

May 23, 2023

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

Dear Sir/Madam,

Sub: Intimation of the Outcome of Board of Directors Meeting

In continuation of our letter dated May 16, 2023, we wish to inform you that the Board of Directors of the Company at their meeting held on today, i.e. May 23, 2023 has, inter alia, and approved the following:

1. Audited Financial Results and Statements for the Quarter and Year Ended on March 31, 2023.
2. MOS & Associates LLP, Chartered Accountants, the statutory Auditors of the Company have issued Auditors' Reports with Modified Opinion on The Financial Statements and Impact of Audit Qualifications is attached herewith.

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

The Board Meeting Commenced at 12:55 P.M and concluded at 02:15 P.M

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

These are also being made available on the website of the Company at www.gayatrisugars.com.

This is for your information and records.

Yours truly
For **Gayatri Sugars Limited**

TIKAVARA
PU SARITA
REDDY

T Sarita Reddy
Managing Director
DIN: 00017122



Regd. & Corp. Office :

Gayatri Sugars Limited, B2, 2nd Floor, 6-3-1090, TSR Towers,
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CIN : L15421TG1995PLC020720



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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

S.No	Particulars	Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Revenue from operations	22,665.55	9,940.91	22,478.37	38,831.38	36,069.96
	Other Income	37.74	15.85	43.19	54.98	49.73
	Total Income	22,703.29	9,956.76	22,521.56	38,886.36	36,119.69
2	Expenses					
	a. Cost of Material Consumed	16,084.04	12,551.24	15,436.84	28,669.33	25,674.10
	b. Purchase of stock-in-trade	-	-	216.60	286.27	298.38
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(487.57)	(5,733.65)	(360.78)	(1,079.42)	(266.66)
	d. Employee Benefits Expense	633.79	573.26	596.41	2,209.33	2,019.53
	e. Finance costs	118.39	795.86	558.67	2,388.64	2,530.47
	f. Depreciation and Amortization Expense	162.76	173.38	274.99	797.18	1,046.78
	g. Other Expenses	2,048.51	1,668.57	3,150.23	4,768.34	5,659.18
	Total Expenses	18,559.92	10,028.66	19,872.96	38,039.67	36,961.78
3	Profit/ (Loss) before exceptional items and tax (1-2)	4,143.37	(71.90)	2,648.60	846.69	(842.09)
4	Exceptional items (Refer Note No. 6)	2,585.50	-	-	2,585.50	-
5	Net Profit/ (Loss) before tax (3+4)	6,728.87	(71.90)	2,648.60	3,432.19	(842.09)
6	Tax expenses	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	6,728.87	(71.90)	2,648.60	3,432.19	(842.09)
8	Other comprehensive income					
	<i>Items that will not be reclassified to profit or loss:</i>					
	(a) Actuarial gain/ (loss) on defined benefit obligations	84.19	(17.77)	(23.79)	30.90	(76.03)
9	Total other comprehensive income (7 + 8)	6,813.06	(89.67)	2,624.81	3,463.09	(918.12)
10	Paid Up Equity Share Capital (Face Value ₹ 10/- per Share)	4,370.05	4,370.05	4,370.05	4,370.05	4,370.05
11	Reserves excluding revaluation reserves				(16,789.20)	(20,593.13)
12	Networth				(12,165.88)	(15,938.91)
13	Earnings per Share (of ₹ 10/- each) (not annualised for quarterly figures):					
	- Basic (₹)	15.39	0.16	6.06	7.85	(1.93)
	- Diluted (₹) (*antidilutive)	7.93	*(0.16)	4.60	4.05	*(1.93)



T. Sanku Reddy





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SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

S.No	Particulars	(₹ in lakhs)				
		Quarter ended			Year ended	
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Segment Revenue					
	a) Sugar	23,517.21	9,558.24	22,446.47	37,745.43	34,496.78
	b) Distillery	1,374.14	1,127.09	1,322.41	4,829.50	4,148.34
	Total	24,891.35	10,685.33	23,768.88	42,574.93	38,645.12
	Less : Inter Segment Revenue	2,225.80	744.42	1,290.51	3,743.55	2,575.16
	Revenue from Operations	22,665.55	9,940.91	22,478.37	38,831.38	36,069.96
2	Segment Results					
	a) Sugar	3,975.77	323.25	2,921.58	2,117.06	980.10
	b) Distillery	248.25	384.86	242.50	1,063.29	658.55
	Total	4,224.02	708.11	3,164.08	3,180.35	1,638.65
	Total Segment results before interest and Tax	4,224.02	708.11	3,164.08	3,180.35	1,638.65
	(i) Finance cost	118.39	795.86	558.67	2,388.64	2,530.47
	(ii) Other un-allocable income	37.74	15.85	43.19	54.98	49.73
	Profit before exceptional items and tax	4,143.37	(71.90)	2,648.60	846.69	(842.09)
	Exceptional items (Refer Note No. 6)	2,585.50	-	-	2,585.50	-
	Profit before tax	6,728.87	(71.90)	2,648.60	3,432.19	(842.09)
	Tax	-	-	-	-	-
	Net Profit /(Loss) after Tax	6,728.87	(71.90)	2,648.60	3,432.19	(842.09)
3	Segment Assets					
	a) Sugar	16,158.59	17,274.07	18,321.56	16,158.59	18,321.56
	b) Distillery	3,453.13	1,878.16	2,262.70	3,453.13	2,262.70
	c) Un-allocated	96.78	78.37	39.27	96.78	39.27
	Total	19,708.50	19,230.60	20,623.53	19,708.50	20,623.53
4	Segment Liabilities					
	a) Sugar	32,005.04	38,735.64	36,626.09	32,005.04	36,626.09
	b) Distillery	122.61	68.01	220.52	122.61	220.52
	c) Un-allocated	-	-	-	-	-
	Total	32,127.65	38,803.65	36,846.61	32,127.65	36,846.61

Notes on segment information :

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



T. Sanku Reddy



**GAYATRI SUGARS LIMITED**

CIN : L15421TG1995PLC020720

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

- 1 The above published audited results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.
- 2 The above audited financial results for the quarter and the year ended 31st March, 2023 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 23rd May 2023.
- 3 The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the Company's writ petition (along with the other petitions on the same matter filed by other companies) vide its common order dated May 19, 2016 ('the Order') in which it upheld the validity of levy of Electricity Duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. In the year 2016-17, the Company filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court which dismissed the SLP vide order dated September 27, 2016 on the grounds that these matters were pending before the Board for Industrial and Financial Reconstruction (BIFR), and unless payments were being made by the petitioners as directed in its interim orders @ 15 paise per unit. The Hon'ble Supreme Court also granted liberty to the petitioners to revive the petitions after the decision is given by the BIFR. Currently, the case filed before BIFR stands abated and the Company has not initiated any proceedings before the NCLT.

The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In the event of an unfavourable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation estimates the impact of the potential liability to be ₹ 170 lakhs.

In view of the above, the auditors have made a modified conclusion in their Limited Review Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these audited financial results.
- 4 During the previous years, the company had defaulted in repayment of the Sugar Development Fund (SDF) loan. Pursuant to the said default, SDF through its monitoring Institution i.e., IFCI Limited had filed a petition before the Debt Recovery Tribunal (DRT) for recovery of its dues. Subsequently, based on various representations made by the company and the entire sugar industry to the Government of India for restructuring of the SDF loan, the Ministry of Consumer Affairs, Food, and Public Distribution brought out operational guidelines on 3rd January 2022 for restructuring loans taken from the Sugar Development Fund under rule 26. Pursuant to said guidelines, the company had applied for restructuring of its SDF loan on 3rd March 2022. According to the terms of restructuring, the company has to withdraw its interlocutory Application filed before Hon'ble Debt Recovery Tribunal-1, Hyderabad, and accordingly, the company had withdrawn the same on 22nd March 2022. The Committee for Rehabilitation (CRF) scrutinised the company's application for restructuring the SDF loan in the meeting dated 28th March 2022 and recommended for consideration of restructuring the SDF loan by the Standing Committee. The Standing Committee in its meeting dated 22nd April 2022 considered the recommendations by CRF and recommended for Administrative Approval (AA) from the Ministry of Consumer Affairs, Food, and Public Distribution, for restructuring of the SDF loan and waiver of additional interest in full in respect of SDF loans. The Central Government has granted Administrative Approval (AA) on 20th May 2022 and the company had entered into Tripartite Agreement (TPA) for the Restructuring of the SDF Loan with GOI and the nodal agency (IFCI) on 18th August 2022. Further, the company has executed security documents i.e deed of hypothecation, escrow agreement and memorandum of deposit of title deeds and also opened an escrow account for synchronising interest and principal payable for restructuring of SDF Loan and filed a modification of charge with Registrar of Companies ("RoC") and a certificate for registration for modification of charge dated 2nd February 2023 was issued by ROC. As per the said restructuring, the entire additional interest due on the loan shall be waived in full and the balance interest shall be capitalised along with the principal. Further, there shall be a moratorium period of 24 months and during the moratorium period, simple interest @4.65% p.a shall be accrued. The entire loan including the accrued interest during the moratorium period is to be paid in 60 equal monthly installments commencing from 20th June 2024. In view of the above, the company has recognised the impact of the restructuring i.e., capitalised the accrued interest of ₹ 1654.15 lakhs with the principal amount of ₹ 1991.60 lakhs and waiver of additional/penal interest of ₹ 938.24 lakhs in the audited financial results for the year ended 31st March 2023. Further The Company is of the opinion that as it has complied with all the requirements as per the Tripartite Agreement. The petition filed by the SDF through its Monitoring agency IFCI before DRT will be withdrawn in due course.
- 5 During the Financial Year 2022-23, the company earned a net profit of ₹ 846.58 Lakhs before exceptional items and a profit of ₹ 3,432.08 Lakhs. Further, the Company has initiated the process of raising funds of ₹ 4,150.00 Lakhs by way of issue of equity warrants on a preferential basis, to arrange the working capital requirements of the company and general corporate purpose, this will enable the company to have better cash flows and the Board of Directors of the company vide their meeting on 1st May 2023 based on the request of Holders of 6% Optionally Convertible Redemable Preference Shares i.e., T.S.R Holdings Private Limited and Gayatri Fin-Holdings Private Limited have approved the conversion of Preference Shares to Equity Shares and the same is subject to the Statutory Approvals. The management of the company is of the view that these factors along with the fact that the company has made a profit during the year will help the company to improve its future financial position.
- 6 Exceptional Items:
(A) During the year the company had requested Preference Share Holders for waiver of the right to receive dividends till 31.03.2023 and the same was favourably considered by the Preference shareholders and approved. Based on the nature of the event the company has recognised the said waiver of ₹ 1671.27 Lakhs as an exceptional item.

(B) As stated in note 4 above the Term Loan from Sugar Development Fund has been restructured with effect from 20.05.2022 (i.e. date of issue of Administrative Approval) in the form of capitalisation of balance interest of ₹ 1654.15 Lakhs accrued upto 20.05.2022 along with the principal amount of ₹ 1991.60 Lakhs and waiver of additional interest in full and considering the nature of the event the company has recognised the waiver of the additional interest of ₹ 914.23 Lakhs as an exceptional item.
- 7 During the current period ended 31st March 2023, the company has recognised the impact of waiver of dividends on preference shares amounting to ₹ 185.16 Lakhs accrued from 1st April 2022 to 31st December 2022 based on approval from the Preference Share Holders for waiver of the right to receive dividends till 31.03.2023 and further the company has reversed the provision of additional interest from 1st April 2022 to 20th May 2022 amounting to ₹ 24.01 lakhs on account of Sugar Development Fund Term Loan restructuring, which has reduced the net finance cost for the current quarter ended 31st March 2023.
- 8 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.
- 9 Figures for the quarter ended 31st March 2023 and 31st March 2022 are the balancing figures between the audited figures for the full financial year ended 31st March 2023 and 31st March 2022 (Ind AS) and the published figures for the nine months period ended 31st December 2022 and 31st December 2021 respectively.
- 10 Sugar industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 11 The previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/ disclosures.

Place : Hyderabad

Date : 23.05.2022

T. Sarita Reddy
Managing Director



AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2023

		(₹ in lakhs)	
Particulars		As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
A	ASSETS		
1	Non-current Assets		
	(a) Property, Plant and Equipment	9,421.96	8,961.48
	(b) Capital work-in-progress	1.16	-
	(c) Intangible Assets	-	0.11
	(d) Financial Assets		
	(i) Other Financial Assets	106.53	99.05
	(e) Other Non Current Assets	506.50	-
	Total Non-Current Assets	10,036.15	9,060.64
2	Current Assets		
	(a) Inventories	7,297.82	6,112.87
	(b) Financial Assets		
	(i) Trade Receivables	1,407.50	3,893.24
	(ii) Cash and Cash equivalents	61.69	35.95
	(iii) Other Bank Balances	-	197.59
	(c) Other Current Assets	905.34	1,323.24
	Total current assets	9,672.35	11,562.89
	TOTAL ASSETS	19,708.50	20,623.53
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	4,370.05	4,370.05
	(b) Other equity	(16,789.20)	(20,593.13)
	Total equity	(12,419.15)	(16,223.08)
2	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9,225.94	7,445.53
	(ii) Other Financial liabilities	470.70	-
	(b) Long Term Provisions	665.99	634.66
	Total Non-current liabilities	10,362.63	8,080.19
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5,959.62	11,029.91
	(ii) Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	10,840.64	12,173.75
	(iii) Other Financial Liabilities	-	3,014.35
	(b) Other current liabilities	4,821.30	2,368.92
	(c) Short Term Provisions	143.46	179.49
	Total current liabilities	21,765.02	28,766.42
	Total liabilities	32,127.65	36,846.61
	TOTAL EQUITY AND LIABILITIES	19,708.50	20,623.53



T. Sankar Reddy





GAYATRI SUGARS LIMITED
AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad-500082

Particulars	(₹ in lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash flow from operating activities:		
Profit before tax	3,432.19	(842.09)
Adjustments for:		
Depreciation and amortization expenses	797.18	1,046.78
Loss on sale of fixed assets	-	0.10
Finance costs	2,388.64	2,530.47
Exceptional Item	(2,585.50)	-
Interest income	(1.53)	(4.21)
Operating profit before working capital changes	4,030.98	2,731.05
Adjustments for:		
(Increase) / Decrease in Trade Receivables	2,485.74	(1,652.66)
(Increase) / Decrease in non-current financial asset	(7.48)	(17.20)
(Increase) / Decrease in non-current asset	(506.50)	
(Increase) / Decrease in Other current assets	414.77	82.35
(Increase) / Decrease in Inventory	(1,184.95)	(352.54)
Increase / (Decrease) in non-current financial liabilities	38.52	-
Increase / (Decrease) in current financial liabilities	(2,076.96)	(364.51)
Increase / (Decrease) in other current liabilities	2,452.38	247.97
Increase / (Decrease) in provisions	26.20	44.26
Increase / (Decrease) in Trade Payables	(1,333.11)	4,798.78
Cash generated from operations	4,339.59	5,517.50
Direct tax paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	4,339.59	5,517.50
Cash flow from investing activities		
Capital expenditure on fixed assets	(1,258.71)	(1,310.91)
Disposal of Fixed Assets	-	0.78
(Investment)/withdraw in Fixed Deposits	197.59	(197.59)
Interest received	4.66	1.23
Net cash used in investing activities (B)	(1,056.46)	(1,506.49)
Cash flow from financing activities		
Proceeds/(Repayment) of long-term borrowings	(306.60)	(1,441.73)
Proceeds/(Repayment) from short-term borrowings	(227.72)	(664.12)
Interest and other borrowing cost paid	(2,723.07)	(1,961.47)
Net cash (used in)/ flow from financing activities (C)	(3,257.39)	(4,067.32)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	25.74	(56.31)
Cash and Cash equivalents at the beginning of the year	35.95	92.26
Cash and Cash equivalents as at the end of year	61.69	35.95



T. Sankar Reddy



Annexure – I

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

Statement on Impact of Audit Qualifications for the Financial Year Ended 31 st March 2023 (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	38,886.36	38,886.36
	2	Total Expenditure	38,039.67	38,209.67
	3	Net Profit/(Loss)#	3,432.19	3,262.19
	4	Earnings Per Share Basic (₹)	7.85	7.46
		Diluted (₹)	4.05	3.84
	5	Total Assets	19,708.50	19,708.50
	6	Total Liabilities	32,127.65	32,297.65
	7	Net Worth	-12,165.88	-12,335.88
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
impact (as quantified by Management) of qualification considered in Total Expenditure as an exceptional item				
#Net profit after exceptional items.				
II Audit Qualification:				
a. Details of Audit Qualification:				
<p>As stated in note 3 to the accompanying Audited Financial Results, regarding the High Court dismissing the writ petition filed by the Company challenging the levy of electricity duty by the State Government on the consumption of electricity by captive generating units, the subsequent dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction being abated. As stated in the said note, the Company has treated the estimated duty amount aggregating to ₹ 283.99 Lakhs as a contingent liability and no provision has been made in respect of the same.</p> <p>In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact if any on these Audited Financial Results.</p>				



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	<p>b. Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion:</p>
	<p>c. Frequency of Qualification: Whether appeared first time/Repetitive/ Since how long continuing:</p> <p>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:</p> <p>-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:</p> <p>Refer Note 3 of the Financial Results:</p> <p>Impact of Qualification - ₹ 170 Lakhs debit to the Statement of Profit and Loss for the year ended 31st March 2023 which is to be disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at 31st March 2023 will increase and the net worth as at 31st March 2023 shall reduce by the corresponding amount.</p> <p>Note: 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>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>- Not Applicable -</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>No further comments</p>



Santa Reddy

III.	Signatories:	
Managing Director	Santosh Reddy	
CFO	Anand	
Audit Committee Chairman	Jenay ... 23/5	
Statutory Auditor	Mairi	
Place: Hyderabad		
Date: 23 rd May, 2023		





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

To
The Board of Directors
Gayatri Sugars Limited

Report on the Audit of the Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year-to-date financial results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter and year ended 31st March 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting policies & principles generally accepted in India, of the net profit, other comprehensive income, and other financial information of the company for the quarter and year ended 31st March 2023.

Basis for Qualified Opinion

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

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

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



Emphasis of Matters

Attention is invited to the following material matters:

- i. As stated in Note No.4 of the Audited Financial Results, the petition filed by IFCI before DRT for recovery of SDF dues, is pending for disposal/ withdrawal for detailed reasons stated in the said note.

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

Management's Responsibilities for the Audited Financial Results

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole 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 this statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the



Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Audited Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The statement includes results for the quarter ended 31st March 2023 being the balancing figures between the audited figures in respect of the full financial year ended 31st March 2023 and the published unaudited year-to-date figures upto the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

for **M O S & Associates LLP**
Chartered Accountants
Firm Registration No.: 001975S/S200020



Oommen Mani
Partner

Membership No.: 234119
UDIN: 23234119BGXRY3637

Hyderabad, 23rd May 2023