTING**

CDSL e-voting System – For e-voting and Joining Virtual meetings

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020, Circular No 2/6/2021 dated 13th January, 2021 and Circular No. 10/2021 dated June 23, 2021 (collectively referred to as "MCA Circulars") read with SEBI Circular dated 13th May, 2022, the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 23rd June, 2021 and other MCA circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee,

Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars read with SEBI Circular dated 13th May, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the MCA Circulars read with SEBI Circular dated 13th May, 2022, the Notice calling the AGM has been uploaded on the website of the Company at [www.gayatrisugars.com](http://www.gayatrisugars.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 including MCA Circulars read with SEBI Circular dated 13th May, 2022.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on 23rd September 2022 at 09:00 A.M. and ends on 25th September, 2022 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with

Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see</li> </ol>

	<p>e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

## Twenty Seventh Annual Report

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank login. Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your Demat account or in the company records in order to</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in) in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact toll free no. 1800 22 55 33



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

By order of the Board of Directors

For **Gayatri Sugars Limited**

**Sd/-**

**Lalit Kumar Thanvi**

Company Secretary &  
Compliance Officer

Place: Hyderabad

Date: August 04, 2022

**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT  
[Pursuant to Section 102 of the Companies Act, 2013]**

The following Explanatory Statement in terms of the provisions of Section 102(1) of the Act, sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the 27th ( Twenty Seventh) Annual General Meeting of Gayatri Sugars Limited:

**Item No. 03:**

Members of the Company at the Twenty Second Annual general Meeting held in 2017 approved the appointment of MOS & Associates LLP, Chartered Accountants (Registration No. 001975S/S200020) as the Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual General Meeting till the conclusion of the sixth Annual General Meeting from the said Annual General Meeting. MOS & Associates LLP will complete their present term on conclusion of this Annual General Meeting.

The Board of Directors of the Company ("the Board"), at its meeting held on May 27, 2022 has considering the experience, their track record, expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company for reappointment of MOS & Associates LLP, Chartered Accountants for another term of 5 (five) consecutive years from the conclusion of this (27 th ) Annual General Meeting till the conclusion of the sixth(32 nd ) Annual General Meeting from this Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company. MOS & Associates LLP, Chartered Accountants have consented to their appointment as Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. MOS & Associates LLP have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI. The proposed remuneration to be paid to Auditors for the financial year 2022-23 is Rs. 6.00 Lakhs. The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 03 of the Notice for approval by the Members.

**Item No. 04:**

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Cost Accountants (Firm Registration Number: **000042**) as the Cost Auditor of the Company for the Financial Year 2022-23.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2023.

The Board recommends the ordinary Resolution set forth in Item No. 4 for the approval of the Members

By order of the Board of Directors

For **Gayatri Sugars Limited**

**Sd/-**

**(Lalit Kumar Thanvi)**

Company Secretary &  
Compliance Officer

Place: Hyderabad

Date: August 04, 2022

**DETAILS OF THE DIRECTORS RETIRING BY ROTATION/SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING:**

[Pursuance of the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) on General Meeting]

<b>Name of the Director</b>	<b>Mr. T. Indira Reddy</b>
<b>Director Identification No</b>	00009906
<b>Date of Birth</b>	13-03-1951
<b>Date of First Appointment on the Board</b>	21.07.2005
<b>Relationship between Directors Inter-Se</b>	Mother in Law of Mrs. T. Sarita Reddy and Mother of T. V Sandeep Kumar Reddy
<b>Nature of Expertise in specific functional Area</b>	28 years of experience in the Construction Industry.
<b>Directorship in Listed Entities as on March 31, 2022</b>	Gayatri projects Limited
Membership in Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	<b>Stakeholder Relationship Committee in Gayatri Projects Limited</b>
Shareholding in the Company as on March 31, 2022	<b>37,93,508</b>

## BOARD'S REPORT

**To the Member(s),**

Your Directors have pleasure in presenting this 27th (Twenty Seventh) Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2022.

- 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE :** Your Company's financial performance during the Financial Year 2021-22 as compared to that of the previous Financial Year 2020-21 is summarized below:-

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Gross Income	<b>36,069.66</b>	24,788.24
Profit/(Loss) Before Interest, Depreciation and Exceptional Item	<b>2735.16</b>	754.02
Finance Charges	<b>2,530.47</b>	2,573.88
Gross Profit/(Loss) before Depreciation and Exceptional Item	<b>204.69</b>	(1,819.86)
Provision for Depreciation	<b>1,046.78</b>	1,026.48
Net Profit/(Loss) Before Tax and Exceptional Item	<b>(842.09)</b>	(2,846.34)
Exceptional Item(Re-measurement of Actuarial Valuation)	<b>(76.03)</b>	(147.95)
Provision for Tax	-	-
Net Profit/(Loss) After Tax	<b>(918.12)</b>	(2,994.29)
Balance of Profit/(Loss) brought forward	<b>(20,524.80)</b>	(19,682.71)
Balance available for appropriation	<b>(20,593.13)</b>	(19,675.01)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Deficit carried to Balance Sheet	<b>(20,593.13)</b>	(19,675.01)

**2. REVIEW OF OPERATIONS:**

Your Directors are pleased to report that during the year under review, the Company crushed 7.73 Lakhs Tones of Sugar cane and 8.73 Lakhs Quintals of Sugar was bagged with an average recovery of 11.30% and 35,342 tonnes of Molasses was produced. The distillery unit produced 80.08 Lakh litres of Ethanol and Impure Spirit.

The Company registered gross revenue of Rs. 36069.96 Lakhs for the year ended 31st March, 2022 against Rs. 24,788.24 Lakhs for the year ended 31st March, 2022. For the year 2021-22, the company earned EBITDA of Rs. 2735.16 Lakhs before Interest, Depreciation and Exceptional item compared to the profit of Rs. 754.02 Lakhs for the previous year 2020-21. However, there was net loss of Rs. 918.12 Lakhs compared to the net loss of Rs. 2,994.29 Lakhs of previous year. The Company registered an increase of 46% in turnover as compared to previous years.

**i) PROSPECTS FOR THE FINANCIAL YEAR 2022-23:**

Though it is too early to estimate the sugar production for ensuing Crushing Season relevant to Financial Year 2022-23, because of good monsoon and underground water availability, sowing reports are indicating Cane plantation of 20,000 Acres and expecting a crushing of 8.35 lakh tons of Cane compared to 7.74 lakh Tons for Crushing season 2022-23.

**3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business of the Company.

**4. DIVIDEND:**

As the Company has accumulated losses as at 31st March, 2022, the Directors could not recommend dividend on Preference Shares and also on Equity Shares.

**5. SHARE CAPITAL:**

- Total Number of Equity Shares : 4,37,03,643; and
- Total Number of Preference Shares: 4,11,47,023.

Further during the financial year 2021-2022, No change in the share capital of the company.

**6. BOARD MEETINGS:**

During the Financial Year ended 31st March, 2022, The Board of Directors of your Company met 06 (Six) times on 22nd June, 2021, 10th August, 2021, 11th November, 2021, 7th January, 2022, 11th February, 2022 and 09th March, 2022. The details of Board Meetings and the attendance of the Directors thereat are provided in the Corporate Governance Report. The intervening time gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 read with relevant notifications.

**7. TRANSFER TO RESERVES:**

Your Directors do not propose to transfer any amount to reserves during the Financial Year ended 31st March, 2022.

**8. KEY MANAGERIAL PERSONNEL AND DIRECTORS:**

The following are the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013, as on 31st March, 2022:-

1. Mrs. T. Sarita Reddy, Managing Director
2. Mr. V. R. Prasad, Chief Financial Officer
3. Mr. Lalit Kumar Thanvi, Company Secretary & Compliance Officer

Mr. Lalit Kumar Thanvi appointed as Company Secretary and Compliance Officer of the Company w.e.f. on 09th March, 2022.

**Independent Directors declaration:**

All the Independent Directors of your Company, viz., Mr. T. R. Rajagopalan, Mr. Raghuraj Suresh Bhalariao, and Mr. Venkata Narayana Rao Paluri have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, in terms of the provisions of amended Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019 and the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, read with Regulations 16 and 25(8) of the Listing Regulations that he meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the Listing Regulations (LODR), 2015 and the same have been taken on record by the Board after undertaking due assessment of the veracity of the same.

The criteria for determining qualifications, positive attributes and independence of Directors is provided in the Nomination and Remuneration Policy of the Company is available on the website, viz., <http://www.gayatrisugars.com/> at the web link <http://www.gayatrisugars.com/CorpPolicies.html>

All the Independent Directors of the Company have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. The details of familiarization programmes attended by the Independent Directors during the Financial Year 2021-22 are available on the website of the Company, <http://www.gayatrisugars.com/> at the web link <http://www.gayatrisugars.com/CorpPolicies.html>

**Re-appointments:**

As per provisions of the Section 152 of the Companies Act, 2013, read with AOA of the company. Mrs. T. Indira Reddy, retires by rotation at this ensuing AGM and being eligible offer herself for re-appointment.

The resolutions for re-appointments of Mrs. T. Indira Reddy and MOS and Associates, Statutory Auditors forms part of the notice convening the ensuing AGM scheduled to be held on 26th September, 2022.

**9. COMMITTEES OF BOARD:**

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Management committee. The details of Composition and terms of reference of these committees are mentioned in the Corporate Governance Report and available on company website also.

**10. POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES:**

The Board, on the recommendations of the Nomination and Remuneration Committee, determines the characteristics, skills and other attributes required for appointment and removal of Directors. For this, the Company has Nomination and Remuneration policy, which is performance driven and is structured to motivate Directors and Employees, recognize their merits and achievements and promote excellence in their performance.

The salient features of the policy are:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.



- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The above Policy is available on the website of the Company [www.gayatrisugars.com/](http://www.gayatrisugars.com/) at the web link <http://www.gayatrisugars.com/CorpPolicies.html>

**Manner in Which Formal Annual Evaluation has been made by the Board of its Own Performance and that of its Committees and Individual Directors:**

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out evaluation of (i) its own performance, (ii) the directors individually and (iii) working of its Committees. The manner in which the evaluation was carried out as detailed below:

- (a) **Nomination & Remuneration Committee:** Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated the criteria for evaluation of directors and evaluated every director. A structured questionnaire was prepared after taking into consideration of various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly the evaluation was made. The Members of the Committee evaluated the individual directors at its meeting held on 11.02.2022.
- (b) **Separate Meeting of Independent Directors:** The Independent directors of the Company at its meeting held on 11.02.2022 (a) reviewed the performance of the Non-Independent directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board etc. All the Independent Directors attended the meeting.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly, the evaluation was made. The Independent directors evaluated the Non-Independent directors.

The Independent Directors decided that since the performance of the Non-Independent Directors (including Managing Director and Non- Executive Directors) is satisfactory, the term of their appointment be continued.

The Independent Directors after review of the performance of the Chairperson decided that the Chairperson has good experience, knowledge and understanding of the Board's functioning and her performance is excellent. The Independent Directors decided that the information flow between the Company's Management and the Board is excellent.

- (c) **Evaluation by Board:** The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated)

as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate Governance structure to fulfil its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is excellent.

**11. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively except for the material weakness/deficiency; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**12. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

There are no Companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the year.

**13. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2022 is available on the Company's website on <https://www.gayatrisugars.com/pdf/yrly/AR%20GSL-2021-22.pdf>.

**14. STATUTORY AUDITORS AND THEIR REPORT:**

M/s. MOS & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on June 29, 2017 for a term of five consecutive years from the conclusion of 22nd Annual General Meeting [AGM] till the conclusion of 27th Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors Report to the members of the Company on the financial statements for the financial Year ended March 31, 2022 forming part of this report contains a qualified opinion on estimating the Electricity duty amounting to Rs. 283.99 Lakhs as a Contingent Liability

and on internal financial control over the financial reporting as per note No. 26.16 forming part of the financial statements. In the event of an un-favourable 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 Rs. 170 lakhs.

**15. SECRETARIAL AUDIT:**

As per the provisions of the Section 204(1) of the Companies Act, 2013, the Company has appointed Mr. Y. Koteswara Rao, Practising Company Secretary to conduct Secretarial Audit of the records and documents of the Company. The Secretarial Audit Report for the Financial Year ended March 31, 2022 in Form No MR-3 is annexed to the Directors Report as **Annexure - I** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2022 does not contain any qualification(s) or adverse observations except non-compliance

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec. 134(3)(m) of the Companies Act 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 is provided hereunder:

**A. Conservation of Energy:**

**i) The steps taken or impact on conservation of energy:**

The Company has already installed the required energy conservation equipments and hence no additions were made during the year.

**ii) Step taken by the Company for utilizing alternate source of energy:**

The company doesn't have alternative source of Energy, since the Company has Co-gen power facility.

**iii) Capital investment on energy conservation equipments:**

During the year no investment was made towards energy conservation equipments.

**B. Technology Absorption:**

**i) Efforts made towards Technology Absorption:**

Certain modification were undertaken to reduce power Consumption in earlier financial year. In the current year no such requirement was there.

**ii) The benefit derived like product improvement, cost reduction, product development or import substitution, etc.**

The benefit derived is same as the earlier year.

**iii) Details of Technology imported during the last 3 years reckoned from the beginning of the financial year:**

During the period of last three years, there was no import of Technology.

**iv) Expenditure incurred on Research & Development:**

There was no expenditure incurred on Research and Development.

**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : NIL

**17. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company's internal control system is aimed at proper utilisation and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.

The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

The statutory auditors had a qualified opinion on the Internal financial controls over the financial reporting stating that material weakness has been identified as at March 31, 2022 in the Company relating to deficiency in internal financial controls over financial reporting in respect of management assessment of estimating potential liability relating to disputed matter as per Note No. 26.16 forming part of financial statements.

The Management conducted an assessment of the effectiveness of the internal control over financial reporting using the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on this assessment, Management is of the view that based on Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigations estimates the impact of potential liability to be Rs. 170 Lakhs.

**18. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

of loans, guarantees given and investments made during the year under review in accordance with section 186 of the Companies Act, 2013 is annexed to this report. **(Annexure - III)**

**19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report for the Financial Year under review, as stipulated under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of the Annual Report as Annexure –IV.

**20. RISK MANAGEMENT:**

The Company has been addressing various risks impacting the Company and developed risk policy and procedures to inform Board members about the risk assessment and minimization procedures.

**21. WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the

Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company at [http://www.gayatrisugars.com/Investors/Corporate Governance/Policies](http://www.gayatrisugars.com/Investors/CorporateGovernance/Policies)

**22. DISCLOSURE AS PER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules there under, the Company has not received any complaint of sexual harassment during the year under review.

Further the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**23. CORPORATE SOCIAL RESPONSIBILITY ("CSR"):**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, read with schedule VII, The Board of Directors constituted Corporate Social Responsibility Committee at Board Meeting held on August 14, 2017. The details of the Committee are given in Corporate Governance Report. Since the Company is having average negative profits in the immediately preceding three years. However, hence the Company has adopted Corporate Social Responsibility Policy. The CSR policy is available on the website of the Company [www.gayatrisugars.com](http://www.gayatrisugars.com). However, Company has made CSR Expenditure (**Annexure V**).

**24. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

Demand of Rs. 1,38,81,669/- was raised by the Commissioner of Customs, Central Excise & Service Tax, Hyderabad-1 Commissionerate, being the amount equal to 10% or 5% of the value of Exempted goods i.e. Electricity sold by the company for the period Nov-2006 to Dec-2010 in the case of Kamareddy Unit of Rs. 58.53 Lakhs and for the period Mar-2006 to Mar-2012 in the case of Nizamsagar Unit of Rs. 80.29 Lakhs both put together Rs 138.82 Lakhs.

The Customs, Excise and Service Tax Appellate Tribunal, Regional Bench at Hyderabad has set aside the impugned order for Excise Duty demand of Rs. 58.53 Lakhs relating to Kamareddy Unit of the Company.

The Customs, Excise and Service Tax Appellate Tribunal, Regional Bench at Hyderabad yet to hear relating to Nizamsagar Unit Demand of Rs 80.29 Lakhs.

**25. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The policy on dealing with Related Party Transactions is disseminated on the website of the company at <http://www.gayatrisugars.com/CorpPolicies.html>

The details of Related Party Transactions entered by the Company in the ordinary course of Business at arm's length basis are detailed in the notes forming part of the financial statements.

**26. DEPOSIT:**

Your Company has not accepted or renewed any deposit from public during the year under review.

**27. DISCLOSURE ABOUT COST AUDIT:**

As per section 148 of the Companies Act, 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, Company is required to appoint Cost Auditor. The Board of directors and the Audit Committee of the Board has approved the appointment of M/s. Narasimha Murthy & Co., as Cost Auditor to audit the cost records of Sugar, Power and Distillery division of the Company for the financial year 2022-23 and the remuneration payable to them for the Financial Year 2022-23 is subject to ratification by the shareholders of the Company.

Further as per section 148(1) of the Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2018, maintenance of cost records as specified by the Central Government under sub section (1) of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

**28. PARTICULARS OF EMPLOYEES:**

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – VI** and forms part of this Report.

**29. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 to BSE Limited where the Company's Shares are listed.

**30. FRAUD REPORTING:**

There have been no instances of frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

**31. DEPOSITORY SYSTEM:**

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**32. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report as **Annexure -IV**. Certificate from the practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under aforesaid regulations is attached to this report.

**33. SECRETARIAL STANDARDS:**

The Company has in place proper system to ensure compliance with provisions of the applicable Secretarial Standards issued by The Institute of Company Secretary Of India and such system are adequate and operating effectively.

**34. AWARDS AND ACCOLADES:**

The company bagged the following Awards from South India Sugar Cane and Sugar Technologists Association (SISSTA) for the past years from 2012-13 onwards:

Year	Category	Award
2021-22	Best Sugar Cane Development	Golden Award
2021-22	Best Co-Generation (Kamareddy Unit)	Golden Award
2021-22	Best Technical Efficiency	Silver Award
2021-22	Best Distillery Performance	Silver Award
2021-22	Best Co-Generation (Nizamsagar Unit)	Silver Award
2018-19	Best Technical Efficiency	Platinum Award
2018-19	Best Sugar Cane Development	Platinum Award
2018-19	Best Co-Generation	Golden Award
2017-18	Best Cogeneration	Platinum Award
2017-18	Best Technical Efficiency	Golden Award
2015-16	Best Cogeneration	Platinum Award
2014-15	Best Cogeneration	Platinum Award
2014-15	Best Technical Efficiency	Silver Award
2014-15	Best Sugarcane Development	Silver Award
2012-13	Best Cogeneration	Platinum Award
2012-13	Best Sugarcane Development	Golden Award
2012-13	Best Technical Efficiency	Silver

**34. Other Disclosures:**

- There are no proceedings initiated/pending against Your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.
- There were no instances where Your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

**35. ACKNOWLEDGEMENTS:**

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, clients, Banks, Central and State Governments, the Companies' valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Yours Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

sd/-

**(T. SARITA REDDY)**

Managing Director

DIN: 00017122

sd/-

**(T.V. SANDEEP KUMAR REDDY)**

Vice Chairman

DIN: 00005573

Place: Hyderabad

Date: August 04, 2022



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

**To  
The Member(s),  
Gayatri Sugars Limited**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2022.

**For Gayatri Sugars Limited**

Place: Hyderabad  
Date: August 04, 2022

**Sd/-**  
**(T. Sarita Reddy)**  
Managing Director  
DIN : 00017122

## **ANNEXURE –I**

**FORM NO. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED March 31, 2022**

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

To,  
The Members,  
**M/s. Gayatri Sugars Limited**  
Hyderabad, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gayatri Sugars Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I, hereby report that in my opinion, the company has, during the audit period ended on 31st March, 2022 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable during the audit period**);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the audit period**);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable during the audit period**);
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable during the audit period**) and;

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the audit period);**

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 etc. mentioned above Except.

Sr.No.	Compliance Requirement (Regulations/ Circulars/guidelines including specific clause)	Deviations
1	Regulation 6(1) of SEBI (LODR) Regulations, 2015	<p>The Company had not appointed Company Secretary as Compliance Officer within 6 months from the date of resignation of Company Secretary</p> <p>(a) for the quarter ended December 31, 2021 for a period of 63 days</p> <p>(b) for the quarter ended March 31, 2022 for a period of 64 days</p> <p>BSE Limited as per their SOP, has levied fine of Rs. 1,49,860 which the Company Paid.</p>

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Industry to which the Company belongs, as identified by the management, that is to say;

- a) Sugar Cess Act, 1982
- b) Food Safety and Standards Act, 2006
- c) Essential Commodities Act, 1955
- d) Boilers Act, 1923
- e) Export (Quality Control and Inspection) Act, 1963 **(as intimated by the Company, not applicable to it during the audit period under review)**
- f) Agricultural and Processed Food Products Export Act, 1986 **(as intimated by the Company, not applicable to it during the audit period under review)**

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance except when board meetings were called by giving less than seven days' notice in accordance with the provisions of section 173 of the act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and

## ***Twenty Seventh Annual Report***

majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report** that that as far as possible, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad  
Date: August 04, 2022

Sd/-  
**Y. KOTESWARA RAO**  
**ACS No.:3785**  
**C.P. No.: 7427**  
**UDIN: A003785D000740422**

**Note:** This report is to be readwith my letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

**‘ANNEXURE A’**

To,  
The Members,  
**M/s. Gayatri Sugars Limited**  
Hyderabad, Telangana

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that, I have followed has provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad  
Date: August 04, 2022

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
UDIN: A003785D000740422

**ANNEXURE –II**

Particulars of Loans, Guarantees or Investments  
[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2022

(Rs. in Lakhs)

Particulars	Amount
Loans Given	0
Guarantee Given	4200.00
Investments made	0

Loans, Guarantees given or Investments made during the Financial Year 2021-22

Sl. No.	Name of Entity	Relation	Amount	Particulars of Loan, Guarantees made or Investments made	Purpose
1.	Union Bank of India	Unrelated	3000 lakhs	Corporate Guarantee	For sanction of crop loan to Sugarcane farmers
2.	Union Bank of India	Unrelated	1200 lakhs	Corporate Guarantee	For sanction of harvesting and Transport Loan to Harvesting Labour

For and on behalf of the Board of Directors

sd/-

**(T. SARITA REDDY)**

Managing Director

DIN :00017122

sd/-

**(T.V. SANDEEP KUMAR REDDY)**

Vice Chairman

DIN: 00005573

Place: Hyderabad

Date : August 04, 2022

## ANNEXURE - III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

##### GLOBAL ECONOMIC OUTLOOK

The Global Economy, after rebounding to an estimated 5.5 percent in 2021, the global growth is expected to decelerate markedly in 2022 to 4.1 percent, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks.

Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, they will remain below in Emerging Market and Developing Economies (EMDEs), owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. The rebound in global activity, together with supply disruptions and higher food and energy prices, have pushed up headline inflation across many countries. More than half of inflation-targeting EMDEs experienced above-target inflation in 2021, prompting central banks to increase policy rates. Consensus forecasts anticipate median global inflation to remain elevated in 2022

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, as per International Monetary Fund.

Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers. Because EMDEs have limited policy space to provide additional support if needed, these downside risks heighten the possibility of a hard landing.

##### INDIAN ECONOMY OUTLOOK

As per Economic Survey by FICCI, the Indian economy is expected to grow at 9.1 % in the financial year 2021-22 (FY22). The gross domestic product (GDP) projection marks a marginal improvement from the growth forecast of 9%. According to the FICCI survey, the median growth forecast for agriculture and allied activities has been put at 3.2% for FY2022. Industry and services sector are projected to grow by 12.9%

The Reserve Bank of India, estimated the stability of economic growth at 7% irrespective of the COVID-19 pandemic effect. The government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound - with a strong base in FY 2022.

The World Bank in its Report upgraded the growth of Indian Economy for 2022-23 and 2023-24 to 6.8 per cent and 8.7 per cent respectively. The upward revision reflects an improving investment outlook with private investment, particularly manufacturing, benefiting from the Production-Linked Incentive (PLI) Scheme, and increases in infrastructure investment. The Asian Development Bank lowered India's economic growth forecast for the financial year 2021-2022 to 10% from its projection of 11% released in April. The World Bank attributed it to the devastating second wave of the coronavirus pandemic that slowed down the economic revival in early 2021. "In India, an enormous second Covid-19 wave is undermining the sharper-than-expected rebound in activity seen during the second half of FY2020-21, especially in services," the World Bank said in its latest Global Economic Prospects report. to greater restrictions on mobility."

The government announced health-related spending would more than double and set out a revised medium-



term fiscal path intended to address the economic legacy of the pandemic, The renewed outbreak, however, may require further targeted policy support to address the health and economic costs.”

### GLOBAL SUGAR SCENARIO

In the last 3 months, the world starts to recover from the COVID pandemic and, subsequently, global sugar consumption begins to increase. The previous sugar years 2017-18 and 2018-19 (October to September) of Sugar surplus, the year 2019-20 witnessed deficit of sugar production in all major producing countries. The Year 2021-22 is also estimated as deficit year in Sugars production with an estimated production of 181 million Tons because of lower sugar production estimates in Brazil, EU and Thailand

### INDIAN DOMESTIC SCENARIO

#### Sugar Production and Consumption :

As per the Report of Indian Sugar Mills Association (ISMA) Indian sugar mills produced 34.97 Million Metric Tons of sugar as of 15th May, 2022, as compared to 30.36 Million Metric Tons produced on 15th May/2021. This is 4.61 Million Metric Tons or 15.2% higher as compared to the last season's production for the corresponding period.

Sugar exports are estimated to increase to over 10 Million Metric Tons in the current sugar year ending September 2022, against 7.2 Million Metric Tons in the previous year, because of high demand from Indian sub-continent, Middle East and Indonesia. About 7.7 Million Metric Tons of sugar has been either physically exported out of the country or lying at the ports during October 2021 - May 2022 period, as compared to about 4.84 Million Metric Tons exported during the same period of the last sugar year.

ISMA revised India's production estimate to 35.6 Million Metric Tons for the 2021-22 sugar year. ISMA reported that the revised Export estimates to 10 Million Metric Tons and domestic consumption of 27.6 Million Metric Tons, the closing balance at the end of the sugar season on 30th September 2022 will be 7.1 Million Tons. As the crop in Brazil, getting affected for the 2021-22 crushing season due to weather conditions. Indian sugar industry taken this opportunity and exported to 74 countries in the current sugar season without any support from government.

#### Price - Sugarcane :

For the Sugar Season 2021-22, the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, increased the FRP for sugarcane at Rs. 290 per quintal from Rs 285 of previous year, for a basic recovery of 10.00% and a premium of Rs. 2.90 for every 0.1% increase in the recovery rate, as recommended by the Commission of Agricultural Costs and Prices (CACP).

With a view to protect the interest of Sugar Cane farmers, with sugar mills having recoveries lower than 9.5%, the Government decided that there shall not be any deduction in case where recovery is below 9.5%; such farmers will get Rs.275.50 per quintal for sugarcane in the current sugar Season.

Fair and Remunerative Pricing (FRP) fixed by Central Government over the last five years as under:

Basic details of Cane Price	Crushing Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Basic Price Linked to Recovery	9.5%	9.5%	9.5%	10%	10%
Cane Price per Quintal	Rs 255	Rs 275	Rs 275	Rs 285	290
Premium: for every 0.1 percentage point increase in recovery above 9.5% / 10%	Rs 2.68 Quintal	Rs 2.75 Quintal	Rs 2.75 Quintal	Rs 2.85 Quintal	Rs 2.90 Quintal

It is expected, for Crushing Season 2022-23, the Ministry of Consumer Affairs, Food and Public Distribution, likely to increase the Basic Price to Rs 290 to Rs 295 per quintal from Rs 285.

**Price – Sugar:**

For the first time, the Ministry of Consumer Affairs, Food and Public Distribution, Govt of India, fixed the Minimum Selling Price (MSP) of Sugar at Rs 2900/- per quintal in June, 2018 and increased to Rs 3100/- per quintal in Feb 2019. However, since, the MSP is not matching with cost of production, the Indian Sugar Mills Association represented the Ministry of Consumer Affairs, Food and Public Distribution for increase of MSP. The Government yet to take a decision.

**Indian Bio Fuel Sector Overview:**

The Government of India is keen on encouraging low carbon and environment friendly vehicles and imposed compulsory blending of Ethanol. Ethanol which is a bio fuel and blending with petrol will curb on vehicular pollution and on other hand also saves foreign exchange required for import of crude oil.

For the Ethanol Supply Year 2021-22 commencing from December 2021 to November 2022, the Oil Marketing Companies (OMCs) floated tenders for supply of 459 crore litres of Ethanol of which 410 crore liters had been contracted till April, 2022.

The Govt. targeted for blending of Ethanol from 5% to 10% by 2022-23 and from 10% to 20% by 2024-25, along with improved pricing for Ethanol Supply Year 2021-22,

Ethanol from C Molasses – Rs 46.66 per Lt an increase of 0.97 paisa per litre from previous price of 45.69 Per Lt.

Ethanol from B Molasses – Rs 59.08 per Lt an increase of 1.47 paisa per litre from previous price of 57.61 Per Lt

Ethanol from Sugar cane Juice - Rs 63.45 per Lt an increase of 0.80 paisa per litre from previous price 62.65 Per Lt.

Ethanol from Maize and damaged Food grains - Rs 52.92 per Lt

Ethanol from surplus rice available with FCI - Rs 56.87 per Lt

To achieve the targets, Government of India encouraging by giving directions to Commercial Banks to advance Term Loans and Soft loans on interest subvention for establishment of new ethanol produce units and for expansion of capacity of existing units.

**COMPANY FUTURE OUTLOOK**

The Sustainability of Sugar Industry depends upon availability of quality cane, which is a major concern. To overcome this, your Company constantly encourages the farmers by supplying quality seed, technical assistance, expert opinion and scientific methods of cultivation, ratoon management and other resources like facilitating crop loans, harvesting labour, mechanised harvesting and transport facility of harvested cane to mill.

**Availability of Cane:**

Availability of Cane is the main concern of the Company. For the Crushing season 2022-23, the company targeted to crush 8.30 lakh tons of Cane by considering the good monsoon during monsoon period. The newly completed Reservoirs there was good plantation of cane in both factory zone areas. The company's continuous relationship with farmers and efforts have paid off and the farmers commenced plantation from December 2021 till April, 2022, new plantation has been completed in 7,300 acres in Kamareddy Factory zone area and 4,000 Acres in Nizamsagar Factory Zone Area, totally 11,300 Acres new plantation was completed. Apart from above, there was another 15,200 acres of Ratoon Crop in both Factory zones. Both New plantation and Ratoon crop combined 26,500 acres of sugar cane is already available for the crushing season 2022-23 commencing from November/ December, 2022. By considering the average yield of 30 to 35 Tons per Acre, the company estimated Crushing of 8.30 Lakh Tons of Cane for the crushing season 2022-23, corresponding Fin Year 2022-23.

**Ethanol Production:**

The company estimates production of 90 lakh litres of Ethanol from C-Heavy Molasses.

**Power : –**

Another by product of sugar industry is Bagasse which is used for generation of green power. The company has signed Power Purchase Agreement with the Government of Telangana for supplying power to the grid. The Company has 25mw of power and after using 9 mw for captive consumption, exports the excess power to state Grid,

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE DURING THE FINANCIAL YEAR 2021-22:****Sugar :**

During the Financial Year 2021-22 under review, the crushing operations for the crushing season 2021-22, at Kamareddy unit, were commenced on 13th November, 2021 (previous year on 26th November, 2020) and closed on 14th March, 2022 (previous year on 1st March, 2021), the total no of days operated were 122 days (Previous Year 96 days).

The crushing operations at Nizamsagar unit were commenced on 20th November, 2021 (previous year on 21st November, 2020) and closed on 30th March, 2022 (previous year on 21st Feb 2021) and total no of days operated were 131 days (Previous Year also 93 days).

During the Crushing Season 2021-22, at both the units, 7.74 Lakh Tonnes of Sugar Cane was crushed and 8.73 Lakh Quintals of sugar produced with an average recovery of 11.30%. comparing to the previous season 2020-21 crushing of 5.04 Lakh Tonnes of Sugar Cane and Sugar of 5.25 Lakh Quintals with an average recovery of 11.02% respectively with increase of 53.25% In detail, at Kamareddy Unit, 3.88 Lakh Tonnes of Sugar Cane was crushed (Previous Season 2.80 Lakh Tonnes) and produced sugar of 4.37 Lakhs Quintals (Previous Season 2.84 Lakh Quintals) with an Average Recovery of 11.30% (Previous Season 11.30%) and at Nizamsagar Unit 3.85 Lakh Tonnes (Previous Season 2.24 Lakh Tonnes) of Sugar Cane crushed and produced sugar of 4.35 Lakhs Quintals (Previous Season 2.41 Lakh Quintals) with an Average Recovery of 11.30% (Previous Season 10.75%).

**Distillery:**

During the Financial Year 2021-22, the Distillery unit produced Ethanol of 89.74 Lakh Litres and Impure Spirit (IS) 0.64 Lakh Litres totalling to 90.38 lakh Litres (compared to the previous year of Ethanol of 67.90 lakh Litres and Impure Spirit (IS) 0.87 Lakhs, totalling to 68.77 lakh Litres).

**Power:**

The Export of Power during the crushing season 2020-21 was to the extent of 154.93 Lakh kwh (Kamareddy Unit 33.39 Lakh kwh & Nizamsagar Unit 121.54 lakh kwh) as compared to the previous year season of 158.08 Lakh kwh (Kamareddy Unit 38.87 Lakh kwh & Nizamsagar Unit 119.21 lakh kwh).

**Manufacturing:**

The Company is continuously implementing better manufacturing methods to increase operational efficiencies and to eliminate process losses.

**RISK AND CONCERNS**

As explained above, the major risk is availability of cane, Company is focusing on implementation of various measures as discussed in company future outlook section. Company has improved on operational efficiency and is best in terms of efficiency in the southern region of India.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has well-established processes and clearly-defined roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses. Adherence to these processes is ensured through frequent internal audits and adequate and

effective internal audit system that employs periodic checks on on-going process. The internal audits conducted are reviewed by the Audit Committee and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information which ensures that all transactions are properly reported and classified in the financial records.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Financial Statements of the Company for the year 2020-21 has been prepared in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2015 (as amended).

During the Financial Year 2021-22, the Overall performance of the Company is as under:

#### **Production:**

<b>Details</b>	<b>Financial Year 2021-22</b>	<b>Financial Year 2020-21</b>
Total Cane Crushed	773,784 Tones	5,04,248 Tones
Sugar Production	8,72,560 Quintals	5,25,461 Quintals
Recovery	11.30 %	11.02 %
Molasses production	35,342 Tones	21,882 Tones
Power Exported	248.91 lakh Units	154.93 lakh Units
Distillery Unit: Ethanol Impure Spirit (IS) Production	79.44 lakh Litres	0.64 lakh Litres
	67.90 lakh Litres	0.87 lakh Litres

#### **Financial Review:**

##### **Capital:**

There was no change in the capital structure of the Company. However, the Preference Share Capital has been reclassified as **Borrowings** (Financial Liability) as per the Indian Accounting Standards applicable to the Company from the Financial Year 2017-18.

##### **Net Worth:**

The net worth of the Company eroded due to losses incurred by the Company during the previous financial years and for the current financial year.

##### **Long Term Debt:**

The long Term Borrowings from Banks including current maturities of the Company decreased from Rs. 1300.16 lakhs to Rs. 28.58 lakhs. The decrease was due to repayment of Term Loans. The Company has repaid the Term Loan to an extent of Rs. 1271.58 lakhs to consortium Banks

##### **Working Capital:**

There were no additional working capital borrowings other than sanctioned limits during the year.

##### **Gross Block of Assets:**

The gross block of the Company, during the Fin Year 2021-22, was increased from Rs.268,74.36 lakhs to Rs.282,36.86 lakhs because of capital expenditure incurred on sugar plant. During the year, the Company provided depreciation and amortization of Rs. 1046.78 lakhs as per the provisions of Schedule II of the Companies Act, 2013.

**Inventories:**

Value of inventories stood at Rs. 61,12.87 lakhs as at 31st March, 2022 against Rs. 5760.33 lakhs as at 31st March, 2021.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

In a challenging and competitive environment, the Company believes that people are the key to success and continues to focus on people capabilities by leveraging technology and creating a learning environment. The Human Resources function proactively develops innovative and business focused methods to attract, develop, motivate and retain talent. Human resources strategy is closely aligned to key business and stems from the organisation purpose which is – “To build Credible, Reliable & Capable Human Capital to deliver superior Individual and Business performance”. This vision is delivered by a high level of policy deployment initiatives and contemporary HR practices focusing key imperatives such as Capability Development, Talent Management, Employee Engagement, Productivity & Cost and HR excellence. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**CAUTIONARY STATEMENT**

The management discussion and analysis report containing your Company’s objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Your Company’s operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future.

## ANNEXURE - IV

### CORPORATE GOVERNANCE REPORT

(As required by Regulation 34 read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### A. MANDATORY REQUIREMENTS

##### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is a firm believer in core values of Corporate Governance Code. The Company fully understands the rights of its shareholders to have information on the performance of the company and considers itself a trustee of its shareholders. The Company is committed to good corporate governance, adherence to Statutory and regulatory prescriptions, care for environment and social responsibility. Before making any business decision, we take into account stakeholders' interest.

Company has adopted Code of Conduct which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code of conduct is available on the website of the company at [www.gayatrisugars.com](http://www.gayatrisugars.com)

##### 2. BOARD OF DIRECTORS ("Board")

The composition of the Board is well balanced with expertise drawn from Industry, Management, Financial and Agriculture. The Company has Non executive Chairperson

###### i) Composition and category of directors as on 31st March, 2022

Category	No. of Directors
Executive Directors	1
Promoter Non Executive & Non Independent Directors	2
Non Executive & Independent Directors	3

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and that they are independent of the management.

The Company has issued formal letter of appointment to the Independent Directors. As required under Regulation 46 of the Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on the website of the company [www.gayatrisugars.com](http://www.gayatrisugars.com)

## Twenty Seventh Annual Report

- ii) Attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting and the Number of other Boards / Board committees in which the Directors are either Member or Chairperson.

Key information pertaining to Directors as on 31st March, 2022

Name of the Director	Category	No. of Board Meetings attended / held	Whether Attended fast AGM held on September 30, 2021	No of Directorship in other Companies#		No of Committee Position held in other Companies*		Directorship in other Listed Entity
				Chairman	Members	Chairman	Members	
Mrs. T. Indira Reddy	Chairperson and Promoter Director	3/6	NO	Nil	12	Nil	1	1. Gayatri projects Limited (Non-Executive, Non-Independent Director)
Mrs. T. Sarita Reddy	Managing Director	6/6	YES	Nil	7	Nil	1	
Mr. T. V. Sandeep Kumar Reddy	Non- Executive Director	6/6	NO	Nil	13	1	5	1. Gayatri Bioorganic Limited (Non-Executive, Non-Independent Director) 2. Gayatri projects Limited (Executive, Non-Independent Director)
Mr. T. R. Rajagopalan	Independent Non-Executive Director	6/6	NO	Nil	Nil	Nil		Nil
Mr. P.V. Narayana Rao	Independent Non-Executive Director	6/6	No	Nil	3	1	3	1. Gayatri Bioorganic Limited (Non-Executive, Independent Director)
Mr. Raghuraj Suresh Bhalerao	Independent Non-Executive Director	6/6	YES	Nil	Nil	Nil	Nil	Nil

# Excludes Directorship in Section 8 Companies and Gayatri Sugars Limited.

\* Includes only Membership and Chairmanship in Audit and Stakeholder Relationship Committee.

- iii) Details of the familiarization programmes imparted to Independent Directors are disclosed in the company's website: <http://www.gayatrisugars.com>.

**iv) Director qualifications, skills, expertise, competencies and attributes desirable In Company's business and sector in which it functions-**

<b>Skills/Expertise/Attributes</b>	<b>Description</b>
Adhering to Company Values and Culture	Appreciative of Company core values and maintain integrity in functioning.
Understanding of Industry and Operations	Knowledge of operations, business environment and challenges in manufacturing industry
Knowledge of Law and Corporate Governance	Awareness about the regulatory compliances and internal controls, regulatory eco system in which company operates

**v) BOARD MEETINGS:**

Our Secretarial Department in consultation with the Key Managerial Personnel, Managing Director and with Board decided the dates on Board Meetings, the schedule of Board Meetings and Board Committee Meetings are communicated in advance to all the Directors to enable them to schedule their meetings.

Our Board met 6 (Six) times in the Financial Year 2021–2022 on 22 June, 2021, 10 August, 2021, 11 November, 2021, 07 January, 2022, 11 February, 2022 and 09 March, 2022.

The Company Secretary/Chief Financial Officer prepares the Agenda and Explanatory notes, in consultation with the Chairperson and Managing Director for each meeting and circulates the same in advance as per the rules and regulation to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. The Board is given presentation covering industry environment, project implementation, project financing and operations of the Company. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairperson. Senior executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

The Company Secretary while preparing the agenda notes, minutes etc., of the meeting is responsible for and is required to ensure adherence to all applicable laws, rules, regulations including the Companies Act, 2013 read with rules made there under.



### **3) AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the Regulations 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

#### **i) Powers of Audit Committee:**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain an outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **ii) Role of Audit Committee:**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**iii) Review of information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- iv) The previous Annual General Meeting of the Company was held on 29.09.2021 and the Chairman of Audit Committee was present at the 26th AGM of Company.
  - v) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 22nd June, 2021, 10th August, 2021, 11th November, 2021 and 11th February, 2022. Quorum was present at all the meetings of the Audit Committee.

The maximum gap between any two meetings is not more than 4 months.

**Audit Committee Meetings and Attendance:**

Name	Designation	Category	No. of Audit Committee meetings	
			Held	Attended
Mr. T.R. Rajagopalan	Chairman	Non-Executive Independent Director	4	4
Mrs. T. Sarita Reddy	Member	Managing Director	4	4
Mr. Raghuraj Suresh Bhalerao	Member	Non-Executive Independent Director	4	4
Mr. P.V. Narayana Rao	Member	Non-Executive Independent Director	4	4

The necessary quorum was presenting at all the meetings. The Chairman of Audit Committee was present at the 26th AGM of the Company.

**4) NOMINATION AND REMUNERATION COMMITTEE**

The board terms of reference of the Nomination and Remuneration Committee are as under:

- a) To ensure that the level and composition of remuneration is reasonably and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- c) To identify persons who may be appointed in senior management in accordance with the criteria laid down.

- d) To carry out evaluation of every director's performance and recommend to the board his/her appointment and removal based on the performance.

**Nomination and Remuneration Committee – Composition and Attendance:**

Name	Designation	Category	No. of Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. T.R. Rajagopalan	Chairman	Non Executive Independent Director	3	3
Mrs. T. Indira Reddy	Member	Non Executive, Non Independent Director	3	3
Mr. Raghuraj Suresh Bhalerao	Member	Non Executive Independent Director	3	3

During the financial year 2021-2022, three meeting of Nomination and Remuneration Committee were held on 22 June, 2021 11 February, 2022 and 09 March 2022. The Chairman of Nomination and Remuneration Committee was presented at the 26th AGM of the Company.

The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website [www.gayatrisugars.com](http://www.gayatrisugars.com). The Committee coordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

The Committee has formulated and revised the remuneration policy for Directors, KMP and all other employees the Company and the same is available on Company's website : [https://www.gayatrisugars.com/pdf/CG/Nomination-Remuneration and Evaluation Policy.pdf](https://www.gayatrisugars.com/pdf/CG/Nomination-Remuneration%20and%20Evaluation%20Policy.pdf).

**Remuneration and sitting fees paid to the Directors during 2021-2022**

Name of the Director	Category	Remuneration payable /paid	
		Salary & Perks (Rs. Lakhs)	Sitting fees (Rs. in Lakhs)
Mrs. T. Indira Reddy	Non Executive Chairperson	—	0.15
Mr. T.V. Sandeep Kumar Reddy	Non-Executive Vice Chairman	—	0.30
Mrs. T. Sarita Reddy	Managing Director	48.00	—
Mr. T.R. Rajagopalan	Non Executive /Independent	—	0.34
Mr. Raghuraj Suresh Bhalerao	Non Executive/ Independent	—	0.34
Mr. P.V. Narayana Rao	Non Executive/ Independent	—	0.34

**Performance Evaluation Criteria for Independent Directors**

Performance Evaluation Criteria for Independent Directors The Nomination and Remuneration Committee lays down the criteria for Evaluation of Independent Directors. The Board has carried out the annual performance evaluation of Independent Directors individually based on the

criteria approved by the Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration various aspects such as adequacy of the composition of the Independent Directors, effectiveness in developing corporate governance structure to fulfil its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of independent directors is excellent.

#### **5) STAKEHOLDERS RELATIONSHIP COMMITTEE**

##### **a) A Stakeholders Relationship Committee of Directors reviews the following:**

- Transfer/transmission of shares / debentures
- Issue of duplicate share certificates
- Review of shares dematerialized and all other relevant matters
- Monitors expeditious redressal of investor's grievances
- Non receipt of Annual Reports and declared dividend
- All other matters related to shares/debentures

##### **The Constitution of Stakeholders Relationship Committee is as follows:**

Name	Designation	Category	No. of Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. Raghuraj Suresh Bhalerao	Chairman	Non-Executive Independent Director Member	1	1
Mr. T. V. Sandeep Kumar Reddy	Member	Non-Executive Non Independent Director Member	1	1
Mrs. T. Sarita Reddy	Member	Non-Executive Director Member	1	1

Stakeholders Relationship Committee meeting was held during the financial year 2021-2022 on February 11, 2022.

##### **b) Name and Address of Compliance Officer**

###### **CS LALIT KUMAR THANVI**

Company Secretary & Compliance Officer

B2, 2nd Floor, TSR Towers,

Raj Bhavan Road, Somajiguda,

Hyderabad - 500 082.

Tel: +91 40 2341 4823 Fax: +91 40 2341 4827

E Mail: cs.gsl@gayatri.co.in.

(\* Appointed with effect from March 09, 2022)

## c) Details of complaints/requests received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

## 6. The Constitution of Corporate Social Responsibility Committee is as follows :

Name	Designation	Category	No. of Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. Raghuraj Suresh Bhalerao	Chairman	Non-Executive Independent Director	1	1
Mr. T. V. Sandeep Kumar Reddy	Member	Non-Executive Director	1	1
Mrs. T. Sarita Reddy	Member	Managing Director	1	1

During the financial year 2021-2022, one meeting Corporate Social Responsibility was held on 22.06.2021.

## 7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 11.02.2022 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also further during the year, conducted Familiarization programme for Independent Directors of the Company and the details of such familiarization programmes are disseminated on the website of the Company.

([http://www.gayatrisugars.com/pdf/CG/Familiarization\\_Programme\\_for\\_Independent\\_Directors-New.pdf](http://www.gayatrisugars.com/pdf/CG/Familiarization_Programme_for_Independent_Directors-New.pdf)).

## 8. General Body Meetings

### (i) Annual General Meeting

**Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:**

Year	Venue	Day and Date	Time	Special Resolution passed
2020-21	At the Registered Office of the Company via two-way Video conference / other Audio-Visual Means only- in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020	Wednesday, September 29, 2021	12.30 PM	1. Re-appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director  2. Re-appointment of Mrs. T. Sarita Reddy as Managing Director of the Company w.e.f. 1st May 2022 to April 30, 2025
2019-20	At the Registered Office of the Company via two-way Video conference / other Audio-Visual Means only- in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020	Wednesday, September 30, 2020	12.00 PM	1. Payment of Remuneration to Mrs. T. Sarita Reddy, Managing Director.
2018-19	FTAPCCI SURANA Auditoriam The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad - 500 004.	Thursday the 26 <sup>th</sup> Day of September, 2019	11:30 A.M.	1. To consider the Re-appointment of Mrs. T.R. Rajagopalan as an Independent Director 2. To consider the Re-appointment of Mr. J.N. Karamchetti as an Independent Director

### (ii) Special Resolutions passed through postal ballot during the financial year 2021-22:

NIL

## b. Disclosures

### i) Disclosures on materially significant related party transactions

There have been no materially significant related party transactions with the Company's Promoters and Directors, the Management, their subsidiaries or relatives which may

have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions with Related Parties are given in the Notes to the Accounts. Registers under Section 188 / 189 of the Companies Act, 2013 are maintained and particulars of transactions are entered in the Register, wherever applicable.

**ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The company has complied with all the requirements of the listing agreement and SEBI (LODR) Regulations, 2015 with the stock exchanges as well as regulations and guidelines of SEBI. No penalties or strictures imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the capital markets during the last three years.

**iii) Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

Company has established a Vigil Mechanism System/Whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, as per the provisions of the Companies Act, 2013 the Audit Committee of the company oversees the Vigil Mechanism System/ Whistle blower policy in the company and no personnel has been denied access to the Audit Committee. The said policy is available on website of the company at <http://www.gayatrisugars.com/CorpPolicies.html>

**iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

**e) Web link for policy on dealing with related party transactions.**

<http://www.gayatrisugars.com/CorpPolicies.html>

**f) Risk Management**

The Risk Management Committee has formed to identify risks and then manage threats that could severely impact or bring down the organization and identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The company has constituted a Risk Management Committee with the following directors:

- |   |               |
|---|---------------|
| 1. T. Sarita Reddy, Managing Director     | - Chairperson |
| 2. T. V. Sandeep Kumar Reddy, Director    | - Member      |
| 3. R. S. Bhalerao, Independent, Director# | - Member      |
| 4. V. R. Prasad, Chief Financial Officer  | - Member      |

**Term of Reference:**

- To consider the Company's risk management strategies
- To consider, review and approve risk management policies and guidelines
- To decide on risk levels, risk appetite and related resource allocation



- To approve major decisions affecting the Company's risk profile or exposure and give such directions as it considers appropriate
- To approve major risk management activities such as hedging transactions
- To review the Company's approach to risk management and cyber security and approve changes or improvements to key elements of its processes and procedures
- Provide any information/reports as and when required by the Board
- And any other matters as per the risk policy of the Company

**vii) Means of Communication**

The quarterly, half yearly un-audited financial results and the annual audited financial results are published in leading News Papers namely, Financial Express and Manam/ManaTelangana. The results are also displayed on the Company's website [www.gayatrisugars.com](http://www.gayatrisugars.com) and Official news releases, presentations made to media, if any, are also displayed on the Company's website.

**viii) Compliance of Insider Trading Norms**

The Company has adopted the code of internal procedures and conduct for Listed Companies notified by the Securities Exchange Board of India prohibiting insider trading.

**ix) GENERAL SHAREHOLDERS' INFORMATION****a) Date, Time and Venue of Annual General Meeting:**

<b>Financial Year</b>	<b>2021-2022</b>
Day, Date and Time	Monday, September 26, 2022 at 03.30 p.m.(IST)
Venue	Through Video Conferencing (e- AGM)

**b) Financial Calendar (tentative):** Financial Year 1st April, 2022 to 31st March, 2023

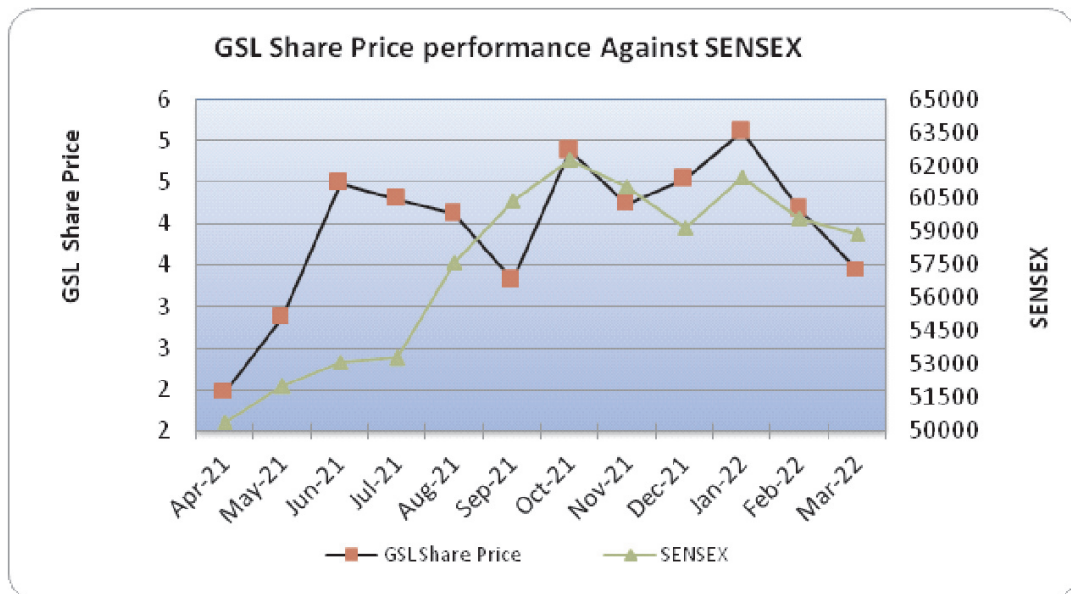
<b>Quarter Ending</b>	<b>Release of Results</b>
June 30, 2022	First week of August, 2022
September 30, 2022	Second week of November, 2022
December 31, 2022	Second week of February, 2023
March 31, 2023	Third/Fourth week of June, 2023*

\*instead of publishing quarterly results, the Company has to publish Audited Annual Accounts within 60 days from the end of the financial year as per the given of Stock Exchange Guidelines.

- c) Date of Book closure** : 19.09.2022 to 26.09.2022 (Both days inclusive)
- d) Dividend Payment date** : Not Applicable.
- e) Listing on Stock Exchanges** : BSE Ltd.  
PJ Towers, Dalal Street, Fort, Mumbai 400001.
- f) Scrip ID and code** : 532183 & GAYATRI
- g) Depository for Equity Shares** : NSDL and CDSL
- h) Demat ISIN Number** : INE622E01023
- i) Market Price data** : High/ Low during each month in the Financial year 2021-22

Month	BSE SHARE PRICE			BSE SENSEX	
	High Price	Low Price	Volume (No of Shares traded)	High Price	Low Price
Apr-21	1.96	1.65	85310	50375.77	47204.5
May-21	2.87	2.05	345076	52013.22	48028.07
Jun-21	4.49	2.58	344957	53126.73	51450.58
Jul-21	4.3	3.9	202266	53290.81	51802.73
Aug-21	4.12	2.29	76866	57625.26	52804.08
Sep-21	3.32	1.9	258000	60412.32	57263.9
Oct-21	4.88	2.73	441767	62245.43	58551.14
Nov-21	4.23	2.46	1379689	61036.56	56382.93
Dec-21	4.54	2.85	918260	59203.37	55132.68
Jan-22	5.11	3.81	443126	61475.15	56409.63
Feb-22	4.18	3.61	7792	59618.51	54383.2
Mar-22	3.43	2.36	450240	58890.92	52260.82

Gayatri Sugars Share Price versus BSE SENSEX:



**j) Share transfer system:**

Transfer of shares held on Dematerialized form are done through the depositories with No involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrars at the above mentioned addresses. Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. The Directors, the Chief Finance Officer and the Company Secretary are severally empowered to approve transfers.

**k) Categories of shareholders as on March 31, 2022:**

Shareholders	As on 31.03.2022		As on 31.03.2021	
	No. of Shares	%	No. of Shares	%
Promoters	25040888	57.30	25040888	57.30
Financial Institutions and Banks	-	-	453	0.02
Private corporate bodies	5095132	11.66	506595	13.66
Indian Public	13512387	30.92	12629489	28.90
NRI/OCB	55236	0.12	64900	0.15
<b>Total</b>	<b>43703643</b>	<b>100</b>	<b>43703643</b>	<b>100</b>

**l) Distribution of Shareholding as on March 31, 2022:**

Shareholding	Total no of shareholders	% to total shareholders	Total No of shares	% to total capital
1-500	13819	78.13	21804930	13819
501-1000	1911	10.8	15824130	1911
1001 – 2000	958	5.42	15009720	958
2001 – 3000	301	1.7	7833760	301
3001 – 4000	174	0.98	6289060	174
4001 – 5000	135	0.76	6441960	135
5001 – 10000	223	1.26	17553690	223
10001 - above	166	0.94	346279180	166
<b>Total</b>	<b>17687</b>	<b>100</b>	<b>437036430</b>	<b>17687</b>

**m) Dematerialization of shares and liquidity:**

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialized form.

**Status of Dematerialization of shares as on March 31, 2022 :**

Held in NSDL: 2,33,34,645 shares

Held in CDSL: 2,03,43,713 shares

**n) ADR's / GDR's:**

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the Equity share capital of the Company.

**o) Commodity price risk or foreign exchange risk and hedging activities: Nil**

**p) Registrar and Transfer Agents: (RTA)**

Physical and Demat Share Transfer Agents and Registrars  
**Venture Capital and Corporate Investments Private Limited**

Unit: Gayatri Sugars Limited

House No. 12-10-167, Bharat Nagar, Hyderabad - 500018

Ph: 23818475, 23818476

E-mail : info@vcciplindia.com

**q) Plant Loactions:**

**Kamareddy Unit**

Adloor Yellareddy Village,  
Sadasivanagar Mandal,  
Kamareddy District,  
Telangana - 503145  
Phone : (08468) 203331

**Nizamsagar Unit**

Maagi Village,  
Nizamsagar Mandal,  
Kamareddy District,  
Telangana - 503302  
Phone : (08465) 275577  
Fax No : (08465) 275800

**r) Address for correspondence and contact persons for investor queries:**

**Registered Office:**

Gayatri Sugars Limited  
B2, 2<sup>nd</sup> Floor, 6-3-1090, TSR Towers,  
Rajbhvan Road, Somajiguda,  
Hyderabad – 500 082.

**Contact Person:**

Mr. Lalit Kumar Thanvi, Compliance Officer  
& Sri.VR Prasad, Chief Financial Officer  
Phone: 040-23414823, Fax: 23414827  
Email : cs.gsl@gayatri.co.in  
\* Appointed with effect from March 9, 2022

**s) SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the

receipt of the complaint. The Company has not received any complaint via scores portal during the Financial Year 2021-22.

**x) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The disclosure regarding the complaints of sexual harassment is given in the Board's Report.

**xi) Consolidated Fees paid to Statutory Auditors**

During the Financial Year 2021-22, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to MOS & Associates, Statutory Auditors of the Company is as under:

Consolidated fees paid to statutory auditors:

(Rs. in lakhs)

Particulars	Amount
Services as statutory auditors	6.00
<b>Total</b>	<b>6.00</b>

**B. Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an Independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode and the status of the register of members.

**A. COMPLIANCE REPORT ON DISCRETIONARY REQUIREMENTS**

**1. The Board - Chairperson's Office:**

The Chairperson of Gayatri Sugars is a Non-Executive Promoter Director and is not maintaining any office and has not incurred any expenses during the year.

**2. Shareholders Rights:**

We display our quarterly and half yearly results on our website [www.gayatrisugars.com](http://www.gayatrisugars.com) and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2020-21.

**3. Audit Qualifications:**

We display our quarterly and half yearly results on our website [www.gayatrisugars.com](http://www.gayatrisugars.com) and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2021-22.

**4. Reporting of Internal Auditor:**

The Internal Auditor of the company directly reports to the Audit Committee.

**5. CEO and CFO Certification :**

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Managing Director and Chief Financial Officer have given appropriate certifications to the Board of Directors.

## **6. Details of Corporate Policies**

<b>Particulars</b>	<b>Website Details/link</b>
Composition and Profile of the Board of Directors	<a href="http://www.gayatrisugars.com/BoardofDirectors.html">http://www.gayatrisugars.com/BoardofDirectors.html</a>
Terms and conditions of appointment of Independent Directors	<a href="http://www.gayatrisugars.com/BoardofDirectors.html">http://www.gayatrisugars.com/BoardofDirectors.html</a>
Code of Conduct	<a href="http://www.gayatrisugars.com/pdf/CG/Code_Of_Conduct.pdf">http://www.gayatrisugars.com/pdf/CG/Code_Of_Conduct.pdf</a>
Nomination, Remuneration and Evaluation Policy	<a href="http://www.gayatrisugars.com/pdf/CG/Nomination_RemunerationAndEvaluationPolicy.pdf">http://www.gayatrisugars.com/pdf/CG/Nomination_RemunerationAndEvaluationPolicy.pdf</a>
Familiarization Programme for Independent Directors	<a href="http://www.gayatrisugars.com/pdf/CG/Familiarization_Programme_for_Independent_Directors-New.pdf">http://www.gayatrisugars.com/pdf/CG/Familiarization_Programme_for_Independent_Directors-New.pdf</a>
Code of Practices and Procedures for fair disclosure of UPSI	<a href="http://www.gayatrisugars.com/pdf/CG/Code_of_Practices_and_Procedures_for_fair_disclosure_of_UPSI.pdf">http://www.gayatrisugars.com/pdf/CG/Code_of_Practices_and_Procedures_for_fair_disclosure_of_UPSI.pdf</a>
Policy on Materiality of Related Party Transactions and On Dealings with Related Party Transactions	<a href="http://www.gayatrisugars.com/pdf/CG/Related_Party_Transaction_Policy.pdf">http://www.gayatrisugars.com/pdf/CG/Related_Party_Transaction_Policy.pdf</a>
Policy On Determining Materiality Of Events Policy	<a href="http://www.gayatrisugars.com/pdf/CG/PolicyOn_DeterminingMaterialityOfEventsPolicy.pdf">http://www.gayatrisugars.com/pdf/CG/PolicyOn_DeterminingMaterialityOfEventsPolicy.pdf</a>
Corporate Social Responsibility Policy	<a href="http://www.gayatrisugars.com/pdf/CG/Corporate_Social_Responsibility_Policy.pdf">http://www.gayatrisugars.com/pdf/CG/Corporate_Social_Responsibility_Policy.pdf</a>
Risk Policy and Procedures	<a href="http://www.gayatrisugars.com/pdf/CG/RiskPolicyAndProcedures.pdf">http://www.gayatrisugars.com/pdf/CG/RiskPolicyAndProcedures.pdf</a>
Whistle Blower Policy	<a href="http://www.gayatrisugars.com/pdf/CG/WhistleBlowerPolicy.pdf">http://www.gayatrisugars.com/pdf/CG/WhistleBlowerPolicy.pdf</a>
Archival Policy	<a href="http://www.gayatrisugars.com/pdf/CG/ArchivalPolicy.pdf">http://www.gayatrisugars.com/pdf/CG/ArchivalPolicy.pdf</a>

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To  
The Members  
M/s. Gayatri Sugars Limited

This certificate is issued pursuant to clause 10(i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities and Exchange Board of India.

I have examined the compliance of provisions of the aforesaid clause 10(i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, I certify that none of the directors of Gayatri Sugars Limited (**'the Company'**) CIN L15421TG1995PLC020720 having its registered office at B2, 2nd Floor, TSR Towers, Somajiguda, Raj Bhavan Road, Hyderabad - 500082 have been debarred or disqualified as on March 31, 2022 from being appointed or continuing as directors of the Company by SEBI/Ministry of Corporate Affairs or any other statutory authority.

S.No.	Name	DIN	Date of Appointment	Date of Resignation
1.	VENKATA SANDEEP KUMAR REDDY TIKKAVARAPU	00005573	15/06/1995	-
2.	THIKKAVARAPU INDIRA REDDY	00009906	21/07/2005	-
3.	TIKKAVARAPU SARITA REDDY	00017122	21/07/2005	-
4.	RAJAGOPALAN RAMASWAMY TULAZENDRAPURAM	00020643	01/06/2001	-
5.	RAGHURAJ SURESH BHALERAU	07652493	11/11/2016	-
6.	VENKATA NARAYANA RAO PALURI	07378105	11/02/2020	-

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: August 04, 2022

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
UDIN: A003785D000740488

## **Certificate on Compliance of Corporate Governance**

To  
The Members  
M/s. Gayatri Sugars Limited

I have examined the compliance of the conditions of Corporate Governance by Gayatri Sugars Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: August 04, 2022

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
DIN : A003785D000740466



## ANNEXURE - V

### Annual Report on Corporate Social Responsibility Activities

[Pursuant to Section 135 of the Companies Act, 2013 and  
The Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. Brief outline on CSR Policy of the Company**

Our CSR initiatives are guided by our CSR Policy ('Policy'). Our CSR activities focus on hunger, poverty, education, gender equality, environmental sustainability, rural development projects, ecological balance and are in alignment with our CSR Policy.

**2. Composition of Corporate Social Responsibility (CSR) Committee :**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Mr. R S Bhalerao	Chairman (Independent Director)	1	1
2.	Mr. T. V. Sandeep Kumar Reddy	Member (Non-Executive Director)	1	1
3.	Mrs. T. Sarita Reddy	Member (Managing Director)	1	1

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:

The composition of the CSR Committee: <http://www.gayatrisugars.com/compositionofcommittees.html>

CSR Policy: [http://www.gayatrisugars.com/pdf/CG/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.gayatrisugars.com/pdf/CG/Corporate_Social_Responsibility_Policy.pdf)

CSR Projects as approved by the Board: [www.gayatrisugars.com](http://www.gayatrisugars.com)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable
5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set-off for the financial year, if any
		Not Applicable	

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013: (2539.55) Lakhs

7. (a) Two percent of average net profit of the Company as per Section J 35(5) of the Companies Act, 2013: NIL
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set-off for the financial year, if any: NIL
- (d) Unspent CSR Amount carried Forward from the FY 2020-21: NIL
- (e) Total CSR obligation for the financial year (7a+7b-7c+7d): NIL
8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year (in Rs Lakhs)	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
6.58	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)		(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State	District	Project duration	Amount allocated for the project (in crores)	Amount spent in the current financial year (in cores)	Amount transferred to unspent CSR account for the crores)	Mode of Implment -ation Direct (Yes/No)	Mode of Implementation - Though implementing Agency	
1	Public Health Arranging for safe drinking water	Purchase and installation of RO Plant in the common area of KMR Unit	Yes	Telangana	Kamareddy	Not Applicable	2.60	2.60	Nil	Yes	Not Applicable	Not Applicable
2	Public Health Arranging for safe drinking water	Purchase and installation of RO Plant in the common area of KMR Unit	Yes	Telangana	Kamareddy	Not Applicable	2.60	2.60	Nil	Yes	Not Applicable	Not Applicable
3	Public Health Arranging for safe drinking water	Maintenance of RO Plants	Yes	Telangana	Kamareddy	Not Applicable	1.03	1.03	Nil	Yes	Not Applicable	Not Applicable
4	Public Health	Fogging Machine	Yes	Telangana	Kamareddy	Not Applicable	0.37	0.37	Nil	Yes	Not Applicable	Not Applicable
TOTAL							6.60	6.60				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in	Local area (Yes/No).	Location of the project. State	Amount spent in District	Mode of implementation Diect (Yes/No)	Mode of Implementation Through implemanting agency
1.				NIL			
Total				NIL			

(b) Amount spent in Administrative Overheads: Rs. Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 6.58 Lakhs

(e) Excess amount for set off, if any : No

**Twenty Seventh Annual Report**

Sl. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	NIL
(ii)	Total amount spent for the Financial Year 2021-22	06.58
(iii)	Amount spend from unspent CSR Amount carried Forward from the FY 2019-20:	NIL
(iv)	Excess amount spent for the financial year [(ii)-(i)]	
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL
9.	(a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable	
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (a) Date of creation or acquisition of the capital asset (s): _____ (b) Amount of CSR spent for creation or acquisition of capital asset: _____ (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.	

Sd/-  
**R. S. Bhalerao**  
Chairman of CSR Committee  
DIN: 07652493

Sd/-  
**T. Sarita Reddy**  
Managing Director Vice  
DIN: 00017122

Place : Hyderabad  
Date : 04.08.2022

## ANNEXURE - VI

### REPORT ON REMUNERATION TO DIRECTORS AND EMPLOYEES IN TERMS OF RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

**a) Managerial Remuneration:**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl.	Name of the Director	Remuneration for Financial Year (Rs. In Lakhs)		% increase in Remuneration	Ratio of the Remuneration to the median Remuneration of the employees
	Managing Director/KMP	2021-22	2020-21		
1	Mrs. T. Sarita Reddy	48.00	48.00	Nil	20:1
2	Mr. V. R. Prasad	21.93	21.43	2	-
3	*Mr. Danveer Singh	0.33	3.96	Nil	-
4	# Mr. Lalit Kumar Thanvi	0.32	-		

\*Ceased to be Company Secretary & Compliance Officer w.e.f close of working hours on April 29, 2021.

# Appointed as Company Secretary & Compliance Officer w.e.f March 9, 2022.

- (ii) The percentage increase in the median remuneration of employees in the financial year 2021-22 : 8.14
- (iii) The number of permanent employees on the rolls of company March 31, 2022: **618**
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year is 8.14% and there was no increase in the managerial remuneration during the last financial year.
- (v) The key parameters for any variable component of remuneration availed by the directors: **Nil**
- (vi) Affirmation that the remuneration is as per the remuneration policy of the company: **Yes**
- b) There are no Employees drawing remuneration more than Rs. 1,02,00,000/- per annum if employed throughout the financial year and Rs. 8,50,000/- per month, if employed for the part of the financial year during the year.

b) Top 10 Employees in terms of remuneration drawn during the year:

Employee Name	Designation	Remuneration 19-20 (in Rs.)	Age	Educational Qualification	Date of Joining	Last Employment held	Experience (in years)
T. Sarita Reddy*	Managing Director	48,00,00	50	B.Com, MBA	27/10/2006	--	17
V.R. Prasad	CFO	21,93,200	63	M.Com, PG Diploma in BM, CS	09/05/2012	Gayatri Projects Limited	41
T. Venugopal Rao	Vice President	20,98,388	61	B. Sc (Agriculture)	23/09/1998	Ponni Sugars Ltd	36
B. Sankara Rao	President	15,47,900	50	Diploma CE, AMIE, MBA	16/08/1995	--	26
P. Malakondaiah	General Manager (F&A)	14,76,444	69	M.Com, PG Diploma in FA	18/10/2004	Shree Vaani Sugars Ltd, Punganuru	44
D. Veeraju	SR.GM (ENGG)	12,93,600	69	Diploma Mechanical Engineering, BOE	30/08/2013	Prudential Sugars Limited,Puttur	44
Kadam Venkat Rao	SR. GM (CANE)	12,44,920	63	B. Sc (Agriculture)	04/12/2011	Nizam Deccan Sugars Ltd, Medak	39
M. Raja Babu	GM (ENGG)	11,73,512	67	Diploma Mechanical Engineering,	16/11/2012	NSL Sugars LTD.	40
A.V. Subba Reddy	GM (Process)	11,02,357	64	Diploma in Sargar Technology	01/08/1997	Sri Vani Sugars Ltd.	39

\*None of the employees mentioned above except Mrs. T. Sarita Reddy, who is spouse of Mr. T. V. Sandeep Kumar Reddy (Non-Executive Director) and daughter in law of Mrs. T. Indira Reddy (Non-Executive Director), is a relative of any Director of the Company or Manager of the Company.

\* Mrs. T. Sarita Reddy does not hold any shares in the Company. Her spouse Mr. T. V. Sandeep Kumar Reddy holds 15.47% of the total Equity Shares.

For and on behalf of the Board of Directors

sd/-  
**(T. SARITA REDDY)**  
Managing Director  
DIN: 00017122

sd/-  
**(T.V. SANDEEP KUMAR REDDY)**  
Vice Chairman  
DIN: 00005573

Place: Hyderabad

Date : August 04, 2022

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Gayatri Sugars Limited**

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

### **Qualified Opinion**

We have audited the Financial Statements of Gayatri Sugars Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

As stated in note 26.16 to the accompanying Financial Statements, regarding the High Court dismissing the writ petition filed by the Company challenging the levy of electricity duty by the State Government on 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 Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the 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 Financial Statements.

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

We draw attention to Note 26.15 of the Financial Statements 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. The Financial Statements 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 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**

(Note Nos. referred hereunder are with reference to respective Notes forming part of the Financial Statements)

We draw attention to the following matters :

- i) As stated in Note No. 26.14, regarding the restructuring of the Sugar Development Fund 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 opinion is not modified in respect of the above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph above to be the key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and analysis, Boards Report including annexures to Board's Report, Business responsibility Report, Corporate Governance, and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

In preparing the Financial Statements, the Board of Directors 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 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 Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis of Qualified Opinion Paragraph Above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the possible effects of the matter described in the Basis of Qualified Opinion Paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) Except for the possible effects of the matter described in the Basis of Qualified Opinion Paragraph above. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) Except for the possible effects of the matter described in the Basis of Qualified Opinion Paragraph above, in our opinion, the aforesaid Financial Statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. As stated in Note No. 26.2 of the Financial Statements, the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a). The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b). The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c). Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- 3) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **M O S & Associates LLP**  
Chartered Accountants  
Firm's Registration No.001975S/S200020

Sd/-  
**Oommen Mani**  
Partner  
Membership No. 234119  
UDIN: 22234119AJSNGJ6814

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2022

**ANNEXURE "A" TO THE AUDITOR'S REPORT**

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March 2022, we report that:

- (i) In respect of Property Plant and Equipment and Intangible Assets:
- (A) In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and the situation of Property, Plant, and Equipment;
  - (B) In our opinion and as per the information and explanations given to us, the company is maintaining proper records showing full particulars of intangible assets.
  - The management of the company has verified the Property, Plant and Equipment at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed in such physical verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.
  - According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its Property, Plant, and Equipment or intangible assets or both during the year;
  - In our opinion and as per the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder;
- (ii) In respect of inventories
- According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the coverage and procedure of such verification by the management are appropriate. The discrepancies noticed on the physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.
  - According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores from the banks on the basis of security of current assets; the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and details are as given below:

(₹ in lakhs)

Name of the Bank	Quarter Ended	Amount disclosed as per quarterly return/statement (A)	Amount as per books of account* (B)	Difference (A-B)
Consortium of Banks	30th June 2021	7,535.54	961.27	6,574.27
Consortium of Banks	30th September 2021	8,071.99	348.06	7,723.93
Consortium of Banks	31st December 2021	7,761.74	1,857.74	5,904.00
Consortium of Banks	31st March 2021	7,576.24	(2,408.90)	9,985.14

- (iii) According to the information and explanation given to us, during the year the Company has not made investments in, provided guarantee or security, or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties. Accordingly, the provisions of clauses (iii)(a), (iii)(b), and (iii)(c) of the order are not applicable.
- (iv) According to information and explanations given to us and in our opinion, The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause (v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues
- According to the information and explanations given to us, and based on our examination of records of the Company, amounts deducted/ accrued in the books of accounts in respect of statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable have not been regularly deposited during the year by the Company with appropriate statutory authorities though the delays in the deposit have not been serious. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.
  - According to the information and explanation given to us, Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of the statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	The Amount involved ₹ in Lakhs
Central Excise Act, 1944	Excise Duty (excluding interest and penalty)	Customs Excise and Service Tax Appellate Tribunal	Various periods covering the period 2008 to 2013	80.28
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	Hon'ble High Court for the State of Telangana	Various periods covering the period 2011 to 2017	14.17

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- viii. According to the information and explanations given to us, and based on our examination of records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. a. According to the information and explanations given to us and on the basis of our audit procedures, we are of the opinion that the Company has defaulted in repayment of loans or borrowings to financial institutions, banks, or Government as on the Balance Sheet date, as under:

<b>Nature of borrowing, including debt securities</b>	<b>Lender name</b>	<b>Principal ₹ in lakhs</b>	<b>Period of default (In days)</b>	<b>Interest ₹ in lakhs</b>	<b>Period of default (In days)</b>
Term Loan	Sugar Development Fund *	1991.60	922 to 3055	2544.37	1 to 3055

\*Refer note no. 26.14 of Standalone Financial Statements, regarding the restructuring of the Sugar Development Fund loan

- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a Wilful Defaulter by any bank or financial institution or government or any government authority.
- c. According to the information and explanations given to us, the company has not obtained any term loans during the year under audit, accordingly, the provisions of Clause (ix)(c) of the Order are not applicable to the Company and hence not commented upon.
- d. According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on a short-term basis have been used for long-term purposes by the company.
- e. In our opinion and according to the information and explanations given to us and the procedures performed by us, we report that the Company did not have any subsidiaries, associates, or joint ventures during the year.
- f. In our opinion and according to the information and explanations given to us and the procedures performed by us, we report that the Company did not have any subsidiaries, associates, or joint ventures during the year.
- (x) a. According to information and explanations given to us, The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause (x)(a) of the Order is not applicable to the Company.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year and hence reporting under clause (x)(b) of Order is not applicable.
- (xi) a. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations are given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees,

- noticed or reported during the year, nor we have been informed of any such case by the management.
- b. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause (xi)(b) of the Order is not applicable to the Company.
  - c. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, there are no whistle-blower complaints received by the company during the year, accordingly, the reporting under clause (xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it and hence reporting under clause (xii) of Order is not applicable
- (xiii) According to the information and explanations given to us and based on examination of records of the Company, transactions with related parties are in compliance of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) a) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the company, in determining the nature, timing, and extent of our audit procedures.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause (xv) of the Order is not applicable to the Company.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause (xvi)(a) of the Order are not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause (xvi)(b) of the Order is not applicable to the Company.
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India, and accordingly reporting under clause (xvi)(c) of the Order is not applicable.
- d. Based on the information and explanations provided by the management of the Company, the group don't any Core Investment Company (CIC) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the current Financial Year and incurred a cash loss of ₹ 1,819.86 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause (xviii) of the Order is not applicable to the Company.

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- (xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer Note: 26.20 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, as stated in para “Material Uncertainty Related to Going Concern” and “Note 26.15 of the Financial Statements” we state that material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given to us, the company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The reporting under Clause (xxi) of the Order is not applicable in respect of the audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **M O S & Associates LLP**  
Chartered Accountants  
Firm's Registration No.001975S/S200020

Sd/-  
**Oommen Mani**  
Partner  
Membership No. 234119  
UDIN: 22234119AJSNGJ6814

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2022

**Annexure - B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**Qualified Opinion**

We have audited the internal financial controls over financial reporting of Gayatri Sugars Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31st March, 2022, and these material weaknesses did not affect our opinion on the said financial statements of the Company, except in respect of the qualification relating to the Management's assessment of estimating potential liability relating to a disputed matter, in respect of which, we have issued a qualified opinion on the financial statements of the Company.

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, material weakness have been identified as at March 2022 relating to Managements assessment of estimating potential liability relating to a disputed matter as described in note no. 26.16 to the Financial Statements. A "material weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of



India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

For **M O S & Associates LLP**

Chartered Accountants

Firm's Registration No.001975S/S200020

Sd/-

**Oommen Mani**

Partner

Membership No. 234119

UDIN: 22234119AJSNGJ6814

Place : Hyderabad

Date : 27<sup>th</sup> May, 2022

## BALANCE SHEET AS AT 31st MARCH, 2022

Particulars	Note No.	As at 31st March, 2022 ₹ in lakhs	As at 31st March, 2021 ₹ in lakhs
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	2	8,961.48	8,642.89
(b) Capital Work in Progress	2	-	55.34
(c) Intangible Asset	2	0.11	0.11
(d) Financial Asset			
(i) Other Financial Assets	3	99.05	81.85
<b>Total Non-Current Assets</b>		<b>9,060.64</b>	<b>8,780.19</b>
<b>Current assets</b>			
(a) Inventories	4	6,112.87	5,760.33
(b) Financial Asset			
(i) Trade receivables	5	3,893.24	2,240.58
(ii) Cash and cash equivalents	6a	35.95	92.26
(iii) Other Bank balances	6b	197.59	-
(c) Other Current Assets	7	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>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	8	4,370.05	4,370.05
(b) Other Equity	9	(20,593.13)	(19,675.01)
<b>Total Equity</b>		<b>(16,223.08)</b>	<b>(15,304.96)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	7,445.53	7,551.03
(ii) Other Financial Liabilities	11	-	45.07
(b) Provisions	12	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	13	11,029.91	12,694.27
(ii) Trade payables	14		
(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	15	3,014.35	3,145.85
(b) Other Current Liabilities	16	2,368.92	2,075.88
(c) Provisions	17	179.49	133.19
<b>Total Current Liabilities</b>		<b>28,766.42</b>	<b>25,424.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,623.53</b>	<b>18,275.97</b>
Corporate information and Significant accounting policies	1		
Other notes forming part of the Financial Statements	26		

As per our report attached

**For M O S & Associates LLP**

Chartered Accountants

Sd/-

**Oommen Mani**

Partner

Place : Hyderabad

Date : 27th May, 2022

**For and on behalf of the Board of Directors**

Sd/-

**T. Sarita Reddy**

Managing Director

Sd/-

**V.R. Prasad**

Chief Financial Officer

Sd/-

**T.V. Sandeep Kumar Reddy**

Vice Chairman

Sd/-

**Lalith Kumar Thanvi**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

Particulars	Note No.	For the Year Ended 31st March, 2022 ₹ in lakhs	For the Year Ended 31st March, 2021 ₹ in lakhs
<b>I Revenue from operations</b>	<b>18</b>	<b>36,069.96</b>	24,788.24
<b>II Other income</b>	<b>19</b>	<b>49.73</b>	21.66
<b>III Total revenue (I+II)</b>		<b>36,119.69</b>	24,809.90
<b>IV Expenses</b>			
(a) Cost of materials consumed	<b>20</b>	<b>25,674.10</b>	16,885.16
(b) Purchases of Stock-in-Trade	<b>21</b>	<b>298.38</b>	248.52
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>22</b>	<b>(266.66)</b>	1,771.01
(d) Employee benefits expense	<b>23</b>	<b>2,019.53</b>	1,854.46
(e) Finance costs	<b>24</b>	<b>2,530.47</b>	2,573.88
(f) Depreciation and amortisation expense	<b>2</b>	<b>1,046.78</b>	1,026.48
(g) Other expenses	<b>25</b>	<b>5,659.18</b>	3,296.73
<b>Total expenses (IV)</b>		<b>36,961.78</b>	27,656.24
<b>V Profit/(Loss) before Exceptional items and Tax (III-IV)</b>		<b>(842.09)</b>	(2,846.34)
<b>VI Exceptional items</b>		<b>—</b>	—
<b>VII Profit / (Loss) before tax (V-VI)</b>		<b>(842.09)</b>	(2,846.34)
<b>VIII Tax expense</b>		<b>—</b>	—
<b>IX Profit / (Loss) for the year (VII-VIII)</b>		<b>(842.09)</b>	(2,846.34)
<b>X Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss :			
i) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits		<b>(76.03)</b>	(147.95)
ii) Income tax relating to Items that will not be reclassified to profit or loss		<b>—</b>	—
<b>Total Other Comprehensive Income (X)</b>		<b>(76.03)</b>	(147.95)
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>(918.12)</b>	(2,994.29)
<b>XII Earnings per equity share (of ₹ 10/- each)</b>			
Basic (₹)	<b>26.11</b>	<b>(1.93)</b>	(6.51)
Diluted (₹) (*Antidilutive)	<b>26.11</b>	<b>*(1.93)</b>	*(6.51)

Corporate information and Significant accounting policies

1

Other notes forming part of the Financial Statements

26

As per our report attached

**For M O S & Associates LLP**

Chartered Accountants

**Sd/-**

**Oommen Mani**

Partner

Place : Hyderabad

Date : 27th May, 2022

**For and on behalf of the Board of Directors**

**Sd/-**

**T. Sarita Reddy**

Managing Director

**Sd/-**

**V.R. Prasad**

Chief Financial Officer

**Sd/-**

**T.V. Sandeep Kumar Reddy**

Vice Chairman

**Sd/-**

**Lalith Kumar Thanvi**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022**

Particulars	For the Year Ended 31st March, 2022 ₹ in lakhs	For the Year Ended 31st March, 2021 ₹ in lakhs
<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 (A)</b>	<b>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 (C)</b>	<b>(4,067.32)</b>	<b>(1,461.64)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(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	35.95	92.26

**Note:**

Figures in brackets represent cash outflows.

See accompanying notes forming part of the financial statements.

As per our report attached

**For M O S & Associates LLP**

Chartered Accountants

**Sd/-**

**Oommen Mani**

Partner

Place : Hyderabad

Date : 27th May, 2022

**For and on behalf of the Board of Directors**

**Sd/-**

**T. Sarita Reddy**

Managing Director

**Sd/-**

**V.R. Prasad**

Chief Financial Officer

**Sd/-**

**T.V. Sandeep Kumar Reddy**

Vice Chairman

**Sd/-**

**Lalith Kumar Thanvi**

Company Secretary

## Annexure – I

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

Statement on Impact of Audit Qualifications for the Financial Year ended 31st 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)	(1.930) *(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
<b>#Impact (as quantified by Management) of qualification considered in Total Expenditure as exceptional item</b>				
II	<b>Audit Qualification:</b> <b>a. Details of Audit Qualification:</b> i) 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 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 Financial Results.			
	b. Type of Audit Qualification: Qualified Opinion/ <del>Disclaimer of Opinion</del> / <del>Adverse Opinion</del> :			
	c. Frequency of Qualification: <del>Whether appeared first time</del> /Repetitive/ Since how long continuing: Appearing since the Annual Audited Results of FY 2016-17			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: -Not Applicable-			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Refer Note 3 of the Financial Results: Impact of Qualification - ₹ 170 Lakhs debit to the Statement of Profit and Loss for the year ended 31st March, 2022 which is disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at March 31, 2022 will increase and the net-worth as at March 31st, 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.			

	(ii) If management is unable to estimate the impact, reasons for the same: - Not Applicable-	
	(iii) Auditors' Comments on (i) or (ii) above: No further comments	
	<b>III. Signatories:</b>	
	Managing Director	Sd/-
	CFO	Sd/-
	Audit Committee Chairman	Sd/-
	Statutory Auditor Place: Hyderabad	Sd/-
	Date: 27th May, 2022	

## Twenty Seventh Annual Report

### GAYATRI SUGARS LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

#### A. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
4,370.05	-	4,370.05
Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
4,370.05	-	4,370.05

#### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		"Other Comprehensive Income	Total Other Equity
	Securities Premium Account	Retained earnings		
As at 01st April, 2021	215.84	(19,682.71)	(208.14)	(19,675.01)
Surplus / (Deficit) for the year	-	(842.09)	-	(842.09)
Other comprehensive income	-	-	(76.03)	(76.03)
As at 31st March, 2022	215.84	(20,524.80)	(284.17)	(20,593.13)
As at 01st April, 2020	215.84	(16,836.37)	(60.19)	(16,680.72)
Surplus / (Deficit) for the year	-	(2,846.34)	-	(2,846.34)
Other comprehensive income	-	-	(147.95)	(147.95)
As at 31st March, 2021	215.84	(19,682.71)	(208.14)	(19,675.01)

As per our report attached

**For M O S & Associates LLP**  
Chartered Accountants

Sd/-

**Oommen Mani**

Partner

Place : Hyderabad

Date : 27th May, 2022

**For and on behalf of the Board of Directors**

Sd/-

**T. Sarita Reddy**

Managing Director

Sd/-

**V.R. Prasad**

Chief Financial Officer

Sd/-

**T.V. Sandeep Kumar Reddy**

Vice Chairman

Sd/-

**Lalith Kumar Thanvi**

Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****CORPORATE INFORMATION:**

Gayatri Sugars Limited was established in the year 1995 and its registered office is located at B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082. The company is registered with Bombay Stock Exchange (BSE).

The Company is into manufacture of sugar and allied products and it also operates a power generation unit, the output of which is captively used and also exported to the grid. The Company's products include sugar, distillery products like Ethanol, Impure spirit and by-products like Molasses and Bagasse.

**1. Significant Accounting Policies:****1.1. Compliance with Indian Accounting Standards (Ind AS)**

The Company's Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

**1.2. Basis of Preparation and Presentation of Financial Statements**

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use in Ind AS 36. Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or Liability.



### **1.3. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Actual results may differ from these estimates. The Company evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, estimation of costs as a proportion to the total costs, etc., Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Account.

### **1.4 Inventories**

- (a) Raw materials, Stock-in-trade, Stores and Spares and Consumables are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First-in-First out basis and Cost includes applicable taxes, duties, transport and handling costs.
- (b) Finished goods are valued at lower of cost or net realizable value. Cost is average cost and includes all material costs, direct and indirect expenditure.
- (c) Work-in-progress is valued at lower of cost up to estimated stage of process and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
- (d) By-products are valued at estimated net realisable value as the cost is not ascertainable.

### **1.5 Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, whereby the profit before extraordinary items and tax is adjusted for the effects of:

- i. transactions of a non-cash nature; and
- ii. any deferrals or accruals of past or future operating cash receipts or payments.

Items of income or expense associated from investing or financing cash flows of the company are segregated based on the available information.

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.

Cash and cash equivalents, comprise cash on hand, balances in current, Cheque-on-hand pending to be presented in Bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.6 Depreciation and amortization

In respect of Property, Plant and Equipment (other than Land and Capital Work in Progress) depreciation is charged on a straight-line basis over the useful lives as specified in Schedule II to the Companies Act 2013.

Software is amortised over a period of 3 years.

Individual assets costing less than ₹ 5,000/- are fully depreciated in the year of acquisition.

The Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on 01st April, 2016.

### 1.7 Revenue Recognition :

- Revenue from Operations

- (a) Sale of products

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns, Goods and Service Tax but inclusive of excise duty.

- (b) Sale of power

Revenue from sale of power is recognised when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing party.

- Other income

- (i) Interest Income is recognised on a time proportionate method using underlying Effective interest rates.

- ii) Insurance and other claims/refunds are accounted for as and when admitted by appropriate authorities.

- iii) Harvesting income is recognized when the sugar cane growers have utilized the harvesting machinery in the respective fields and the sugar cane is been supplied to the factory.

### 1.8 Functional and presentation currency and Foreign Currency Transactions:

- (a) The reporting currency of the company is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions. Initial recognition.

- (b) Monetary assets and current liabilities related to foreign currency transactions remaining unsettled are translated at the functional currency spot rates prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

- (c) Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### 1.9. Property, Plant and Equipment:

- (a) Tangible and Intangible:

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost,

which comprise of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use. Freehold land is not depreciated.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(b) Capital Work in Progress :

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### **1.10 Employee Benefits**

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

(b) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

(c) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

### **1.11 Borrowing Cost**

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

### **1.12 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. There are no leases entered by the company.

### **1.13 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

- Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.
- Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

#### **1.14 Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. The basic earnings per share ("EPS") are calculated by dividing the profit / (loss) after tax by the weighted average number of Equity Shares outstanding. Diluted earnings per share is computed by dividing net profits for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

#### **1.15 Taxes on Income**

##### **(a) Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961 as at the balance sheet date and any adjustments to taxes in respect of the previous years, penalties if any related to income tax are included in the current tax expense.

##### **(b) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

##### **(c) Deferred Tax**

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

Current and deferred tax is recognized in profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### 1.16 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

#### Recoverable amount is determined:

- In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.
- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

### 1.17 Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 1.18 Financial Assets

Financial Asset is any Asset that is -

- (a) Cash
- (b) Equity Instrument of another Entity,
- (c) Contractual right to -
  - i. receive Cash / another Financial Asset from another Entity, or

- ii. exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - i. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

**Financial Liabilities**

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

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

**De-recognition of Financial Instruments**

A Financial Asset is derecognized when the rights to receive cash flows from the asset have expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability

either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

### **1.19 Provisions and Contingencies**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

### **1.20 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **1.21 Exceptional items**

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

### **1.22 Commitments**

- (a) Commitments are future liabilities for contractual expenditure.
- (b) Commitments are classified and disclosed as follows:
  - Estimated amount of contracts remaining to be executed on capital account and not provided for;
  - Uncalled liability on shares and other investments partly paid;
  - Funding related commitment to subsidiary, associate and joint venture companies and
  - Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- (c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Property, Plant and Equipment, Capital Work In Progress and Intangible Assets

Particulars	Property, Plant and Equipment						Intangible Assets		Capital work In Progress(C)		
	Free hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Total (A)	Software		Total (B)	Total(A+B)
As at 31st March, 2022											
Cost as at 1st April 2021	374.30	3,662.46	22,615.90	20.66	105.19	93.78	26,872.29	2.07	2.07	26,874.36	55.34
Additions	27.86	10.53	1,324.89	-	0.94	2.03	1,366.25	-	-	1,366.25	-
Deletions/Capitalised	-	-	-	-	3.75	-	3.75	-	-	3.75	55.34
Cost as at 31st March 2022	402.16	3,672.99	23,940.79	20.66	102.38	95.81	28,234.79	2.07	2.07	28,236.86	-
Accumulated depreciation as at 1st April 2021	-	2,091.69	15,934.79	20.56	91.17	91.19	18,229.40	1.96	1.96	18,231.36	-
Eliminated on disposals	-	-	-	-	2.87	-	2.87	-	-	2.87	-
Depreciation expense	-	113.71	929.96	-	2.36	0.75	1,046.78	-	-	1,046.78	-
Accumulated depreciation as at 31st March 2022	-	2,205.40	16,864.75	20.56	90.66	91.94	19,273.31	1.96	1.96	19,275.27	-
Net carrying Value as at 31st March 2022	402.16	1,467.59	7,076.04	0.10	11.72	3.87	8,961.48	0.11	0.11	8,961.59	-
As at 31st March, 2021											
Cost as at 1st April 2020	333.95	3,662.46	22,608.30	20.66	105.19	93.25	26,823.81	2.07	2.07	26,825.88	9.78
Additions	40.35	-	7.60	-	-	0.53	48.48	-	-	48.48	53.18
Deletions/Capitalised	-	-	-	-	-	-	-	-	-	-	7.62
Cost as at 31st March 2021	374.30	3,662.46	22,615.90	20.66	105.19	93.78	26,872.29	2.07	2.07	26,874.36	55.34
Accumulated depreciation as at 1st April 2020	-	1,978.22	15,027.87	20.56	88.87	87.40	17,202.92	1.96	1.96	17,204.88	-
Eliminated on disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	113.47	906.92	-	2.30	3.79	1,026.48	-	-	1,026.48	-
Accumulated depreciation as at 31st March 2021	-	2,091.69	15,934.79	20.56	91.17	91.19	18,229.40	1.96	1.96	18,231.36	-
Net carrying Value as at 31st March 2021	374.30	1,570.77	6,681.11	0.10	14.02	2.59	8,642.89	0.11	0.11	8,643.00	55.34

2(C)(i)Ageing of capital work-in-progress is as below

2(C)(i) Ageing of capital work-in-progress is as below

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amount in Capital work in progress for period of			Amount in Capital work in progress for period of		
	Less than 1 Year	1-2 years	More Than 2 Years	Less than 1 Year	1-2 years	More Than 2 Years
Work in Progress	-	-	-	45.56	7.98	1.80
Total	-	-	-	45.56	7.98	1.80
						55.34

**Financial Assets**

(₹ in lakhs)

**3 Other financial assets - Non Current Assets**

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Security Deposits - Considered good - Unsecured Deposits with Govt. Depts and others	92.16	74.96
b. Earmarked deposits with banks	6.89	6.89
<b>Total</b>	<b>99.05</b>	<b>81.85</b>
(i) Security deposits are primarily in relation to public utility services and rental agreements.		
(ii) Non-current earmarked deposits with banks represent deposits not due for realisation within 12 months from the balance sheet date. These are primarily placed as margin money against issue of bank guarantees, etc.		

**4 Inventories**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Finished goods	4,128.72	4,471.26
b. Stock-in-trade	11.64	91.68
c. Stores and spares	480.76	394.87
d. By-Products	1,491.75	802.52
<b>Total</b>	<b>6,112.87</b>	<b>5,760.33</b>
(i) <b>Finished goods</b>		
a. Sugar	3,306.82	4,156.72
b. Rectified spirits and ethanol	821.85	314.19
c. Carbon-di-oxide - (CO2)	0.05	0.35
<b>Total</b>	<b>4,128.72</b>	<b>4,471.26</b>
(ii) <b>By products</b>		
a. Molasses	633.83	531.64
b. Molasses in distillery	220.59	141.49
c. Bagasse	487.18	116.09
d. Filter cake	150.00	8.00
e. Ash	0.15	5.30
<b>Total</b>	<b>1,491.75</b>	<b>802.52</b>

**Financial Assets****5 Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured and considered good	3,893.24	2,240.58
<b>Total</b>	<b>3,893.24</b>	<b>2,240.58</b>

**5(i) Ageing of trade receivables**

(₹ in Lakhs)

Outstanding for following periods from due date of payment	As at 31st March, 2022	As at 31st March, 2021
<b>Undisputed - considered good</b>		
Not Due	-	-
Less than 6 Months	3,651.98	2,116.87
6 Months - 1 Year	17.84	70.04
1 Year - 2 Year*	223.21	53.57
More than 2 years	0.21	0.10
<b>Total</b>	<b>3,893.24</b>	<b>2,240.58</b>

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\* The receivables ageing of period of 1 Year - 2 Year of Rs. 223.21 lakhs (Previous year Rs. 53.57 lakhs) represents amount of fixed cost on power tariff by company as determined by Telangana State Electricity Regulatory Commission. (TSERC)

5(ii) There are no outstanding receivables due from directors or other officers of the Company

5(iii) Refer Note 13A for information on charges of Trade receivables by the Company.

5(iv) Refer Note 26.5(i) and (iii) for information on market risk and credit risk of receivables.

### 6a. Cash and cash equivalents (₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st April, 2021
a. Cash on hand	1.04	0.51
b. Balances with bank		
- In current accounts	34.91	91.75
<b>Total</b>	<b>35.95</b>	<b>92.26</b>

### 6b. Other Bank Balances (₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st April, 2021
Earmarked deposits with banks	197.59	—
<b>Total</b>	<b>197.59</b>	<b>—</b>

(i) Current earmarked deposits with banks represent deposits not due for realisation within 3 months from the balance sheet date. These are primarily placed as 100% margin money against the issue of bank guarantees, etc.

### 7 Other current assets (₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st April, 2021
<b>a. Advances to growers, harvestors, suppliers and others</b>		
Considered good - Unsecured	867.52	996.32
Considered doubtful - Unsecured	2.02	-
less: Provision for doubtful advances	(2.02)	-
<b>b. Loans and advances to employees - Considered good - Unsecured</b>	10.43	11.85
<b>c. Others - Considered good - Unsecured</b>		
GST credit receivable	6.84	1.21
Income Tax Refund	36.87	7.39
Deposits with Govt departments	2.40	2.40
Prepaid expenses	78.78	83.28
Security deposit	316.23	287.27
Interest Receivable	4.17	1.19
Interest subvention on excise duty term loan	-	11.70
<b>Total</b>	<b>1,323.24</b>	<b>1,402.61</b>

**8 Equity Share capital****( ₹ in lakhs)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	6,50,00,000	6,500.00	6,50,00,000	6,500.00
(ii) Issued Share Capital Equity shares of ₹10/- each	4,37,03,643	4,370.36	4,37,03,643	4,370.36
(iii) Subscribed and fully paid up Equity shares of ₹10/- each	4,36,97,368	4,369.74	4,36,97,368	4,369.74
(iv) Subscribed but not fully paid up Equity shares of ₹ 10/- each (₹ 5 Paid up)	6,275	0.31	6,275	0.31
<b>Total</b>	<b>6,275</b>	<b>0.31</b>	<b>6,275</b>	<b>0.31</b>
		<b>4,370.05</b>		<b>4,370.05</b>

Note: The Company also has issued Preference Share Capital of 4,11,47,023 shares of ₹10/- each, these shares owing to the nature of such instrument i.e. Mandatory redemption (6% Cumulative Redeemable Preference Shares) have been reclassified as "Financial Liability" as per requirement of Indian Accounting Standards.

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity shares</b>				
At the Beginning of period	4,37,03,643	4,370.05	4,37,03,643	4,370.05
Issued during the year	-	-	-	-
Balance at the end of the year	4,37,03,643	4,370.05	4,37,03,643	4,370.05

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

The Company has one class of equity shares having a par value of ₹ 10 each. Each equity shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**(iii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of share holder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares</b>				
Gayatri Fin-Holdings Private Limited	7,169,450	16.40%	7,169,450	16.40%
T.V. Sandeep Kumar Reddy	6,763,031	15.47%	6,763,031	15.47%
Mohan Project Contractors Private Limited	4,698,257	10.75%	4,698,257	10.75%
T. Indira Reddy	3,793,508	8.68%	3,793,508	8.68%
T. Subbarami Reddy	3,255,814	7.45%	3,255,814	7.45%
T.S.R.Holdings Private Limited	2,895,478	6.63%	2,895,478	6.63%

**(iv) Details of Promoters shareholding percentage in the Company:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding	Number of shares held	% holding
<b>Name of Promoter</b>				
T. Subbarami Reddy	3,255,814	7.45%	3,255,814	7.45%
T.V. Sandeep Kumar Reddy	6,763,031	15.47%	6,763,031	15.47%
T. Indira Reddy	3,793,508	8.68%	3,793,508	8.68%
<b>Name of Promoter Group</b>				
Gayatri Fin-Holdings Private Limited	7,169,450	16.40%	7,169,450	16.40%
T.S.R.Holdings Private Limited	2,895,478	6.63%	2,895,478	6.63%
Gayatri Projects Limited	1,163,607	2.66%	1,163,607	2.66%

**(v) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash:**

a) Equity shares: Issued 12,829,043 shares pursuant to scheme of amalgamation between Gayatri Sugars Limited and GSR Sugars Private Limited on 29 April, 2011.

**(vi) Details of calls unpaid on equity shares**

	As at 31st March, 2022	As at 31st April, 2021
- Number of shares	6,275	6,275
- Unpaid amount (₹)	31,375	31,375

**8a Preference share capital**
**( ₹ in lakhs)**

Particulars	As at 31st March, 2022 Number of ₹ in lakhs shares	As at 31st March, 2021 Number of ₹ in lakhs shares
<b>Details of authorised, issued, subscribed and paid-up capital</b>		
(i) Authorised Share Capital		
Cumulative redeemable preference shares of ₹ 10/- each	45,000,000 4,500.00	45,000,000 4,500.00
(ii) Issued, Subscribed and fully Paid up:		
Cumulative redeemable preference shares	41,147,023 4,114.70	41,147,023 4,114.70
	41,147,023 4,114.70	41,147,023 4,114.70
Total	4,114.70	4,114.70

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31st March, 2022 Number of ₹ in lakhs shares	As at 31st March, 2021 Number of ₹ in lakhs shares
At the Beginning of period	41,147,023 4,114.70	41,147,023 4,114.70
Issued during the year	- -	- -
Balance at the end of the year	41,147,023 4,114.70	41,147,023 4,114.70

**(ii) Rights, preferences and restrictions attached to Preference share capital:**

The Company has only one class of 6% Cumulative redeemable preference shares having a par value of ₹ 10 per share. Each holder of preference shares is entitled to one vote per share.

- 2,50,00,000 preference shares are due for redemption on or before 11th November 2023.
- 66,10,210 preference shares are due for redemption on or before 1st April, 2025 with an early redemption right to the Company by giving 30 days notice.
- 95,36,813 preference shares are due for redemption on or before 1st April, 2029 with an early redemption right to the Company by giving 30 days notice.

**(iii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31st March, 2022 Number of ₹ in lakhs shares held	As at 31st March, 2021 Number of ₹ in lakhs shares held
<b>Preference Shares</b>		
Mohan Project Contractors Private Limited	29,900,000 72.67%	29,900,000 72.67%
T.S.R.Holdings Private Limited	9,536,813 23.18%	9,536,813 23.18%

**(iv) Details of Promoters shareholding percentage in the Company:**

Particulars	As at 31st March, 2022 Number of ₹ in lakhs shares held	As at 31st March, 2021 Number of ₹ in lakhs shares held
<b>Name of Promoter Group</b>		
T.S.R.Holdings Private Limited	9,536,813 23.18%	9,536,813 23.18%
Gayatri Fin-Holdings Private Limited	1,710,210 4.16%	1,710,210 4.16%

**9 Other Equity**

( ₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. Securities Premium Account</b>		
Opening balance	215.84	215.84
Add: Premium received on Shares issued	—	—
Closing balance	215.84	215.84
<b>b. Retained earnings</b>		
Opening balance	(19,682.71)	(16,836.37)
Add : Surplus / (Deficit) for the year	(842.09)	(2,846.34)
Closing balance	(20,524.80)	(19,682.71)
<b>c. Other Comprehensive Income (OCI)</b>		
Re-measurement gains/(losses) on defined benefits		
Opening balance	(208.14)	(60.19)
Add : Movement in OCI (Net) during the year	(76.03)	(147.95)
Closing balance	(284.17)	(208.14)
<b>Total (a+b+c)</b>	<b>(20,593.13)</b>	<b>(19,675.01)</b>

**a. Securities Premium Account**

Securities premium is used to record the premium received on the issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**b. Retained Earnings**

Retained Earnings are the profits/ (Losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**c. Re-measurement gains/(losses) on defined benefits**

The Company recognises remeasurement gain / (loss) on defined benefit plans in Other Comprehensive Income. These changes are accumulated within the equity under "Remeasurement gain / (loss) on defined benefit plans" reserve within equity.

## Financial Liabilities

(₹ in lakhs)

## 10 Borrowings

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-Current	Current*	Non-Current	Current*
<b>Carried at amortised cost</b>				
<b>Secured</b>				
a. Non-Convertible Debentures 69,50,500 (March 31, 2021: 69,50,500; 4% non-convertible, redemable debentures of ₹10 each.	—	278.02	278.01	417.04
b. From Banks				
Term Loans	—	—	12.93	709.02
Term Loans - Covid	—	28.58	61.44	516.77
<b>Unsecured</b>				
a. Cumulative redeemable preference shares	4,114.70	—	4,114.70	—
b. Cumulative liability on preference Shares	1,621.27	—	1,424.39	—
c. Loans from related Parties (Refer Note: 13C)	201.21	—	201.21	—
d. Loans from others	1,458.35	—	1,458.35	—
<b>Total</b>	<b>7,445.53</b>	<b>306.60</b>	<b>7,551.03</b>	<b>1,642.83</b>

## 10.1 Non Convertible Debentures (NCDs)

"4% Secured Unlisted Non - Convertible Debentures are secured by Pari passu first charge on entire Fixed assets both (movable and immovable) of Unit-I Kamareddy Unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District of Telangana State along with other term loan consortium member banks and Pari passu first charge on Fixed assets both (movable and immovable) of Unit II Nizamsagar unit situated at Maggi village, Kamareddy District of Telangana State, of the Company along with other term loan consortium member banks and Sugar Development Fund. The Interest rate is 4% p.a.

**Terms of Redemption:**

Redeemable in three installments from the date of the issue i.e. March 14, 2017, in the ratio of 30:30 and 40 at the end of the 4th, 5th, and 6th year respectively, along with interest accrued thereon on the value of debentures redeemable.

## 10.2 Term Loans - Covid

**Primary Security**

First pari-passu charge on all chargeable current assets of the Company i.e., sugar, molasses, bagasse, stores and spares, ethanol, rectified spirit and receivables.

**B Collateral Security****1. Corporate Term Loan and Soft Loan**

- Pari Passu First Charge on the Company's Present and Future Immovable Properties and Fixed Assets of Sugar unit and Distillery unit at Kamareddy along with Trustee of NCD holders i.e., SBI Cap Trustee Ltd.
- Pari Passu First Charge on the Company's Present and Future Immovable Properties and Fixed Assets of Sugar unit at Nizamsagar along with Sugar Development Fund and Trustee of NCD holders i.e., SBI Cap Trustee Ltd.
- First pari-passu charge on Pledge on 79 lacs of shares of M/s Gayatri Sugars Ltd belonging to Smt. T. Indira Subbarami Reddy and Sri T. V. Sandeep Kumar Reddy.

**C Rate of interest**

The rate of Interest varies between 7.8% to 8%

## 10.3 Rights, preferences and restrictions attached to preference shares - Refer note no. 8A(ii)

## 10.4 Unsecured Loan - From Related Parties

Unsecured Loan from T.V.Sandeep Kumar Reddy (Vice-Chairman) was interest free upto 31/03/2020 and repayable on or before 30/11/2020 since the said loan is not repaid on or before 30/11/2020 at the request of the Company (Borrower) the



said loan is treated as a long-term loan and shall be repaid by 31/03/2025. The interest rate is 9.5% per annum with effect from 01/04/2020 and quarterly payable. The Lender, has an option to convert the loan in full or partly into Equity or Preference shares of the company at any time during the tenure of term loan.

Unsecured Loan from Deep Corporation Private Limited was interest free upto 31/03/2020 and repayable on or before 30/11/2020, since the said loan is not repaid on or before 30/11/2020 at the request of the Company (Borrower) the said loan is treated as long-term loan and shall be repaid by 31/03/2025. The interest rate is 9.5% per annum with effect from 01/04/2020 and quarterly payable. The Lender, has an option to convert the loan in full or partly into Equity or Preference shares of the company at any time during the tenure of term loan.

Unsecured Loan from Rajiv Realtors Private Limited shall be repaid by 30/11/2022. Interest rate is 9.5% per annum with effect from 12/02/2021 and quarterly payable.

#### 10.5 Unsecured Loan - From Others

The Lender, has an option to convert the loan in full or partly into Equity or Preference shares of the company at any time during the tenure of term loan which is 31/03/2025 and rate of interest is 9.5%.

#### 10.6 Maturity Profile of borrowings including current maturities and interest is as below :

(₹ in lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Not later than one year or on demand	2021-22	11,083.21	2020-21	11,564.92
Later than one year but not two years	2022-23	362.44	2021-22	1,442.19
Later than two years but not three years	2023-24	3,607.53	2022-23	2,057.01
Later than three years but not four years	2024-25	1,659.56	2023-24	3,457.53
Later than four years but not five years	2025-26	938.65	2024-25	-
More than five years	after 31/03/2026	1,239.79	after 31/03/2025	2,081.55
<b>Total</b>		<b>18,891.18</b>		<b>20,603.20</b>

## Non-Current Liabilities

### 10.7 The Company has defaulted in repayment of loans and interest in respect of the following:

S.no.	Term Loans	As at 31st March, 2022		As at 31st March, 2021	
		Period of Defaults during the year (in days)	₹ in Lakhs	Period of Defaults during the year (in days)	₹ in Lakhs
	<b>As at 31st March, 2022</b>	<b>Principal</b>		<b>Interest</b>	
1	Sugar Development Fund Term Loan	922 to 3055	1,991.60	1 to 3055	2,544.37
2	Loan from Related Parties	-	-	1 to 640	39.37
3	Loan from Others	-	-	1 to 730	320.53

### 10.8 The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

Quarter Ended	Name of the Banks and Aggregate working capital limits sanctioned	Amount disclosed as per totally returns / statement (a)	Amount as per books of accounts (B)	Difference (A-B)	Reason for material discrepancies
Jun-21	Union Bank of India and a consortium of Banks "Limits Sanctioned 6759.00 Lakhs	7,535.54	961.27	6,574.27	Refer
Sep-21		8,071.99	348.06	7,726.93	Note No.
Dec-21		7,761.74	1,857.74	5,904.00	10.9 (a)
Mar-22		7,576.24	(2,408.90)	9,985.14	

10.9(a) The difference between the amount reported in Quarterly returns and books of account is majorily on account of submission of quarterly returns by the company considering payables related to transport charges harvesting expences, electricity charges, packing expenses, security deposits received, salaries, OT, Bonus etc., as non trade eand advnces given in current assets for calculations of drawing power.

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### 11 Other financial liabilities - Non-Current ( ₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
a. Interest accrued but not due on non-convertible debentures	—	45.07
<b>Total</b>	<b>—</b>	<b>45.07</b>

### 12 Provisions - Non-current ( ₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (Refer note no. 26.7)	<b>636.66</b>	560.67
<b>Total</b>	<b>636.66</b>	560.67

### 13 Borrowings - Current ( ₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
a. Short Term Borrowings		
Covid and FITL	—	192.28
b. Loan repayable on demand from banks	<b>6,187.34</b>	6,659.18
c. Non Convertible Debentures due for redemption	—	208.52
<b>d Current Maturities - Secured Borrowings</b>		
i Current maturities of long-term debt	<b>28.58</b>	1,225.79
ii Current maturities of Non Convertible Debentures	<b>278.02</b>	208.52
e SDF loan principal and interest due (Refer note: 26.14)	<b>4,535.97</b>	4,199.98
<b>Total</b>	<b>11,029.91</b>	<b>12,694.27</b>

#### Notes:

#### Loans repayable on demand from banks:

State Bank of India	<b>1,121.97</b>	1,149.68
Bank of Baroda	<b>1,342.57</b>	1,365.52
Punjab National Bank	<b>(43.18)</b>	140.42
Union Bank of India	<b>3,765.98</b>	4,003.56
<b>Total</b>	<b>6,187.34</b>	<b>6,659.18</b>

#### A Details of security for the Loan payable on Demand from Banks:

- (i) **Primary Security:** Pari-passu first charge on all chargeable current assets of the Company (viz.) sugar, molasses, bagasse, stores and spares, ethanol, and receivables of the company.
- (ii) **Collateral Security:**
  - a) Pari-passu second charge on the Company's present and future fixed assets and immovable properties of sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District and sugar unit located at Maagi village, Nizam Sagar Mandal, Kamareddy District.
  - b) First pari-passu charge on pledge of 79 lakh shares of Gayatri Sugars Limited belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy, on pari-passu basis with other members of the consortium lenders.
  - c) Personal guarantee of Shri T.V. Sandeep Kumar Reddy, Smt. T Indira Subbarami Reddy and Smt. T. Sarita Reddy; Directors of the Company.
- (iii) Interest rate varies from 12.50% to 15.65%

**B Secured borrowings from Sugar Development Fund (SDF)**

- a) Pari Passu First Charge on the Company's Present and Future Immovable Properties and Fixed Assets of Sugar unit located at Maagi village, Nizam Sagar Mandal, Kamareddy District along with Term Lenders, Trustee of NCD holders i.e., SBI Cap Trustee Ltd.
- (b) Interest rate is 4% plus additional interest for the period and amount in default.

**14 Trade payables (₹ in lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro and small enterprises*	—	—
Total outstanding dues of creditors other than micro and small enterprises	12,173.75	7,374.97
<b>Total</b>	<b>12,173.75</b>	<b>7,374.97</b>

\*There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

**5(i) Ageing of trade payables as below: (₹ in lakhs)**

Outstanding for following periods from due date of payment	As at 31st March, 2022	As at 31st March, 2021
Not Due	—	—
Less than 1 Year	12,112.79	7,290.03
1 - 2 Years	13.86	43.02
2 - 3 Years	14.02	10.44
More than 3 years	33.08	31.48
<b>Total</b>	<b>12,173.75</b>	<b>7,374.97</b>

**15 Other financial liabilities - current (₹ in lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Crop loan	2,076.96	2,441.47
b. Interest accrued but not due	55.84	34.23
c. Interest accrued and due	359.90	278.61
d. Interest accrued and due - Crop Loan	521.65	391.54
<b>Total</b>	<b>3,014.35</b>	<b>3,145.85</b>

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### 16 Other current liabilities

( ₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Statutory payables	371.86	306.91
b. Advances from customers	1,458.81	1,135.99
c. Other payables	538.25	632.98
<b>Total</b>	<b>2,368.92</b>	<b>2,075.88</b>

### 17 Provisions - Current

( ₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Employee benefits	179.49	125.16
b. Provision for tax on preference dividend**	—	8.03
<b>Total</b>	<b>179.49</b>	<b>133.19</b>

### 18 Revenue from operations

( ₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Sale of products (Refer Note (i) below)	35,959.01	24,474.59
b. Other operating revenues (Refer Note (ii) below)	110.95	313.65
<b>Total</b>	<b>36,069.96</b>	<b>24,788.24</b>

#### Notes:

#### (i) Sale of products comprises

##### **Manufactured goods**

Sugar	30,301.21	18,209.25
Ethanol	4,115.86	5,310.69
Impured spirit	25.88	24.53
Power	1,119.75	720.81
Carbondi-oxide- CO2	4.04	14.43
Hand Sanitizer	2.56	4.30

##### **Traded goods**

Fertilizers	382.31	183.96
Acetone	0.21	0.08
Methanol	7.19	6.54

##### **Total Sale products**

<b>35,959.01</b>	<b>24,474.59</b>
------------------	------------------

#### iii) Other operating revenues comprise:

Sale of scrap	58.90	0.41
Sale of ash	14.49	1.14
Sale of filter cake	37.56	28.82
Sugar Export Licence	—	283.28
<b>Total</b>	<b>110.95</b>	<b>313.65</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 19 Other income

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Interest income		
On fixed deposits with banks	4.03	0.44
On electricity deposits	0.18	0.32
b. Harvesting machine receipts	37.49	20.90
c. Other non-operative income	8.03	—
<b>Total</b>	<b>110.95</b>	<b>21.66</b>

## 20 Cost of materials consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Sugar cane	25,580.76	16,836.61
b. Others	93.34	48.55
<b>Total</b>	<b>25,674.10</b>	<b>16,885.16</b>

## 21 Purchases of Stock-in-Trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Fertilizers	298.38	248.52
<b>Total</b>	<b>298.38</b>	<b>248.52</b>

## 22 Changes in inventories of finished goods, work-in-process and Stock in Trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Opening stock		
Finished goods (including by products)	5,273.77	7,109.34
Fertilizers	91.68	27.12
b. Closing Stock		
Finished goods (including by products)	5,620.47	5,273.77
Fertilizers	11.64	91.68
<b>(Increase) / Decrease in stock</b>	<b>(266.66)</b>	<b>1,771.01</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**23 Employee benefits expense (₹ in lakhs)**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Salaries and wages	1,791.68	1,660.44
b. Contributions to provident and other funds	108.49	102.07
c. Gratuity	80.29	62.64
d. Staff welfare expenses	39.07	29.31
<b>Total</b>	<b>2,019.53</b>	<b>1,854.46</b>

**24 Finance costs (₹ in lakhs)**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Interest expense on:</b>		
a. Term Loan	86.61	231.40
b. Cash Credit	895.09	1,129.09
c. Sugar Development Fund	336.00	334.63
d. Un-secured loan	167.88	157.66
e. Non - convertible debentures	21.29	27.80
f. Others:		
Crop loans	153.44	290.30
g. Finance cost on Preference Shares	246.88	246.88
h. Other borrowing costs	623.28	156.12
<b>Total</b>	<b>2,530.47</b>	<b>2,573.88</b>

**25 Other expenses (₹ in lakhs)**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Consumption of stores and spare parts	1,721.38	963.83
b. Transportation charges	1,285.27	890.61
c. Distillery expenses	40.77	27.94
d. Handling charges	171.09	116.00
e. Power and fuel		
(i) Electricity charges	229.25	147.25
(ii) Grid Support Charges	321.25	—
f. Rent	20.94	19.91
g. Repairs and maintenance	597.93	304.12
h. Insurance	79.39	72.02
i. Rates and taxes	62.62	68.12
j. Communication	8.37	9.35
k. Travelling and conveyance	12.00	8.31
l. Printing and stationery	8.47	3.22
m. Sales commission	567.34	111.08
n. Legal and professional	31.07	24.50
o. Payments to auditors (Refer Note: 26.11)	6.00	6.00
p. Sugar packing expenses	262.27	292.46
q. Provision for doubtful advances	2.02	-
r. Baddebts Writtenoff	1.12	0.16
s. Miscellaneous expenses	230.63	231.85
<b>Total</b>	<b>5,659.18</b>	<b>3,296.73</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**26** Other notes forming part of the financial statements

**26.1** Disclosure under Indian Accounting Standard - 116 "Leases", issued by the Institute of Chartered Accountants of India.

There are no leases entered by the company.

**26.2 Contingent liabilities and commitments (₹ in lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Contingent liability		
(a) Excise Duty	80.28	80.28
(b) Bonus payable for 2014-15	38.48	38.48
(c) Electricity duty on captive consumption	283.99	283.99
(d) Entry Tax - Telangana VAT Act.	14.17	14.17
(ii) Commitments		
(a) Other commitments - for cane purchase agreements for the upcoming crushing season.	29,493.00	24,800.00

**26.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available with the Company, there are no dues/interest outstanding to micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March, 2022 (As at 31 March, 2021 : ₹ Nil)

**26.4 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total equity.

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A Debt</b>		
(i) Non-Current Borrowings	5,774.26	6,126.64
(ii) Current / Short term Borrowings	8,485.54	10,485.89
(iii) Accrued interest	5,153.03	4,382.22
(iv) Crop loan	2,076.96	2,441.47
(v) Less: Cash and Cash Equivalents	(35.95)	(92.26)
<b>Net Debt (A)</b>	<b>21,453.84</b>	<b>23,343.96</b>
<b>B Equity</b>		
(i) Equity Share Capital	4,370.05	4,370.05
(ii) Other Equity	(20,593.13)	(19,675.01)
<b>Total Equity (B)</b>	<b>(16,223.08)</b>	<b>(15,304.96)</b>
<b>Net Debt to Equity ratio (Gearing Ratio) (A/B)</b>	<b>(1.32)</b>	<b>(1.53)</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 26.5 Financial Instruments

#### 26.5 A. Categories of financial instruments

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Financial Assets		
Measured at Amortised cost		
Other Financial Assets	99.05	81.85
Cash and Cash Equivalents	233.54	92.26
b. Financial Liabilities		
Measured at Amortised cost		
Borrowings	21,489.79	23,436.22

#### B. Fair value hierarchy

Level 1, inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or Liability.

**Certain Financial Assets and Financial Liabilities that are not measured at Fair Value but Fair value disclosures are required:**

(₹ in lakhs)

Particulars	As at 31st March, 2022 (Carrying Value & Fair Value (Level 2))	As at 31st March, 2021 (Carrying Value & Fair Value (Level 2))
<b>Fair Value Hierarchy</b>		
Financial Assets:		
Other Financial Assets	99.05	81.85
Trade Receivables	3,893.24	2,240.58
Cash and Cash Equivalents	35.95	92.26
Other Bank Balances	197.59	—
Financial Liabilities		
Borrowings	18,475.44	20,245.30
Other Financial Liabilities	3,014.35	3,190.92
Trade payables	12,173.75	7,374.97

#### Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

##### (i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 26.5 Financial Instruments (contd...)

## a. Interest rate risk

The company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations.

## Interest rate exposure

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Borrowings</b>		
Non-Current - Floating*	—	721.95
Non-Current - Fixed*	7,857.63	7,047.52
Current	10,255.90	11,284.53

\*(Includes Current Maturities)

## b. Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. There is no Foreign Currency Risk as the Company doesn't have exposure in currencies other than Indian Rupee.

## c. Equity Price Risks:

Since the Company has not invested in equity investments, the changes of equity securities price would not have a effect on the profit or loss of the Company.

## (ii) Comodity Price Risk

Commodity price risk arises due to fluctuation in prices of Sugar Cane, other raw material and products. Cost of Sugar cane is depend on Government policy on fixation of Fair and Remunerative Price (FRP) which is the major cost of production. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The company's commodity risk is managed centrally through well-established trading policies and control processes.

## (iii) Credit Risk Management

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

The maximum exposure of the assets is contributed by trade receivables, cash and cash equivalents and other bank balances. Credit risk on trade receivables is limited as the customers of the Company mainly consist of the amount to be received from state government entities with respective sale of sugar and power. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk.

## (iv) Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, and funding as well as its obligation for timely repayment. In addition, procedures and policies related to such risks are overseen by the senior management. The Company has been incurring losses over the past few years and as at 31st March 2022, the accumulated losses have completely eroded the net worth and its current

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liabilities exceeded the current assets as on that date. During the current year ended 31st March 2022, the Company has incurred a loss of ₹ 842.09 Lakhs. The management is confident that in the foreseeable future the financial position of the company will improve.

### 26.5 Financial Instruments (contd...)

The following are the details regarding contractual maturities of Significant Financial Liabilities:

#### a) As at 31st March, 2022

(₹ in lakhs)

Particulars	On demand/due	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	8,178.94	306.60	4,820.58	953.69	14,259.81
Trade payables	12,173.75	—	—	—	12,173.75
Interest Accrued	2,904.27	55.84	1,385.16	286.10	4,631.37
Other financial Liabilities	521.65	2,076.96	—	—	2,076.96
<b>Total</b>	<b>23,778.61</b>	<b>2,439.40</b>	<b>6,205.74</b>	<b>1,239.79</b>	<b>33,141.89</b>

#### b) As at 31st March, 2021

Particulars	On demand/due	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	9,077.93	1,215.68	5,514.54	2,081.55	17,889.70
Trade payables	7,374.97	—	—	—	7,374.97
Interest Accrued	2,486.99	34.23	1,195.50	228.88	3,945.60
Other financial Liabilities	391.54	2,441.47	—	—	2,441.47
<b>Total</b>	<b>19,331.43</b>	<b>3,691.38</b>	<b>6,710.04</b>	<b>2,310.43</b>	<b>31,651.74</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 26.6 Related party disclosures

## (i) Names of the related parties and their relationship:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Smt. T. Indira Reddy - Chairperson Shri. T.V Sandeep Kumar Reddy - Vice Chairman Smt. T. Sarita Reddy - Managing Director Shri. V. R. Prasad - Chief Financial Officer Shri. Lalit Kumar Thanvi - Company Secretary# Shri. Danveer Singh - Company Secretary*
Relatives of KMP	Shri. T.Subbarami Reddy Shri. T.Rajiv Reddy Shri. T.Anirudh Reddy
Enterprises in which KMP / Relatives of KMP are interested	Gayatri Projects Limited TSR Holdings Private Limited Deep Corporation Private Limited Gayatri Fin-Holdings Private Limited Gayatri Hi-tech Hotels Limited Gayatri Energy Ventures Private Limited Bhandara Thermal Power Corporation Limited Yamne Power Projects Limited Gayatri Capital Ltd Gayatri Leasefin Private Ltd T.Gayatri Engg.Co.Private Ltd Allox Minerals Private Limited (formerly T. Rajeev Reddy Real Estates Developers Private Ltd) Invento Labs Private Limited Maheswari Hotels &Theatres Private Limited Maheswari Film Productions Private Limited Parameswari Land Holdings Private Limited Gayatri Property Ventures Private Limited Maheswari Townships Private Limited Indira Constructions Private Limited Gayatri Hotel Ventures Private Limited Gayatri Hotels & Theatres Private Limited Gayatri Tissue & Papers Limited Gayatri Highways Limited (formerly Gayatri Domicile Limited) Gayatri Bio Organics Limited Deep Land Holdings Private Limited Gayatri Hotels (Vizag) Private Limited Flynt Electric Private Limited Rajiv Realtors Private Limited Flynt Mining LLP Indira Energy Holdings Private Limited
Trust under Common Management	TSR Foundation

Note: Related parties have been identified by the Management.

#Appointed w.e.f 09/03/2022

\*Resigned w.e.f 29/04/2021

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note 26.6 Related party disclosures (contd...)

(ii) Transactions with the related parties

₹ in lakhs

S.no.	Particulars	Relation/ Designation	Nature of Transaction	2021-22	2020-21
	<b>Transactions with the related parties</b>				
1	Smt. T. Sarita Reddy	Managing Director	Remuneration and reimbursement	48.00	48.00
			Unsecured loan received	321.00	
			Insecured loan repaid	(321.00)	
			Interest on Unsecured Loan	10.22	
2	Shri. V.R.Prasad	Chief Financial Officer	Remuneration	21.93	21.43
3	Shri. Lalit Kumar Thanvi	Company Secretary	Remuneration	0.33	-
4	Shri. Danveer Singh	Company Secretary	Remuneration	0.32	3.96
5	Smt. T. Indira Reddy	Chairperson	Sitting Fees	0.15	0.05
6	Shri. T.V Sandeep Kumar Reddy	Vice Chairman	Sitting Fees	0.30	0.05
			Interest on Unsecured Loan	9.88	9.88
7	M/s. Deep Corporation Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Rent and Electricity charges	15.10	15.19
			Unsecured loan received (net)	—	—
			Interest on Unsecured Loan	3.22	3.22
8	M/s. Gayatri Projects Limited	Enterprises in which KMP / Relatives of KMP are interested	Sales	0.47	0.58
9	M/s. Gayatri Hi-Tech Hotels Limited	Enterprises in which KMP / Relatives of KMP are interested	Sales	—	0.64
			Accommodation	(0.31)	—
10	M/s. Rajiv Realtors Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Unsecured loan received (net)	—	63.31
			Interest on Unsecured Loan	6.01	4.81
11	TSR Foundation	Trust under Common Management	Contribution towards donation	6.50	6.00
		<b>Related Party Balances</b>			
1	M/s. Deep Corporation Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Rent Payables	1.82	2.71
			Unsecured loan and Interest	39.72	36.82
2	M/s. Gayatri Projects Limited	Enterprises in which KMP / Relatives of KMP are interested	Debtors	—	0.18
3	Smt. T. Sarita Reddy	Managing Director	Interest	9.31	—
4	Shri. T.V Sandeep Kumar Reddy	Vice Chairman	Unsecured loan and Interest	122.09	113.19
5	M/s. Rajiv Realtors Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Unsecured loan and Interest	69.45	64.04
6	M/s. Gayatri Hi-Tech Hotels Limited	Enterprises in which KMP / Relatives of KMP are interested	Debtors	—	0.39

Notes forming part of the Financial Statements

Disclosures pursuant to Indian Accounting Standards (Ind AS) - 19 "Employee's Benefits":

26.7 Employee benefit plans

(a) **Defined contribution plans**

The Company makes provident fund to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ lakhs (31st March, 2021: ₹ 102.07 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) **Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

i. Gratuity (Unfunded)

ii. Compensated Absences

The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements:

₹ in lakhs

Particulars	For the Year ended			
	31st March, 2022		31st March, 2021	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present Value of obligations at the beginning of the year	558.37	127.46	360.07	158.52
Current service cost	43.08	11.74	38.67	11.04
Interest cost	37.22	7.87	22.93	8.94
Actuarial losses				
Remeasurements - Due to Financial Assumptions	(19.66)	(2.44)	17.54	(9.55)
Remeasurements - Due to Experience Adjustments	69.37	28.74	152.61	(12.65)
Benefits paid	(23.72)	(23.87)	(33.45)	(28.84)
<b>Present Value of obligations at the end of the year</b>	<b>664.66</b>	<b>149.50</b>	<b>558.37</b>	<b>127.46</b>
<b>Components of defined benefit cost recognised in profit or loss</b>				
Current service cost	43.08	11.74	38.67	11.04
Interest cost	37.22	7.87	22.93	8.94
<b>Net cost in profit or loss</b>	<b>80.30</b>	<b>19.61</b>	<b>61.60</b>	<b>19.98</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>				
Re-measurement on the net defined benefit liability:				
Actuarial gains and losses arising from change in financial assumption	(19.66)	(2.44)	17.54	(9.55)
Actuarial gains and losses arising from experience adjustment	69.37	28.74	152.61	(12.65)
<b>Net Cost in Other Comprehensive Income</b>	<b>49.71</b>	<b>26.30</b>	<b>170.15</b>	<b>(22.20)</b>
<b>Actuarial assumptions</b>				
Discount rate	7.32%	7.32%	6.81%	6.81%
Salary escalation	4.00%	4.00%	4.00%	4.00%
Attrition	5.00%	5.00%	5.00%	5.00%
Normal Retirement Age	58 years	58 years	58 years	58 years

Mortality Rate as % of

IALM (2006-08) Ultimate Mortality table

(c) The entire present value of funded obligation at the year-end is unfunded and hence, fair value of assets is not furnished.

(d) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The table below outlines the effect on gratuity obligation in the event of a decrease/increase of 1% in the assumptions used.

₹ in lakhs

Assumptions	Gratuity	For the Year ended		
		31st March, 2022	31st March, 2021	
		Compensated Absences	Gratuity	Compensated Absences
Discount rate increase by 1%	Decrease by 5.3%	Decrease by 3.0%	Decrease by 5.8%	Decrease 3.2%
Discount rate decrease by 1%	Increase by 6.0%	Increase by 3.3%	Increase by 6.5%	Increase by 3.5%
Expected salary growth increase by 1%	Increase by 5.7%	Increase by 4.9%	Increase by 6.4%	Increase by 4.3%
Expected salary growth decrease by 1%	Decrease by 5.2%	Decrease by 1.6%	Decrease by 5.8%	Decrease by 2.6%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE 26.8 SEGMENT REPORTING

The Company's reportable segments under Ind AS 108 on "Operating Segments" are Sugar and Distillery, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the following segments tabulated below.

₹ in lakhs

Particulars	For the year ended 31 March, 2022				For the year ended 31 March, 2021			
	Operating Segments			Total	Operating Segments			Total
	Sugar	Distillery	Eliminations		Sugar	Distillery	Eliminations	
Revenue	31,921.62	4,148.34	-	36,069.96	19,427.67	5,360.57	-	24,788.24
Inter-segment revenue	2,575.16	-	2,575.16	-	2,414.22	-	2,414.22	-
<b>Total</b>	<b>34,496.78</b>	<b>4,148.34</b>	<b>2,575.16</b>	<b>36,069.96</b>	<b>21,841.89</b>	<b>5,360.57</b>	<b>2,414.22</b>	<b>24,788.24</b>
Segment result	980.10	658.55	-	1,638.65	(952.11)	657.99	2,414.22	(294.12)
Finance cost @	2,530.47	-	-	2,530.47	2,573.88	-	-	2,573.88
<b>Operating income</b>	<b>(1,550.37)</b>	<b>658.55</b>	<b>-</b>	<b>(891.82)</b>	<b>(3,525.99)</b>	<b>657.99</b>	<b>2,414.22</b>	<b>(2,868.00)</b>
Other unallocable income (net)	-	-	-	49.73	-	-	-	21.66
<b>Profit/(Loss) before taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(842.09)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,846.34)</b>
Tax expense	-	-	-	-	-	-	-	-
<b>Profit/ (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(842.09)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,846.34)</b>
Segment assets	18,321.56	2,262.70	-	20,584.26	16,013.64	2,252.54	-	18,266.18
Unallocable assets	-	-	-	39.27	-	-	-	9.79
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,623.53</b>	<b>16,013.64</b>	<b>2,252.54</b>	<b>-</b>	<b>18,275.97</b>
Segment liabilities	36,626.09	220.52	-	36,846.61	33,550.24	22.66	-	33,572.90
Unallocable liabilities	-	-	-	-	-	-	-	8.03
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,846.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,580.93</b>
Net Assets	-	-	-	(16,223.08)	-	-	-	(15,304.96)

\* Includes sale of power ₹ 1119.75 lakhs (31 March, 2021: ₹ 720.81 lakhs), as the Product has not satisfied the condition of 10% of total revenue as stated in Ind AS-108, the same has been included in Revenue of Sugar Segment.

@ Finance costs adjusted to Sugar results



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**26.9 Earnings per share (₹ in lakhs)**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. Earnings per share (Basic)</b>		
Net Profit for the year	(842.09)	(2,846.34)
Less: Preference dividend and tax thereon	-	-
Net Profit for the year attributable to the equity shareholders	(842.09)	(2,846.34)
Weighted average number of equity shares	437.01	437.01
Par value per share (₹)	10.00	10.00
<b>Earnings per share - Basic and Diluted (₹)</b>	<b>(1.93)</b>	<b>(6.51)</b>

**26.10 Details of Consumption of imported and indigenous items**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Raw materials</b>		
Imported	—	—
Indigenous	25,674.10	16,954.79
	<b>25,674.10</b>	<b>16,954.79</b>
<b>% Consumption</b>		
Imported	—	—
Indigenous	100.00	100.00
	<b>100.00</b>	<b>100.00</b>
<b>Spares &amp; consumables</b>		
Imported	—	—
Indigenous	1,721.38	963.83
	<b>1,721.38</b>	<b>963.83</b>
<b>% Consumption</b>		
Imported	—	—
Indigenous	100.00	100.00

**26.11 Auditors remuneration**

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Audit fee	4.00	4.00
Limited Review	2.00	2.00
Other Services	—	—
<b>Total</b>	<b>6.00</b>	<b>6.00</b>

**26.12 Deferred tax (Liabilities) / Asset**

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Deferred tax liability in relation to</b>		
Property, plant and equipment	(1,562.51)	(1,717.31)
Tax effect of items constituting deferred tax liability	(1,562.51)	(1,717.31)
<b>Deferred tax Assets in relation to</b>		
Provision for compensated absences, gratuity and other employee benefits	251.58	211.92
Unabsorbed depreciation carried forward	1,310.93	1,505.39
Tax effect of items constituting deferred tax assets	1,562.51	1,717.31
<b>Net deferred tax (liability) / asset</b>	—	—

Note: In absence reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets, the Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the tax base of assets as per books and as per Income Tax

**26.13** There are no derivative contracts taken during the year and outstanding as at the year-end. Further, there are no foreign currency exposures as at the year-end.

**26.14** 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 (IA) 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 (CFR) 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 CFR 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 accrued 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 commence 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 financials statements for the 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.

**26.15** 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 ended 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 financial Statements 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.

- 26.16** 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 paisa 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 paisa 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 financial statements.

- 26.17** The managerial remuneration paid to Managing director for the financial year 2021-22 of ₹48 lakhs was approved by the Share holders at the Annual General Meeting held on 30/09/2020 as per requirement of Section 197 read with schedule V of the Companies Act, 2013.
- 26.18** The company has considered all the possible impacts of COVID-19 and associated internal and external factors, known to the management, in preparation of financial statements for the 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.
- 26.19** 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.

**26.20 Ratios :**

Particulars	2021-22	2020-21	Variance percent
Current ratio (times)	0.40	0.37	7.62
Debt-equity ratio (times)	4.30	5.01	(14.19)
Debt service coverage ratio (times)	0.19	3.76	(94.93)
Return on equity ratio (%)	(0.19)	(0.65)	(70.41)
Inventory turnover ratio (in days)	4.33	2.84	52.72
Trade receivables turnover ratio (in days)	11.76	14.19	(17.15)
Trade payables turnover ratio (in days)	2.66	2.46	7.83
Net capital turnover ratio (in days)	(2.10)	(1.56)	34.73
Net profit ratio (%)	(0.02)	(0.11)	(79.67)
Return on capital employed (%)	0.23	0.06	265.98
Return on investment (%)	NA	NA	

S.No.	Ratios	Numerator	Denominator
(a)	Current ratio	Total current assets	Total current liabilities
(b)	Debt-equity ratio	Total Gross Debt	Average shareholder's
(c)	Debt service coverage ratio	Earnings for Debt service (Profit after tax + Finance cost + Depreciation and amortisation + Other non-cash expenditure)	Debt service = (interest + Principal Repayments)
(d)	Return on equity ratio	Profit after tax	Average shareholder's equity
(e)	Inventory turnover ratio	Average inventory * 365	Total revenue from operations
(f)	Trade receivables turnover ratio	Average trade receivables * 365	Total revenue from operations
(g)	Trade payables turnover ratio	Average trade payables * 365	Cost of materials and services consumed or used
(h)	Net capital turnover ratio	"Average working capital = "Current assets (-) Current liabilities *365"	Total revenue from operations
(i)	Net profit ratio	Profit after tax	Total revenue from operations
(j)	Return on capital employed	Earnings before interest and taxes (Profit before taxes + Finance cost)	Average Capital employed Capital employed = Total equity + Borrowings
(k)	Return on investment	Income generated from investments	Time-weighted average investments in mutual funds

**Note for Variance in ratios**

- 1 Debt Service Coverage Ratio: DSCR has decreased due to repayment of non-current borrowings as short-term borrowings.
- 2 Return on Equity Ratio: due to lower losses in the current year compared to the previous years
- 3 Inventory Turnover Ratio: Due to increase in turnover during the year
- 4 Net Capital Turnover Ratio: Due to lower losses Company current liabilities is higher than current assets.
- 5 Net Profit Ratio: Due to lower losses Company.
- 6 Return on Capital Employed: Due to higher EBITDA.

**26.21 Additional Regulatory Information as required by Schedule III of the Companies Act, 2013:**

- a No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- b No charges are pending for registration with Registrar of Companies (ROC) beyond the statutory period.\
- c During the current financial year, to the best knowledge of the company, it didn't have any relationship with Struck-off Companies.
- d The Company has not traded or invested in Crypto Currency or Virtual Currency during the current or previous year.
- e The Company is not been declared as a Wilful Defaulter by any Bank, Financial Institution or other lenders
- f There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- g The Company has not entered into any Scheme of Arrangement in terms of sections 230 to 237 of the Companies Act, 2013. Hence there will be no accounting impact on the current or previous financial year.
- h The Company has not raised any funds through the Issue of Securities during the current or previous year
  - i (A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: -
    - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by on or behalf of the company (Ultimate Beneficiaries) or
    - b) Provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries.

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- (ii) (B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall.
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or
- b) Provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries.
- j The Company has not revalued its property, plant, and equipment during the current or previous year.
- k The provisions of Corporate Social Responsibility Under Section 135 of Companies Act 2013 are not applicable to the Company.
- l The Company does not have any Immovable Properties where title deeds are not held in the name of the Company.
- m The Company has not made any investment and do not have subsidiaries, therefore clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

**26.22** Previous years figures have been regrouped / reclassified wherever considered necessary to correspond with the current year classification/ disclosures.

**26.23** The financial statements were approved for issue by the Board of Directors on 27th May 2022.

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As per our report attached

**For M O S & Associates LLP**  
Chartered Accountants

**Sd/-**  
**Oommen Mani**  
Partner

Place : Hyderabad  
Date : 27th May, 2022

**For and on behalf of the Board of Directors**

**Sd/-**  
**T. Sarita Reddy**  
Managing Director

**Sd/-**  
**V.R. Prasad**  
Chief Financial Officer

**Sd/-**  
**T.V. Sandeep Kumar Reddy**  
Vice Chairman

**Sd/-**  
**Lalith Kumar Thanvi**  
Company Secretary

## Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

### REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: \_\_/\_\_/\_\_

**A.** I / We request you to Register / Change / Update the following (Tick ✓ relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank details	<input type="checkbox"/> E-mail address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile number
<input type="checkbox"/> Demat Account details	

### B. Security Details:

Name of the Issuer Company	Reliance Industries Limited	Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities	From	To

**C.** I / We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):

	✓	Document / Information / Details	Instruction / Remark
1		PAN of (all) the (joint) holder(s)	
		PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> PAN shall be valid only if it is linked to Aadhaar by March 31, 2022*

2	Demat Account Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
		Also provide Client Master List ( <b>CML</b> ) of your Demat Account, provided by the Depository Participant.
3	Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address;</p> <ul style="list-style-type: none"> <li>• Client Master List (<b>CML</b>) of your Demat Account, provided by the Depository Participant</li> <li>• Valid Passport/ Ration Card/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.</li> <li>• Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.</li> <li>• Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</li> <li>• For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</li> <li>• The proof of address in the name of the spouse</li> </ul>
4	Bank details	Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf. Alternatively, Bank details available in the CML will be updated in the folio.
5	E-mail address	<input type="text"/> Alternatively the e-mail address available in the CML will be updated in the folio
6	Mobile	<input type="text"/> Alternatively the mobile number available in the CML will be updated in the folio
7	Specimen Signature	<ul style="list-style-type: none"> <li>• Provide banker's attestation of the signature of the holder(s) as per <a href="#">Form ISR – 2</a> in <a href="#">SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021</a> and</li> <li>• Original cancelled cheque</li> </ul>
8	Nomination**	<ul style="list-style-type: none"> <li>• Providing Nomination: Please submit the duly filled up Nomination Form (<a href="#">SH-13</a>) or 'Declaration to Opt out of Nomination' as per <a href="#">Form ISR-3</a>, in <a href="#">SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021</a></li> <li>• Change in Existing Nomination: Please use <a href="#">Form SH-14</a> in <a href="#">SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655</a></li> <li>• Cancellation of Existing Nomination: Please use <a href="#">Form SH-14</a> and <a href="#">Form ISR – 3</a></li> </ul>

\* or any date as may be specified by the CBDT

\*\* Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR – 3**), has to furnished by the holder(s) separately for each listed company.

**Mode of submission of documents to the RTA**

Please use any one of the following mode;

1. In Person Verification (IPV): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

**Note**

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.
- RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.

**Authorization:** I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) \_\_\_\_\_, \_\_\_\_\_, in which I / We are the holder(s) (strike off what is not applicable).

**Declaration:** All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full postal address	✓		
PIN	✓ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		



### Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

#### Note

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN – Exceptions and Clarification	‘Exemptions/clarifications to PAN’, as provided in clause D to ‘Instructions/Check List for Filing KYC Forms’ in Annexure – 1 to <a href="#">SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011</a> on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> <li>• Banker’s attestation of the signature of the holder(s) as per <a href="#">Form ISR – 2</a></li> <li>• Original cancelled cheque</li> </ul>
4	Mismatch in Name	<p>Furnish any one of the following documents, explaining the difference in names;</p> <ul style="list-style-type: none"> <li>• Unique Identification Number (UID) (Aadhaar)</li> <li>• Valid Passport</li> <li>• Driving license</li> <li>• PAN card with photograph</li> <li>• Identity card / document with applicant’s Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions</li> <li>• Marriage certificate</li> <li>• Divorce decree</li> </ul>
5	Present address of the holder is not matching with the address available in the folio	<p>RTA shall issue intimation to both the old and new addresses. If the letters sent to either the old and or new addresses is / are undelivered or if there is an objection in response to this letter, then provide any one of the following;</p> <ul style="list-style-type: none"> <li>• any one of the documents in row 3 in <b>Table C</b>, reflecting the old address or</li> <li>• Counterfoil of dividend warrant received from the company or</li> <li>• Bank statement showing the credit of previous dividend received</li> </ul> <p>The above procedure will be applicable for request for change in address of the holder also</p>