

**VASANT DOJJODE & CO.,**  
CHARTERED ACCOUNTANTS  
25/2, II FLOOR, 4<sup>TH</sup> MAIN, 9<sup>TH</sup> CROSS, MALLESHWARAM,  
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### **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**GOKAK SUGARS LIMITED**

#### **Opinion**

We have audited the Ind AS financial statements of **GOKAK SUGARS LIMITED** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, its profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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 Standards 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 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 opinion.

#### **Key Audit Matters**

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

- 1) Recoverability of Deferred Tax Assets: The Management has recognised Deferred Tax Assets on Unabsorbed business losses as there is reasonable certainty that such deferred tax assets can be realised against future taxable profits as per the management forecasts of the future business projections.  
- We have reviewed the evaluation process of the management of the business projections with the underlying assumptions and judgements in arriving at the future taxable profits and found it to be satisfactory in recognising the deferred tax assets on unabsorbed business losses.

- 1) Revaluation and Impairment assessment of property, plant and equipment (PPE): The Management has revalued its Property, Plant and Equipment during the year after getting the revaluation done and obtaining the revaluation reports from the certified registered valuer. The accounting has been done in the books in line with the applicable Indian Accounting Standards. Further, the Management has also done an internal assessment of impairment of PPE and other financial assets in the Company and has concluded that there is no further impairment provision to be done as at March 31, 2022.
  - We have obtained and verified the revaluation reports issued by the valuers and gone through the records of PPE, its valuations, depreciation accounting done, revaluation wherever done and its due accounting. We are of the opinion that the revaluation of PPE is done satisfactorily and the accounting in the books has been done in compliance with the applicable accounting standards. Further, we have also evaluated if there are any indicators of further impairment of PPE and other financial assets by comparing the recoverability with the carrying value and provision of impairment loss if any required. We have concluded that there is no impairment of PPE as at March 31, 2022 and no provision for impairment loss is required as at March 31, 2022.
  
- 2) Physical Verification of Inventory: The Management has conducted the Physical Verification of Inventory count at the year end and we attended the Physical Verification count and further the management has shared with us the Certified Details of Inventory at the year end.
  - We have observed the Physical Verification of Inventory as at the yearend which was conducted by the Management and they have shared with us the Certified Details of Inventory at the year end. We have gone through the records and information provided and valuation of closing inventory done in the financial statements and we have obtained sufficient and appropriate information to issue our unmodified opinion on the financial statements.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management and Those Charged with Governance for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone 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 standalone 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 in terms of sub-section (11) of section 143 of the Act, 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - (g) With respect to the other matters to be included in the Auditors' 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. The Company have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32(iv) to the 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.

Place: Bengaluru  
Date: May 19, 2022

For Vasant Doijode & Co.  
Chartered Accountants  
Firm Regn No. 006404S  
**VASANT** Digitally signed  
**DATTATR** by VASANT  
**AYA** DATTATRAYA  
**DOIJO** DOIJO  
**DE** Date: 2022.05.19  
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Vasant D Doijode  
Proprietor  
Membership No. 202784  
UDIN: 22202784AJGERQ7327

**Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of Gokak Sugars Limited for the year ended 31<sup>st</sup> March, 2022. We report that:

- i) a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management periodically during the year which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. 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.
- d) The Company has revalued its Property, Plant and Equipment during the year and the revaluation is based on the valuation of a Registered Valuer. The amount of change is more than 10% in aggregate of the net carrying value of each class of Property, Plant and Equipment or Intangible Assets as at 31<sup>st</sup> March 2022 whose details are as below:

Particulars	Carrying Value as on Mar'22	Revaluation Increase/(Decrease)	% of Change
Land	22,32,00,000	(2,66,00,000)	(11.92)
Building	20,80,43,591	(6,48,14,092)	(31.15)
Plant & Machinery	1,00,48,84,584	21,48,27,887	21.38

- e) According to the information and explanations given to us, there are no proceedings which has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988. Hence, reporting whether the Company has appropriately disclosed in the financial statements or not does not arise.
- ii) a) With regard to inventory, physical verification has been conducted by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. Further, no significant material discrepancies exceeding 10% were noticed in aggregate for each class of inventory on the physical verification of stocks.
- (b) As per the explanations provided to us, the Company has not been sanctioned working capital limits in excess of Rs.five crores, in aggregate, from banks or financial institutions on the basis of security of current assets during anytime during the financial year. Hence, commenting on whether the quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company or not does not arise.
- iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Hence, further reporting under the sub-clauses (a) to (f) does not apply.
- iv) The Company has no loans, investments, guarantees and security. Hence compliance under section 185 and 186 of the Companies Act, 2013 does not arise.
- v) According to the information and explanations given to us, the company has not accepted any deposits, hence reporting on clause (v) of the order is not applicable.

- vi) The Central Government has prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for some products of the Company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
- vii) a) According to the information and explanations given to us and as per books and records examined by us, the Company is regular in depositing the undisputed statutory dues payable including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues and there are no such dues payable to the appropriate authorities outstanding as at 31<sup>st</sup> March 2022 for a period exceeding six months from the date they became payable.
- b) According to the information and explanations given to us and as per the records examined by us, there are no disputed amounts in respect of such statutory dues referred to in sub-clause (a) above as at 31<sup>st</sup> March 2022 except the following:

Sl No	Name of the Statute	Nature of Dues	Amount (Rs in Mn)	Period	Forum where Dispute is pending
1	Karnataka Electricity Reform Act, 1999	O&M Charges Demand	0.38	2012-17, 2017-18 and 2018-19	KERC
<b>Grand Total</b>			<b>0.38</b>		

- viii) As per the information and explanations given to us and as per the records examined by us, there are no such transactions which are not recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) a) As per the information and explanations given to us and on the basis of our examination of books and records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to the banks.
- b) As per the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company has no term loans. Hence, reporting whether they have been applied for the purpose for which the loans were obtained or not does not arise.
- d) As per the information and explanations given to us and on the basis of our examination of books and records, the funds raised on short term basis have not been utilised for long term purposes.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting on the clause with regard to application of such funds does not arise.
- c) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting on the compliance under Section 42 and Section 62 of the Companies Act, 2013 does not arise.

- xi) a) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds by the Company or on the Company that has been noticed or reported during the year.
- b) As there were no frauds noticed or reported during the year, filing of report under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government does not arise.
- c) As per information and explanations given to us and on the basis of our examinations of books and records, there were no whistle-blower complaints received during the year by the company.
- xii) This is not a Nidhi Company, hence reporting under clause (xii) does not apply.
- xiii) As per information and explanations given to us and on the basis of our examinations of books and records, all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) a) The Company has an Internal Audit system which is commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit has been considered.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting on this clause is not applicable.
- xvi) a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Further, reporting on sub clause (b) to (d) does not apply.
- xvii) The Company has not incurred cash losses in the financial year but has incurred cash losses in the immediately preceding financial year of Rs.6,74,51,292.
- xviii) There has been no resignation of the statutory auditors during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, as per our knowledge of the Board of Directors and management plans, we are of the opinion no material uncertainty exists as on the date of the audit report that company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) Since the Company does not come within the purview of Section 135 of the Companies Act 2013, reporting under this clause does not apply.
- (xxi) Being reporting on Standalone Company, this clause does not apply.

Place: Bengaluru  
Date: May 19, 2022

For Vasant Doijode & Co.  
Chartered Accountants  
Firm Regn No. 006404S  
Digitally signed by  
VASANT VASANT  
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Date: 2022.05.19  
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Vasant D Doijode  
Proprietor  
Membership No. 202784  
UDIN: 22202784AJGERQ7327

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

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

We have audited the internal financial controls over financial reporting of **Gokak Sugars Limited** ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bengaluru  
Date: May 19, 2022

For Vasant Doijode & Co.  
Chartered Accountants  
Firm Regn No. 006404S  
Digitally signed  
by VASANT  
DATTATRAYA  
DOIJODE  
Date: 2022.05.19  
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Vasant D Doijode  
Proprietor  
Membership No. 202784  
UDIN: 22202784AJGERQ7327

**GOKAK SUGARS LIMITED**  
Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi  
**Balance Sheet as at March 31, 2022**

(Amount in Rupees)

	Notes	As at 31st March 2022	As at 31st March 2021
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	2A	1,564,206,363	1,490,292,221
Capital Work-In-Progress	2A	25,137,924	-
Investment Property		-	-
Goodwill		-	-
Other Intangible assets	2B	44,572	-
Financial Assets			
Other Loans & Advances	3	212,956	212,956
Other non-current financial assets	4	539,512	39,512
Other non-current assets	5	6,446,638	370,638
Income Tax Receivable		4,734,495	2,467,527
Deferred Tax Assets (Net)	6	-	-
<b>Total non-current assets</b>		<b>1,601,322,460</b>	<b>1,493,382,854</b>
<b>Current Assets</b>			
Inventories	7	353,793,974	779,211,794
Other Current Assets			
Financial assets			
Investments		-	-
Trade Receivables	8	81,467,397	66,836,896
Cash and Cash Equivalents	9	69,502,876	27,937,234
Other Bank Balances	10	250,000,000	50,000,000
Other Current Financial Assets	11	585,759	160,007,639
Other Current Assets	12	17,541,678	14,360,207
<b>Total current assets</b>		<b>772,891,684</b>	<b>1,098,353,770</b>
<b>Total</b>		<b>2,374,214,144</b>	<b>2,591,736,624</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	351,745,400	351,745,400
Other Equity	13A	(218,035,022)	(595,469,869)
<b>Total Equity</b>		<b>133,710,378</b>	<b>(243,724,469)</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	1,508,776,140	1,645,937,607
Net employee benefit liabilities (non-current)	15	5,496,747	3,748,491
Deferred Tax Liabilities (Net)	6	80,129	86,454,270
Other non Current Liabilities		-	-
<b>Total non-current liabilities</b>		<b>1,514,353,016</b>	<b>1,736,140,368</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	137,161,468	137,161,467
Trade Payables			
Total Outstanding due to Micro and Small Enterprises	17	94,317	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		510,280,626	552,734,106
Other Current Financial Liabilities	18	2,191,464	110,681,117
Other Current Liabilities	19	75,736,016	298,570,100
Net employee benefit liabilities (current)	20	686,859	173,934
<b>Total current liabilities</b>		<b>726,150,750</b>	<b>1,099,320,725</b>
<b>Total liabilities</b>		<b>2,240,503,766</b>	<b>2,835,461,093</b>
<b>Total</b>		<b>2,374,214,144</b>	<b>2,591,736,624</b>

Accompanying Notes 1 to 32 form Integral part of the financial statements

To be read with our report of even date

**For Vasant Dojode & Co.**

Chartered Accountants

Firm Regn.No.: 006404S

VASANT Digitally signed

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DOJODE DOJODE

DOJODE Date: 2022.05.19

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Proprietor

Membership No.202784

Place : Mumbai

Date : May 19, 2022

For and on behalf of the Board of directors of

**Gokak Sugars Limited**

Vijendra Singh Digitally signed by Vijendra Singh  
Date: 2022.05.19  
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Vijendra Singh

Director

DIN: 03537522

Sunil Ratanlal Digitally signed by Sunil Ratanlal Ranka  
Date: 2022.05.19  
17:14:23 +05'30'

Sunil Ranka

Chief Financial Officer

SHRIPAD Digitally signed by SHRIPAD  
NERLIKAR  
NERLIKAR Date: 2022.05.19  
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Shripad Rajaram Nerlikar

Director

DIN : 02102633

DEEPAK Digitally signed by DEEPAK MADHAV  
MANERIKAR  
MANERIKAR Date: 2022.05.19  
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Deepak Manerikar

Company Secretary

**GOKAK SUGARS LIMITED**

Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi  
**Statement of Profit & Loss for the year ended March 31, 2022**

(Amount in Rupees)

	Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>INCOME</b>			
Revenue from Operations	21	3,126,355,821	1,325,603,437
Income from Incentive to Sugar Mills		-	-
Other Income	22	4,028,440	1,253,862
<b>Total Income</b>		<b>3,130,384,261</b>	<b>1,326,857,299</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	23	2,034,111,673	1,570,255,966
Changes In Inventories of Finished Goods, Work-In-Progress & Stock in Trade	24	427,297,893	(609,619,516)
Employee Benefit Expenses	25	98,708,582	92,194,966
Finance Costs	26	162,219,544	205,303,060
Depreciation and Amortization Expenses	27	64,662,760	64,029,781
Other Expenses	28	175,246,899	136,174,115
<b>Total Expenses</b>		<b>2,962,247,351</b>	<b>1,458,338,372</b>
<b>Profit/(Loss) Before Exceptional Items</b>		<b>168,136,910</b>	<b>(131,481,073)</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before exceptional items and tax</b>		<b>168,136,910</b>	<b>(131,481,073)</b>
Exceptional Items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>168,136,910</b>	<b>(131,481,073)</b>
<b>Tax Expenses:</b>			
<b>Current Tax:</b>			
Reversal of MAT Credit	29	-	15,755,081
Deferred Tax	6	(118,334,328)	128,764,325
<b>Total Tax Expenses/ (Income)</b>		<b>(118,334,328)</b>	<b>144,519,406</b>
<b>Profit/(Loss) for the year</b>		<b>286,471,238</b>	<b>(276,000,479)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of the net defined benefit liability / asset		(489,998)	47,794
Income tax effect on the above		127,399	-
Revaluation reserve on assets		123,413,795	-
Income tax effect on the above		(32,087,587)	-
<b>Total comprehensive income for the year</b>		<b>377,434,848</b>	<b>(275,952,685)</b>
<b>Earning Per Equity Share:</b>			
Basic (in Rs.)	30	8.14	(7.85)
Diluted (in Rs.)		8.14	(7.85)

**Accompanying Notes 1 to 32 form Integral part of the financial statements**

To be read with our report of even date

**For Vasant Doijode & Co.**

Chartered Accountants

Firm Regn. No : 006404S

VASANT Digitally signed by VASANT

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Vasant D Doijode Date: 2022.05.19 08:07:31 +05'30'

Proprietor

Membership No.202784

Place : Mumbai

Date : May 19, 2022

For and on behalf of the Board of directors of

**Gokak Sugars Limited**

Vijendra Singh Digitally signed by Vijendra Singh Date: 2022.05.19 16:58:35 +05'30'

Vijendra Singh

Director

DIN: 03537522

Sunil Ratanlal Ranka Digitally signed by Sunil Ratanlal Ranka Date: 2022.05.19 17:15:51 +05'30'

Sunil Ranka

Chief Financial Officer

SHRIPAD NERLIKAR Digitally signed by SHRIPAD NERLIKAR Date: 2022.05.19 17:41:28 +05'30'

Shripad Rajaram Nerlikar

Director

DIN : 02102633

DEEPAK MADHAV MANERIKAR Digitally signed by DEEPAK MADHAV MANERIKAR Date: 2022.05.19 17:28:28 +05'30'

Deepak Manerikar

Company Secretary

**GOKAK SUGARS LTD**

Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi  
**Cash Flow Statement for the year ended March 31, 2022**

(Amount in Rupees)

	Year ended 31st March 2022	Year Ended 31st March 2021
<b>Cash Flow From Operating Activities:</b>		
Profit before taxation	168,136,910	(131,481,073)
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation of property, plant & equipment	64,662,760	64,029,781
Financial expenses	162,219,544	205,303,060
Loss/(Profit) on disposal of property, plant & equipment	(773)	-
<b>Operating profit before working capital changes</b>	<b>395,018,441</b>	<b>137,851,768</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/ Decrease in Trade receivables	(14,630,501)	9,773,151
(Increase)/ Decrease in Other receivables	(43,759,591)	(114,561,435)
Decrease/ (Increase) in Inventories	425,417,820	(608,236,113)
Decrease/ (Increase) in Other Current Assets	(2,266,968)	(48,755)
(Decrease)/ Increase in Trade and other payables	(42,359,162)	269,453,334
(Decrease)/ Increase in Provisions	22,927	116,137
(Decrease)/ Increase in Other Liabilities	(329,575,482)	397,957,741
<b>Cash generated from operations</b>	<b>387,867,484</b>	<b>92,305,828</b>
Income-tax Refund	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>387,867,484</b>	<b>92,305,828</b>
<b>Cash Flow From Investing Activities:</b>		
Purchase/ (Sale) of fixed assets	(40,344,830)	(7,362,237)
Investments	(500,000)	5,000,000
<b>Net Cash Flow From Investing Activities</b>	<b>(40,844,830)</b>	<b>(2,362,237)</b>
<b>Cash Flow From Financing Activities:</b>		
(Repayment)/ Proceeds of long-term borrowings	(137,161,467)	(137,161,467)
Other Advances	(6,076,000)	-
Financial expenses	(162,219,546)	(205,303,060)
<b>Net Cash Flow From Financing Activities</b>	<b>(305,457,012)</b>	<b>(342,464,527)</b>
<b>Net increase in cash and cash equivalents</b>	<b>41,565,642</b>	<b>(252,520,936)</b>
Opening cash and cash equivalents	27,937,234	280,458,170
<b>Closing cash and cash equivalents</b>	<b>69,502,876</b>	<b>27,937,234</b>

**Changes in liabilities arising from financing activities for period ended 31st March 2022**

Particulars	Long Term Borrowings	Others
As at 1st April 2021	1,783,099,075	-
Proceeds from borrowings	-	-
Repayment of borrowings	(137,161,467)	-
Cash Flows	-	-
Others	(6,076,000)	(162,219,546)
<b>As at 31st March 2022</b>	<b>1,639,861,607</b>	<b>(162,219,546)</b>

**Changes in liabilities arising from financing activities for period ended 31st March 2021**

Particulars	Long Term Borrowings	Others
As at 1st April 2020	1,783,099,075	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Cash Flows	-	-
Others	(137,161,467)	(205,303,060)
<b>As at 31st March 2021</b>	<b>1,645,937,607</b>	<b>(205,303,060)</b>

**Accompanying Notes 1 to 32 form Integral part of the financial statements**

To be read with our report of even date

**For Vasant Doijode & Co.**

Chartered Accountants

Firm Regn.No : 006404S

**VASANT**  
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**DOIJODE**

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 by VASANT  
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 Date: 2022.05.19  
 18:08:50 +05'30'

**Vasant D Doijode**

Proprietor

Membership No.202784

Place : Mumbai

Date: May 19, 2022

For and on behalf of the Board of directors of

**Gokak Sugars Limited**

**Vijendra Singh**

**Vijendra Singh**  
 Director  
 DIN: 03537522

**Sunil Ranka**

**Sunil Ranka**  
 Chief Financial Officer

**SHRIPAD NERLIKAR**

**Shripad Rajaram Nerlikar**  
 Director  
 DIN : 02102633

**DEEPAK MADHAV MANERIKAR**

**Deepak Manerikar**  
 Company Secretary

Gokak Sugars Limited  
Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022

Statement of changes in equity for the year ended March 31, 2022

a. Equity share capital as at 31st March 2021 (Amount in Rupees)

	No of shares	Amount
As at 1st April 2020	35,174,540	351,745,400
Equity shares issued during the year	-	-
As at 31st March 2021	35,174,540	351,745,400

Equity share capital as at 31st March 2022

	No of shares	Amount
As at 1st April 2021	35,174,540	351,745,400
Equity shares issued during the year	-	-
As at 31st March 2022	35,174,540	351,745,400

Details of promoters- holding shares in the equity share capital of the company

Promoter Name	As at 31st March 2022		As at 31st March 2021	
	Number of shares held	Percentage of total shares at the beginning of the year	Number of shares held	Percentage of total shares at the beginning of the year
Shree Renuka Sugars Limited	32,918,142	93.59	32,918,142	93.59

b. Other Equity

(Amount in Rupees)

	Reserves and Surplus		Items of OCI	Total Equity attributable to the Equity holders of the Company
	Share Premium	Retained Earnings	Revaluation Reserve	
As at 31st March 2020	128,700,000	(881,947,483)	433,730,299	(319,517,184)
Loss for the year	-	(276,000,479)	-	(276,000,479)
Other Comprehensive Income	-	47,794	-	47,794
Depreciation on Revalued Assets	-	22,926,654	(22,926,654)	-
As at 31st March 2021	128,700,000	(1,134,973,514)	410,803,645	(595,469,869)
Profit for the year	-	286,471,238	-	286,471,238
Other Comprehensive Income	-	(362,599)	91,326,208	90,963,609
Depreciation on Revalued Assets	-	22,917,029	(22,917,029)	-
As at 31st March 2022	128,700,000	(825,947,846)	479,212,825	(218,035,022)

Accompanying Notes 1 to 32 form Integral part of the financial statements

To be read with our report of even date

For Vasant Doijode & Co.

Chartered Accountants

Firm Regn.No : 0964045 signed by

VASANT VASANT  
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Date: 2022.05.19  
18:10:08 +05'30'

Vasant D Doijode

Proprietor

Membership No.202784

Place : Mumbai

Date: May 19, 2022

For and on behalf of the Board of directors of

Gokak Sugars Limited

Vijendra Singh  
Digitally signed by Vijendra Singh  
Date: 2022.05.19  
17:00:21 +05'30'

Vijendra Singh  
Director  
DIN: 03537522

Sunil Ratanlal Ranka  
Digitally signed by Sunil Ratanlal Ranka  
Date: 2022.05.19  
17:18:30 +05'30'

Sunil Ranka  
Chief Financial Officer

SHRIPAD NERLIKAR  
Digitally signed by SHRIPAD NERLIKAR  
Date: 2022.05.19  
17:43:07 +05'30'

Shripad Rajaram Nerlikar  
Director  
DIN : 02102633

DEEPAK MADHAV MANERIKAR  
Digitally signed by DEEPAK MADHAV MANERIKAR  
Date: 2022.05.19  
17:24:42 +05'30'

Deepak Manerikar  
Company Secretary

## GOKAK SUGARS LIMITED

Regd Office: Sy No 238 & 263, Kolavi Village, Tal: Gokak Dist: Belagavi.

### Notes to Accounts forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### Note 1: Significant Accounting Policies

All amounts in Indian Rupees, unless otherwise stated.

**a. i. Basis of presentation**

The accompanying financial statements have been presented for the year ended 31<sup>st</sup> March 2022 along with comparative information for the year ended 31<sup>st</sup> March, 2021. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017. The accounting policies have been consistently applied by the Company 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 hitherto in use.

**b. Use of estimates**

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

**c. Property, plant and equipment:**

i. **Property, plant and equipment** (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been recognised as deferred income and recognized in the profit and loss on a systematic basis over the useful life of assets.

ii. Land, Building and Plant and Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reserve account. The useful lives of the depreciable assets remain to be the same as that of prior to revaluation.

**d. Borrowing costs**

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognized in the statement of profit and loss in the period in which they are incurred.

**e. Depreciation**

i. Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Property, Plant and Equipment are depreciated over the revised remaining useful lives. Property, Plant and Equipment having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.

ii. Depreciation on the value of Revaluation is reduced from revaluation Reserve.

**f. Inventories**

Inventories are valued as follows:

*Raw materials, stores and spares, Material in transit and packing materials*

Valued at lower of cost and 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 Moving Weighted Average basis.

*Finished goods*

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

*Work-in-process*

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

*By-products*

By-products are valued at cost. Inter-unit transfers of by-products also include the cost of transportation, duties, etc.

**g. Revenue recognition**

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

**h. Employee benefits**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognizes such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognizes the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

**i. Income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

**j. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**k. Provisions, contingent liabilities and contingent assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognized nor disclosed.



***l. Earnings per share***

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

***m. Segment reporting***

The accounting policies adopted for segment reporting are in line with the accounting policies adopted by the Company, with the following additional policies for segment reporting:

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- (ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.
- (iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

***n. Impairment of assets***

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

- a) The provision for impairment loss, if any, required or
- b) The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

***o. Classification of Assets and Liabilities as Current and Non-Current:***

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

Note 2A. Property, Plant and Equipments

(Amount in Rupees)

Particulars	Land Free Hold	Building	Plant & Machinery	Furniture & Fittings*	Vehicles*	Total for property, plant and equipment	Capital work-in-progress	Total
<b>Gross Book Value</b>								
<b>At 1st April 2020</b>	223,200,000	326,822,237	1,595,872,846	11,216,994	1,080,152	2,158,192,228	19,496,287	2,177,688,515
Additions	-	-	26,657,605	200,919	-	26,858,524	-	26,858,524
Disposals	-	-	-	502,206	-	502,206	19,496,287	19,998,494
<b>At 31st March 2021</b>	223,200,000	326,822,237	1,622,530,451	10,915,707	1,080,152	2,184,548,546	-	2,184,548,546
Additions	-	-	13,897,187	1,282,747	-	15,179,935	25,137,924	40,317,859
Disposals	-	-	-	30,650	-	30,650	-	30,650
Revaluation	(26,600,000)	(64,814,092)	214,827,887	-	-	123,413,795	-	123,413,795
<b>At 31st March 2022</b>	196,600,000	262,008,145	1,851,255,525	12,167,804	1,080,152	2,323,111,626	25,137,924	2,348,249,550
<b>Depreciation and Impairment</b>								
<b>At 1st April 2020</b>	-	101,617,624	518,105,924	9,973,597	1,031,606	630,728,751	-	630,728,751
Depreciation charge for the year	-	8,580,511	54,817,316	604,354	27,601	64,029,781	-	64,029,781
Disposals	-	-	-	502,206	-	502,206	-	502,206
Impairment	-	-	-	-	-	-	-	-
<b>At 31st March 2021</b>	-	110,198,135	572,923,240	10,075,744	1,059,207	694,256,326	-	694,256,326
Depreciation charge for the year	-	8,580,511	55,425,695	622,558	20,945	64,649,710	-	64,649,709
Disposals	-	-	-	773	-	773	-	773
Impairment	-	-	-	-	-	-	-	-
<b>At 31st March 2022</b>	-	118,778,646	628,348,935	10,697,529	1,080,152	758,905,263	-	758,905,262
<b>Net Book Value</b>								
<b>At 31st March 2022</b>	196,600,000	143,229,499	1,222,906,590	1,470,275	-	1,564,206,363	25,137,924	1,589,344,288
At 31st March 2021	223,200,000	216,624,102	1,049,607,211	839,963	20,945	1,490,292,221	-	1,490,292,221
At 31st March 2020	223,200,000	225,204,613	1,077,766,922	1,243,397	48,546	1,527,463,478	19,496,287	1,546,959,765

\* These assets were carried at deemed cost at the time of transition to Ind AS

**A. Assets under construction**

Capital work in progress as at 31st March, 2022 comprises expenditure for the plant and building in the course of construction including material procured for expansion projects. Additions during the current year and previous year are net of capitalisation.

**B. Revaluation of land, buildings and plant, machinery and equipment**

During the year ended 31st March 2022, the Company had appointed an independent valuer to determine the fair value of freehold and leasehold land, building and plant and machineries. As an outcome of this process, the Company has recognised decrease in the gross block of land (free and lease hold) of Rs. 26.60 million, decrease in the gross block of building of Rs. 64.81 million and increase in plant and machineries of Rs. 214.83 million. The company recognised this increase within the revaluation reserve and statement of comprehensive income.

The Company determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC). The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy.

**Significant unobservable valuation input:**

Asset	Valuation technique	Significant unobservable inputs
<b>Freehold land/Leasehold land</b>	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
<b>Building</b>	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.
<b>Plant, machinery and equipment</b> Sugar Plant Co-Generation Plant	Depreciated Replacement Cost (DRC)	The valuation of plant & machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the obsolescence, potential profitability and service potential in order to estimate the market value 'In-Situ' of the plant & machinery.

**Capital Work in Progress- Ageing**

Ageing	As at 31st March 2022	As at 31st March 2021
Less than 1 year	25,137,924	-
1- 2 years	-	-
2- 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>25,137,924</b>	<b>-</b>

**Details of CWIP where activity has been suspended:**

Particulars	As at 31st March 2022	As at 31st March 2021
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Gokak Sugars Limited**  
**Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022**

**Note 2B- Intangible Assets** *(Amount in Rupees)*

Particulars	Computer Software
<b>Gross Book Value</b>	
<b>At 1st April 2020</b>	<b>675,961</b>
Additions	-
Disposals	-
<b>At 31st March 2021</b>	<b>675,961</b>
Additions	57,622
Disposals	-
<b>At 31st March 2022</b>	<b>733,583</b>
<b>Depreciation and Impairment</b>	
<b>At 1st April 2020</b>	<b>675,961</b>
Depreciation charge for the year	-
Disposals	-
Impairment	-
<b>At 31st March 2021</b>	<b>675,961</b>
Depreciation charge for the year	13,050
Disposals	-
Impairment	-
<b>At 31st March 2022</b>	<b>689,011</b>
<b>Net Book Value</b>	
<b>At 31st March 2022</b>	<b>44,572</b>
At 31st March 2021	-
At 31st March 2020	-

**Information of revaluation model (gross of deferred tax)** *(Amount in Rupees)*

Particulars	Amount
<b>Balance as at 1st April 2020</b>	<b>675,489,307</b>
Purchases	-
Depreciation on Revalued Assets	(22,926,654)
Reversal of Reserves on Revalued Assets Sold	-
Revaluation Reserve	-
<b>Balance as at 1st April 2021</b>	<b>652,562,653</b>
Purchases	-
Depreciation on Revalued Assets	(22,917,029)
Reversal of Reserves on Revalued Assets Sold	-
Revaluation Reserve	123,413,795
<b>Closing balance as at 31st March 2022</b>	<b>753,059,419</b>

If Land, building and plant, machinery and equipment were measured using the cost model, the carrying amounts would be as follows:

*(Amount in Rupees)*

	As at 31st March 2022	As at 31st March 2021
<b>Cost</b>		
Freehold Land	18,655,632	18,655,632
Buildings	253,824,608	253,824,608
Plant machinery and Equipment	1,157,693,819	1,143,796,632
	<b>1,430,174,059</b>	<b>1,416,276,872</b>
<b>Accumulated depreciation</b>		
Freehold Land	-	-
Buildings	104,322,301	98,146,531
Plant machinery and Equipment	515,314,180	480,400,773
	<b>619,636,481</b>	<b>578,547,305</b>
<b>Net carrying amount</b>	<b>810,537,578</b>	<b>837,729,568</b>

**GOKAK SUGARS LIMITED**

Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022

**NON-CURRENT ASSETS****Note 3: Other Advances**

(Amount in Rupees)

	As at 31st March 2022	As at 31st March 2021
Unsecured & Considered good: Security Deposit	212,956	212,956
	<b>212,956</b>	<b>212,956</b>

**Note 4: Other Non Current Financial Assets**

	As at 31st March 2022	As at 31st March 2021
Fixed Deposit with Bank (maturity more than 12 months)*	539,512	39,512
	<b>539,512</b>	<b>39,512</b>

\*Fixed Deposits with Banks include amounts that have been pledged with government authorities towards guarantee.

**Note 5: Other Non Current Assets**

	As at 31st March 2022	As at 31st March 2021
Amount paid under protest Vendor- Capital Advance	370,638 6,076,000	370,638 -
	<b>6,446,638</b>	<b>370,638</b>

**Note 6: Deferred Tax Asset / (Liability) (Net)**

	As at 31st March 2022	As at 31st March 2021
<b>i. Deferred Tax Liability</b>		
Depreciation	340,019,823	314,620,310
Others	-	-
<b>Gross Deferred Tax Liability</b>	<b>340,019,823</b>	<b>314,620,310</b>
<b>ii. Deferred Tax Asset</b>		
Leave Encashment & gratuity	1,607,738	1,019,831
Unabsorbed carried forward Losses	338,331,956	227,146,209
<b>Gross Deferred Tax Asset</b>	<b>339,939,694</b>	<b>228,166,040</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(80,129)</b>	<b>(86,454,270)</b>

Unabsorbed business losses have been recognised as deferred tax asset as there is reasonable certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.

**CURRENT ASSETS****Note 7: Inventories**

	As at 31st March 2022	As at 31st March 2021
<b>Raw Materials</b>	-	-
Sugar	-	-
Co-Generation	-	-
<b>Consumables, Stores &amp; Spares:</b>		
Stores & Spares	31,293,412	26,816,604
Consumables	2,037,797	2,900,982
Packing Materials	2,220,348	3,512,824
Fuel	496,972	938,046
<b>Work-in-Progress</b>	-	-
<b>Finished Goods:</b>		
Sugar (Manufactured)	165,915,774	704,573,145
Co-Generation	1,087	654
By-Products- Molasses & Baggasse	151,828,584	40,469,539
	<b>353,793,974</b>	<b>779,211,794</b>

**GOKAK SUGARS LIMITED**
**Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022**
**Note 8: Trade Receivables**

	As at 31st March 2022	As at 31st March 2021
Undisputed Trade Receivables- considered good	81,467,397	66,836,896
Disputed Trade Receivables- considered good	-	-
	<b>81,467,397</b>	<b>66,836,896</b>

**Break-up for security details:**

<b>Unsecured, considered good</b>		
Receivables from third parties	74,337,945	66,836,896
Receivables from related parties (refer note 32.x)	7,129,452	-
<b>Unsecured, considered doubtful</b>		
Receivables from third parties	-	-
Receivables from related parties (refer note 32.x)	-	-
(A)	<b>81,467,397</b>	<b>66,836,896</b>

**Impairment allowance (allowance for bad and doubtful debts)**

Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
(B)	-	-
(A - B)	<b>81,467,397</b>	<b>66,836,896</b>

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 7 to 30 days.

**Trade Receivables Ageing**

Less than 6 months	75,043,540	40,832,942
6 months- 1 Year	6,423,857	25,980,082
1- 2 years	-	8,881
2- 3 years	-	11,552
More than 3 years	-	3,439
<b>Total</b>	<b>81,467,397</b>	<b>66,836,896</b>

**Note 9: Cash and Cash Equivalents**
*(Amount in Rupees)*

	As at 31st March 2022	As at 31st March 2021
Cash on Hand	19,483	94,909
<b>Balances with banks:</b>		
On current accounts	69,483,393	27,842,325
	<b>69,502,876</b>	<b>27,937,234</b>

**Note 10: Other Bank Balances**

	As at 31st March 2022	As at 31st March 2021
<b>Balances with Banks:</b>		
On current accounts	-	-
Fixed Deposit with Bank (within 3 months maturity)	250,000,000	50,000,000
	<b>250,000,000</b>	<b>50,000,000</b>

**Note 11: Other Current Financial Assets**

	As at 31st March 2022	As at 31st March 2021
<b>Unsecured and considered good:</b>		
<b>Other Loans &amp; Advances:</b>		
Interest Receivable	585,759	217,630
Claim Receivable Under MIEQ/MAEQ	-	159,790,009
	<b>585,759</b>	<b>160,007,639</b>

**Note 12: Other Current Assets**

	As at 31st March 2022	As at 31st March 2021
Advance to Vendors	11,337,399	10,337,796
Advance to Staff	257,280	349,033
Prepaid Expenses	3,570,359	3,673,378
Balance receivable from GST Department	2,376,640	-
	<b>17,541,678</b>	<b>14,360,207</b>

**GOKAK SUGARS LIMITED**

Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022

**Note 13: Equity Share Capital**

(Amount in Rupees)

	As at 31st March 2022	As at 31st March 2021
<b>a) Authorised :</b> 36,000,000 Equity Shares of Rs.10/- Each	360,000,000	360,000,000
	<b>360,000,000</b>	<b>360,000,000</b>
<b>b) Issued, Subscribed &amp; Paid up</b> 35,174,540 Equity Shares of Rs.10/- Each	351,745,400	351,745,400
	<b>351,745,400</b>	<b>351,745,400</b>
<b>c) Reconciliation of number of shares and Equity Shares outstanding :</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
At the beginning of the year	35,174,540	35,174,540
Addition/deletion during the year	-	-
At the end of the period	<b>35,174,540</b>	<b>35,174,540</b>

d) The Company has only one class of equity shares . The company declares and pays dividend in Indian rupees . The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .

e) 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 dues . The distribution will be in proportion to the number of equity shares held by the shareholders .

**f) Details of Shareholders holding more than 5% of Equity Share Capital of the Company**

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shree Renuka Sugars Limited (including holding by representatives)	32,937,140	93.64	32,937,140	93.64

**Note 13A: Other Equity**

	As at 31st March 2022	As at 31st March 2021
Securities Premium Account (refer note i below)	128,700,000	128,700,000
Revaluation Reserve (refer note ii below)	479,212,824	410,803,645
Retained Earnings	(825,947,846)	(1,134,973,514)
	<b>(218,035,022)</b>	<b>(595,469,869)</b>

<b>i. Securities Premium Account</b>	
<b>As at 1st April 2020</b>	<b>128,700,000</b>
Increase/ (decrease) during the year	-
<b>As at 31st March 2021</b>	<b>128,700,000</b>
Increase/ (decrease) during the year	-
<b>As at 31st March 2022</b>	<b>128,700,000</b>

<b>ii Revaluation Reserve</b>	
<b>As at 1st April 2020</b>	<b>433,730,299</b>
Increase/ (decrease) during the year	(22,926,654)
<b>As at 31st March 2021</b>	<b>410,803,645</b>
Other Comprehensive Income	91,326,208
Depreciation on Revalued Assets	(22,917,029)
<b>As at 31st March 2022</b>	<b>479,212,824</b>

**Revaluation reserve:**

Revaluation reserve is credited when property, plant and equipment's are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised an amount of INR 91.33 million (31st March 2021: Nil) (net of deferred tax) on account of revaluation of Property, Plant & equipment and INR 22.92 million (31st March 2021: INR 22.93 million) as reversal of revaluation reserve on account of depreciation on Revalued assets.

**NON-CURRENT LIABILITIES**

**Note 14: Borrowings**

(Amount in Rupees)

	As at 31st March 2022	As at 31st March 2021
<b>i Unsecured</b>		
<b>From Related Party:</b>		
Shree Renuka Sugars Limited - Holding Company	1,645,937,608	1,783,099,075
	<b>1,645,937,608</b>	<b>1,783,099,075</b>
Less: Current Maturity of Long-Term Borrowings transferred to Current Borrowings (Refer Note 16)	137,161,468	137,161,467
	<b>1,508,776,140</b>	<b>1,645,937,607</b>

**Terms of Repayment for Borrowings outstanding as on 31st March 2022**

Particulars	Date of Maturity	Effective Rate of Interest	As at 31st March 2022	Repayable Schedule
From Holding company: Shree Renuka Sugars Limited	FY 2034- 35	9.00%	1,508,776,140	Repayable in 13 equal yearly installments from the FY 2021-22 onwards upto the FY 2034-35 (First Installment paid in March 2022)

**Note 15: Provisions**

	As at 31st March 2022	As at 31st March 2021
<b>Provision For Employee Benefits:</b>		
Provision For Gratuity	2,149,045	757,496
Provision For Leave Encashment	4,034,561	3,164,929
	<b>6,183,606</b>	<b>3,922,425</b>
<b>Less: Short-Term Liability (transferred to current liabilities( Refer Note 20)</b>		
Provision For Gratuity	-	-
Provision For Leave Encashment	686,859	173,934
	<b>5,496,747</b>	<b>3,748,491</b>

**CURRENT LIABILITIES**

**Note 16: Borrowings**

	As at 31st March 2022	As at 31st March 2021
<b>Unsecured:</b>		
<b>Current Maturities of Long Term Borrowings (Refer Note 14):</b>		
From Related Party: Shree Renuka Sugars Limited - Holding Company	137,161,468	137,161,467
	<b>137,161,468</b>	<b>137,161,467</b>

**Note 17: Trade Payables**

	As at 31st March 2022	As at 31st March 2021
Trade payables	509,614,846	552,734,106
Trade payables to related parties (refer note 32.x)	760,097	-
	<b>510,374,943</b>	<b>552,734,106</b>

<b>Trade Payables Ageing</b>	As at 31st March 2022	As at 31st March 2021
Less than 1 year	361,660,422	293,071,167
1- 2 years	77,848,760	3,708,638
2- 3 years	18,287,185	254,228,811
More than 3 years	52,578,576	1,725,490
<b>Total</b>	<b>510,374,943</b>	<b>552,734,106</b>

\*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	94,317	-
- Interest due on above	1,713	-
<b>Total</b>	<b>96,030</b>	<b>-</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	53,292	51,579
The amount of further interest remaining due and payable even in the succeeding years,	53,292	51,579

**Note 18: Other Current Financial Liabilities**

	As at 31st March 2022	As at 31st March 2021
Interest Payable	53,291	51,578
Interest Payable- Related Parties	-	108,145,481
Salary Payable	1,550,570	1,589,074
Other Payables	587,603	894,984
	<b>2,191,464</b>	<b>110,681,117</b>

**Note 19: Other Current Liabilities**

	As at 31st March 2022	As at 31st March 2021
Advance From Customers	5,691,676	72,225,854
Other Statutory Dues	1,147,233	16,714,112
Other Payables- To Related party	68,227,405	209,069,994
Other Payables- To Employees	669,702	560,140
	<b>75,736,016</b>	<b>298,570,100</b>

**GOKAK SUGARS LIMITED**  
Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022

**Note 20: Net employee benefit liabilities (current)**

(Amount in Rupees)

	As at 31st March 2022	As at 31st March 2021
Provision For Leave Encashment (Refer Note 15)	686,859	173,934
	<b>686,859</b>	<b>173,934</b>

**Note 21: Revenue from Operations**

	Year ended 31st March 2022	Year ended 31st March 2021
<b>Sale of Products (Gross):</b>		
Sale of Manufactured Sugar	2,531,790,982	1,076,787,486
Sale of By products of Sugar	474,086,457	182,428,486
Sale of Power	120,041,536	66,074,526
Sale of By products of Power	436,846	312,939
	<b>3,126,355,821</b>	<b>1,325,603,437</b>

**Revenue from Contract with Customers- segment for year ended 31st March 2022**

Type of goods or services	Sugar	Cogeneration	Eliminations	Total
Sale of manufactured Sugar	2,531,790,982	-	-	2,531,790,982
Sale of By products of Sugar	474,086,457	-	-	474,086,457
Sale of Power	-	120,041,536	-	120,041,536
Sale of By products of Power	-	436,846	-	436,846
Intersegment Sales	193,250,000	205,800,000	(399,050,000)	-
<b>Total Revenue including inter-segment sales</b>	<b>3,199,127,439</b>	<b>326,278,382</b>	<b>(399,050,000)</b>	<b>3,126,355,821</b>

**Revenue from Contract with Customers- segment for year ended 31st March 2021**

Type of goods or services	Sugar	Cogeneration	Eliminations	Total
Sale of manufactured Sugar	1,076,787,486	-	-	1,076,787,486
Sale of By products of Sugar	182,428,486	-	-	182,428,486
Sale of Power	-	66,074,526	-	66,074,526
Sale of By products of Power	-	312,939	-	312,939
Intersegment Sales	157,070,000	172,420,000	(329,490,000)	-
<b>Total Revenue including inter-segment sales</b>	<b>1,416,285,972</b>	<b>238,807,465</b>	<b>(329,490,000)</b>	<b>1,325,603,437</b>

**Note 21a: Income from Incentive to Sugar Mills**

	Year ended 31st March 2022	Year ended 31st March 2021
Income from Incentive to Sugar Mills*	-	110,494,342
Less: Payable to Shree Renuka Sugars Limited*	-	(110,494,342)
	-	-

\*MAEQ of FY 2020-21 of Rs.110.49 min is eligible and the same is reimbursed to Shree Renuka Sugars Limited as the export obligation is met by them.

**Note 22: Other Income**

	Year ended 31st March 2022	Year ended 31st March 2021
Miscellaneous Income	272,967	272,500
Dividend received	650,822	-
Excess Provision of earlier years written back	2,531,099	55,442
Gain on Sale of Asset	773	-
Others - Interest received from Bank & Others	572,779	925,551
	<b>4,028,440</b>	<b>1,253,493</b>

**Note 23: Cost of Materials Consumed**

	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock	-	-
Add: Purchases & Related Expenses	2,227,366,245	1,727,327,466
Less: Inter Segment Expenses	193,254,572	157,071,500
	<b>2,034,111,673</b>	<b>1,570,255,966</b>
Less: Closing Stock	-	-
	<b>2,034,111,673</b>	<b>1,570,255,966</b>

**Note 24: Changes In Inventory of Finished Goods, Work-In-Progress & Stock in trade**

	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock		
Finished Goods :		
Sugar	704,573,145	101,502,220
By-Products	40,469,539	33,901,428
Co-Generation	654	20,174
<b>A</b>	<b>745,043,338</b>	<b>135,423,822</b>
Closing Stock		
Finished Goods :		
Sugar	165,915,774	704,573,145
By-Products	151,828,584	40,469,539
Co-Generation	1,087	654
<b>B</b>	<b>317,745,445</b>	<b>745,043,338</b>
<b>Net (Increase)/Decrease in stock (A-B)</b>	<b>427,297,893</b>	<b>(609,619,516)</b>

**Note 25: Employee Benefit Expenses**

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries, Wages & Bonus	88,030,524	82,924,329
Contribution to Provident Fund & Others	4,191,055	3,349,032
Leave Encashment	1,616,155	1,882,562
Contribution to Gratuity	901,551	905,290
Staff Welfare Expenses	3,969,297	3,133,753
	<b>98,708,582</b>	<b>92,194,966</b>

**Note 26: Finance Costs**

	Year ended 31st March 2022	Year ended 31st March 2021
<b>Interest:</b>		
On Term Loans	-	730,326
On Others	162,202,462	204,554,365
<b>Others:</b>		
Bank Charges	17,082	18,369
	<b>162,219,544</b>	<b>205,303,060</b>



**GOKAK SUGARS LIMITED**
**Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022**
**Note 27: Depreciation and Amortization Expenses**

	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation on Tangible Assets*	64,649,709	64,029,781
Depreciation on Intangible Assets*	13,050	-
	<b>64,662,760</b>	<b>64,029,781</b>

\*Refer Note 2A and 2B

**Note 28: Other Expenses**
**Manufacturing, Administrative and Selling & Distribution Expenses:**

	Year ended 31st March 2022	Year ended 31st March 2021
Consumption of Stores & Spares	34,817,402	30,622,143
Consumption of Chemicals, Consumables, Oil & Lubricants	27,079,436	17,794,908
Outsourced service cost	26,876,462	16,628,417
Sugar House Loading, Unloading & Handling Charges	11,463,137	9,350,127
Packing Materials	25,817,138	21,196,172
Power & Fuel	209,561,374	175,586,386
<i>Repair &amp; Maintenance:</i>		
Plant & Machinery	11,622,989	5,994,368
Buildings	1,224,616	1,401,642
Other Manufacturing Expenses	741,940	726,233
Less: Inter Segment Expenses	(205,797,256)	(172,421,433)
<b>A</b>	<b>143,407,237</b>	<b>106,878,963</b>
ii. Administrative Expenses		
Rent, Rates & Taxes	442,773	734,408
Insurance	4,408,509	3,024,150
Traveling & Conveyance	14,791,495	15,627,144
Printing & Stationery	528,353	425,166
Communication Expenses	248,749	270,298
Legal & Professional Fees	1,076,511	1,419,929
Repair & Maintenance-Others	1,251,041	1,387,355
Payment to auditors (refer note a below)	765,000	606,250
Safety & Security Expenses	6,041,849	4,571,967
Books, Subscription and Membership fees	-	251,011
Donations & Contributions	5,000	10,000
Others	410,806	321,425
<b>B</b>	<b>29,970,086</b>	<b>28,649,103</b>
iii. Selling and Distribution Expenses		
Freight	109,329	30,000
Advertising & Sales Promotion	491,336	221,269
Commission/Brokerage On Sales	1,268,910	394,780
<b>C</b>	<b>1,869,575</b>	<b>646,049</b>
<b>A+B+C</b>	<b>175,246,899</b>	<b>136,174,115</b>

<b>Auditors Remuneration</b>	Year ended 31st March 2022	Year ended 31st March 2021
<b>As Auditor</b>		
Statutory Audit fee	350,000	250,000
Limited Review fee	180,000	150,000
Tax Audit Fee	50,000	50,000
<b>In other capacity</b>		
Other services	185,000	156,250
Reimbursement of expenses	-	-
	<b>765,000</b>	<b>606,250</b>

**Note 29: Current Tax**

	Year ended 31st March 2022	Year ended 31st March 2021
Reversal of MAT Credit of Earlier years	-	15,755,081
	-	<b>15,755,081</b>

**Note 30: Earnings Per Share**

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

	Year ended 31st March 2022	Year ended 31st March 2021
Reconciliation of earnings		
Profit/(Loss) for the year	286,471,238	(276,000,479)
<b>Net profit/(Loss) attributable to equity shareholders</b>	-	-
<b>Reconciliation of number of shares</b>	<b>Shares</b>	<b>Shares</b>
Shares outstanding at the beginning of the year	35,174,540	35,174,540
Shares outstanding at the end of the year	35,174,540	35,174,540
<b>Weighted average number of equity shares</b>	<b>35,174,540</b>	<b>35,174,540</b>
<b>Basic and Diluted Earnings Per Share (in rupees)</b> [Nominal value of shares Re. 10/- each]	<b>8.14</b>	<b>(7.85)</b>

## GOKAK SUGARS LIMITED

Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022

## Note 31: Disclosure of Ratios

(Amount in Rupees)

Sl No	Ratios	31st March 2022	31st March 2021
<b>1</b>	<b>Current ratio</b>	<b>1.06</b>	<b>1.00</b>
	Current Assets	772,891,684	1,098,353,770
	Current Liabilities	726,150,750	1,099,320,725
<b>2</b>	<b>Debt-Equity ratio</b>	<b>12.31</b>	<b>(7.32)</b>
	Debt (Current and non current portion of long term borrowings + Short term borrowings)	1,645,937,608	1,783,099,075
	Equity	133,710,378	(243,724,469)
<b>3</b>	<b>Debt service coverage ratio</b>	<b>0.78</b>	<b>(0.33)</b>
	Earnings before interest, Depreciation and Tax (EBITDA)	232,226,891	(68,377,212)
	Interest Expense on long term and short term borrowings for the period	162,219,544	205,303,060
	Schedule principal repayment of long term borrowings during the period	137,161,467	-
<b>4</b>	<b>Return on equity ratio</b>	<b>(5.21)</b>	<b>2.61</b>
	Net Profits after taxes	286,471,238	(276,000,479)
	Average Shareholder's Equity	(55,007,046)	(105,748,127)
<b>5</b>	<b>Inventory turnover ratio</b>	<b>4.34</b>	<b>2.02</b>
	Cost of goods sold	2,461,409,566	960,636,450
	Average inventory	566,502,884	475,093,738
<b>6</b>	<b>Trade receivables turnover ratio</b>	<b>42.16</b>	<b>18.48</b>
	Revenue from operations	3,126,355,821	1,325,603,437
	Average accounts receivables	74,152,147	71,723,472
<b>7</b>	<b>Trade payables turnover ratio</b>	<b>5.88</b>	<b>3.17</b>
	Revenue from operations	3,126,355,821	1,325,603,437
	Average accounts payables	531,554,524	418,007,439
<b>8</b>	<b>Net capital turnover ratio</b>	<b>(2.13)</b>	<b>(0.76)</b>
	Net sales = Total sales - sales return	3,126,355,821	1,325,603,437
	Working capital = Current assets – Current liabilities	(1,467,612,082)	(1,737,107,323)
<b>9</b>	<b>Net profit ratio</b>	<b>0.09</b>	<b>(0.21)</b>
	Net Profit	286,471,238	(276,000,479)
	Net sales = Total sales - sales return	3,126,355,821	1,325,603,437
<b>10</b>	<b>Return on capital employed</b>	<b>0.05</b>	<b>0.01</b>
	Earnings before interest and taxes	330,356,454	73,821,987
	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	6,260,610,945	7,210,296,792
<b>11</b>	<b>Return on investment</b>	<b>0.00</b>	<b>0.02</b>
	Interest (Finance Income)	572,779	925,920
	Investment	250,539,512	50,039,512

## Note 32: Other Notes to the Financial Statements

All amounts in Indian Rupees, unless otherwise stated.

### i. Outstanding Commitments

As at 31st March, 2022, the Company had the following outstanding commitments:

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs.26,349,178/- (Previous year- Rs.295,000).
- ii. Balances appearing under the head Trade Payables, Trade Receivables, loans and advances are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.
- iii. In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

### iv. Contingent Liability

Liabilities classified and considered contingent due to contested claims and legal disputes	Year ended 31 <sup>st</sup> March, 2022	Year Ended 31st March, 2021
O&M Charges Demand	370,638	370,638

### v. Consumption of Raw Material, Stores and Spares

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
	Amount in Rs	% of total consumption	Amount in Rs	% of total consumption
<b>Raw material</b>				
Domestic	2,034,111,673	100%	1,570,255,966	100%
Total	2,034,111,673	<b>100%</b>	1,570,255,966	<b>100%</b>
<b>Stores &amp; Spares</b>				
Domestic	34,817,402	100%	30,622,143	100%
Total	34,817,402	<b>100%</b>	30,622,143	<b>100%</b>

vi. Expenditure in Foreign Currency – Nil

vii. Earnings in Foreign Currency – Nil

## viii. Segment Reporting for the year ended March 31, 2022

(Amount in Rs. Mn)

Particulars	SUGAR		CO-GENERATION		ELIMINATIONS		TOTAL	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
REVENUE								
External sales	3,005.88	1,259.22	120.48	66.39	-	-	3,126.36	1,325.61
Inter-segment sales	193.25	157.07	205.80	172.42	(399.05)	(329.49)	-	-
<b>Total Revenue</b>	<b>3,199.13</b>	<b>1,416.29</b>	<b>326.28</b>	<b>238.81</b>	<b>(399.05)</b>	<b>(329.49)</b>	<b>3,126.36</b>	<b>1,325.61</b>
<b>Results</b>	37.92	(147.11)	288.41	215.04	-	-	326.33	67.93
Unallocated corporate expenses	-	-	-	-	-	-	-	-
Operating profit							<b>326.33</b>	<b>67.93</b>
Financial expenses							162.22	205.30
Other income							4.03	1.25
<b>Profit from ordinary activities</b>							<b>168.14</b>	<b>(136.12)</b>
Exceptional items	-	-	-	-	-	-	-	-
<b>Net Profit</b>							<b>168.14</b>	<b>(136.12)</b>
Capital expenditure	38.93	7.36	1.44	-	-	-	40.38	7.36
Unallocated corporate capital expenditure	-	-	-	-	-	-	-	-
Total Capital Expenditure	38.93	7.36	1.44	-	-	-	40.38	7.36
Depreciation	47.76	47.18	16.90	16.85	-	-	64.66	64.03
Unallocated corporate depreciation	-	-	-	-	-	-	-	-
Total Depreciation	47.76	47.18	16.90	16.85	-	-	64.66	64.03

## OTHER INFORMATION

Particulars	SUGAR		CO-GENERATION		ELIMINATIONS		TOTAL	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Segment assets</b>	1,790.06	1,984.26	459.10	565.64	-	-	2,249.16	2,549.91
Unallocated corporate assets							125.06	183.19
<b>Total Assets</b>	<b>1,790.06</b>	<b>1,984.26</b>	<b>459.10</b>	<b>565.64</b>	<b>-</b>	<b>-</b>	<b>2,374.21</b>	<b>2,639.59</b>
<b>Segment liabilities</b>	582.86	864.87	4.32	62.05	-	-	587.18	926.92
Unallocated corporate liabilities							1,653.33	1,874.63
<b>Total Liabilities</b>	<b>582.86</b>	<b>864.87</b>	<b>4.32</b>	<b>62.05</b>	<b>-</b>	<b>-</b>	<b>2,240.50</b>	<b>2,801.55</b>

## Reconciliations to amounts reflected in the financial statements

## Reconciliation of assets

	As at 31st March 2022	As at 31st March 2021
<b>Segment operating assets</b>	2,249.16	2,549.91
Investment	-	-
Cash and cash equivalents	-	-
Other assets forming a part of unallocated segment	125.06	183.19
<b>Total assets</b>	<b>2,374.21</b>	<b>2,733.10</b>

## Reconciliation of liabilities

	As at 31st March 2022	As at 31st March 2021
<b>Segment operating liabilities</b>	587.18	926.92
Non-current borrowings	-	-
Current borrowings	-	-
Current maturity of long-term borrowings	-	-
Other liabilities forming part of unallocated segment	1,653.33	1,874.63
<b>Total liabilities</b>	<b>2,240.50</b>	<b>2,801.55</b>

## ix: Defined Benefit Plans

(Amount in Rupees)

S.No	Particulars	Gratuity Benefits	
		Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>1</b>	<b>Change in Benefit obligation</b>		
	Opening Defined Benefit Obligation	3,972,936	3,421,020
	Current service cost	889,603	607,995
	Interest cost	268,323	227,347
	Actuarial loss/(gain) due to change in financial assumptions	-	50,659
	Actuarial loss/(gain) due to change in demographic assumption	239,110	-
	Actuarial loss/ (gain) due to experience	731,221	57,254
	Past Service Cost	-	-
	Benefits paid	806,783	290,021
	<b>Closing Defined Benefit Obligation</b>	<b>4,816,190</b>	<b>3,972,936</b>
<b>2</b>	<b>Change in Plan Assets</b>		
	Opening value of plan assets	3,215,441	3,733,970
	Adjustments to Opening Value	-	444,739
	Interest Income	220,901	252,416
	Return on plan assets excluding amounts included interest income	2,113	36,185
	Contributions by employer	35,474	-
	Benefits paid	(806,783)	290,021
	<b>Closing value of plan assets</b>	<b>2,667,146</b>	<b>3,215,441</b>
<b>3</b>	<b>Fund Status of Plan Assets</b>		
	Present value unfunded obligations	-	-
	Present value funded obligations	4,816,191	3,972,937
	Fair Value of plan assets	(2,667,146)	3,215,441
	<b>Net Liability (Assets)</b>	<b>2,149,045</b>	<b>757,496</b>
<b>4</b>	<b>Expenses for the current period</b>		
	Current service cost	889,603	607,995
	Interest cost	268,323	227,347
	Past Service cost	-	-
	Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	-
	Interest Income	220,901	252,416
	<b>Amount recognized in expenses</b>	<b>937,025</b>	<b>582,926</b>
<b>5</b>	<b>Other Comprehensive Income for the current period</b>		
	Due to Change in financial assumptions	(239,110)	50,659
	Due to change in demographic assumption	-	-
	Due to experience adjustments	731,221	57,254
	Return on plan assets excluding amounts included in interest income	(2,113)	36,185
	<b>Amounts recognized in Other Comprehensive Income</b>	<b>489,998</b>	<b>42,780</b>
<b>6</b>	<b>Defined benefit liability</b>		
	Net opening provision in books of accounts	757,495	312,950
	Employee Benefit Expense	937,025	582,926
	Amounts recognized in Other Comprehensive Income	489,998	42,780
	Contributions to Plan Assets	35,474	-
	Benefits paid by the Company	-	-
	Adjustments to Opening Value	-	444,739
	<b>Closing provision in books of accounts</b>	<b>2,149,044</b>	<b>757,495</b>
<b>7</b>	<b>Principal Actuarial Assumption</b>		
	Discount rate	7.28%	6.87%
	Salary Growth rate	5.00%	5.00%
	Withdrawal Rates	5% at Younger 1% at Older age	5% at Younger 1% at Older age
	<b>Sensitivity to key assumptions</b>		
	<b>Discount rate Sensitivity</b>		
	Increase by 0.5%	4.55	3.76
	(% change)	(0.06)	(0.05)
	Decrease by 0.5%	5.11	4.21
	(% change)	6.10%	5.93%
	<b>Salary growth rate Sensitivity</b>		
	Increase by 0.5%	5.12	4.21
	(% change)	6.21%	5.94%
	Decrease by 0.5%	4.54	3.75
	(% change)	(0.06)	(5.49)

**x: Related Party Transactions****(a) Holding Company**

1 Shree Renuka Sugars Limited

**(b) Affiliate companies**

1 KBK Chem Engineering Pvt Limited

**A Transactions with related parties***(Amount in Rupees)*

Sr. No.	Particulars	As at and year ended	Sales to related parties	Purchases from related parties	Rental and Other income	Interest expense on advances	Interest on Advances Paid	Loans and advance paid/ (refunded)	Advance received
(a) i	<b>Holding Company</b> Shree Renuka Sugars Limited	31st March 2022	469,080,038	52,950,173	-	158,844,259	266,989,739	137,161,467	-
		31st March 2021	514,189,796	59,861,904	110,494,342	204,258,590	-	-	275,260,039
(b) ii	<b>Affiliate companies</b> KBK Chem Engineering Pvt Limited	31st March 2022	-	15,340,995	-	-	-	-	-
		31st March 2021	-	572,276	-	-	-	-	-

Break-up of amounts owed to and by related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	Amount receivable from related party(gross of impairment allowance, if any)	
	As at 31st March 2022	As at 31st March 2021
<b>Trade Receivables(refer note 8)</b>		
<b>Affiliate companies</b>		
Shree Renuka Sugars Limited (customer Balance)	7,129,452	-
KBK Chem Engineering Pvt Limited	-	-
	<b>7,129,452</b>	<b>-</b>

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Borrowings (non-current) (refer note 14)</b>		
<b>Holding Company:</b>		
Shree Renuka Sugars Limited	1,508,776,140	1,645,937,607
	<b>1,508,776,140</b>	<b>1,645,937,607</b>
<b>Other financial liabilities</b>		
<b>Holding Company:</b>		
Shree Renuka Sugars Limited (Current portion of Loan) (refer Note 16)	137,161,468	137,161,467
Shree Renuka Sugars Limited (Interest) (refer note- 18)	-	108,145,480
	<b>137,161,468</b>	<b>245,306,947</b>
<b>Other current liabilities (refer note 19)</b>		
<b>Holding Company:</b>		
Shree Renuka Sugars Limited(Customer Credit Balance)	-	71,635,568
Shree Renuka Sugars Limited (Vendor Balances)	68,227,405	209,069,994
	<b>68,227,405</b>	<b>280,705,562</b>
<b>Trade Payables (refer note 17)</b>		
<b>Associate Company:</b>		
KBK Chem Engineering Pvt Limited	760,097	-
	<b>760,097</b>	<b>-</b>

**Gokak Sugars Limited**

**Notes to Accounts forming part of Financial Statements for the year ended March 31, 2022**

**xi: Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

*(Amount in Rupees)*

	Carrying Value		Fair Value	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
<b>Financial assets</b>				
<b>FVTPL</b>				
Derivative instruments at fair value through profit or loss	-	-	-	-
<b>FVTOCI</b>				
Investment in equity shares	-	-	-	-
<b>Other financial assets at amortised cost</b>				
Loans	212,956	212,956	212,956	212,956
Trade receivables	81,467,397	66,836,896	81,467,397	66,836,896
Cash and cash equivalents	69,502,876	27,937,234	69,502,876	27,937,234
Other Bank balances	250,000,000	50,000,000	250,000,000	50,000,000
Other financial assets	1,125,271	160,047,151	1,125,271	160,047,151
<b>Total financial assets</b>	<b>402,308,500</b>	<b>305,034,237</b>	<b>402,308,500</b>	<b>305,034,237</b>
<b>Financial liabilities</b>				
<b>FVTPL</b>				
Derivative liabilities	-	-	-	-
<b>At amortised cost</b>				
<b>Borrowings</b>				
Borrowings	1,645,937,608	1,783,099,075	1,645,937,608	1,783,099,075
Trade payables	510,374,943	552,734,106	510,374,943	552,734,106
Other financial liabilities	2,191,464	110,681,117	2,191,464	110,681,117
<b>Total financial liabilities</b>	<b>2,158,504,015</b>	<b>2,446,514,298</b>	<b>2,158,504,015</b>	<b>2,446,514,298</b>

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts. The fair value are classified under Level 2 Fair value hierarchy.

- xii. The Company has charged Interest on Loans taken from its Holding Company at the rate of 9% p.a for the year ended 31<sup>st</sup> March 2022.
- xiii. Previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.
- xiv. The Board of Directors of the Company approved the Scheme of Merger of Gokak Sugars Limited (a subsidiary of the Company) with the Company, at its meeting held on November 09, 2020. SRSL, being a Listed Company, needed the approval of Stock Exchanges and Securities and Exchange Board of India (SEBI) for submission of the scheme to National Company Law Tribunal (NCLT). Accordingly, the Company made an application to BSE Ltd (BSE) and National Stock Exchanges of India (NSE) on January 21, 2021 seeking their approval for the merger. BSE and NSE forwarded the scheme to SEBI with their recommendation. SEBI had sought certain amendments to the scheme from the Company. The Board of Directors, in its meeting held on October 28, 2021, approved the amended scheme of merger. The Company has filed the amended scheme along with necessary information with the exchanges on 15th November 2021. The Company has received the approval from the exchanges to file the scheme with NCLT. The Company is now in the process of filing the scheme with NCLT.

To be read with our report of even date  
For **Vasant Dojode & Co.,**  
Chartered Accountants

Firm Regn. No: 006404S  
Digitally signed  
by VASANT  
DATTATRAYA  
DOIJODE  
Date: 2022.05.19  
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**Vasant D Dojode**

Partner

Membership No.202784

Place: Mumbai

Date: May 19, 2022

For and on behalf of the Board of directors of  
**Gokak Sugars Limited**

**Vijendra Singh**  
Digitally signed  
by Vijendra Singh  
Date: 2022.05.19  
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**Vijendra Singh**

Director

DIN : 03537522

**Sunil Ratanlal Ranka**  
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Sunil Ratanlal Ranka  
Date: 2022.05.19  
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**Sunil Ranka**

Chief Financial Officer

**SHRIPAD NERLIKAR**  
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by SHRIPAD  
NERLIKAR  
Date: 2022.05.19  
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**Shripad Rajaram Nerlikar**

Director

DIN: 02102633

**DEEPAK MADHAV MANERIKAR**  
Digitally signed  
by DEEPAK  
MADHAV  
MANERIKAR  
Date: 2022.05.19  
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**Deepak Manerikar**

Company Secretary