V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Sarojini House (GF), 6, Bhagwan Das Road, New Delhi-110001
Tel.(011)-44744643; e-mail: newdelhi@vsa.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Sugar & Power Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Zuari Sugar & Power Limited ("the Company"), which comprise the balance sheet as at 31st March, 2023, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2023, its loss, total comprehensive income, 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 Act. 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 Act 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us and the representation obtained from the management, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

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 purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/ provided any the remuneration to its directors during the year.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

   iii. There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company;

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iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate)have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement;

v. The Company has neither declared nor paid any dividend during the year.

vi. Since the proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 in respect of use of accounting software for maintaining books of accounts which has a feature of recording audit trail (edit log) facility is applicable to the company w.e.f. April 1, 2023, reporting under rule 11(g) is not applicable for the financial year ending 31st March 2023. 23523969BGYSQC2388

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Sunny

Sunny Gupta
Partner
Membership No. 523969
UDIN: 23523969BGYSQC2388

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 12th May 2023

"Annexure A" referred to in the Independent Auditors' report to the shareholders of Zuari Sugar & Power Limited on the accounts for the year ended 31st March, 2023.

i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

b) Major items of Property, Plant and Equipment were physically verified during the year by the management in accordance with regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. No material discrepancies were noticed on such verification.

c) The Company does not hold any immovable property. Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

d) The Company has not revalued its property, plant and equipment or intangible assets or both during the year.

e) Based on the audit procedure performed and the representation obtained from the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) a) The inventories consisting of traded goods have been physically verified by the management at reasonable intervals during the year. In our opinion the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification.

b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during the year under audit. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable to the Company.

iii) The Company, during the year, has not made investment, 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, its employees or any other parties. Hence, the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given made any investments, or provided any guarantee or security as specified under Sections 185 and 186 of the Companies Act, 2013 ("Act"). In respect of the loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and rule framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Company's activities. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii) a. The Company does not have liability in respect of Service tax, Duty of excise, Provident Fund, Employees State Insurance, Sales Tax and Value added Tax during the year. These statutory dues have been subsumed into Goods and Services Tax effective 1st July, 2017.

According to the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including goods and services tax (GST), income tax, cess and other material statutory dues, as applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues applicable to the Company as at 31st March, 2023, which were outstanding for a period of more than six months from the date they became payable. The Company does not have any liability with respect to duty of customs for the year under audit.

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CHARTERED ACCOUNTANTS

b. According to the information and explanation given to us, there are no statutory dues referred to in (a) which have not been deposited with the appropriate authorities on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a. The Company does not have any outstanding loans and advance from banks or financial institutions during the year. However. the company has outstanding loans or borrowings from other lenders during the year and there has been no default in repayment of loans or in the payment of interest thereon.

b. According to the information and explanations given to us and on the basis of our examinations of records, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

c. According to the information and explanations given to us, the Company has not taken any term loans during the year. Further, the outstanding term loans at the beginning of the year have been applied for the purpose for which it was obtained.

d. The Company has not raised funds on short term basis during the year.

e. The Company has not provided any fresh loans or advances during the year. Hence, reporting under clause 3(ix) (e) of the Order is not applicable.

f. The Company has not raised any fresh loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x) a. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi) a. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud by the Company or on the Company has been noticed or reported during the year under audit.

b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) a. In our opinion and based on our examination, the Company is also not required to appoint an internal auditor as per provisions of the Companies Act, 2013. However, the company has appointed an independent firm of chartered accountants to carry out internal audit during the year which commensurate with the size and nature of its business.

b. We have considered, the internal audit report for the period under audit, issued to the Company during the year and till date.

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xv) According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

xvi) a. The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

d. There is one Core Investment Company (CIC) as a part of Group which is not required to be registered with Reserve Bank of India. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii) The Company has incurred cash losses of Rs 1732.93 Lakhs during the current financial year covered by our audit and cash loss aggregating to Rs Rs 4,377.26 lakhs during the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the Order is not applicable.

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, our knowledge of the Board of Directors and management plans, read with Note 38 of the financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The Company is not required to spend any amount on corporate social responsibility under section 135 of the Companies Act during the year. Therefore, the provisions of clause 3(xx)(a) to 3(xx)(b) of the Order are not applicable.

xxi) The Company is not required to prepare consolidated financial statements and accordingly clause 3(xxi) of the Order is not applicable.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Sunny

Sunny Gupta
Partner
Membership No. 523969
UDIN: 23523969BGYSQC2388

Place: New Delhi
Dated: 12th May 2023

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
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"Annexure B" referred to in the Independent Auditors' report to the shareholders of Zuari Sugar & Power Limited on the accounts for the year ended 31st March, 2023.

Opinion

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 31st March 2023, 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 issued by the Institute of Chartered Accountants of India.

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 (the "Guidance Note") 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 Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by ICAI. 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 judgement, 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.

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NEW DELHI
FRN 109208W
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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.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Sunny

Sunny Gupta
Partner
Membership No. 523969
UDIN: 23523969BGYSQC2388

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 12th May 2023

(All amounts in Lacs)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4 (a)	0.42	0.80
(b) Other intangible assets	4 (b)	0.09	0.20
(c) Financial assets			
(i) Other financial assets	5	0.03	477.50
(d) Non-current tax assets (net)		17.52	33.99
(e) Other non-current assets	6	0.29	-
		18.35	**512.49**
Current assets			
(a) Inventories	7	17.76	7.79
(b) Financial assets			
(i) Trade receivables	8	119.26	68.44
(ii) Cash and cash equivalents	9	128.91	81.90
(iii) Loans	10	12.17	12.17
(iv) Other financial assets	11	242.18	419.60
(c) Other current assets	12	441.50	402.58
		961.78	**992.48**
TOTAL		**980.13**	**1,504.97**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	2,990.00	2,990.00
(b) Other equity	14	(13,586.13)	(11,852.71)
		(10,596.13)	**(8,862.71)**
LIABILITIES			
Non-current liabilities			
Financial liabilities (Borrowings)	15	10,746.13	9,408.58
		10,746.13	**9,408.58**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	598.58
(ii) Trade payables	17		
-Total outstanding due of micro, small and medium enterprises		-	-
-Total outstanding due of creditors other than micro, small and medium enterprises		482.17	159.75
(iii) Other financial liabilities	18	70.00	70.00
(b) Other current liabilities	19	277.96	130.77
		830.13	**959.10**
TOTAL		**980.13**	**1,504.97**

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Sunny Gupta
Partner
Membership No. 523969

Place: New Delhi
Date: 12/05/2023

For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

Athar Shahab
(Director)
DIN-01824891

Place: Gurugram
Date: 12/05/2023

Alok Saxena
(Director & CEO)
DIN-08640419

Place: Aira, Lakhimpur
Date: 12/05/2023

Arvind Kumar Singh
(Chief Financial Officer)
PAN: CVQPS5662D

Place: Aira, Lakhimpur
Date: 12/05/2023

Nidhi Sharma
(Company Secretary)
Membership No.A46101

Place: Gurugram
Date: 12/05/2023

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

Zuari Sugar & Power Limited

Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lacs)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
REVENUE			
Revenue from operations	20	4,791.26	8,029.26
Other income	21	4.46	629.23
Total revenue		**4,795.72**	**8,658.49**
EXPENSES			
Purchases of stock in trade	22	4,596.25	6,845.66
Changes in inventories of stock-in-trade	22	(9.97)	528.05
Employee benefits expense	23	92.92	87.22
Finance costs	24	1,447.50	1,980.94
Depreciation	25	0.49	0.45
Other expenses	26	394.22	965.72
Total expenses		**6,521.41**	**10,408.04**
Loss before tax and Exceptional items		**(1,725.69)**	**(1,749.55)**
Exceptional items		-	2,628.17
Loss before tax		**(1,725.69)**	**(4,377.72)**
Tax expense:			
Current tax		-	-
Previous tax		7.73	-
Deferred tax		-	-
Loss for the period		**(1,733.42)**	**(4,377.72)**
Other comprehensive income for the period			
Total comprehensive loss for the period		**(1,733.42)**	**(4,377.72)**
Loss per equity share:			
- Basic		(5.80)	(14.64)
- Diluted		(5.80)	(14.64)

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Sunny

Sunny Gupta
Partner
Membership No. 523969

Place: New Delhi
Date: 12/05/2023

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

Athar Shahab
(Director)
DIN-01824891

Place: Gurugram
Date: 12/05/2023

Alok Saxena
(Director & CEO)
DIN-08640419

Place: Aira, Lakhimpur
Date: 12/05/2023

Arvind Kumar Singh
(Chief Financial Officer)
PAN: CVQPS5662D

Place: Aira, Lakhimpur
Date: 12/05/2023

Nidhi

Nidhi Sharma
(Company Secretary)
Membership No.A46101

Place: Gurugram
Date: 12/05/2023

(All amounts in lacs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A) Cash flow from operating activities		
Loss before tax	**(1,725.69)**	**(4,377.72)**
Adjustments for:		
Interest income	(1.88)	(118.40)
Finance costs	1,447.50	1,980.94
Depreciation	0.49	0.45
Gain arising on measuring financial assets at fair value through profit and loss	-	(507.37)
Loss on Sale of NCRPS	-	2,628.17
Amortisation of deferred losses	-	507.37
Operating loss before working capital changes	**(279.58)**	**113.44**
Adjustment for changes in working capital		
-trade and other receivables	59.97	497.42
-trade and other payables	469.60	173.22
Cash generated from/(used in) operations	**249.99**	**784.08**
Income taxes paid (net)	8.75	(12.72)
Net cash generated from / (used in) operating activities	**258.74**	**771.36**
B) Cash flow from investing activities		
Interest received	19.30	166.08
Purchase of property, plant and equipment	-	(0.67)
Proceeds from Sale of NCRPS	-	6,423.73
Fixed deposits made during the year net	-	16.06
Fixed deposits Redeem during the year net	477.50	-
Proceeds from Loans (Non Current)	-	1,137.83
Net cash flow generated from investing activities	**496.80**	**7,743.03**
C) Cash flow from financial activities		
Repayment of inter corporate deposits taken from Holding company	(42.45)	(7,722.67)
Proceeds from inter corporate deposits taken from Holding company	1,380.00	5,842.63
Borrowing costs paid	(1,447.50)	(3,153.24)
Repayment of long term borrowings	(598.58)	(3,449.06)
Net cash flow generated from/(used in) financial activities	**(708.53)**	**(8,482.34)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	47.01	32.05
Cash and cash equivalents as at the beginning of the year	81.90	49.85
Cash and cash equivalents as at the end of the year (refer note 9)	**128.91**	**81.90**
Cash and cash equivalents as per above comprising of the following:		
Balance with bank in current accounts	128.91	81.90

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.

2 Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

The accompanied notes form an integral part of the financial statements

As per our report of even date

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Sunny Gupta
Partner
Membership No. 523969

Place: New Delhi
Date: 12/05/2023

For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

Athar Shahab
(Director)
DIN-01824891

Place: Gurugram
Date: 12/05/2023

Alok Saxena
(Director & CEO)
DIN-08640419

Place: Aira, Lakhimpur
Date: 12/05/2023

Arvind Kumar Singh
(Chief Financial Officer)
PAN: CVQPS5662D

Place: Aira, Lakhimpur
Date: 12/05/2023

Nidhi Sharma
(Company Secretary)
Membership No.A46101

Place: Gurugram
Date: 12/05/2023

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

(All amounts in Lacs)

(a) Equity share capital

	Number of shares	Amount
Equity shares of INR 10/- each issued, subscribed and fully paid		
As at 31 March 2021	29,900,000.00	2,990.00
Issued during the period	-	-
As at 31 March 2022	29,900,000.00	2,990.00
Issued during the period	-	-
As at 31 March 2023	29,900,000.00	2,990.00

(b) Other equity

	Securities Premium	Retained Earning	Total
As at 31 March 2021	124.00	(7,598.99)	(7,474.99)
Loss for the year	-	(4,377.72)	(4,377.72)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(4,377.72)	(4,377.72)
As at 31 March 2022	124.00	(11,976.71)	(11,852.71)
Loss for the period	-	(1,733.42)	(1,733.42)
Other comprehensive income	-	-	-
	-	-	-
Total comprehensive loss for the period	-	(1,733.42)	(1,733.42)
As at 31 March 2023	124.00	(13,710.13)	(13,586.13)

The accompanied notes form an integral part of the financial statements

As per our report of even date

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Sunny Gupta
Partner
Membership No. 523969

Place: New Delhi
Date: 12/05/2023

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
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Zuari Sugar & Power Limited

For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

Athar Shahab
(Director)
DIN-01824891

Place: Gurugram
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(Chief Financial Officer)
PAN: CVQPS5662D

Place: Aira, Lakhimpur
Date: 12/05/2023

Nidhi Sharma
(Company Secretary)
Membership No.A46101

Place: Gurugram
Date: 12/05/2023

1. Corporate information

Zuari Sugar & Power Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company holds investments in securities of related companies and also, during the period ended 31st March, 2023, the Company has carried out the business of trading sugar. The Company's principal place of business is LRP Road, Jeewan and company, Lakhimpur Kheri, Uttar Pradesh -262701.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended time to time) notified under section 133 of the Companies Act, 2013 (the "Act").

The financial statements of the Company have been prepared on a historical cost basis except for certain financial assets (refer note 5) measured at fair value or net realizable value as applicable.

Company's financial statements are presented in Indian Rupees, which is also its functional currency. All amounts in financial statements and accompanying notes forming part of the financial statements are presented in Lakhs Indian Rupees and have been rounded off to two decimal place in accordance with the provisions of Schedule III, unless otherwise stated.

3. Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An **asset** is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A **liability** is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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b) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Sale of sugar/Salt/Besan:

For transfer of goods, the Company recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Company receives amount majorly in advance from the customers and therefore there are not any significant financing components involved.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received.

Interest income:
For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR)

Dividends:
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c) Taxes

Income tax comprises of current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that is related to an item recognised directly in equity or other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is

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no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and income taxes relate to the same taxable entity and the same taxation authority.

d) Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

e) Property, plant and equipment

All the items of the property, plant and equipment are stated as per cost model i.e. cost of acquisition less accumulated depreciation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

Recognition:

The costs including subsequent costs of an item of property, plant and equipment is recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

All other expenses including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period when such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting period and adjusted prospectively, if appropriate.

Depreciation, estimated useful life and residual life

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives: -

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Particulars	Life (years)
Computers	03
Office equipment	05

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

Recognition:

The costs of intangible asset is recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of three years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial reporting period and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(losses) arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

g) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash- generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

h) Leases

As a lessee

As inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated

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useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are to be paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

i) Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

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

j) Employee benefits

There are no employees directly on the payroll of the company. The employees are outsourced and are on the payroll of a fellow subsidiary i.e. Zuari Management Services Limited (ZMSL). The employee cost is debited by ZMSL on a monthly basis, basis actual salary expense (including Provident Fund) plus mark up. The provision for various employee benefits such as Bonus, Gratuity, Leave Encashment is also made by ZMSL and debited to the company on payment basis.

k) Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

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Financial assets and financial liabilities are initially measured at fair value using best estimates. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement the profit and loss.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Amortized cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated

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with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the statement of profit and loss are included in the 'Other income' line item.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost and financial asset designated as at FVTOCI.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from th financial asset expire or it transfers the financial assets, and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realisation on future date.

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l) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, 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 effect of all dilutive potential equity shares.

m) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Provisions, contingent liabilities and contingent assets

Provisions
Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities
In those cases, where the possible outflow of economic resources as a result of present obligations is considered not probable or where the amount of the obligation cannot be determined reliably, no liability is recognized.

Contingent assets
Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognised but disclosed in the financial statements, where economic inflow is probable.

o) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

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Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

p) Recent accounting pronouncement

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

ii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

(All amounts in Lacs)

4 (a) Property, plant and equipment

Particulars	Office equipments	Computers	Total
Year ended 31 March 2022			
Gross carrying amount			
As at 01 April 2021	0.02	0.57	0.59
Additions	-	0.66	0.67
Disposals	-	-	-
As at 31 March 2022	**0.02**	**1.23**	**1.25**
Accumulated depreciation			
As at 01 April 2021	0.02	0.09	0.11
Depreciation charge during the year	-	0.34	0.34
Adjustment for disposals	-	-	-
As at 31 March 2022	**0.02**	**0.43**	**0.45**
Net carrying amount	**-**	**0.80**	**0.80**
As at 31 March 2023			
Gross carrying amount			
As at 01 April 2022	0.02	1.24	1.25
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2023	**0.02**	**1.24**	**1.25**
Accumulated depreciation			
As at 01 April 2022	0.02	0.43	0.45
Depreciation charge during the period	-	0.38	0.38
Adjustment for disposals	-	-	-
As at 31 March 2023	**0.02**	**0.81**	**0.83**
Net carrying amount	**-**	**0.43**	**0.42**

4 (b) Other intangible assets

Particulars	Software	Total
Year ended 31 March 2022		
Gross carrying amount		
As at 01 April 2021	0.34	0.34
Additions	-	-
Disposals	-	-
As at 31 March 2022	**0.34**	**0.34**
Accumulated depreciation		
As at 01 April 2021	0.03	0.03
Depreciation charge during the period	0.11	0.11
Adjustment for disposals	-	-
As at 31 March 2022	**0.14**	**0.14**
Net carrying amount	**0.20**	**0.20**
As at 31 March 2023		
Gross carrying amount		
As at 01 April 2022	0.34	0.34
Additions	-	-
Disposals	-	-
As at 31 March 2023	**0.34**	**0.34**
Accumulated depreciation		
As at 01 April 2022	0.14	0.14
Depreciation charge during the period	0.11	0.11
Adjustment for disposals	-	-
As at 31 March 2023	**0.26**	**0.26**
Net carrying amount	**0.09**	**0.08**

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Zuari Sugar & Power Limited

(All amounts in Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
5 Financial assets		
Other financial assets		
Measured at amortised cost		
Security deposits (unsecured, considered good)	0.03	
Fixed deposits with banks (earmarked*)	-	477.50
Total	**0.03**	**477.50**

* Bank deposit of NIL (31 March 2022: INR 477.50 lacs) which is pledged in favour of IndusInd Bank Limited and Tata Capital Service Limited as a security against interest payment on the term loan facility provided by the lenders to the Company.

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Zuari Sugar & Power Limited

V. SANKAR AIYAR & CO.
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(All amounts in Lacs)

Particulars		As at 31 March 2023	As at 31 March 2022
6 Other non-current assets			
Prepaid expenses		0.29	-
	Total	**0.29**	**-**
7 Inventories			
Valued at lower of cost and net realisable value, unless otherwise stated			
Traded goods		17.76	7.79
	Total	**17.76**	**7.79**
8 Trade receivables			
Unsecured, considered good		119.26	68.44
	Total	**119.26**	**68.44**

Trade receivables ageing for the period ended 31st March 2023

S. No.	Particulars	Outstanding for the period ended 31 March 2023						
		Unbilled revenue	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	-	108.51	10.75	-	-	-	119.26
(ii)	Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**108.51**	**10.75**	**-**	**-**	**-**	**119.26**

Trade receivables ageing for the period ended 31st March 2022

S. No.	Particulars	Outstanding for the period ended 31st March 2022						
		Unbilled revenue	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	-	68.44	-	-	-	-	68.44
(ii)	Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**68.44**	**-**	**-**	**-**	**-**	**68.44**

9 Cash and cash equivalents			
Balances with banks			
- in current accounts		128.91	81.90
	Total	**128.91**	**81.90**
10 Loans			
Measured at amortised cost			
Short term loans to body corporates (unsecured, considered doubtful)		12.17	12.17
	Total	**12.17**	**12.17**
11 Other financial assets			
Measured at amortised cost			
Interest accrued on inter corporate deposits		2.18	0.51
Interest accrued on fixed deposits		-	19.09
Other receivables		240.00	400.00
	Total	**242.18**	**419.60**
12 Other current assets			
Advances to suppliers		7.76	0.27
Prepaid expenses		0.35	1.89
Balances with revenue authorities		433.39	400.42
	Total	**441.50**	**402.58**

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Zuari Sugar & Power Limited

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(All amounts in Lacs)

13 Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares (in lacs)	Amount	Number of shares (in lacs)	Amount
Authorised:				
Equity shares of INR 10/- each	300,000,000	3,000.00	300,000,000	3,000.00
Issued shares :				
Equity shares of INR 10/- each	299,000,000	2,990.00	299,000,000	2,990.00
Subscribed and fully paid-up shares :				
Equity shares of INR 10/- each	299,000,000	2,990.00	299,000,000	2,990.00
Total	**299,000,000**	**2,990.00**	**299,000,000**	**2,990.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Outstanding at the beginning of the period	29,900,000	2,990.00	29,900,000	2,990.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	**29,900,000**	**2,990.00**	**29,900,000**	**2,990.00**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares held by holding company

	As at 31 March 2023	As at 31 March 2022
Zuari Industries Limited	29,900,000	29,900,000

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% holding	Number of shares	% holding
Zuari Industries Limited*	29,900,000	100	29,900,000	100

(e) As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(f) The Company has neither issued/ alloted any shares for consideration other than cash, nor has issued bonus shares during the period of five years immediately preceeding the balance sheet date. Further, no shares have been reserved for issue under options and contracts/ commitments for sales of shares/ disinvestment by the Company.

(g) Details of share held by the promoters at the end of the year:

Shares held by promoters at the end of the year 31st March 2023			
Promoter Name	No of Shares	% of total Shares	% Change during the year
Zuari Industries Limited	29,900,000	100	-

Shares held by promoters at the end of the year 31st March 2022			
Promoter Name	No of Shares	% of total Shares	% Change during the year
Zuari Industries Limited	29,900,000	100	-

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V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

(All amounts in Lacs)

Particulars		As at 31 March 2023	As at 31 March 2022
14 Other equity			
Deficit in the Statement of Profit and Loss			
Opening balance		(11,976.71)	(7,598.99)
Loss of the period		(1,733.42)	(4,377.72)
Closing balance		**(13,710.13)**	**(11,976.71)**
Securities premium account#			
Opening balance		124.00	124.00
Received/(utilized) during the period		-	-
Closing balance		**124.00**	**124.00**
	Total	**(13,586.13)**	**(11,852.71)**

Nature and purpose:

Securities premium reserve is created when the Company issues shares at premium. The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions.

15 Borrowings (non current)			
Measured at amortised cost			
Indian rupee loan from others (Tata 1)		-	298.58
Indian rupee loan from others (Tata 2)		-	300.00
Inter corporate deposits from holding company (unsecured)		10,746.13	9,408.58
		10,746.13	**10,007.16**
Less: Current maturities of long term borrowings		-	598.58
		10,746.13	**9,408.58**
16 Borrowings (current)			
Current maturities of long term borrowings			
Indian rupee loan from others (Tata 1)		-	298.58
Indian rupee loan from others (Tata 2)		-	300.00
	Total	**-**	**598.58**
17 Trade payables			
-Total outstanding due of micro, small and medium enterprises		-	-
-Total outstanding due of creditors other than micro, small and medium enterprises		482.17	159.75
	Total	**482.17**	**159.75**

Trade Payable ageging for the year ended 31 March 2023:

Particulars	Outstanding for the year ended 31 March 2023					Total
	Unbilled dues	Less than 1 yr.	1-2 years	2-3 years	More than 3 yrs	
(i) MSME	-	-	-	-	-	**-**
(ii) Other than MSME	63.56	413.63	4.98	-	-	**482.17**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iii) Disputed dues - Others	-	-	-	-	-	**-**
Total	**63.56**	**413.63**	**4.98**	**-**	**-**	**482.17**

Trade Payable ageging for the year ended 31 March 2022:

Particulars	Outstanding for the year ended 31 March 2022					Total
	Unbilled dues	Less than 1 yr.	1-2 years	2-3 years	More than 3 yrs	
(i) MSME	-	-	-	-	-	**-**
(ii) Other than MSME	15.88	130.6	7.68	1.87	3.72	**159.75**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iii) Disputed dues - Others	-	-	-	-	-	**-**
Total	**15.88**	**130.60**	**7.68**	**1.87**	**3.72**	**159.75**

18 Other financial liabilities			
Security deposits (C&F)		70.00	70.00
	Total	**70.00**	**70.00**
19 Other current liabilities			
Statutory dues		148.63	96.35
Contract liabilities (advances from customers against sale of goods)		129.33	34.42
	Total	**277.96**	**130.77**

SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

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Zuari Sugar & Power Limited

(All amounts in Lacs)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
20 Revenue from operations			
Sale of Sugar		4,734.14	8,029.26
Sale of Besan		50.11	-
Sale of Salt		7.01	-
	Total	**4,791.26**	**8,029.26**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Receivables	119.26	68.44
Contract liabilities (advances from customers against sale of goods)	129.33	34.41

21 Other income			
Interest income on fixed deposits		0.03	30.71
Interest income from inter corporate deposits		1.86	87.69
Interest income on income tax refund		0.78	-
Gain on fair value measurement of financial assets		-	507.37
Profit on sale of mutual funds		-	1.62
Miscellaneous income		1.80	1.84
	Total	**4.46**	**629.23**
22 Purchase of stock-in-trade			
Purchase of sugar (Bulk)		4,538.51	6,845.66
Purchase of Besan		48.94	-
Purchase of Salt		8.80	-
	Total	**4,596.25**	**6,845.66**
Changes in inventories of stock-in-trade			
Inventories at the end of the period (traded goods)		17.76	7.79
Inventories at the beginning of the period (traded goods)		7.79	535.83
	Total	**(9.97)**	**528.05**
23 Employee benefits expense			
Salaries and bonus		92.92	87.22
	Total	**92.92**	**87.22**
24 Finance costs			
Interest expense on intercorporate deposits		1,447.50	1,663.44
Interest expense on term loans		-	317.50
	Total	**1,447.50**	**1,980.94**
25 Depreciation			
Depreciation on tangible assets		0.38	0.34
Amortization on intangible assets		0.11	0.11
	Total	**0.49**	**0.45**

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Zuari Sugar & Power Limited

(All amounts in Lacs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
26 Other expenses		
Legal and professional charges	2.29	8.12
Amortisation of deferred losses on NCRPS	-	507.37
Packing Materials	15.64	-
Rent	26.99	38.04
Transportation Charges	262.39	308.60
Insurance	6.25	9.96
Director sitting fees	1.40	2.20
Auditors remuneration*	4.00	5.00
Travelling	43.30	29.16
Commission	26.45	49.42
Business Promotion Expenses	0.46	5.38
Miscellaneous	5.04	2.47
Total	**394.22**	**965.72**
*Auditors remuneration for :		
Audit fees	2.50	2.25
Limited Review Fees	0.75	-
Tax audit fees	0.50	0.75
Gst Audit fees	0.25	2.00
Total	**4.00**	**5.00**

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Zuari Sugar & Power Limited

SANKAR AIYAR & CO.
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(All amounts in Lacs)

27 Income tax expense

Particulars	As at 31 March 2023	As at 31 March 2022
Accounting loss	(1,725.69)	(4,377.72)
Applicable tax rate	26.00%	26.00%
Expected tax expense	(448.68)	(1,138.21)
Tax effects of non-deductible expenses for tax purposes	345.96	1,198.35
Other		0.06
Deferred taxes not recognized (refer note below)	102.72	(60.20)
Actual tax expense	-	-

Note:

Deferred tax:

The Company has not recognized deferred tax asset on deductible temporary differences and unused tax losses in absence of reasonable certainty and availability of sufficient future taxable profits against which such difference and losses shall be utilized.

The amounts of deductible temporary differences and unused tax losses on which no deferred tax assets are recognised amounted to:

	As at 31 March 2023		As at 31 March 2022	
	Gross amount	**Unrecognized tax effect**	**Gross amount**	**Unrecognized tax effect**
Deductible temporary differences				
Book/ Tax WDV difference	(0.02)	(0.01)	(0.10)	(0.03)
Gratuity & Leave Encashment	0.86	0.22	0.72	0.19
Unused tax losses	1,002.74	260.71	607.89	158.05
	1,003.57	**260.93**	**608.51**	**158.21**

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Zuari Sugar & Power Limited

(All amounts in Lacs)

28 Leases

The Company has only short term leases. Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss and hence no lease liabilities and right of use asset is created.

The Company does not have any variable lease payment arrangements.

Amounts recognized in the statement of profit or loss

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Expenses relating to short-term leases	26.99	38.04

29 Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Loss attributable to equity holders of the parent company (INR)	(1,733.42)	(4,377.60)
Weighted average number of equity shares (No. in lacs)	299.00	299.00
Face value per share (INR)	10.00	10.00
Loss per share (Basic and Diluted) (INR)	(5.80)	(14.64)

30 Capital management

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.
The position on reporting date is summarized in the following table:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Total Debt (a)	10,746.13	10,007.16
Total Equity (b)	(10,596.13)	(8,862.71)
Debt to Equity ratio (a/b)	**(1.01)**	**(1.13)**

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Zuari Sugar & Power Limited

(All amounts in Lacs)

31 Fair value measurements

Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investment in NCRPS of GSML	-	-	-	-	-	-
Security deposits	-	-	0.03	-	-	-
Fixed deposits with banks and interest accrued thereon	-	-	-	-	-	477.50
Trade Receivable	-	-	119.26	-	-	68.44
Cash and cash equivalents	-	-	128.91	-	-	81.90
Loans	-	-	12.17	-	-	12.17
Other financial assets	-	-	242.18	-	-	419.60
Total financial assets	**-**	**-**	**502.55**	**-**	**-**	**1,059.61**
Financial liabilities						
Borrowings	-	-	10,746.13	-	-	10,007.16
Trade payables	-	-	482.17	-	-	159.75
Security Deposits			70.00			70.00
Total financial liabilities	**-**	**-**	**11,298.30**	**-**	**-**	**10,236.91**

Financial value hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

Notes:

There were not any financial assets or liabilities measured at fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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Zuari Sugar & Power Limited

(All amounts in Lacs)

32 Financial risk management objectives and policies

The Company is exposed to **market risk, credit risk and liquidity risk**. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **interest rate risk, currency risk and other price risk**, such as equity price risk. The Company is not exposed to currency risk and equity risk as it has no foreign currency transactions and equity investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The borrowings of the company is only in respect of Loan from Holding company which carries interest ratre of 15% as at 31st March 2023.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is mainly exposed to credit risk from its trade receivable.

Credit risk exposure:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	119.26	68.44
Other financial assets	242.18	419.60
	361.44	**488.04**

Note: The Company monitors its trade receivables regularly and there are no old outstanding balances.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the judicious use of equity and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on **contractual undiscounted payments.**

	Up to 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2023				
Borrowings	-	10,746.13	-	10,746.13
Trade payables	482.17	-	-	482.17
Security Deposits	70.00	-	-	70.00
	552.17	**10,746.13**	**-**	**11,298.30**
As at 31 March 2022				
Borrowings	598.58	9,408.58	-	10,007.16
Trade payables	159.75	-	-	159.75
Security Deposits	70.00	-	-	70.00
	828.33	**9,408.58**	**-**	**10,236.91**

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Zuari Sugar & Power Limited

(All amounts in Lacs)

33 Related party disclosures as per Ind AS 24:

List of related parties:

Related parties where control exists:

Holding Company	Zuari Industries Limited

Related parties with whom transactions have taken place during the period:

Fellow subsidiaries:

Zuari Finserv Limited
Zuari Management Services Limited

Key management personnel:

Related party	Designation
Mr. Alok Saxena	Director & Chief Executive Officer
Mr. Arvind Kumar Singh	Chief Financial Officer
Mr. Ayush Yadav	Company Secretary (upto 23rd Sep 2022)
Ms. Nidhi Sharma	Company Secretary (w.e.f 01st Nov 2022)

Related party transactions:

i) Holding company:

Nature of transaction and outstanding balance	As at 31 March 2023	As at 31 March 2022
Zuari Industries Limited		
Opening balance	9,454.24	12,490.25
Inter corporate deposit received	1,380.00	5,842.63
Inter corporate deposit repaid	42.45	7,722.67
Interest accrued/paid	1,447.50	1,663.44
Purchases of stock in trade	4,538.51	6,845.66
Amount received on behalf of ZIL	-	33.52
Amount received by ZIL on our behalf	0.21	9.88
Amount paid by them on our behalf	0.19	1.19
Employees Cost Transferred from ZIL	9.58	8.71
TDS Deducted on purchase of sugar	4.49	5.00
Sale of GSML NCRPS to ZIL	-	6,423.73
Closing balance (shown under non current borrowings)	10,746.13	9,408.58
Closing balance (shown under trade payables)	407.22	45.65

ii) Fellow subsidiaries:

Zuari Finserv Limited		
Opening balance (shown under other current assets)	4.98	-
Amount paid on behalf of the Company	-	0.96
Registrar and share transfer charges	0.10	0.10
Broking and depository charges paid	0.01	4.62
Rent expense	-	0.30
Employee benefits expense	-	2.26
Closing balance (shown under trade payables)	5.10	4.98

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Zuari Sugar & Power Limited

(All amounts in Lacs)

Nature of transaction and outstanding balance	As at 31 March 2023	As at 31 March 2022
Zuari Management Services Limited ('ZMSL')		
Opening balance	-	-
Salary Outsourcing	81.60	72.54
Closing balance (shown under Trade payable)	0.61	-
iv) Key Management Personnel		
Mr. Alok Saxena (in INR)		
Opening balance	1.00	-
Managerial remuneration	1.00	1.00
Amount Paid	-	-
Closing balance	2.00	1.00
Mr. Arvind Kumar Singh		
Managerial remuneration	0.70	1.20
Mr. Ayush Yadav		
Managerial remuneration	1.42	3.60

34 Particulars of loans given in accordance with section 186(4) of the Companies Act, 2013:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Short term loans given to provide financial assistance to corporates for general business purpose:		
Texmaco Rail and Engineering Limited (@ 15.25% p.a.)		
Opening balance	12.17	1,150.00
Loans given during the year	-	12.17
Loans repaid/adjusted during the year	-	1,150.00
Closing balance	12.17	12.17
Total	**12.17**	**12.17**

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35. Ratio Analysis

a. Current Ratio= Current assets divided by Current Liabilities

Particulars	31-Mar-23	31-Mar-22
Current Assets	961.78	992.48
Current Liabilities	830.13	959.10
Ratio	1.16	1.03
% change from previous Period/ year	11.96%	

The ratio has increased due to repayment of borrowing and increase in trade payable.

b. Debt equity ratio= total debt divided by total shareholder's 's equity

Particulars	31-Mar-23	31-Mar-22
Total Debt	10,746.13	10,007.16
Total equity	(10,596.13)	(8,862.71)
Ratio	(1.01)	(1.13)
% change from previous period/ year	-10.18%	

The ratio has changed due to increase in (debt) borrowings and decrease in equity.

c. Debt service coverage ratio= earnings available for debt services divided by total interest and principal repayments

Particulars	31-Mar-23	31-Mar-22
Profit(loss) after tax	(1,733.42)	(4,377.72)
Add: Non cash operating expenses and finance cost		
Depreciation	0.49	0.45
Finance costs	1,447.50	1,980.94
Earnings available for debt service	**(285.43)**	**(2,396.32)**
Interest on borrowings	1,447.50	3,153.24
Principal repayments (net of proceeds from Holding company)	(738.97)	5,329.10
Total Interest and principal repayments	**708.53**	**8,482.34**
Ratio	(0.40)	(0.28)
% change from Previous period/ year	42.60%	

The ratio has changed due to recuction in loss and reduced repayment of borrowings/ interest in current year.

d. Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity

Particulars	31-Mar-23	31-Mar-22
Net profit/ (loss) after tax	(1,733.42)	(4,377.72)
Average shareholders's equity	(9,729.42)	(2,188.86)
Ratio	17.82%	200.00%
% change from previous period/ year	-182.18%	

The ratio has changed year on year due to increase in Losses after tax.

e. Inventory turnover ratio= Net sales divided by average Inventory

Particulars	31-Mar-23	31-Mar-22
Sale of goods (Net sales)	4,791.26	8,029.26
Average Inventory	12.77	271.81
Ratio	375.14	29.54
% change from previous period/ year	1169.94%	

The ratio has increased in FY 2021-22 due to siginificant decrease in Inventory.

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f. Trade receivables turnover ratio= Net sales divided by average trade receivables

Particulars	31-Mar-23	31-Mar-22
Sale of goods (Net sales)	4,791.26	8,029.26
Average trade receivables	93.85	40.92
Ratio	51.05	196.21
% change from previous period/ year	-73.98%	

The ratio is fluctuating year on year due to variability in sales/ collection.

g. Trade Payables turnover ratio= Net Purchases divided by average trade Payables

Particulars	31-Mar-23	31-Mar-22
Net purchases	4,990.47	7,304.01
Average Trade Payable	320.96	108.21
Ratio	15.55	67.50
% change from previous period/ year	-76.97%	

The ratio has decreased in FY 2021-22 due increase in trade payables.

h. Net capital turnover ratio= Net sales divided by working capital

Particulars	31-Mar-23	31-Mar-22
Sale of goods (Net sales)	4,791.26	8,029.26
Working Capital	119.48	619.79
Ratio	40.10	12.95
% change from previous period/ year	209.55%	

The ratio is fluctuating year on year due to settlement of Loans , Investments & borrowings during the year.

i. Net profit turnover ratio= Net profit after tax divided by Net sales

Particulars	31-Mar-23	31-Mar-22
Net profit/(loss) after tax	(1,733.42)	(4,377.72)
Sale of goods (Net Sales)	4,791.26	8,029.26
Ratio	-36.18%	-54.52%
% change from previous period/ year	18.34%	

The ratio has decreased due to variations in PAT (due to exceptions income from sale of investments).

j. Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	31-Mar-23	31-Mar-22
Profit/(loss) before tax *	(1,725.69)	(4,377.72)
Add: finance costs	1,447.50	1,980.94
EBIT*	**(278.19)**	**(2,396.77)**
Tangible Net worth (total assets- total liablities- Intangible assets)	(10,596.22)	(8,862.91)
Total debt	10,746.13	10,007.16
Capital Employed	**149.91**	**1,144.25**
Ratio	-185.57%	-209.46%
% change from previous period/ year	23.89%	

The ratio has changed year on year due to exceptional loss from sale of investments in 2021-22.

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36 Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 :

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid	-	-
Interest accrued and due thereon remaining unpaid	-	-
Interest paid by the company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act , 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

37 Segment information

The management of the Company does not separately review the different sources of revenues for the Company. Therefore, there are no reportable segments as per the management of the Company.

38 During the year ended 31 March 2023, the Company has incurred a book loss of INR 1,733.42 lacs (31 March 2022: INR 4,377.72 lacs) besides also incurring a cash loss primarily on account of finance costs and as on 31 March 2023, the accumulated losses of the Company amounted to INR 13,702.39 lacs (31 March 2022 INR 11,976.71 lacs). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Zuari Industries Limited (the holding company) has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future.

In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.

39 Scheme of Amalgamation

The Board of Directors of the Company, vide resolution dated 31st January, 2023 has accorded its consent for Scheme of Amalgamation with Zuari Industries Limited (Holding company) and their respective shareholders and creditors. The Board of Directors of Zuari Industries Limited has also accorded consent to the Scheme vide its resolution dated 13th February, 2023.

The Company filed the first motion application with Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) on 27th March, 2023. The First hearing was done on 11th May 2023 and the order is awaited.

The appointed date of Amalgamation as per scheme is 1st April, 2022.

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Zuari Sugar & Power Limited

(All amounts in Lacs)

40 Contingent liability :

Claims against the company, not acknowledged as debts - INR Nil (Previous year - Nil).

41 Additional disclosures:

(a) Compliance with number of layers of companies:

No layers of companies has been established beyond the limits prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(b) Relationship with Struck off Companies:

The company has not made any transaction with struck off companies under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956.

(c) Undisclosed income:

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 for the year ended 31 March 2023 and 31 March 2022.

(d) No bank or Financial institutions has declared the company as "Wilful defaulter".

(e) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction of charge is pending for the year ended 31 March 2023 and for the year ended 31 March 2022.

(f) The Company has not taken any loan from banks or financial institution during the year where it has secured its current assets.

(g) Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the year
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the year

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V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

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(All amounts in Lacs)

(h) Corporate Social Responsibility:

Company is not required to allocate the amount towards the CSR, hence disclosures are not applicable.

(i) Transaction with respect to crypto currency or virtual currency:

Particulars	Description
Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year

42 The financial statements were approved for external use by the Board of Directors on 12th May, 2023.

43 Previous year figures have been re-grouped wherever necessary to correspond to current year figures.

As per our report of even date

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Sunny Gupta
Partner
Membership No. 523969
Place: New Delhi
Date: 12/05/2023

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Zuari Sugar & Power Limited

For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

Athar Shahab
(Director)
DIN-01824891
Place: Gurugram
Date: 12/05/2023

Alok Saxena
(Director & CEO)
DIN-08640419
Place: Aira, Lakhimpur
Date: 12/05/2023

Arvind Kumar Singh
(Chief Financial Officer)
PAN: CVQPS5662D
Place: Aira, Lakhimpur
Date: 12/05/2023

Nidhi Sharma
(Company Secretary)
Membership No.A46101
Place: Gurugram
Date: 12/05/2023