



# **GAYATRI SUGARS LIMITED**

**TWENTY SIXTH ANNUAL REPORT  
2020-21**



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

Day : Wednesday

Date : 29<sup>th</sup> September, 2021

TIME : 12:30 Hrs. (IST)

Venue : Through Video Conferencing

# TWENTY SIXTH ANNUAL REPORT 2020-2021

## 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. Danveer Singh (Resigned w.e.f from 29th April, 2021)	Company Secretary and Compliance Officer

### REGISTERED OFFICE

B2, 2<sup>nd</sup> Floor, 6-3-1090, TSR Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082.  
Phone Nos: 040-23414823/26  
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

Union Bank of India  
Bank of Baroda  
State Bank of India  
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  
Email Id : info@vccilindia.com

### 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

NOTICE IS HEREBY GIVEN THAT The **26th (TWENTY SIXTH) ANNUAL GENERAL MEETING** of the Members of M/s. GAYATRI SUGARS LIMITED will be held on Wednesday, September 29, 2021 at 12:30 Hrs. (IST) through Video Conference (“VC”) or Other Audit Visual Means (OAVM) to transact the businesses mentioned below.

### **ORDINARY BUSINESS:**

#### **1. Adoption of Financial Statements for the Financial Year ended 31st March, 2021:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors thereon.

#### **2. Re-appointment of Mr. T.V Sandeep Kumar Reddy as “Director” liable to retire by rotation, who has offered himself 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 Mr. T.V Sandeep Kumar Reddy (DIN: 00005573) as a “Director”, who shall be liable to retire by rotation.”

### **SPECIAL BUSINESS:**

#### **3. Re-Appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director**

To consider and if thought fit, to pass the following resolution as a **Special** Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Raghuraj Suresh Bhalerao (DIN: 00020643), who was appointed as an Independent Director at the 22nd Annual General Meeting of the Company and who holds office up to November 10, 2021 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term commencing with effect from November 11, 2021 up to November 10, 2026, not liable to retire by rotation.

**FURTHER RESOLVED THAT** any Director or the Company Secretary of the Company be and are hereby authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”

**4. Ratification of Remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the “Cost Auditors” of the Company for the Financial Year 2021- 22:**

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 2021- 22 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 2021-22, 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.

**RESOLVED FURTHER 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.”

**5. Re-appointment of Mrs. T. Sarita Reddy as Managing Director of the Company w.e.f. 1st May 2022 to April 30, 2025**

**“RESOLVED THAT** subject to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) readwith the rules framed there under, as amended from time to time and such other applicable rules & regulations and subject to such other approvals as may be required, if any, consent of the of the members be and is hereby accorded to re-appoint Mrs. T. Sarita Reddy as Managing Director of the Company for a period of 3 (three) years, on expiry of her present term of office, i.e. w.e.f May 01, 2022, with liberty to the Board of Directors (hereinafterreferred to as “the Board” which term shall be deemed to include Nomination andRemuneration Committee of the Board) to alter and vary the terms and conditions of thesaid re-appointment and / or remuneration as it may deem fit and as may be acceptable toMrs. T. Sarita Reddy, subject to the same not exceeding the limits specified under ScheduleV to the Companies Act, 2013 or any statutory modification or re-enactment thereof; and that the said Managing Director shall have, subject to the supervision, control and directions of the Board, the powers to manage all the affairs of the Company and shall exercise all powers and perform all duties in relation to the management and transactions of the Company, further the Board may from time to time delegate to the Managing Director such of their powers and duties and subject to such limitations and conditions as they deem fit.

**FURTHER RESOLVED THAT** Mrs. T. Sarita Reddy is not subject to retirement by rotation during the tenure of her office as Managing Director and her appointment is on such salaryand perquisites as set out hereunder:

**i. Period of Appointment**

The appointment is for a period of 3 years commencing from May 01, 2022 till April 30, 2025.

**ii. Salary**

The monthly remuneration payable shall be Rs. 2,25,000/- (Rupees Two Lakhs and Twenty Five Thousands Only) per month.

**iii. Perquisites**

**Housing:**

If required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income Tax Rules, 1962. The expenditure incurred by the Company on Gas, electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 25% of the Salary.

**Medical Reimbursement:**

Expenses incurred for herself and her family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

**Leave Travel Concession:**

One month salary per year for herself and her family.

**Club Fees:**

Subject to a maximum of two clubs. This will not include admission and Life membership Fees.

**Personal Accident Insurance:**

Premium not to exceed Rs. 10,000/- per annum.

**Provident Fund:**

Company's contribution towards Provident Fund at 12% of her basic salary of Rs. 2,25,000 (Two Lakhs Twenty Five Thousand) or at any rate applicable from time to time.

**Gratuity:**

Gratuity not exceeding half a month's salary for each completed year of service.

**Leave:**

Entitled to one month's leave, as per the rules of the Company on full pay, for every 11 months of service. Encashment of leave at the end of the tenure will not be included in computation of the ceiling on perquisites.

**Telephone, Electricity and Water charges for residence:**

Free telephone facility at the residence for the use of the Company's business and Free Electricity and Water charges for residence.

**Car:**

Use of Company's Car on Company's business with Driver and all expenses on maintenance, repairs and cost of petrol.

(Provision of Car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director)

Any other perquisites and allowances that may be allowed by the Company in consultation with Nomination and Remuneration Committee as per the guidelines issued by the Central Government from time to time.

**RESOLVED FURTHER THAT** that in the event of loss or inadequacy of profit in any Financial year of the Company during the term of her office as Managing Director, the remuneration and perquisites set out above be paid or granted to Mrs. T. Sarita Reddy as minimum remuneration stipulated in Section II of part II of Schedule V of the said Act or such other amount and perquisites

as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

**FURTHER RESOLVED THAT** any director of the company be and is hereby authorized to do all acts, deeds and things as may be necessary in this regard.”

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

Sd/-

**T. Sarita Reddy**  
Managing Director

Place: Hyderabad  
Date: June 22, 2021

**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 and No. 10/2021 dated June 23, 2021 (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 AGM of the Company is being held through VC / OAVM.
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.

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 22nd September, 2021 to 29th September, 2021 (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, 22nd September 2021 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 26th 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 at [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in).

In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12th May, 2020 & 15th January 2021, Notice of the AGM along with Annual Report 2020-21 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 2020-21 will also be available on the Company's website at



www.gayatrisugars.com and on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL 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

16. 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.
17. To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants in respect of shares held in physical/electronic mode respectively. Voluntarily the Company has sent reminders to the shareholders for updating their email ids [i.e who did not update their E-mail ID's & for shareholders who did not opt for serving notices in electronic mode] through CDSL & NSDL to their mobile numbers and email id's.

## **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 15th January, 2021, 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 and 23rd June, 2021 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 15th January, 2021, 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 15th January, 2021, 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 15th January, 2021.

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

- (i) The remote e-voting period begins on 26th September, 2021 at 9:00 A.M. and ends on 28th September, 2021 at 5:00 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 22nd September, 2021 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 9th December, 2020, under Regulation 44 of 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.

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 9th December, 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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with CDSL	<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 or joining virtual meeting &amp; voting during the meeting. 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</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL

page or click on <https://evoting.cdslindia.com/Evoting/EvotingLogin>. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

- 1) If you are already registered for NSDL IDeAS facility, please visit the eServices website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> 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 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 or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> 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 or joining virtual meeting & voting during the meeting.

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<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 or joining virtual meeting &amp; voting during the meeting.</p>
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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.

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

(v) Login method for e-Voting and joining virtual meetings 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.

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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 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 login.</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 <Gayatri Sugars Limited> 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) 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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 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; [info@olectra.com](mailto:info@olectra.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to

meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.gsl@gayatri.co.in](mailto:cs.gsl@gayatri.co.in). These queries will be replied to by the Company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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's [cs.gsl@gayatri.co.in/info@vccipl.com](mailto:cs.gsl@gayatri.co.in/info@vccipl.com)
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 attending AGM & 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 at 022- 23058738 and 02223058542/43.

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 on 02223058542/43.

**General Instructions**

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 22nd September, 2021.
- ii. The Scrutinizer, after scrutinizing the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.gayatrisugars.com](http://www.gayatrisugars.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com)



The results shall simultaneously be communicated to the Stock Exchanges

- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

By order of the Board of Directors

For **Gayatri Sugars Limited**

**Sd/-**

**T. Sarita Reddy**

Managing Director

Place: Hyderabad

Date: June 22, 2021

**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 26th (Twenty Sixth) Annual General Meeting of Gayatri Sugars Limited:

**Item No. 3:**

Mr. Raghuraj Suresh Bhalerao was appointed as a Non-Executive Director of the Company on November 11, 2016. The Ministry of Corporate Affairs notified Section 149 of the Act and related Rules. Pursuant to the said provisions, Mr. Raghuraj Suresh Bhalerao was appointed as an Independent Director of the Company by the Shareholders of the Company at the 22nd Annual General Meeting held on June 11, 2017, for a period of five years with effect from November 11, 2016 up to November 10, 2021.

The Board on June 22, 2021, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Raghuraj Suresh Bhalerao as a Member of the Board and considering that the continued association of Mr. Raghuraj Suresh Bhalerao would be beneficial to the Company, proposed to re-appoint Mr. Raghuraj Suresh Bhalerao as an Independent Director of the Company, not liable to retire by rotation, for a second term effective November 11, 2021 up to November 10, 2026. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Raghuraj Suresh Bhalerao for the office of Director.

The Company has received from Mr. Raghuraj Suresh Bhalerao (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, each as amended, the re-appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director of the Company for a second term commencing November 11, 2021 through November 10, 2025 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Raghuraj Suresh Bhalerao, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Raghuraj Suresh Bhalerao is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director setting out the terms and conditions is available for inspection without any fee payable

by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting ('AGM') and will also be kept open at the venue of the AGM till the conclusion of the Meeting.

The profile and specific areas of expertise of Mr. Raghuraj Suresh Bhalerao are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Raghuraj Suresh Bhalerao, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the special Resolution set forth in Item No. 3 for the approval of the Members.

**Item No. 4:**

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 2021-22.

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, 2022.

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

**Item No.5**

The Board of Directors of the Company, on recommendations of the Nomination and Remuneration Committee held at 22.06.2021 has, subject to the approval of members of the Company, reappointed Mrs. T. Sarita Reddy (DIN: 00017122) as Managing Director of the company for a period of 3 (Three) years with effect from May 01, 2022 from the expiry of her current term, i.e. April 30, 2022 on terms and conditions and remuneration as recommended by the Nomination and Remuneration Committee and Approved by the Board. Mrs. T. Sarita Reddy satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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The terms and conditions for her reappointment and remuneration as contained in the resolution for her reappointment may be treated as a written memorandum setting out the terms of reappointment of Mrs. T. Sarita Reddy under Section 190 of the Act. Details of Mrs. T. Sarita Reddy are provided in the "Annexure" to the Notice. Mrs. T. Sarita Reddy is interested in the resolution set out at Item No. 5 of the Notice. Mrs. T. Indira Reddy and Mr. T.V. Sandeep Kumar Reddy, being relatives of Mrs. T. Sarita Reddy, may be deemed to be interested in the said resolution. The other relatives of Mrs. T. Sarita Reddy may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

By order of the Board of Directors

For **Gayatri Sugars Limited**

**Sd/-**

**(T. Sarita Reddy)**

Managing Director

Place: Hyderabad  
Date: 22 June, 2021

**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.V. Sandeep Kumar Reddy</b>	<b>Mrs. T. Sarita Reddy</b>	<b>Mr. Raghuraj Suresh Bhalerao</b>
<b>Director Identification No</b>	00005573	00017122	07652493
<b>Date of Birth</b>	23.11.1966	14.04.1971	25.05.1958
<b>Date of First Appointment on the Board</b>	15.06.1995	21.07.2005	11.11.2016
<b>Relationship between Directors Inter-Se</b>	Spouse of Mrs. T. Sarita Reddy and Son of T. Indira Reddy	Spouse of Mr. T.V Sandeep Kumar Reddy and daughter-in-law of Mrs. T. Indira Reddy	No Relationship
<b>Nature of Expertise in specific functional Area</b>	30 years of experience in the Construction Industry.	17 years of Experience in sugars Industry.	Mr. Raghuraj Suresh Bhalerao, aged about 58 years, is our Company's Non-Executive and Independent Director. Mr. Raghuraj Suresh Bhalerao is an Practicing Chartered Accountant.
<b>Directorship in Listed Entities as on March 31, 2021</b>	1. Gayatri Bioorganics Limited (Non-Executive, Non-Independent Director) 2. Gayatri projects Limited (Executive, and Managing Director)	1. Gayatri Bioorganics Limited (Non-Executive, Non-Independent Director)	NIL
Membership in Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member of Audit Committee in Gayatri Projects Limited Member of Stakeholders Relationship Committee in Gayatri Bioorganics Limited	Member of Audit Committee in Gayatri Bioorganics Limited	NIL
Shareholding in the Company as on March 31, 2021	67,63,031	NIL	NIL

**BOARD'S REPORT****To the Member(s),**

Your Directors have pleasure in presenting this 26th (Twenty Sixth) Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

- 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE:** Your Company's financial performance during the Financial Year 2020-21 as compared to that of the previous Financial Year 2019-20 is summarized below:-

**(Rupees in Lakhs)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Gross Income	<b>24,788.24</b>	28,172.58
Profit/(Loss) Before Interest, Depreciation and Exceptional Item	<b>754.02</b>	675.44
Finance Charges	<b>2,573.88</b>	2,412.67
Gross Profit/(Loss) before Depreciation and Exceptional Item	<b>(1,819.86)</b>	(1,737.23)
Provision for Depreciation	<b>1,026.48</b>	1,035.06
Net Profit(Loss) Before Tax and Exceptional Item	<b>(2,846.34)</b>	(2,772.29)
Exceptional Item(Re-measurement of Actuarial Valuation)	<b>(147.95)</b>	(68.33)
Provision for Tax	-	-
Net Profit/(Loss) After Tax	<b>(2,994.29)</b>	(2,840.62)
Balance of Profit/(Loss) brought forward	<b>(16,680.72)</b>	(13,840.10)
Balance available for appropriation	<b>(19,675.01)</b>	(16,680.72)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Deficit carried to Balance Sheet	<b>(19,675.01)</b>	(16,680.72)

**2. REVIEW OF OPERATIONS:**

Your Directors are pleased to report that during the year under review, the Company crushed 5.04 Lakhs Tones of Sugar cane and 5.26 Lakhs Quintals of Sugar was bagged with an average recovery of 11.30% and 21,882 tonnes of Molasses was produced. The distillery unit produced 90.38 Lakhs litres of Ethanol and Impure Spirit.

The Company registered gross revenue of Rs. 24,788.24 Lakhs for the year ended 31st March, 2021 against Rs. 28,172.58 Lakhs for the year ended 31st March, 2020. For the year 2020-21, the company earned profit of Rs. 754.02 Lakhs before Interest, Depreciation and Exceptional item compared to the profit of Rs. 1,420.38 Lakhs for the previous year 2018-19. However, there was net loss of Rs. 2,840.63 Lakhs compared to the net loss of Rs. 1,783.73 Lakhs of previous year. The Company registered a decrease of 9.61% in turnover as compared to previous years. The loss in current year is attributed to the fact that the

average realisation of selling price of Sugar was lower than the actual cost of production which has been higher due to increase in FRP of sugarcane.

**i) PROSPECTS FOR THE FINANCIAL YEAR 2021-22:**

Though it is too early to estimate the sugar production for ensuing Crushing Season relevant to Financial Year 2021-22, because of good monsoon and underground water availability, sowing reports are indicating Cane plantation of 22,000 Acres and expecting a crushing of 8.00 lakh tons of Cane compared to 5.04 lakh Tons for Crushing season 2020-21.

**ii) COVID-19 UPDATE:**

At present, the global economic environment is highly unpredictable as the duration and the impact of unprecedented COVID -19 pandemic is difficult to ascertain. The lock downs imposed across the country badly affected business operations. Your Company is ensuring utmost safety of employees by providing vaccination and by strictly following safeguard measures such as regularly conducting comprehensive factory as well as Head office sanitization, usage of masks, gloves, regular temperature screening, setting up disinfectant tunnels, maintaining social distancing, allowing limited workforce etc.,

**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, 2021, 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 2020-2021, No change in the share capital of the company.

**6. BOARD MEETINGS:**

During the Financial Year ended 31st March, 2021, The Board of Directors of your Company met 04 (Four) times on 18th June, 2020, 14th September, 2020, 11th November, 2020 and 11th February, 2021. 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, 2021.

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

The following as the Key Management Personnel (KMP) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013, as on 31st March, 2021:-

1. Mrs. T. Sarita Reddy, Managing Director
2. Mr. V. R. Prasad, Chief Financial Officer

3. Mr. Danveer Singh, Company Secretary & Compliance Officer

And after the year ended, Mr. Danveer Singh resigned as Company Secretary and Compliance Officer of the Company w.e.f close of working hours on 29th April, 2021.

**Independent Directors declaration:**

All the Independent Directors of your Company, viz., Mr. T. R. Rajagopalan, Mr. Raghuraj Suresh Bhalerao, 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 2020-21 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. Mr. T. V. Sandeep Kumar Reddy, retires by rotation at this ensuing AGM and being eligible offer himself for re-appointment.

The resolutions for re-appointments of Mr. T. V. Sandeep Kumar Reddy, Mrs. T. Sarita Reddy and Mr. Raghuraj Suresh Bhalerao forms part of the notice convening the ensuing AGM scheduled to be held on Wednesday, 29th September, 2021.

The profile and particulars of experience, attributes and skills of the above Directors is disclosed in the Notice convening the AGM to be held on Wednesday, 29th September, 2021.

**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, Risk management 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 as its meeting held on 11.02.2021.

The Nomination and Remuneration Committee decided that since the performance of the directors has been excellent, it is decided to continue with the term of the directors and also recommended to the Board of Directors for appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director of the Company, not liable to retire by rotation, to hold the office for the first term effective from November 11th, 2021 till November 10th, 2026. Also recommended reappointment of Mrs. T. Sarita Reddy for a term of 3 years w.e.f. May 01, 2022 till April 10, 2025.

- (b) **Separate Meeting of Independent Directors:** The Independent directors of the Company at its meeting held on 11.02.2021 (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, 2021 is available on the Company's website on [https://www.gayatrisugars.com/pdf/annual-return/MGT 7 2020-21.pdf](https://www.gayatrisugars.com/pdf/annual-return/MGT%207%2020-21.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, 2021 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, 2021 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, 2021 does not contain any qualification(s) or adverse observations.

**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, 2021 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 ADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars 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 - II)

**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 –III.

**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/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 (Annexure IV). 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)

During the year under review the Company has spent Rs. 11.63 Lakhs on CSR Activities. Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed there under is annexed to this report (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 2021-22 and the remuneration payable to them for the Financial Year 2021-22 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 2021-22 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 -V. 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

<b>Year</b>	<b>Category</b>	<b>Award</b>
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. 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.

Your 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: June 22, 2021



**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, 2021.

**For Gayatri Sugars Limited**

Place: Hyderabad  
Date: June 22, 2021

Sd/-  
**T. SARITA REDDY**  
Managing Director  
DIN: 00017122

**ANNEXURE –I**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2021**

[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, 2021 ('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, 2021 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.

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 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 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 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: June 22, 2021

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
UDIN: A003785C000497795

**Note:** This report is to be read with 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: June 22, 2021

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
UDIN: A003785C000497795

## ANNEXURE –II

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

**Amount outstanding as on March 31, 2021**

**(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 2020-21**

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 : June 22, 2021

## **ANNEXURE - III**

### **MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE AND DEVELOPMENTS**

#### **GLOBAL ECONOMIC OUTLOOK**

Global growth decelerated markedly in 2020-21, with continued weakness in global trade and investment. This weakness was widespread, affecting both advanced economies – particularly the Euro Area – and Emerging Market and Developing Economies (EMDEs). The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from April 2021 as per World Economic Organisation (WEO), but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group. The global economy was expected to grow 5.6% in 2021-'22, the World Bank said in June. This is the fastest post-recession pace in 80 years. Among the major economies, the United States' growth was projected to be growing at 6.8% while China is expected to report an 8.5% growth.

A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below. The global economy was expected to grow 5.6% in 2021-'22, as per the World Bank

#### **INDIAN ECONOMY OUTLOOK**

The World Bank in its June 8, 2021 report down graded the Indian Economy growth for financial year 2021-22 financial year to 8.3% from 10.1% estimated in April 21. 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."

#### **IMPACT OF COVID 19 ON INDIAN ECONOMY:**

The impact of coronavirus pandemic on India has been largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been adversely affected as domestic demand and exports sharply plummeted with some notable exceptions where high growth was observed. An attempt is made to analyse the impact and possible solutions for some key sectors.

India's growth in the fourth quarter of the Fiscal Year 2020 went down to 3.1% according to the Ministry of Statistics. During the lockdown Unemployment rose from 6.7% in March 2020 to 26% in April, 2021, an estimated 140 million people lost employment while salaries were cut for many others. Individual Income dropped compared to Pre covid period. Major companies in India temporarily suspended or significantly reduced operations. Young startups have been impacted as funding has been fallen. Fast-moving consumer goods companies in the country have significantly reduced operations and are focusing on essentials. Stock markets in India posted their worst losses in history on 23 March 2020.

The Government announced a variety of measures to tackle the situation, from food security and extra funds for healthcare and for the states, to sector related incentives and tax deadline extensions. On 26

March, 2020 a number of economic relief measures for the poor were announced totaling over Rs 170,000 crore. The next day RBI also announced a number of measures which would make available Rs 374,000 crore to the country's financial system. The World Bank and Asian Development Bank, approved support to India to tackle the coronavirus pandemic.

### **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 last 2 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 Global sugar Production for the is estimated to 186 Million Tons during the year 2020-21. The Year 2021-22 is also estimated as deficit year in Sugars production. The International Sugar Organisation estimated the sugar production deficit will increase to 3.5 Million Tones for the Year 2021-22, because of lower sugar production estimates in Brazil, EU and Thailand.

### **GLOBAL TRENDS IN SUGAR**

Sugar refers to a sweet crystalline substance which is prepared from sugar cane and sugar beet. It is used across the globe for innumerable food and non-food applications. In addition to offering a sweet taste, sugar performs a variety of other functions in the food industry. It is used as a preservative and prevents the development of microorganisms. It is also used for preventing formation of large ice crystals in frozen products like ice cream. Apart from this, sugar encourages fermentation in products which contain yeast. Moreover, it is used in baked goods for retaining moisture and preventing staleness.

By easing of COVID-19 pandemic restrictions, the economic activity is normalising and the demand from sugar consuming allied industry is growing. The sugar consumption is expected to increase by 1.9% in the year 2021-22. The growth in sugar price is expected due to increase in demand and lower sugar production in Brazil, EU and Thailand.

### **INDIAN DOMESTIC SCENARIO**

#### **Sugar Production and Consumption :**

India has of late become the world's largest sugar producer beating Brazil and is also the largest sugar consumer. Excess sugar production in the last couple of years has resulted in surplus sugar. The primary reason for this rise in sugar production is the introduction of an early maturing cane variety, the Co 0238 (Karan 4). This cane variety gives very high cane yield and sugar recovery. This variety was released in 2009-10 and currently, in Uttar Pradesh, the plantation of this variety is above 90%, which has increased the sugar production upto 12 to 13 MMT per year. This coupled with increase in Fair & Remunerative Price (FRP) over the years has contributed to the highest ever sugar production in India during the past few seasons. In fact Sugarcane is the most profitable crop for farmers in India as the return is assured and 50-60% higher than the return from any other crop. The increase in the FRP of sugarcane in the last 10 years has outpaced the increase in the MSP of other crops like wheat, paddy, coarse grains, cotton etc., causing a distortion in the farm economics. This, along with the fact that sugarcane has an assured buyer, is a sturdy crop and gets the promised assured price, is the main reason why sugarcane is one of the most preferred crop in the country. Indian Sugar Production has historically been cyclical in nature with 3-4 years of bumper crop usually followed by 2 to 3 years of shortfall. The shortage years helped restore Mills' health by liquidating excess stocks and lifting market prices for Sugar thereby benefiting farmers. However, this cyclical pattern has been broken lately, with Sugar production outpacing consumption since the Year 2010-11 except the Year 2016-17 when Sugar production dipped to the level of just 20.3 MMT mainly due to drought conditions.

India is now combating a second wave of the COVID pandemic. Domestic sugar sales have been slow, with the closure of hotels and restaurants meaning the consumption of confectionery and beverages have also been hit hard. As a result, domestic sugar consumption is down 3% at 25.3 million tones, which has led to substantial stock availability. High global sugar prices will see more Indian sugar available on the world market.

## Twenty Sixth Annual Report

The sugar production in India by end of the 2020-21 harvest was much better than expected, producing 30.5 million Tonnes of sugar compared to the previous year 2019-20 production of 28.3 million Tonnes though the sugar syrup was diverted to Ethanol production.

Looking ahead to the crop year 2021-22 crop, reservoirs are full of water to irrigate the cane fields, with estimates for sugar production increasing to 35.9 million Tones, a figure that also considers an increased 2 million Tones assigned for ethanol production.

### Price - Sugarcane :

For the Sugar Season 2020-21, the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, increased fixed the FRP for sugarcane at Rs.285 per quintal from Rs 275 of previous year, for a basic recovery of 10.00% and a premium of Rs.2.85 for every 0.1% increase in the recovery rate, as recommended by the Commission of Agricultural Costs and Prices (CACPC). Also, for recovery between 9.5% to 10%, the FRP shall be decreased by 2.85 per Quintal for every 0.1% decrease. For mills having recovery of 9.5% or less, FRP fixed at Rs. 270.75 per quintal.

Fair and Remunerative Pricing (FRP) fixed by Central Government:

Basic details of Cane Price	Crushing Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Basic Price Linked to Recovery	9.5%	9.5%	9.5%	10%	10%
Cane Price per Quintal	Rs 230	Rs 255	Rs 275	Rs 275	Rs 285
Premium: for every 0.1 percentage point increase in recovery above 9.5% / 10%	Rs 2.42/ Quintal	Rs 2.68/ Quintal	Rs 2.75/ Quintal	Rs 2.75/ Quintal	Rs 2.85/ Quintal

It is expected, for Crushing Season 2021-22, 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 Fin Year 2020-21, the Oil Marketing Companies (OMCs) floated tenders for supply of 457.60 crore litres of Ethanol for which Letters of Interest were issued for supply of 325.93 crore litres. It is estimated to supply of 350 crore litres of Ethanol by end of the current financial year 2021-22. It is reported that till end April 2021, the OMCs achieved blending of 7.36%.

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 – Ethanol from C Molasses – Rs 45.69 per Lt (previously 43.75 Per Lt). Ethanol from B Molasses – Rs 57.61 per Lt (previously 54.27 Per Lt) and Ethanol from Sugar cane Juice - Rs 62.65 per Lt (previously 59.48 Per Lt). To achieve the targets, Government of India encouragingly giving directions to Commercial Banks to advance Term Loans and Soft loans on interest subvention .



**Central Government Measures during Financial Year 2020-21:**

- Maximum Admissible Export Quantity (MAEQ) of 6.00 million tones.
- Allowing to export of Sugar through Merchant Exporter for easing MSMEs in Sugar Industry
- Swapping of Export quantity of a sugar mill with domestic release of other sugar mill
- Allowing supply of Sugar to Sugar Refining for Export and allowing Export allowance to Sugar Mill.
- Ethanol blending Targets fixed and increase of Ethanol Price.
- Soft loans on interest subvention for establishing Ethanol Plants by Sugar Mills.

**OPPORTUNITIES AND THREATS**

**Opportunities:**

The long term outlook for sugar remains positive and promising on account of:

- The above mentioned Government policies will enable the sugar industry to get out of financial crisis to get more Revenue year on Year.
- Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- Growing energy consumption in India allowing the sugar industry to play a vital role.
- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Growing demand for bio manure, which works as the perfect soil conditioner, Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

**Threats:**

Sugar industry is at present confronted by the following threats:

- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- Short crushing season.
- Shrinkage of sugarcane area under cultivation due to growing urbanisation and availability of many alternate cash crops.

**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, drip irrigation, 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 2021-22, the company targeted to crush 8 lakh tons of Cane by considering the good monsoon during September and October, 2020 and 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 2020 till April, 2021, new plantation has been completed in 5000 acres in Kamareddy Factory zone area and 9500 Acres in Nizamsagar Factory Zone Area, totally 15,000 Acres new plantation was completed. Apart from above, there was another 11000 acres of Ratoon Crop in both Factory zones. Both New plantation and Ratoon crop combined 26,000 acres of sugar cane is already available for the crushing season 2021-22 commencing from November, 2021. By considering the average yield of 30 to 35 Tons per Acre, the company estimated Crushing of 8.00 Lakh Tons of Cane for the crushing season 2021-22, corresponding Fin Year 2021-22.

**Ethanol Production:**

The company estimates production of 93 lakh litres of Ethanol from Molasses and from Sugar Juice/ Syrup. The company will participate in Tenders of OMCs for supply of Ethanol produced from Juice/ Syrup.

**Co-Gen Power : –**

Another byproduct of sugar industry is Bagasse which is used for generation of green power. The company has signed a 25 year 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 2020-21:**

**Sugar:**

During the Financial Year 2020-21 under review, the crushing operations for the crushing season 2020-21, at Kamareddy unit were commenced on 26th November, 2020 (previous year on 1st December, 2019) and closed on 1st March, 2021 and total no of days operated were 96 days. The crushing operations at Nizamsagar unit were commenced on 21st November, 2020 and closed on 21. Feb 2021 and total no of days operated were 93 days.

During the Crushing Season 2020-21, at both the units, 5.04 Lakh Tonnes of Sugar Cane was crushed and 5.25 Lakh Quintals of sugar produced with an average recovery of 11.02%. comparing to the previous season 2019-20 figures of 5.10 Lakh Tonnes of Sugar Cane and Sugar of 5.58 Lakh Quintals with an average recovery of 10.95% respectively. In detail, at Kamareddy Unit, 2.80Lakh Tonnes of Sugar Cane was crushed (Previous Season 2.99 Lakh Tonnes) and produced sugar of 2.85 Lakhs Quintals (Previous Season 3.37 Lakh Quintals) with an Average Recovery of 11.30% (Previous Season 11.30%) and at Nizamsagar Unit 2.24 Lakh Tonnes (Previous Season 2.11 Lakh Tonnes) of Sugar Cane crushed and produced sugar of 2.41 Lakhs Quintals (Previous Season 2.21 Lakh Quintals) with an Average Recovery of 10.75% (Previous Season 10.45%). The low quantity of crushing was due to drought conditions prevailed in the Region.

**Distillery:**

During the Financial Year 2020-21, 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 82.45 lakh Litres and Impure Spirit (IS) 1.10 Lakhs, totalling to 83.55 lakh Litres).

**Power:**

The Export of Power during the crushing season 2020-21 was to the extent of 154.93 Lakh kwh (Kamareddy Unit 33.39Lakh 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 2020-21, the Overall performance of the Company is as under:

**Production:**

Details	Financial Year 2020-21	Financial Year 2019-20
Total Cane Crushed	5,04,248 Tones	5,10,094 Tones
Sugar Production	5,25,461 Quintals	5,58,481 Quintals
Recovery	11.02 %	10.95 %
Molasses production	21,882 Tones	23,311 Tones
Power Exported	154.93 lakh Units	158.08 lakh Units
Distillery Unit: Ethanol/ Rectified Spirit (RS) & Impure Spirit (IS) Production	89.74 lakh Bulk Litres 0.64 lakh Bulk Litres	82.45 lakh Bulk Litres 1.10 lakh Bulk 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 increased from Rs. 10531.46 lakhs to Rs. 1300.36 lakhs. The increase was due to availing of COVID Emergency Line of Credit from Consortium Banks. The Company has repaid the Term Loan to an extent of Rs. 307.86 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 was increased from Rs. 26,823.81 lakhs to Rs. 26,872.29 lakhs because of capital expenditure incurred on sugar plant. During the year, the Company provided depreciation and amortization of Rs. 1026.48 lakhs as per the provisions of Schedule II of the Companies Act, 2013.

**Inventories:**

Value of inventories stood at Rs. 5760.33 lakhs as at 31st March, 2021 against Rs. 7574.56 lakhs as at 31st March, 2020.

**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, 2021

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

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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)

- 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, 2021

Name of the Director	Category	No. of Board Meetings attended / held	Whether Attended fast AGM held on September 30, 2020	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 Non-Executive Director	1/4	NO	Nil	14	Nil	3	1. Gayatri Tissue And Papers Limited (Non-Executive, Non-Independent Director) 2. Gayatri projects Limited (Non-Executive, Non-Independent Director)
Mrs. T. Sarita Reddy	Managing Director	3/4	YES	Nil	8	Nil	2	1. Gayatri Bioorganic Limited (Non-Executive, Non-Independent Director)
Mr. T. V. Sandeep Kumar Reddy	Non- Executive Director	1/4	YES	Nil	11	1	4	1. Gayatri Bioorganics Limited (Non-Executive Non-Independent Director) 2. Gayatri projects Limited (Executive, Non-Independent Director) Nil
Mr. T. R. Rajagopalan	Independent Non-Executive Director	4/4	YES	Nil	Nil	Nil		Nil
Mr. P.V. Narayana Rao	Independent Non-Executive Director	4/4	YES	Nil	2	1	3	1. Gayatri Bioorganic Limited (Non-Executive, Independent Director)
Mr. Raghuraj Suresh Bhalerao	Independent Non-Executive Director	4/4	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 4 (Four) times in the Financial Year 2020–2021 on 18 June, 2020, 14 September, 2020, 11 November, 2020 and 11 February, 2021.

The Company Secretary 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 30.09.2020 and the Chairman of Audit Committee was present at the 25th 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: 2020-21 on 18 June, 2020, 14 September, 2020, 11 November, 2020 and 11 February, 2021. 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	3	3

\* Appointed as Member of Audit Committee on June 18, 2020. He was entitled to attend only three Audit Committee meeting during the FY 2020-21.

The necessary quorum was presenting at all the meetings. The Chairman of Audit Committee was present at the 25th 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:**

**Nomination and Remuneration Committee - Composition Meetings and Attendance:**

Name	Designation	Category	No. of Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. T.R. Rajagopalan	Chairman	Non Executive Independent Director	1	1
Mrs. T. Indira Reddy	Member	Non Executive, Non Independent Director	1	1
Mr. Raghuraj Suresh Bhalerao	Member	Non Executive Independent Director	1	1

During the financial year 2020-2021, One meeting of Nomination and Remuneration Committee was held on 11.02.2021. The Chairman of Nomination and Remuneration Committee was presented at the 25thAGM 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.

**Remuneration and sitting fees paid to the Directors during 2020-2021**

Name of the Director	Category	Remuneration payable /paid	
		Salary & Perks (Rs. Lakhs)	Sitting fees (Rs. in Lakhs)
Mrs. T. Indira Reddy	Non Executive Chairperson	—	0.05
Mr. T.V. Sandeep Kumar Reddy	Non-Executive Vice Chairman	—	0.05
Mrs. T. Sarita Reddy	Managing Director	48.00	—
Mr. T.R. Rajagopalan	Non Executive /Independent	—	0.24
Mr. Raghuraj Suresh Bhalerao	Non Executive/ Independent	—	0.24
Mr. P.V. Narayana Rao	Non Executive/ Independent	—	0.23

**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	1	1
Mr. T. V. Sandeep Kumar Reddy	Member	Non-Executive Non Independent Director	1	0
Mrs. T. Sarita Reddy	Member	Managing Director	1	1

The Stakeholders Relationship Committee meeting was held during the financial year 2020-2021 on February 11, 2021.

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

**CS DANVEER SINGH** (Ceased to be Compliance Officer w.e.f. 29th April, 2021)

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.

## 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	0

During the financial year 2020-2021, One meeting Corporate Social Responsibility was held on 11.11.2020.

## 7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 11.02.2021 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
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
2017-18	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.	Wednesday the 19 <sup>th</sup> Day of September, 2018	10:30 A.M.	1. Considering the appointment of Mrs. T. Sarita Reddy as the Managing Director 2. To make (loan(s) and to give guarantee(s) provide security (ies) or make investment(s) in excess of the prescribed limit under section 186 of the Companies Act, 2013

All the Special Resolutions placed before the shareholders at the above meetings were approved.

**(ii) Special Resolutions passed through postal ballot during the financial year 2019-20:**

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

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- 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>2020-2021</b>
Day, Date and Time	Wednesday, September 29, 2021 at 12.30 Hrs (IST)
Venue	Through Video Conferencing (e- AGM)

### b) Financial Calendar (tentative): Financial Year 1st April, 2020 to 31st March, 2021

<b>Quarter Ending</b>	<b>Release of Results</b>
June 30, 2021	Second week of August, 2021
September 30, 2021	Second week of November, 2021
December 31, 2021	Second week of February, 2022
March 31, 2022	Fourth week of May, 2022

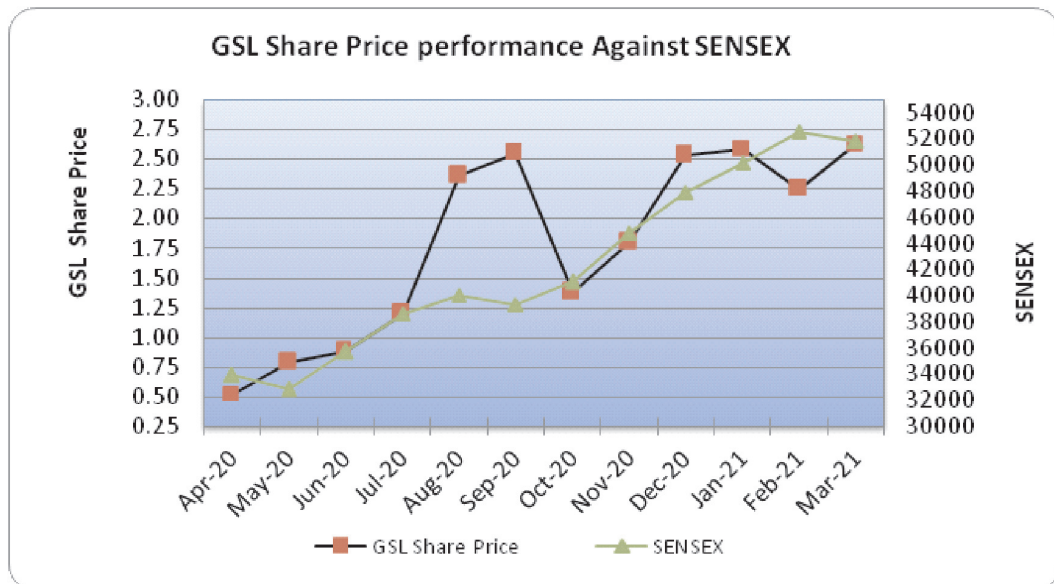
\*instead of publishing quarterly results, the Company has to publish Audited Annual Accounts within 60 days from the end of the financial year as per the given of Stock Exchange Guidelines.

- c) **Date of Book closure** : 22.09.2021 to 29.09.2021 (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 2020-21



Month	BSE SHARE PRICE			BSE SENSEX	
	High Price	Low Price	Volume (No of Shares traded)	High Price	Low Price
Apr-20	0.51	0.41	9573	33,887.25	27,500.79
May-20	0.77	2.43	23935	32,845.48	29,968.45
Jun-20	0.88	1.95	246218	35,706.55	32,348.10
Jul-20	1.20	1.79	33232	38,617.03	34,927.20
Aug-20	2.35	1.43	141535	40,010.17	36,911.23
Sep-20	1.33	1.43	150005	39,359.51	39,359.51
Oct-20	1.38	0.95	116199	41,048.05	38,410.20
Nov-20	1.32	1.21	107659	44,825.37	39,334.92
Dec-20	1.98	1.27	482455	47,896.97	44,118.10
Jan-21	2.15	1.78	329292	50,184.01	46,160.46
Feb-21	1.90	1.74	14626	52,516.76	46,433.65
Mar-21	1.86	1.71	24352	51,821.84	48,236.35

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.

Further, Shareholders may note that SEBI and MCA has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 01, 2019, can do so only in dematerialized form. We request you to Dematerialize your physical shares for ease of transfer.

**k) Categories of shareholders as on March 31, 2021:**

Shareholders	As on 31.03.2021		As on 31.03.2020	
	No. of Shares	%	No. of Shares	%
Promoters	25040888	57.30	25040888	57.30
Financial Institutions and Banks	453	0.00	6735	0.02
Private corporate bodies	5065495	11.59	5127544	11.73
Indian Public	13519615	30.93	13462307	30.8
NRI/OCB	77192	0.18	66169	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, 2021:**

Shareholding	Total no of shareholders	% to total shareholders	Total No of shares	% to total capital
1-500	13275	77.93	2170679	4.97
501-1000	1859	10.91	1532554	3.51
1001 – 2000	928	5.45	1451741	3.32
2001 – 3000	294	1.73	758029	1.73
3001 – 4000	172	1.01	623972	1.43
4001 – 5000	140	0.82	666714	1.53
5001 – 10000	206	1.21	1596438	3.65
10001 - above	161	0.95	34903516	79.86
<b>Total</b>	<b>177035</b>	<b>100.00</b>	<b>43703643</b>	<b>100.00</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, 2021 :**

Held in NSDL: 2,33,13,649shares

Held in CDSL: 2,03,64,709shares

**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@vccilindia.com

**q) Plant Loactions:**

**Kamareddy Unit**

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

**Nizamsagar Unit**

Maagi Village,  
Nizamsagar Mandal,  
Kamareddy District,  
Telangana - 503302  
Phone : (08465) 275577

**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:**

Sri.VR Prasad, Chief Financial Officer /  
Mr. Danveer Singh, Compliance Officer  
Phone: 040-23414823, Fax: 040-23414827  
Email : cs.gsl@gayatri.co.in

**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 compliant via scores portal during the Financial Year 2019-20.

**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 2020-21, 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)

<b>Particulars</b>	<b>Amount</b>
Services as statutory auditors	6.00
Other services	0.25
<b>Total</b>	<b>6.25</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:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 and the qualifications have been addressed in Board's Report.

**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 on Compliance of Corporate Governance**

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

I have examined the compliance of the conditions of Corporate Governance by Gayatri Sugars Limited ('the Company') for the year ended on March 31, 2021, 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, 2021.

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: June 22, 2021

Sd/-  
**Y. KOTESWARA RAO**  
ACS No.:3785  
C.P. No.: 7427  
UDIN: A003785C000497674

## **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  
Hyderabad, Telangana State.

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, 2021 from being appointed or continuing as directors of the Company by SEBI/Ministry of Corporate Affairs or any other statutory authority.

<b>S.No.</b>	<b>Name</b>	<b>DIN</b>	<b>Date of Appointment</b>
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 Bhalerao	07652493	11/11/2016
5.	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: June 22, 2021

**Sd/-**  
**Y. KOTESWARA RAO**  
**ACS No.:3785**  
**C.P. No.: 7427**  
**UDIN: A003785C000497784**

## 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)

**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: (1136.08) 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 2019-20: 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
11.63	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	Location of the project. District	Project duration	Amount allocated for the project (in crores)	Amount spent in the current financial year (in crores)	Amount transferred to unspent CSR account for the year (in crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through implementing Agency
1.	COVID 19 Relief	Supply of free Rice, Groceries for poor People	Yes	Telangana	Kamareddy	Not Applicable	7.00	7.38	Nil	Yes	Not Applicable
2.	Harita Haram (Plantation of Plants)	Purchase and Transportation of Plants	Yes	Telangana	Kamareddy	Not Applicable	0.40	0.43	Nil	Yes	Not Applicable
3	Public Health Arranging for safe drinking water	Purchase and installation of RO Plant	Yes	Telangana	Kamareddy	Not Applicable	3.07	3.07	Nil	Yes	Not Applicable
4	Public Health Arranging for safe drinking water	Maintenance of RO Plants	Yes	Telangana	Kamareddy	Not Applicable	0.75	0.75	Nil	Yes	Not Applicable
<b>TOTAL</b>							11.22	11.63			

(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 implementanting agency
1.							NIL
<b>Total</b>							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. 11.63 Lakhs

(e) Excess amount for set off, if any : Nil

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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 2020-21	11.63
(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): Not Applicable (b) Amount of CSR spent for creation or acquisition of capital asset: NIL (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable	
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 : 22.06.2021

**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
		2020-21	2019-20		
	Managing Director/KMP	2020-21	2019-20		
1	Mrs. T. Sarita Reddy	48.00	48.00	Nil	21:1
2	Mr. V. R. Prasad	21.43	21.01	2	-
3	Mr. Danveer Singh	3.96	0.53	#	-

# Not comparable since in the Financial Year 2019-20, he was employed only for part of the year.

- (ii) The percentage increase in the median remuneration of employees in the financial year 2020-21 : (1.43) – The decrease is due to decrease in number of employees.
- (iii) The number of permanent employees on the rolls of company March 31st, 2021: 595
- (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 12.45% 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	4800000	50	B.Com, MBA	27/10/2006	--	17
V.R. Prasad	CFO	21,43,200	62	M.Com, PG Diploma in BM, CS	09/05/2012	Gayatri Projects Limited	41
T. Venugopal Rao	Vice President	20,48,388	60	B. Sc (Agriculture)	23/09/1998	Ponni Sugars Ltd	36
G. Satyanarayana Reddy	Vice President	4,59,798	63	B. Sc , ANSI	17/09/2006	Nizam Deccan Sugars Ltd, Bodhan	42
B. Sankara Rao	President	14,97,900	49	Diploma CE,AMIE,MBA	16/08/1995	--	26
P.Malakondaiah	General Manager (F&A)	14,31,444	68	M.Com, PG Diploma in FA	18/10/2004	Shree Vaani Sugars Ltd, Punganuru	44
D. Veerajju	SR.GM (ENGG)	12,33,600	68	Diploma Mechanical Engineering, BOE	30/08/2013	Prudential Sugars Limited,Puttur	44
Kadam Venkat Rao	SR. GM (CANE)	12,10,800	62	B. Sc (Agriculture)	04/12/2011	Nizam Deccan Sugars Ltd, Medak	39
S Murali Krishna	A G M (PP&A)	12,22,956	40	B. Sc(MPC)	14/07/2008	Matrix Agri Sciences Private Limited	18
M. Raja Babu	GM (ENGG)	11,36,880	66	Diploma Mechanical Engineering,	16/11/2012	NSL Sugars LTD.	40

\*\*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.

\*\* Resigned with effect from 1-07.2020

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 : June 22, 2021

## **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, 2021, 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, 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, 2021, and the loss and other comprehensive loss, 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 ₹ 2,846.34 Lakhs and as at 31st March, 2021, the accumulated losses have completely eroded the Net-worth of the Company and the Company's current liabilities exceed the current assets by ₹ 15,928.38 Lakhs. The Financial Statements have been prepared on a going concern basis based on a Comfort letter provided by the promoters for continues 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 petition filed by Sugar Development fund (SDF) through its Monitoring Institution IFCI Limited before the Hon'ble Debt Recovery Tribunal -1, Hyderabad for recovery of Principal amount along with accrued interest thereon.
- ii) As stated in Note No. 26.18, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company.

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 for the year ended 31st March 2021. 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 above to be the key audit matter 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 such 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 are 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 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends

to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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, 2016 ("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) 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 the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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.

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

Sd/-  
**Oommen Mani**  
Partner  
Membership No. 234119  
UDIN : 21234119AAAABZ8765

Place : Hyderabad  
Date : 22<sup>nd</sup> June, 2021



## **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,2021, we report that:

- (i) In respect of Fixed 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 situation of fixed assets;
  - b. The management of the company has verified the fixed assets at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
  - c. 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 are held in the name of the Company.
- (ii) 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 frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.
- (iii) According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3 (iii) (a), 3(iii) (b), 3(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 of 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from 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 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the 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
  - a. 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 provident fund, income tax, value added tax, goods and service tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with appropriate statutory authorities though the delays in deposit have not been serious.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, goods and service tax, duty of custom, duty of excise, value added tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except as given below;

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Name of the statute	Nature of Dues	Period to which the amount relates	Amount involved ₹ in Lakhs
Income Tax Act, 1961	Dividend Distribution Tax	2006-07	8.03

- c. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Goods and Service Tax, and Cess which have not been deposited as on 31st March, 2021 on account of any dispute, except the following:

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	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	14.37

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of loans or borrowings to financial institution, bank or Government as on the Balance Sheet date, as under.

Lender name	Principal ₹ in lakhs	Period of default (In days)	Interest ₹ in lakhs	Period of default (In days)
<b>Banks and Financial Institutions</b>				
Union Bank – Covid Loan	65.97	1 to 86	7.69	1 to 59
Union Bank – Soft Loan (Erstwhile Andhra Bank)	12.13	1 to 90	2.01	1 to 89
Union Bank – Corporate Loan (Erstwhile Andhra Bank)	39.60	1 to 90	4.40	1 to 89
Union Bank of India – Soft Loan	22.35	1 to 86	4.91	1 to 85
Union Bank of India – FITL	42.85	31 to 60	1.60	1 to 59
Bank of Baroda - Covid Loan	14.89	1 to 31	1.52	1 to 26
Bank of Baroda – Soft loan	20.00	1 to 89	5.07	1 to 88
Bank of Baroda – Corporate Loan	21.75	1 to 89	5.52	1 to 88
Bank of Baroda – FITL	53.42	1 to 59	1.40	1 to 28
Punjab National Bank – Soft Loan	1.72	1 to 57	0.27	4 to 56
State Bank of India – Covid Loan	12.44	1 to 31	1.32	1 to 30
State Bank of India – Soft loan	5.57	1 to 60	0.69	1 to 29
State Bank of India – Corporate Loan	6.05	1 to 60	0.67	1 to 29
State Bank of India – FITL	96.00	31 to 60	1.07	1 to 59
Sugar Development Fund Term Loan	1,991.60	557 to 2690	2,208.38	1 to 2690
<b>Non-Convertible Debentures</b>				
Union Bank – NCD (Erstwhile Andhra Bank)	53.03	1	8.59	1
Bank of Baroda – NCD	75.41	1	12.22	1
Punjab National Bank – NCD	45.51	1	7.38	1
State Bank of India – NCD	34.57	1	5.60	1

- (ix) According to information and explanations given to us, the company has not raised moneys by way of public offer (including debt instrument). Based on our audit procedures and according to the information and explanations given to us, in our opinion the term loans availed by the company were prima facie, applied for the purposes for which they were obtained.
- (x) 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, 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.
- (xi) In our opinion and according to the information and explanations given to us, as stated in note no. 26.17 of the Financial Statements, the company has obtained the approval in accordance with the provisions of Section 197 read with Schedule V to the Act for the remuneration paid by the company for the year ended 31st March 2021.
- (xii) As the Company is not a Nidhi Company, provisions of clause 3(xii) of the Order are not applicable to the Company.
- (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 with 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.
- (xv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Hence, Clause 3(xv) of the Order is not applicable for the current year under report.
- (xvi) 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 3(xvi) of the Order are not applicable to the Company.

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

Sd/-  
**Oommen Mani**  
Partner  
Membership No. 234119  
UDIN:21234119AAAABZ8765

Place : Hyderabad  
Date : 22<sup>nd</sup> June, 2021

## **ANNEXURE “B” TO THE AUDITOR’S 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, 2021 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, 2021, 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, 2021, 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 2021 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:21234119AAAABZ8765

Place : Hyderabad

Date : 22<sup>nd</sup> June, 2021

**BALANCE SHEET AS AT 31st MARCH, 2021**

Particulars	Note No.	As at 31st March, 2021 ₹ in lakhs	As at 31st March, 2020 ₹ in lakhs
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	2	8,642.89	9,620.89
(b) Capital Work in Progress	2	55.34	9.78
(c) Intangible Asset	2	0.11	0.11
(d) Financial Asset			
(i) Other Financial Assets	3	81.85	79.90
<b>Total Non-Current Assets</b>		<b>8,780.19</b>	9,710.68
<b>Current assets</b>			
(a) Inventories	4	5,760.33	7,574.56
(b) Financial Asset			
(i) Trade receivables	5	2,240.58	1,251.96
(ii) Cash and cash equivalents	6	92.26	171.55
(c) Other Current Assets	7	1,402.61	1,031.16
<b>Total Current Assets</b>		<b>9,495.78</b>	10,029.23
<b>TOTAL ASSETS</b>		<b>18,275.97</b>	19,739.91
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	8	4,370.05	4,370.05
(b) Other Equity	9	(19,675.01)	(16,680.72)
<b>Total Equity</b>		<b>(15,304.96)</b>	(12,310.67)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	7,551.03	7,810.25
(ii) Other Financial Liabilities	11	45.07	59.39
(b) Provisions	12	560.67	379.73
<b>Total Non-Current Liabilities</b>		<b>8,156.77</b>	8,249.37
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	6,851.46	6,969.44
(ii) Trade payables	14	7,383.62	6,531.29
(iii) Other Financial Liabilities	15	8,988.66	8,861.84
(b) Other Current Liabilities	16	2,067.23	1,291.74
(c) Provisions	17	133.19	146.90
<b>Total Current Liabilities</b>		<b>25,424.16</b>	23,801.21
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,275.97</b>	19,739.91
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 : June 22, 2021

**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

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Note No.	For the Year Ended 31st March, 2021 ₹ in lakhs	For the Year Ended 31st March, 2020 ₹ in lakhs
<b>I Revenue from operations</b>	<b>18</b>	<b>24,788.24</b>	28,172.58
<b>II Other income</b>	<b>19</b>	<b>21.66</b>	18.85
<b>III Total revenue (I+II)</b>		<b>24,809.90</b>	28,191.43
<b>IV Expenses</b>			
(a) Cost of materials consumed	<b>20</b>	<b>16,885.16</b>	17,331.18
(b) Purchases of Stock-in-Trade	<b>21</b>	<b>248.52</b>	438.18
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>22</b>	<b>1,771.01</b>	4,369.95
(d) Employee benefits expense	<b>23</b>	<b>1,854.46</b>	1,909.80
(e) Finance costs	<b>24</b>	<b>2,573.88</b>	2,412.67
(f) Depreciation and amortisation expense	<b>2</b>	<b>1,026.48</b>	1,035.06
(g) Other expenses	<b>25</b>	<b>3,296.73</b>	3,466.88
<b>Total expenses (IV)</b>		<b>27,656.24</b>	30,963.72
<b>V Profit/(Loss) before Exceptional items and Tax (III-IV)</b>		<b>(2,846.34)</b>	(2,772.29)
<b>VI Exceptional items</b>		—	—
<b>VII Profit / (Loss) before tax (V-VI)</b>		<b>(2,846.34)</b>	(2,772.29)
<b>VIII Tax expense</b>		—	—
<b>IX Profit for the year (VII-VIII)</b>		<b>(2,846.34)</b>	(2,772.29)
<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>(147.95)</b>	(68.33)
ii) Income tax relating to items that will not be reclassified to profit or loss		—	—
<b>Total Other Comprehensive Income (X)</b>		<b>(147.95)</b>	(68.33)
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>(2,994.29)</b>	(2,840.62)
<b>XII Earnings per equity share (of ₹ 10/- each)</b>			
Basic (₹)	<b>26.11</b>	<b>(6.51)</b>	(6.34)
Diluted (₹) (*Antidilutive)	<b>26.11</b>	<b>*(6.51)</b>	*(6.34)
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 : June 22, 2021

**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

**Twenty Sixth Annual Report**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021**

Particulars	For the Year Ended 31st March, 2021 ₹ in lakhs	For the Year Ended 31st March, 2020 ₹ in lakhs
<b>Cash flow from operating activities:</b>		
Profit before tax	(2,846.34)	(2,772.29)
Adjustments for:		
Depreciation and amortization expenses	1,026.48	1,035.06
Finance costs	2,573.88	2,412.67
Interest income	(0.76)	(1.52)
<b>Operating profit before working capital changes</b>	<b>753.26</b>	<b>673.92</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(988.62)	1,524.73
(Increase) / Decrease in non-current financial asset	(1.95)	(0.00)
(Increase) / Decrease in Other current assets	(371.30)	74.47
(Increase) / Decrease in Other non-current assets	-	255.39
(Increase) / Decrease in Inventory	1,814.23	4,458.04
Increase / (Decrease) in non-current financial liabilities	(14.32)	2.41
Increase / (Decrease) in current financial liabilities	(1,362.61)	391.69
Increase / (Decrease) in other current liabilities	775.49	667.87
Increase / (Decrease) in provisions	19.28	46.08
Increase / (Decrease) in Trade Payables	852.33	(5,533.38)
<b>Cash generated from operations</b>	<b>1,475.79</b>	<b>2,561.22</b>
Direct tax paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>1,475.79</b>	<b>2,561.22</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(94.04)	(3.09)
Changes in other Bank Balances	-	136.77
Interest received	0.60	2.12
<b>Net cash used in investing activities (B)</b>	<b>(93.44)</b>	<b>135.80</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of long-term borrowings	654.01	(708.22)
Proceeds/(Repayment) from short-term borrowings	(117.98)	79.86
Interest and other borrowing cost paid	(1,997.67)	(2,110.99)
<b>Net cash (used in)/ flow from financing activities (C)</b>	<b>(1,461.64)</b>	<b>(2,739.35)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(79.29)</b>	<b>(42.33)</b>
Cash and Cash equivalents at the beginning of the year	171.55	213.88
Cash and Cash equivalents as at the end of year	92.26	171.55

**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

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

Sd/-

**T. Sarita Reddy**

Managing Director

Sd/-

**T.V. Sandeep Kumar Reddy**

Vice Chairman

Sd/-

**V.R. Prasad**

Chief Financial Officer

Place : Hyderabad

Date : June 22, 2021



## 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, 2021

(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	24,809.90	24,809.90
	2	Total Expenditure	27,656.24	27,826.24
	3	Net Profit/(Loss)	(2,846.34)	(3,016.34)
	4	Earnings Per Share Basic (₹) Diluted (₹) (*Anti Dilutive)	(6.51) *(6.51)	(6.90) *(6.90)
	5	Total Assets	18,275.91	18,275.91
	6	Total Liabilities	33,580.93	33,750.93
	7	Net Worth	(15,096.82)	(15,266.82)
	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	<p><b>Audit Qualification:</b></p> <p><b>a. Details of Audit Qualification:</b></p> <p>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.</p> <p>b. Type of Audit Qualification: <del>Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion:</del></p> <p>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</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: -Not Applicable-</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(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, 2021 which is disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at March 31, 2021 will increase and the net-worth as at March 31st, 2021 shall reduce by the corresponding amount.</p> <p><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.</p>			

**Twenty Sixth Annual Report**

	(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: 22 <sup>nd</sup> June, 2021	

**GAYATRI SUGARS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**

**Equity Share Capital and Other Equity**

(₹ in Lakhs)

Particulars	Share Capital (Note 8)	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Account	Retained earnings		
<b>As at 01st April, 2019</b>	<b>4,370.05</b>	<b>215.84</b>	<b>(14,064.08)</b>	<b>8.14</b>	<b>(13,840.10)</b>
Changes in Equity Share Capital	-	-	-	-	-
Surplus / (Deficit) for the year	-	-	(2,772.29)	-	(2,772.29)
Other comprehensive income	-	-	-	(68.33)	(68.33)
<b>As at 31st March, 2020</b>	<b>4,370.05</b>	<b>215.84</b>	<b>(16,836.37)</b>	<b>(60.19)</b>	<b>(16,680.72)</b>
<b>As at 01st April, 2020</b>	<b>4,370.05</b>	<b>215.84</b>	<b>(16,836.37)</b>	<b>(60.19)</b>	<b>(16,680.72)</b>
Changes in Equity Share Capital	-	-	-	-	-
Surplus / (Deficit) for the year	-	-	(2,846.34)	-	(2,846.34)
Other comprehensive income	-	-	-	(147.95)	(147.95)
<b>As at 31st March, 2021</b>	<b>4,370.05</b>	<b>215.84</b>	<b>(19,682.71)</b>	<b>(208.14)</b>	<b>(19,675.01)</b>

As per our report attached

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

**Sd/-**  
**Oommen Mani**  
Partner

Place : Hyderabad  
Date : June 22, 2021

**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/-**  
**Danveer Singh**  
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, 2<sup>nd</sup> 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 Rectified Spirit, Impure spirit, Ethanol 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 01<sup>st</sup> 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 judgement. 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**

(Rs. in lakhs)

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)
<b>I Gross Block</b>											
Balance as at 1st April, 2019	333.95	3,662.46	22,608.30	20.66	105.19	92.16	26,822.72	2.07	2.07	26,824.79	7.78
Additions	-	-	-	-	-	1.09	1.09	-	-	1.09	2.00
Deletions/Capitalised	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 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
Balance 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
Balance 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
<b>II Depreciation and impairment</b>											
Balance as at 1st April, 2019	-	1,864.43	14,118.63	20.52	85.70	79.60	16,168.88	0.94	0.94	16,169.82	-
Eliminated on disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	113.79	909.24	0.04	3.17	7.80	1,034.04	1.02	1.02	1,035.06	-
At 31st March, 2020	-	1,978.22	15,027.87	20.56	88.87	87.40	17,202.92	1.96	1.96	17,204.88	-
Balance 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	-
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	-
<b>III Net Block</b>											
At 1st March, 2020	333.95	1,684.24	7,580.43	0.10	16.32	5.85	9,620.89	0.11	0.11	9,621.00	9.78
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

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### Financial Assets (₹ in lakhs)

#### 3 Other financial assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Deposits with Govt. Depts and others (Unsecured and considered good)	74.96	73.01
b. Margin Money Deposits against Bank Guarantees	6.89	6.89
<b>Total</b>	<b>81.85</b>	<b>79.90</b>

#### 4 Inventories (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Finished goods	4,471.26	6,362.15
b. Stock-in-trade	91.68	27.12
c. Stores and spares	394.87	438.09
d. By-Products	802.52	747.20
<b>Total</b>	<b>5,760.33</b>	<b>7,574.56</b>
(i) <b>Finished goods</b>		
a. Sugar	4,156.72	5,094.24
b. Rectified spirits and ethanol	314.19	1,267.87
c. Carbon-di-oxide - (CO2)	0.35	0.04
<b>Total</b>	<b>4,471.26</b>	<b>6,362.15</b>
(ii) <b>By products</b>		
a. Molasses	531.64	383.56
b. Molasses in distillery	141.49	237.88
c. Bagasse	116.09	85.76
d. Filter cake	8.00	30.00
e. Ash	5.30	10.00
<b>Total</b>	<b>802.52</b>	<b>747.20</b>

### Financial Assets

#### 5 Trade Receivables (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and considered good	2,240.58	1,251.96
<b>Total</b>	<b>2,240.58</b>	<b>1,251.96</b>

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

Particulars	As at 31st March, 2021	As at 31st April, 2020
a. Cash on hand	0.51	1.14
b. Balances with bank - In current accounts	91.75	170.41
<b>Total</b>	<b>92.26</b>	<b>171.55</b>

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

Particulars	As at 31st March, 2021	As at 31st April, 2020
a. Advances to suppliers and others		
Considered good	996.32	394.27
Considered doubtful	-	41.81
less: Provision for doubtful advances	-	(41.81)
b. Loans and advances to employees	11.85	12.18
c. GST credit receivable	1.21	0.22
d. Income Tax Refund	7.39	6.57
e. Deposits with Govt departments	2.40	2.40
f. Prepaid expenses	83.28	84.04
g. Security deposit	287.27	259.62
h. Cane development incentive	-	259.13
i. Interest Receivable	1.19	1.03
j. Interest subvention on excise duty term loan	11.70	11.70
<b>Total</b>	<b>1,402.61</b>	<b>1,031.16</b>

**8 Share capital** ( ₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(i) Authorised Share Capital				
Equity shares of ₹10/- each	65,000,000	6,500.00	65,000,000	6,500.00
Preference shares of ₹10/- each	45,000,000	4,500.00	45,000,000	4,500.00
	<b>110,000,000</b>	<b>11,000.00</b>	<b>110,000,000</b>	<b>11,000.00</b>
(ii) Issued Share Capital				
Equity shares of ₹10/- each	43,703,643	4,370.36	43,703,643	4,370.36
	<b>43,703,643</b>	<b>4,370.36</b>	<b>43,703,643</b>	<b>4,370.36</b>
(iii) Subscribed and fully paid up				
Equity shares of ₹10/- each	43,697,368	4,369.74	43,697,368	4,369.74
	<b>43,697,368</b>	<b>4,369.74</b>	<b>43,697,368</b>	<b>4,369.74</b>
(iv) Subscribed but not fully paid up				
Equity shares of ₹ 10/- each (₹ 5 Paid up)	6,275	0.31	6,275	0.31
	<b>6,275</b>	<b>0.31</b>	<b>6,275</b>	<b>0.31</b>
<b>Total</b>		<b>4,370.05</b>		<b>4,370.05</b>

Note: The Company also has Authorised 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, 2021		As at 31st March, 2020	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity shares</b>				
At the Beginning of period	43,703,643	4,370.05	43,703,643	4,370.05
Issued during the year	-	-	-	-
Balance at the end of the year	<b>43,703,643</b>	<b>4,370.05</b>	<b>43,703,643</b>	<b>4,370.05</b>

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### (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, 2021		As at 31st March, 2020	
	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 Subbarami 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) 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 29th April, 2011.

### (v) Details of calls unpaid on equity shares

	As at 31st March, 2021	As at 31st April, 2020
- Number of shares	6,275	6,275
- Unpaid amount (₹)	31,375	31,375

## 9 Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<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	(16,836.37)	(14,064.08)
Add : Surplus / (Deficit) for the year	(2,846.34)	(2,772.29)
Closing balance	(19,682.71)	(16,836.37)
<b>c. Other Comprehensive Income (OCI)</b>		
Opening balance	(60.19)	8.14
Add : Movement in OCI (Net) during the year	(147.95)	(68.33)
Closing balance	(208.14)	(60.19)
<b>Total (a+b+c)</b>	<b>(19,675.01)</b>	<b>(16,680.72)</b>



**Financial Liabilities**

( ₹ in lakhs)

**10 Borrowings**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-Current	Current*	Non-Current	Current*
<b>Carried at amortised cost</b>				
<b>Secured</b>				
a. Non-Convertible Debentures 69,50,500 (March 31, 2020: 69,50,500; 4% non-convertible, redemable debentures of ₹10 each.	278.01	417.04	486.53	208.52
b. From Banks				
Term Loans	12.93	709.02	509.85	519.96
Term Loans - Covid	61.44	516.77	—	—
c. Vehicle loan	—	—	—	1.12
<b>Unsecured</b>				
a. Cumulative redeemable preference shares	4,114.70	—	4,114.70	—
b. Cumulative liability on preference Shares	1,424.39	—	1,177.50	—
c. Loans from related Parties (Refer Note: 13C)	201.21	—	—	—
d. Loans from others	1,458.35	—	1,521.67	—
<b>Total</b>	<b>7,551.03</b>	<b>1,642.83</b>	<b>7,810.25</b>	<b>729.60</b>

\* Current maturities are included in note 15 - Other Financial Liabilities (Current)

**10.1 Non Convertible Debentures**

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

**Terms of Redemption:**

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

**10.2 Term Loans (Soft Loan and Corporate Loan)**

**A Primary Security**

First pari-passu charge on all chargeable current assets of the company.

**B Collateral Security**

**1. Corporate Term Loan and Soft Loan**

- a. 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.
- b. 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.
- c. 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 12.3% to 16.65%

**10.3 Term Loans - Covid**

**A 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

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### B Collateral Security

- a. 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.
- b. 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.
- c. 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%

#### 10.4 Vehicle Loan

The Vehicle Loan is secured by hypothecation of the vehicle and the rate of interest is 9.2%

#### 10.5 Terms of preference shares:

- (a) The company has only one class of 6% of Cumulative redeemable preference shares having a par value of ₹ 10 per share. Each holder of preference shares is entitled to one vote per share.
- (b) 25,000,000 preference shares are due for redemption on or before 30th September, 2023.
- (c) 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.
- (d) 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.

#### 10.6 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 31st March, 2023 and rate of interest is 9.5%.

#### 10.7 Maturity Profile of long term borrowings is set out below:

As at 31st March, 2021

(₹ in lakhs)

Particulars	Due	2021-22	2022-23	2022-23 After
<b>a) Secured Loans</b>				
Non-Convertible Debentures	208.52	208.52	278.01	-
Term Loans	218.63	1,007.16	74.37	-
<b>Total</b>	<b>427.15</b>	<b>1,215.68</b>	<b>352.38</b>	<b>-</b>
<b>b) Un-Secured Loans</b>				
Cumulative redeemable preference shares	-	-	-	4,114.70
Cumulative liability on preference shares	-	-	-	1,424.39
Loans from Related Parties	-	-	201.21	-
Loans from Others	-	-	1,458.35	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,659.56</b>	<b>5,539.09</b>

**Non-Current Liabilities**

**10.8 The Company has defaulted in repayment of loans and interest in respect of the following:**

S.no.	Term Loans	As at 31st March, 2021		As at 31st March, 2020	
		Period of Defaults during the year (in days)	₹ in Lakhs	Period of Defaults during the year (in days)	₹ in Lakhs
<b>Principal</b>					
1	Union Bank – Covid Loan	1 to 86	65.97	-	-
2	Union Bank – Soft Loan (Erstwhile Andhra Bank)	1 to 90	12.13	28 to 64	24.38
3	Union Bank – Corporate Loan (Erstwhile Andhra Bank)	1 to 90	39.60	27 to 63	26.52
4	Union Bank of India – Soft Loan	1 to 86	22.35	17 to 65	14.91
5	Union Bank – NCD (Erstwhile Andhra Bank)	1	53.03	-	-
6	Bank of Baroda - Covid Loan	1 to 31	14.89	41 to 57	-
7	Bank of Baroda – Soft loan	1 to 89	20.00	33 to 64	13.33
8	Bank of Baroda – Corporate Loan	1 to 89	21.75	33 to 64	14.49
9	Bank of Baroda – NCD	1	75.41	-	-
10	Punjab National Bank – Soft Loan	1 to 57	1.72	-	-
11	Punjab National Bank – NCD	1	45.51	-	-
12	State Bank of India – Covid Loan	1 to 31	12.44	-	-
13	State Bank of India – Soft loan	1 to 60	5.57	-	-
14	State Bank of India – Corporate Loan	1 to 60	6.05	-	-
15	State Bank of India – NCD	1	34.57	-	-
16	Sugar Development Fund Term Loan	557 to 2690	1,991.60	557 to 2325	1,991.60
<b>Interest</b>					
1	Union Bank – Covid Loan	1 to 59	7.69	-	-
2	Union Bank – Soft Loan (Erstwhile Andhra Bank)	1 to 89	2.01	56 to 92	7.79
3	Union Bank – Corporate Loan (Erstwhile Andhra Bank)	1 to 89	4.40	56 to 92	5.82
4	Union Bank of India – Soft Loan	1 to 85	4.91	10 to 92	4.44
5	Union Bank – NCD (Erstwhile Andhra Bank)	1	8.59	-	-
6	Bank of Baroda – Covid Loan	1 to 26	1.52	-	-
7	Bank of Baroda – Soft loan	1 to 88	5.07	61 to 92	4.23
8	Bank of Baroda – Corporate Loan	1 to 88	5.52	61 to 92	4.60
9	Bank of Baroda – NCD	1	12.22	-	-
10	Punjab National Bank – Soft Loan	4 to 56	0.27	-	-
11	Punjab National Bank – NCD	1	7.38	-	-
12	State Bank of India – Covid Loan	1 to 30	1.32	-	-
13	State Bank of India – Soft loan	1 to 29	0.69	-	-
14	State Bank of India – Corporate Loan	1 to 29	0.67	-	-
15	State Bank of India – NCD	1	5.60	-	-
16	Loan from Related Parties	1 to 275	12.85	-	-
17	Loan from Others	1 to 365	195.84	-	-
18	Sugar Development Fund Term Loan	1 to 2690	2,208.38	1 to 2325	1,873.74

**11 Other financial liabilities - Non-Current**

(₹ in lakhs)

Particulars	As at	As at
	31 March, 2021	31 March, 2020
a. Interest accrued but not due on non-convertible debentures	<b>45.07</b>	59.39
<b>Total</b>	<b>45.07</b>	59.39

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Employee benefits (Refer note no. 26 .7)	560.67	379.73
<b>Total</b>	<b>560.67</b>	<b>379.73</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured</b>		
a. Short Term Borrowings		
Covid - FITL	192.28	—
b. Loan repayable on demand from banks	6,659.18	6,831.54
c. Unsecured		
Repayable on demand		
From Related Party (Refer Note: 13C)	—	137.90
<b>Total</b>	<b>6,851.46</b>	<b>6,969.44</b>
<b>Notes:</b>		
<b>Loans repayable on demand from banks:</b>		
State Bank of India	1149.68	1121.99
Bank of Baroda	1365.52	1359.44
Andhra Bank	2483.26	2480.87
Punjab National Bank	140.42	323.07
Union Bank of India	1520.30	1546.17
<b>Total</b>	<b>6,659.18</b>	<b>6,831.54</b>

#### A Details of security for Covid FITL

- (i) **Primary Security:** First pari-passu charge on all chargeable current assets of the Company (viz.) sugar, molasses, bagasse, stores and spares, ethanol, rectified spirit and receivables.
- (ii) **Collateral Security:**
  - a) Second charge on the Company's present and future fixed assets (both moveable and immovable) of sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District and sugar unit located at Maggi village, Kamareddy District of Telangana State on pari-passu basis with Sugar Development Fund and non-convertible debenture holders.
  - 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 15.05% to 16.65%

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

##### i) Primary Security :

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

##### ii) Collateral Security:

a) Second charge on the Company's present and future fixed assets (both moveable and immovable) of sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District and sugar unit located at Maggi village, Kamareddy District of Telangana State on pari-passu basis with Sugar Development Fund and non-convertible debenture holders.

- (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 13.40% to 16.65%

**C Loan from Related Party**

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 long-term loan and shall be repaid by 30/11/2022. Interest rate is 9.5% per annum with effect from 01/04/2020 and quarterly payable.

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 30/11/2022. Interest rate is 9.5% per annum with effect from 01/04/2020 and quarterly payable.

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.

**14 Trade payables** ( ₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payables*	7,383.62	6,531.29
<b>Total</b>	<b>7,383.62</b>	<b>6,531.29</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.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Current maturities of long-term debt	1,225.79	521.08
b. Current maturities of Non Convertible Debentures	208.52	208.52
c. Non Convertible Debentures due for redemption	208.52	-
d. SDF loan principal and interest due (Refer Note: 15.1 & 26.14)	4,199.98	3,865.34
e. Crop loan	2,441.47	3804.08
f. Interest accrued but not due	34.23	41.86
g. Interest accrued and due	670.15	420.96
<b>Total</b>	<b>8,988.66</b>	<b>8,861.84</b>

**15.1 Sugar Development Fund Term Loan (SDF)**

The Sugar Development Fund Term Loan is secured by Pari passu first charge on the Company's fixed assets of Nizamsagar Unit along with Working Capital and Term Loan lenders and Trustee of NCD holders i.e., SBI Cap Trustee Ltd. and rate of Interest is 4%.

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**16 Other current liabilities (₹ in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Statutory payables	306.91	387.43
b. Advances from customers	1,135.99	416.33
c. Other payables	624.33	487.98
<b>Total</b>	<b>2,067.23</b>	<b>1,291.74</b>

**17 Provisions - Current (₹ in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Employee benefits	125.16	138.87
b. Provision for tax on preference dividend**	8.03	8.03
<b>Total</b>	<b>133.19</b>	<b>146.90</b>

\*\* The Company had made the provision towards preference dividend (6% Cumulative redeemable preference shares) of ₹ 57.22 lakhs and dividend distribution tax thereon of ₹ 8.03 lakhs during the year ended 31st March, 2007. In view of the carried forward losses in the books, the Company had not remitted the dividend and tax thereon and was in the process of obtaining consent for not remitting the same. Subsequently, the Company has remitted the dividend amount to the preference shareholder.

**18 Revenue from operations (₹ in lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Sale of products (Refer Note (i) below)	24,474.59	28,123.78
b. Other operating revenues (Refer Note (ii) below)	313.65	48.80
<b>Total</b>	<b>24,788.24</b>	<b>28,172.58</b>

**Notes:**

**(i) Sale of products comprises**

**Manufactured goods**

Sugar	18,209.25	23,710.47
Rectified spirit	—	32.29
Impured spirit	24.53	38.86
Ethanol	5,310.69	3,157.63
Power	720.81	698.86
Carbondi-oxide- CO2	14.43	20.80
Bagasse	—	7.92
Hand Sanitizer	4.30	—

**Traded goods**

Fertilizers	183.96	478.29
Acetone	0.08	0.16
Benzene	—	0.04
Methanol	6.54	2.24

**Total sale of products** 24,474.59 28,147.56

**Less : Sales returns**

**Ethanol sale returns** — 23.78

**Net sale of products** 24,474.59 28,123.78

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 18 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>(ii) Other operating revenues comprise:</b>		
Sale of scrap	0.41	12.09
Sale of ash	1.14	11.49
Sale of filter cake	28.82	25.22
Sugar Export Licence	283.28	—
<b>Total</b>	<b>313.65</b>	<b>48.80</b>

## 19 Other income

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Interest income		
On fixed deposits with banks	0.44	1.18
On electricity deposits	0.32	0.34
b. Insurance claims	—	0.73
c. Harvesting machine receipts	20.90	16.60
<b>Total</b>	<b>21.66</b>	<b>18.85</b>

## 20 Cost of materials consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Sugar cane	16,836.61	16,813.41
b. Molasses	—	376.39
c. Others	48.55	141.38
<b>Total</b>	<b>16,885.16</b>	<b>17,331.18</b>

## 21 Purchases of Stock-in-Trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Fertilizers	248.52	438.18
<b>Total</b>	<b>248.52</b>	<b>438.18</b>

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

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Opening stock		
Finished goods (including by products)	7,109.34	11,439.17
Fertilizers	27.12	67.24
b. Closing Stock		
Finished goods (including by products)	5,273.77	7109.34
Fertilizers	91.68	27.12
<b>(Increase) / Decrease in stock</b>	<b>1,771.01</b>	<b>4,369.95</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Salaries and wages	<b>1,660.44</b>	1,728.28
b. Contributions to provident and other funds	<b>102.07</b>	103.15
c. Gratuity	<b>62.64</b>	46.76
d. Staff welfare expenses	<b>29.31</b>	31.61
<b>Total</b>	<b>1,854.46</b>	1,909.80

**24 Finance costs (₹ in lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest expense on:</b>		
a. Term Loan	<b>231.40</b>	228.49
b. Cash Credit	<b>1,129.09</b>	1,058.18
c. Sugar Development Fund	<b>334.63</b>	353.67
d. Un-secured loan	<b>157.66</b>	139.23
e. Non - convertible debentures	<b>27.80</b>	27.88
f. Others:		
Crop loans	<b>290.30</b>	300.71
g. Finance cost on Preference Shares	<b>246.88</b>	246.88
h. Other borrowing costs	<b>156.12</b>	57.63
<b>Total</b>	<b>2,573.88</b>	2,412.67

**25 Other expenses (₹ in lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Consumption of stores and spare parts	<b>963.83</b>	1,037.36
b. Transportation charges	<b>890.61</b>	924.46
c. Distillery expenses	<b>27.94</b>	63.56
d. Handling charges	<b>116.00</b>	114.53
e. Power and fuel	<b>147.25</b>	205.65
f. Rent	<b>19.91</b>	19.73
g. Repairs and maintenance	<b>304.12</b>	330.59
h. Insurance	<b>72.02</b>	48.47
i. Rates and taxes	<b>68.12</b>	58.95
j. Communication	<b>9.35</b>	11.72
k. Travelling and conveyance	<b>8.31</b>	23.73
l. Printing and stationery	<b>3.22</b>	5.62
m. Sales commission	<b>111.08</b>	66.95
n. Legal and professional	<b>24.50</b>	15.83
o. Payments to auditors (Refer Note: 28.11)	<b>6.00</b>	6.25
p. Discount on sales	<b>—</b>	165.85
q. Sugar packing expenses	<b>292.46</b>	62.28
r. Provision for doubtful advances	<b>—</b>	41.81
s. Baddebts Writtenoff	<b>0.16</b>	9.80
t. Miscellaneous expenses	<b>231.85</b>	253.74
<b>Total</b>	<b>3,296.73</b>	3,466.88



## 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.

The adoption of Ind AS 116 did not have any impact on the results for the year ended 31st March 2021, as there are no leases entered by the company.

## 26.2 Contingent liabilities and commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
(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	—
(ii) Commitments		
(a) Other commitments - for cane purchase agreements for the upcoming crushing season.	24,800.00	12,720.00

## 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, 2021 (As at 31 March, 2020 : ₹ 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.

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A Debt</b>		
(i) Non-Current Borrowings	6,126.64	6,632.75
(ii) Current Maturities/ Dues of Non-Current Borrowings	3,634.43	2,721.20
(iii) Current / Short term Borrowings	6,851.46	6,969.44
(iv) Accrued interest	4,382.22	3,573.45
(v) Crop loan	2,441.47	3,804.08
(vi) Less: Cash and Cash Equivalents	(92.26)	(171.55)
<b>Net Debt (A)</b>	<b>23,343.96</b>	<b>23,529.37</b>
<b>B Equity</b>		
(i) Equity Share Capital	4,370.05	4,370.05
(ii) Other Equity	(19,675.01)	(16,680.72)
<b>Total Equity (B)</b>	<b>(15,304.96)</b>	<b>(12,310.67)</b>
<b>Net Debt to Equity ratio (Gearing Ratio) (A/B)</b>	<b>(1.53)</b>	<b>(1.91)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**26.5 Financial Instruments**

**26.5 A. Categories of financial instruments**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Financial Assets		
Measured at Amortised cost		
Other Financial Assets	<b>81.85</b>	79.90
Cash and Cash Equivalents	<b>92.26</b>	171.55
b. Financial Liabilities		
Measured at Amortised cost		
Borrowings	<b>23,436.22</b>	23,700.92

**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, 2020 (Carrying Value & Fair Value (Level 2))	As at 31st March, 2019 (Carrying Value & Fair Value (Level 2))
<b>Fair Value Hierarchy</b>		
Financial Assets:		
Other Financial Assets	<b>81.85</b>	79.90
Trade Receivables	<b>2,240.58</b>	1,251.96
Cash and Cash Equivalents	<b>92.26</b>	171.55
Other Bank Balances	—	—
Financial Liabilities		
Borrowings	<b>14,402.49</b>	14,779.69
Other Financial Liabilities	<b>9,033.73</b>	8,921.23
Trade payables	<b>7,383.62</b>	6,531.29

**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, 2021	As at 31st March, 2020
<b>Borrowings</b>		
Non-Current - Floating*	721.95	1,029.81
Non-Current - Fixed*	12,904.98	13,305.72
Current	6,851.46	6,969.44

\*(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.

## 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 reasonable price. The Company's management and finance department is responsible for liquidity, 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, 2021, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets as on that date. During the current year ended 31st March, 2021, the Company has incurred a loss of ₹ 2846.34 Lakhs. The management is confident that in the foreseeable future the financial position of the company will improve.

**Twenty Sixth Annual Report****26.5 Financial Instruments (contd...)**

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

**a) As at 31st March, 2021****(₹ in lakhs)**

<b>Particulars</b>	<b>On demand/due</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	9,270.21	1,215.68	5,465.62	661.02	16,612.53
Trade payables	7,383.62	—	—	—	7,383.62
Interest Accrued	2,878.53	34.23	1,240.58	228.88	4,382.22
Other financial Liabilities	—	2,441.47	—	—	2,441.47
<b>Total</b>	<b>19,532.36</b>	<b>3,691.38</b>	<b>6,706.20</b>	<b>889.90</b>	<b>30,819.84</b>

**b) As at 31st March, 2020**

<b>Particulars</b>	<b>On demand/due</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	9,054.67	635.97	5,018.05	1,614.70	16,323.39
Trade payables	6,531.29	—	—	—	6,531.29
Interest Accrued	2,294.70	41.86	866.92	369.97	3,573.45
Other financial Liabilities	—	3,804.08	—	—	3,804.08
<b>Total</b>	<b>17,880.66</b>	<b>4,481.91</b>	<b>5,884.97</b>	<b>1,984.67</b>	<b>30,232.21</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 Subbarami Reddy - Chairperson Shri. T.V Sandeep Kumar Reddy - Vice Chairman Smt. T. Sarita Reddy - Managing Director Shri. V. R. Prasad - Chief Financial Officer 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 Yamine 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.

\*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/ Desigation	Nature of Transaction	2020-21	2019-20
	<b>Transactions with the related parties</b>				
1	Smt. T. Sarita Reddy	Managing Director	Remuneration and reimbursement	48.00	48.00
2	Shri. V.R.Prasad	Chief Financial Officer	Remuneration	21.43	21.01
3	Shri. Chetan Kumar Sharma	Company Secretary	Remuneration	-	3.08
4	Shri. Danveer Singh	Company Secretary	Remuneration	3.96	0.53
5	Smt. T. Indira Subbarami Reddy	Chairperson	Sitting Fees	0.05	0.20
6	Shri. T.V Sandeep Kumar Reddy	Vice Chairman	Sitting Fees	0.05	0.20
			Unsecured loan received	-	104.05
			Interest on Unsecured Loan	9.88	-
7	M/s. Deep Corporation Private Limited	Enterprises in which KMP/ Relatives of KMP are interested	Rent and Electricity charges	15.19	18.19
			Unsecured loan received (net)	-	33.85
			Interest on Unsecured Loan	3.22	-
8	M/s. Gayatri Projects Limited	Enterprises in which KMP / Relatives of KMP are interested	Unsecured interest free loan received/(Repaid)	-	(67.00)
			Sales	0.58	-
	M/s. Gayatri Hi-Tech Hotels Limited	Enterprises in which KMP / Relatives of KMP are interested	Sales	0.64	-
9	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	4.81	
10	TSR Foundation	Trust under Common Management	Contribution towards donation	6.00	6.00
			Unsecured interest free loan received	-	33.00
			Unsecured interest free loan received repaid	-	33.00
	<b>Related Party Balances</b>				
1	M/s. Deep Corporation Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Trade Payables	2.71	5.63
			Unsecured loan	36.82	33.85
2	M/s. Gayatri Projects Limited	Enterprises in which KMP / Relatives of KMP are interested	Debtors	0.18	-
3	Shri. T.V Sandeep Kumar Reddy	Vice Chairman	Unsecured loan	113.19	104.05
4	M/s. Rajiv Realtors Private Limited	Enterprises in which KMP / Relatives of KMP are interested	Unsecured loan	64.04	-
5	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 ₹ 102.07 lakhs (31st March, 2020: ₹ 103.15 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			
	For the Year ended			
	31st March, 2021	31st March, 2020		
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present Value of obligations at the beginning of the year	360.07	158.52	283.81	120.38
Current service cost	38.67	11.04	26.11	13.27
Interest cost	22.93	8.94	20.65	8.04
Actuarial losses				
Remeasurements - Due to Financial Assumptions	17.54	(9.55)	(56.22)	3.87
Remeasurements - Due to Experience Adjustments	152.61	(12.65)	102.73	17.95
Benefits paid	(33.45)	(28.84)	(17.01)	(4.99)
<b>Present Value of obligations at the end of the year</b>	<b>558.37</b>	<b>127.46</b>	<b>360.07</b>	<b>158.52</b>
<b>Components of defined benefit cost recognised in profit or loss</b>				
Current service cost	38.67	11.04	26.11	13.27
Interest cost	22.93	8.94	20.65	8.04
<b>Net cost in profit or loss</b>	<b>61.60</b>	<b>19.98</b>	<b>46.76</b>	<b>21.31</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	17.54	(9.55)	(56.22)	3.87
Actuarial gains and losses arising from experience adjustment	152.61	(12.65)	102.73	17.95
<b>Net Cost in Other Comprehensive Income</b>	<b>170.15</b>	<b>(22.20)</b>	<b>46.51</b>	<b>21.82</b>
<b>Actuarial assumptions</b>				
Discount rate	6.81%	6.81%	6.77%	6.77%
Salary escalation	4.00%	4.00%	0% to 4%	0% to 4%
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.

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, 2021			For the year ended 31 March, 2020			
	Operating Segments		Total	Operating Segments		Total	
	Sugar	Distillery		Eliminations	Sugar		Distillery
Revenue	19,427.67	5,360.57	24,788.24	24,944.34	3,228.24	-	28,172.58
Inter-segment revenue	2,414.22	-	2,414.22	2,213.18	-	2,213.18	-
<b>Total</b>	<b>21,841.89</b>	<b>5,360.57</b>	<b>24,788.24</b>	<b>27,157.52</b>	<b>3,228.24</b>	<b>2,213.18</b>	<b>28,172.58</b>
Segment result	(952.11)	657.99	(294.12)	(987.87)	609.40	2,213.18	(378.47)
Finance cost @	2,573.88	-	2,573.88	2,412.67	-	-	2,412.67
<b>Operating income</b>	<b>(3,525.99)</b>	<b>657.99</b>	<b>(2,868.00)</b>	<b>(3,400.54)</b>	<b>609.40</b>	<b>2,213.18</b>	<b>(2,791.14)</b>
Other unallocable income (net)	-	-	21.66	-	-	-	18.85
<b>Profit/(Loss) before taxes</b>	<b>-</b>	<b>-</b>	<b>(2,846.34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,772.29)</b>
Tax expense	-	-	-	-	-	-	-
<b>Profit/ (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(2,846.34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,772.29)</b>
Segment assets	16,013.64	2,252.54	18,266.18	16,171.63	3,559.31	-	19,730.94
Unallocable assets	-	-	9.79	-	-	-	8.97
<b>Total assets</b>	<b>16,013.64</b>	<b>2,252.54</b>	<b>18,275.97</b>	<b>16,171.63</b>	<b>3,559.31</b>	<b>-</b>	<b>19,739.91</b>
Segment liabilities	33,550.24	22.66	33,572.90	31,926.75	115.80	-	32,042.55
Unallocable liabilities	-	-	8.03	-	-	-	8.03
<b>Total liabilities</b>	<b>33,550.24</b>	<b>22.66</b>	<b>33,580.93</b>	<b>31,926.75</b>	<b>115.80</b>	<b>-</b>	<b>32,050.58</b>
Net Assets	(17,536.61)	2,229.89	(15,306.72)	(15,755.12)	3,443.51	-	(12,311.61)

\* Includes sale of power ₹ 720.81 lakhs (31 March, 2020: ₹ 698.86 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, 2021	For the year ended 31st March, 2020
<b>A. Earnings per share (Basic)</b>		
Net Profit for the year	(2,846.34)	(2,772.29)
Less: Preference dividend and tax thereon	—	—
Net Profit for the year attributable to the equity shareholders	(2,846.34)	(2,772.29)
Weighted average number of equity shares	437.01	437.01
Par value per share (₹)	10.00	10.00
<b>Earnings per share - Basic (₹)</b>	<b>(6.51)</b>	<b>(6.34)</b>
Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>B. Earnings per share (Diluted)</b>		
Net Profit for the year attributable to the equity shareholders	(2,846.34)	(2,772.29)
Add: Interest expense on convertible unsecured loan for the year	—	—
Net Profit for the year attributable to the equity shareholders on dilution	(2,846.34)	(2,772.29)
Weighted average number of equity shares for Basic EPS	437.01	437.01
Add: Effect of convertible un-secured Loan which is dilutive	—	—
Weighted average number of equity shares - for Diluted EPS	437.01	437.01
Par value per share (₹)	10.00	10.00
<b>Earnings per share - Diluted (₹)</b>	<b>(6.51)</b>	<b>(6.34)</b>

## 26.10 Details of Consumption of imported and indigenous items

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Raw materials</b>		
Imported	—	—
Indigenous	16,885.16	17,331.18
	16,885.16	17,331.18
<b>% Consumption</b>		
Imported	—	—
Indigenous	100.00	100.00
	100.00	100.00
<b>Spares &amp; consumables</b>		
Imported	—	—
Indigenous	963.83	1,037.36
	963.83	1,037.36
<b>% Consumption</b>		
Imported	—	—
Indigenous	100.00	100.00

## 26.11 Auditors remuneration

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Audit fee	4.00	4.00
Limited Review	2.00	2.00
Other Services	—	0.25
<b>Total</b>	<b>6.25</b>	<b>6.25</b>

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### 26.12 Deferred tax (Liabilities) / Asset

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Deferred tax liability in relation to</b>		
Property, plant and equipment	(1,717.31)	(1,865.29)
Tax effect of items constituting deferred tax liability	(1,717.31)	(1,865.29)
<b>Deferred tax Assets in relation to</b>		
Provision for compensated absences, gratuity and other employee benefits	211.92	160.24
Unabsorbed depreciation carried forward	1,505.39	1,705.05
Tax effect of items constituting deferred tax assets	1,717.31	1,865.29
<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** Sugar Development fund (SDF) which has disbursed loan amounting to ₹ 1991.60 Lakhs to M/s. GSR Sugars Private Limited (The said company later Amalgamated into M/s. Gayatri Sugars Limited) through its Monitoring Institution IFCI Limited and as at 31st March 2021, the total amount due to SDF is ₹ 4199.98 Lakhs (including the accrued interest thereon). During the previous year, SDF through its monitoring institution had filed a petition before DRT for recovery of amounts due to it. In the year 2016-17, the company made the reference before Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the same was admitted and registered. Further, the BIFR had appointed IDBI Bank as operating agency for submission of Revival Scheme. Subsequently the Ministry of Finance, Govt. of India, have repealed the SICA. The Company and the entire industry vide their association Indian Sugar Mills Association have represented before the Joint Secretary, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Govt of India for restructure of the SDF loan granted and waiver of additional interest (i.e. Penal Interest). Further, the Department of Food and Public Distribution vide notification dated 24/03/2021 has proposed various guidelines and rules for restructuring of loans availed from SDF. The management of the company is of the view that the SDF loan availed is also eligible for such restructuring and further is of the view that once the loan s restructured the petition filed by the corresponding lender will be withdrawn. As the company already provided for necessary provisions of Interest/ Penal interest there is no need for provision of any further amounts.

**26.15** Over the last few years, the Company has been incurring losses and as at 31st March 2021, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets by ₹ 15,928.38 Lakhs as on that date. During the current year ended 31st March 2021, the Company has incurred a loss of ₹ 2,846.34 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 ₹ 283.99 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 2020-21 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 ongoing Covid-19 pandemic, has effected the country and the entire globe, which has contributed to a significant decline in global and local economic activities. The company is recovering from the economic after effects of Covid-19, however there may be temporary stress on the working capital management, further based on an internal assessment by the company does not anticipate any defaults on account of trade receivables and reduction in carrying value of its assets and no adjustment in the carrying amount of assets and liabilities is expected to arise. The company has utilised Moratorium Benefit provided by the Reserve Bank of India and availed loans from banks under covid - 19 emergency credit facility. The company is closely monitoring the economic developments on account of the uncertain pandemic conditions and its impact on the operations of the company.
- 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** Previous years figures have been regrouped / reclassified wherever considered necessary to correspond with the current year classification/ disclosures.
- 26.21** The financial statements were approved for issue by the Board of Directors on 22/06/2021

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As per our report attached

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

**Sd/-**  
**Oommen Mani**  
Partner

Place : Hyderabad  
Date : June 22, 2021

**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

**GAYATRI SUGARS LIMITED**

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