

**GODAVARI BIOREFINERIES LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2024**

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
	4	84,816.48	36,424.46
(b) Capital Work-in-Progress	4	1,672.28	836.30
(c) Right-of-use	4A	45.10	47.48
(d) Intangible Assets	5	70.13	94.07
(e) Intangible Assets Under Development	5A	1,242.06	867.67
<b>(f) Financial Assets</b>			
(i) Investments	6	1,604.44	1,604.44
(ii) Trade Receivables	8	71.65	627.64
(iii) Loans	6	225.00	175.00
(iv) Other Financial Assets	6	1,816.22	1,367.26
(g) Other Non-Current Assets	11	1,759.21	1,502.67
		<b>93,322.57</b>	<b>93,546.99</b>
<b>Current assets</b>			
(a) Inventories	7	80,155.09	51,735.32
<b>(b) Financial Assets</b>			
(i) Trade Receivables	8	18,195.02	20,594.44
(ii) Cash and Cash Equivalents	9	119.92	62.82
(iii) Bank Balances Other than (ii) above	10	2,145.97	2,350.69
(iv) Other Financial Assets	6	1,219.33	271.52
(c) Other Current Assets	11	3,589.48	5,521.23
		<b>1,05,424.81</b>	<b>80,536.02</b>
<b>TOTAL</b>		<b>1,98,747.35</b>	<b>1,74,083.01</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	4,194.30	4,194.30
(b) Other Equity	14	45,243.54	44,245.45
		<b>49,437.84</b>	<b>48,439.75</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	35,547.93	46,018.81
(ii) Lease Liabilities	16	24.84	50.14
(iii) Other Financial Liabilities	17	108.15	17.87
(b) Provisions	20	229.92	206.83
(c) Deferred Tax liabilities (Net)	12	2,165.18	2,205.87
(d) Other Non-Current Liabilities	19	52.78	70.21
		<b>38,128.80</b>	<b>48,569.73</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	29,858.29	27,514.70
(ii) Lease Liabilities	16	27.86	5.32
(iii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		1,212.52	1,480.49
(B) total outstanding dues of creditors other than micro enterprises and small		62,081.41	38,532.06
(iv) Other Financial Liabilities	17	3,832.14	4,172.18
(b) Other Current Liabilities	19	13,758.15	4,880.86
(c) Provisions	20	410.34	487.92
		<b>1,11,180.71</b>	<b>77,073.53</b>
<b>TOTAL</b>		<b>1,98,747.35</b>	<b>1,74,083.01</b>

Material Accounting Policies and Notes on Accounts form an integral part of the Standalone financial statements.  
As per our report of even date attached

1 to 47

For VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number : 112118W

Sandeep Ramesh Verma  
Partner  
Membership No. 045711



For and on behalf of the Board of Directors

*Samir Shantil Somaiya*  
Samir Shantil Somaiya  
Chairman and Managing Director  
(DIN : 00295458)

*Sangeeta Arunkumar Srivastava*  
Sangeeta Arunkumar Srivastava  
Executive Director  
(DIN : 00480462)

*Swarna Gunware*  
Swarna Gunware  
Company Secretary

*Manoj Jain*  
Manoj Jain  
Company Secretary &  
Compliance Officer

*Naresh Sitaram Khetan*  
Naresh Sitaram Khetan  
Chief Financial Officer

(Membership No: 32787)

(Membership No : 7998)

(Membership No : F037264)

Place : Mumbai  
Date : 31st May 2024

Place : Mumbai  
Date : 31st May 2024

**GODAVARI BIOREFINERIES LIMITED****STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in INR Lakhs)

Particulars	Notes	2023-24	2022-23
<b>REVENUE</b>			
Revenue from Operations	22	1,67,545.87	2,00,028.13
Other income	23	1,381.04	752.65
<b>Total Income (I)</b>		<b>1,68,926.91</b>	<b>2,00,780.78</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	1,53,212.43	1,31,216.28
Purchases of stock-in-trade	25	468.69	372.18
Decrease / (Increase) in inventories of finished goods, finished goods in transit, stock in trade and work-in-process	26	(36,664.63)	6,152.31
Employee benefits expense	27	11,527.36	11,407.56
Finance costs	28	7,551.43	7,253.27
Depreciation and amortization expense	29	5,962.72	4,957.97
Other expenses	30	25,834.76	37,076.08
<b>Total Expenses (II)</b>		<b>1,67,892.76</b>	<b>1,98,435.65</b>
<b>Profit/(loss) before tax (I-II)</b>		<b>1,034.15</b>	<b>2,345.13</b>
<b>Tax expense/(credit):</b>			
Adjustment of tax relating to earlier periods		(0.30)	(0.20)
Deferred tax		(21.88)	1,145.43
		<b>(22.18)</b>	<b>1,145.23</b>
<b>Profit/(loss) for the year (A)</b>		<b>1,056.33</b>	<b>1,199.90</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of gains (losses) on defined benefit plans		(74.75)	(250.37)
Income tax effect		18.81	63.02
<b>Other Comprehensive income for the year, net of tax (B)</b>		<b>(55.94)</b>	<b>(187.35)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (A + B)</b>		<b>1,000.39</b>	<b>1,012.54</b>
<b>Earnings per share for profit attributable to equity shareholders</b>			
Basic and Diluted EPS	32	2.52	2.86

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As per our report of even date attached

For VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number : 112118W

  
Sandeep Ramesh Verma  
Partner

Membership No. 045711

Place : Mumbai  
Date : 31st May 2024



For and on behalf of the Board of Directors

  
Samir Shankar Somaiya  
Chairman and Managing Director  
(DIN : 00295458)

  
Sangeeta Arunkumar Srivastava  
Executive Director  
(DIN : 00480462)

  
Swarna Gunware  
Company Secretary

  
Manoj Jain  
Company Secretary &  
Compliance Officer

  
Naresh Sitaram Khetan  
Chief Financial Officer

(Membership No:32787)

(Membership No :7998)

(Membership No : F037264)

Place : Mumbai  
Date : 31st May 2024



**GODAVARI BIOREFINERIES LIMITED**

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	2022-23
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit / (Loss) before tax	1,034.15	2,345.13
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,962.72	4,957.97
Loss/ (Profit) on Sale of Property, Plant and Equipment	8.75	96.58
Sundry Debit/(Credit) Balances Written Off/Back (Net)	20.76	15.78
Loss allowance on debts / Advances	59.18	78.49
Loss Allowance on receivables	(16.49)	(275.54)
Interest income classified as investing cash flows	(1,052.93)	(214.96)
Interest and finance charges	7,551.43	7,253.27
Fair value (gain)/loss on financial instrument at FVTPL	12.08	77.19
Government grant income	(18.43)	(18.32)
Adjustment of tax relating to earlier periods	(0.30)	(0.20)
Unrealised foreign currency (gain)/loss	(605.19)	(207.95)
<b>Change in operating assets and liabilities:</b>		
Trade payables	23,499.23	(17,278.89)
Other liabilities	8,034.39	5,466.09
Provisions	(129.25)	(120.78)
Trade receivables	3,338.59	(3,319.68)
Inventories	(28,419.77)	13,433.84
Other assets	522.62	6,338.66
<b>Cash generated from operations</b>	<b>19,801.55</b>	<b>18,626.68</b>
Less: Income taxes paid	(165.04)	(165.46)
<b>Net cash inflow from operating activities</b>	<b>19,636.50</b>	<b>18,461.22</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchase of property, plant and equipment (net)	(5,569.19)	(21,721.48)
Proceed from sale of property, plant and equipment	19.33	15.38
Addition of Investment	-	(200.00)
Interest received	1,036.79	214.96
<b>Net cash outflow from investing activities</b>	<b>(4,513.07)</b>	<b>(21,691.14)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of non current borrowings	(6,176.79)	(7,686.65)
Pre-repayment of Non Current Borrowings	-	(4,500.00)
Proceeds of non current borrowings	-	24,655.49
(Decrease) / Increase in current borrowings	(1,847.51)	(2,301.02)
Repayment of lease liabilities	(40.58)	(21.47)
Interest and finance charges paid	(7,001.45)	(7,007.39)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(15,066.33)</b>	<b>3,138.96</b>
Net increase (decrease) in cash and cash equivalents	57.10	(90.97)
Cash and Cash Equivalents at the beginning of the financial year	62.82	153.79
<b>Cash and Cash Equivalents at end of the period/year</b>	<b>119.92</b>	<b>62.82</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks:		
- On current accounts	115.59	54.82
Cash on hand	4.33	8.00
<b>Total cash and cash equivalents (Refer Note No.9)</b>	<b>119.92</b>	<b>62.82</b>
<b>Balances per statement of cash flows</b>	<b>119.92</b>	<b>62.82</b>

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
- Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification.
- Reconciliation between opening and closing balance sheet for liabilities arising from financing activities : Refer Note 15E

Material Accounting Policies and Notes on Accounts form an integral part of the Standalone financial statements. 1 to 47  
As per our report of even date attached

For VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number : 112118W

Sandeep Ramesh Verma  
Partner  
Membership No. 045711

Place : Mumbai  
Date : 31st May 2024



For and on behalf of the Board of Directors

Samir Shantil Sonaiya  
Chairman and Managing Director  
(DIN : 00295458)

Syarna Gunware  
Company Secretary  
(Membership No:32787)

Place : Mumbai  
Date : 31st May 2024

Sangeeta Arunkumar Srivastava  
Executive Director  
(DIN : 00480462)

Naresh Sitaram Khetan  
Chief Financial Officer  
(Membership No : F037264)

Manoj Jain  
Company Secretary &  
Compliance Officer  
(Membership No : 7998)

**GODAVARI BIOREFINERIES LIMITED**

**STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2024**

**A Equity Share Capital**

Particulars	(Amount in INR Lakhs)				
	Balance at the Beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2023					
Numbers	4,19,43,023	-	4,19,43,023	-	4,19,43,023
Amount (in lakhs)	4,194.30	-	4,194.30	-	4,194.30
March 31, 2024					
Numbers	4,19,43,023	-	4,19,43,023	-	4,19,43,023
Amount (in lakhs)	4,194.30	-	4,194.30	-	4,194.30

**B Other Equity**

Particulars	Reserves and Surplus					Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Other items of Other Comprehensive Income	
As at March 31, 2022	26,260.94	1,865.38	573.50	14,533.09	-	43,232.91
Profit for the period	-	-	-	1,199.90	-	1,199.90
Other Comprehensive Income	-	-	-	(187.35)	-	(187.35)
Total comprehensive income for the year	-	-	-	1,012.54	-	1,012.54
As at March 31, 2023	26,260.94	1,865.38	573.50	15,545.63	-	44,245.46
Prior period error (ROU)	-	-	-	(2.31)	-	(2.31)
Profit for the period	-	-	-	1,056.33	-	1,056.33
Other Comprehensive Income	-	-	-	(55.94)	-	(55.94)
Total comprehensive income for the year	-	-	-	998.09	-	998.09
As at March 31, 2024	26,260.94	1,865.38	573.50	16,543.72	-	45,243.54

Material Accounting Policies and Notes on Accounts form an integral part of the Standalone financial statements.

1 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

For VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number : 112118W

Sandeep Ramesh Verma  
Partner  
Membership No. 045711

Place : Mumbai  
Date : 31st May 2024



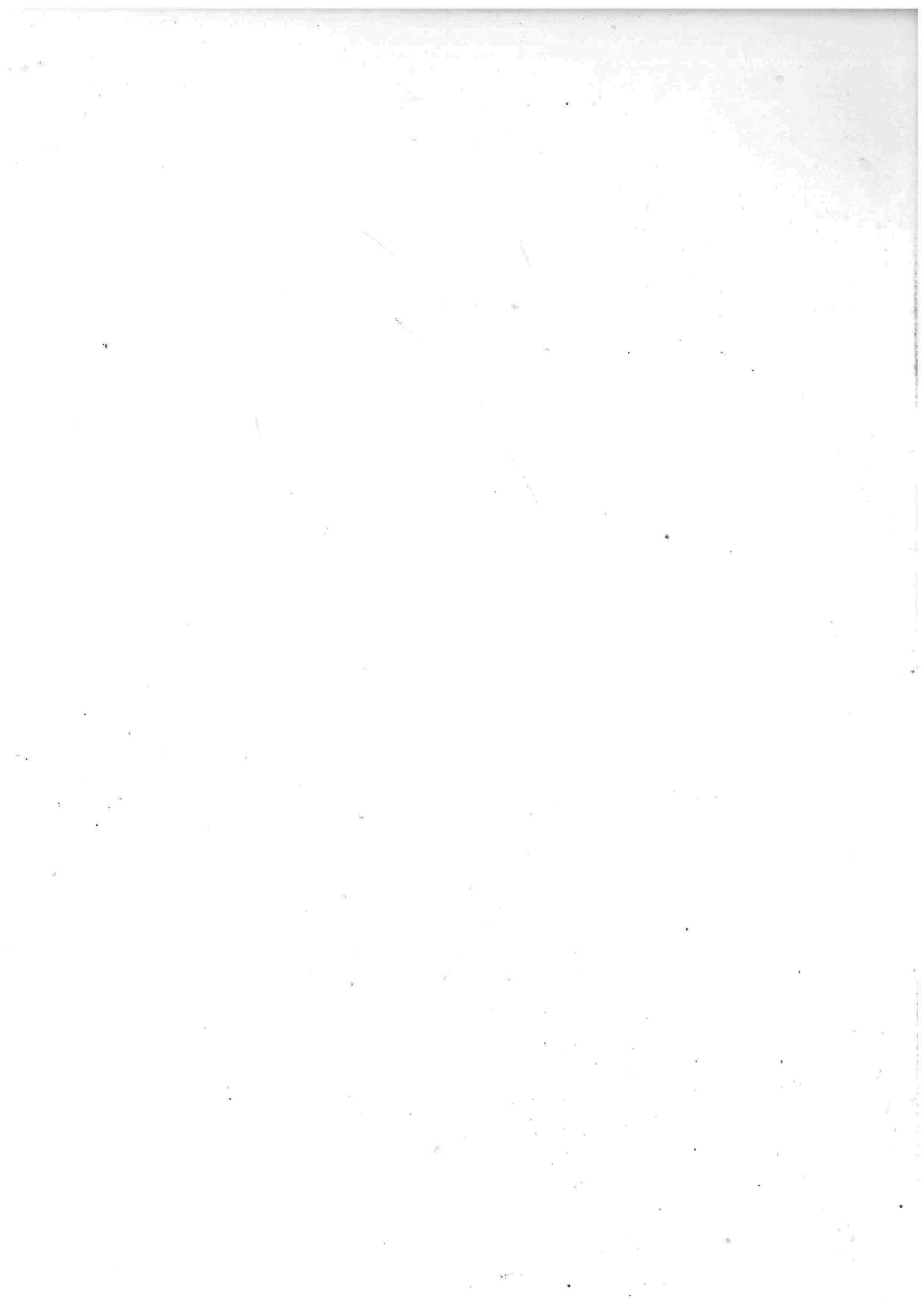
Samir Shantila/Somaliya  
Chairman and Managing Director  
(DIN : 00295458)

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(Membership No:32787)  
Place : Mumbai  
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Chief Financial Officer  
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## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

#### **1 Corporate Information**

These statements comprise financial statements of Godavari Biorefineries Limited (referred to as "the Company") (CIN: U67120MH1956PLC009707) for the year ended March 31, 2024. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its Equity share and Debentures (Bonds) are not listed.

The registered office of the company is located at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

The Company is principally engaged in the manufacturing of sugar, distillery, bio Chemicals and other bio products.

The financial statements were approved by the Board of Directors and authorised for issue on 31st May 2024.

#### **2 Material Accounting Policies**

##### **2.1 Basis of preparation**

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 by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification (refer accounting policy regarding financial instruments),
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2.2 Summary of material accounting policies**

###### **(a) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it meets the recognition criteria. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

###### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated on straight line method using the useful lives estimated by the management. If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter and or longer than the envisaged in the aforesaid schedule, depreciation is provided at a higher/lower rate, as the case may be based on the management's estimate of the useful life/ remaining useful life.

The Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The residual values are not more than 5% of the original cost of the asset.

Sr no	Particulars	Useful years
1	Free Hold Land	10 to 99



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

2	Building	35 to 60
3	Plant and Equipments	25 to 40
4	Furniture and Fixtures	15 to 25
5	Vehicles	3 to 15
6	Office Equipments	2 to 12
7	Computer Hardwares	3 to 5

#### **(b) Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal 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 and loss.

Subsequent expenditure is capitalised only if it increases the future economic benefits from the specific asset to which it relates.

#### **Amortisation methods and periods**

Intangible assets comprising of patents and Softwares & Others are amortized on a straight line basis over the useful life of five to six years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

#### **(c) Research and development**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

#### **(d) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **(e) Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss.

#### **(f) Financial Instruments**

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

##### **(i) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

##### **(ii) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- the 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.

#### **(iii) Fair Value through Profit or Loss (FVTPL)**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

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.

#### **Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

##### **(i) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

##### **(ii) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

#### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Equity investment in subsidiaries and associates**

Investment in subsidiaries and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **(g) Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

#### **(h) Taxes**

#### **(i) Current income tax**





## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 W.E.F Accounting period 2021-2022.

Current and previous year 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. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 W.E.F Accounting period 2021-2022.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

#### **(ii) Deferred tax**

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized 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 income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

#### **(i) Inventories:**

**Raw Materials** are valued at lower of moving average cost or net realisable value.

**Stores and Spares** are valued at moving average cost.

**Work-in-Progress** stocks is converted into equivalent units of finished stocks. Work-in-Progress valued at lower of cost or net realisable value.

**Finished stocks** are valued at cost or net realisable value whichever is lower.

Bagasse, Molasses and waste/scrap generated in the production process are valued at net realisable value.

The valuation of inventories includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of inventory, net of excise duty/ Goods and Service tax/countervailing duty / education cess and value added tax.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

#### **(j) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company collects taxes such as GST, sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with customers".

#### **(i) Sale of goods**

Revenue from sale of manufactured and traded goods is recognised at the point in time when control of the asset is transferred to the customer, generally as it leaves the Company's warehouse. The normal credit term is upto 90 days upon delivery.

Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.

#### **(ii) Interest income**

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

#### **(iii) Dividend income**

Dividends are recognised when right to receive is established.

#### **(iv) Other income**

Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.





## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

#### **(k) Employee Benefit Obligations:**

##### **(i) Short-term obligations**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

##### **(ii) Other long-term employee benefit obligations**

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

##### **(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) defined benefit plans viz gratuity,
- (b) defined contribution plans viz state governed provident fund scheme and employee pension scheme.

##### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The plan assets are administered by the approved gratuity fund trust.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

##### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **(l) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **(m) Leases**

##### **(i) As a lessee**

The company recognises 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 useful lives of right-of-use assets are determined on the same basis as those of property and equipment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term. 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 not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured 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 company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured 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.



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

#### **Short-term leases and leases of low-value assets**

The company has elected to apply the recognition exemption for short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Purchase Power Agreement (PPA) has not been considered as finance lease as per Ind AS 116.

#### **(n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

#### **(o) Borrowing Costs:**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **(p) Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### **(q) Earnings per share**

##### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, (adjusted for bonus elements in equity shares issued during the year)

##### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- by the weighted average number of equity shares outstanding during the financial year, (adjusted for bonus elements in equity shares issued during the year)

#### **(r) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### **(s) Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ 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



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

- 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.

#### **(t) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

#### **3 Significant accounting judgments, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

##### **Critical Estimates and Judgments**

#### **(i) Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

#### **(ii) Estimation of net realizable value for inventories**

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

#### **(iii) Recoverability of trade receivables**

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience except for power receivables.

#### **(iv) Useful lives of property, plant and equipment/intangible assets**

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **(v) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

#### **(vi) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **4 Recent accounting developments and pronouncements :**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31,2024 to amend the following Ind AS which are effective for annual periods beginning on or after April 01,2024. The Company applied for the first-time these amendments.

##### **(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

##### **(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

##### **(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01,2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**4. PROPERTY, PLANT AND EQUIPMENT**

Particulars	(Amount in INR Lakhs)									
	Gross carrying value				Accumulated Depreciation				Net carrying value	
	As at March 31, 2023	Additions	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2023	During the Year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Free Hold Land	25,953.42	-	-	25,953.42	-	-	-	-	25,953.42	25,953.42
Building	8,633.70	297.94	-	8,931.64	1,611.57	319.18	-	1,930.75	7,000.89	7,022.13
Plant and Equipments	82,802.90	3,903.83	131.99	86,574.75	29,949.28	5,454.38	109.10	35,294.55	51,280.20	52,853.62
Furniture and Fixtures	327.28	1.39	-	328.67	167.52	29.84	-	197.36	131.31	159.76
Vehicles	570.81	65.39	52.20	584.00	283.17	44.77	48.00	279.94	304.06	287.64
Office Equipments	263.78	13.85	11.33	266.29	173.71	19.05	10.44	182.31	83.98	90.07
Computer Hardwares	255.63	45.93	0.45	301.11	197.82	41.01	0.35	238.48	62.63	57.81
<b>Total (I)</b>	<b>1,18,807.52</b>	<b>4,328.33</b>	<b>195.97</b>	<b>1,22,939.88</b>	<b>32,383.07</b>	<b>5,908.23</b>	<b>167.89</b>	<b>38,123.40</b>	<b>84,816.48</b>	<b>86,424.45</b>
Capital Work in Progress	836.30	4,812.33	3,976.35	1,672.28	-	-	-	-	1,672.28	836.30
<b>Total (II)</b>	<b>836.30</b>	<b>4,812.33</b>	<b>3,976.35</b>	<b>1,672.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,672.28</b>	<b>836.30</b>
<b>(I + II)</b>	<b>1,19,643.81</b>	<b>9,140.66</b>	<b>4,172.32</b>	<b>1,24,612.16</b>	<b>32,383.07</b>	<b>5,908.23</b>	<b>167.89</b>	<b>38,123.40</b>	<b>86,488.76</b>	<b>87,260.74</b>

Particulars	(Amount in INR Lakhs)									
	Gross carrying value				Accumulated Depreciation				Net carrying value	
	As at March 31, 2022	Additions	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2022	During the Year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Free Hold Land	24,042.32	1,912.76	1.66	25,953.42	-	-	-	-	25,953.42	24,042.32
Building	6,312.66	2,321.45	0.41	8,633.70	1,357.41	254.37	0.21	1,611.57	7,022.13	4,955.25
Plant and Equipments	62,583.26	20,492.22	272.58	82,802.90	25,569.39	4,546.52	166.63	29,949.28	52,853.62	37,013.87
Furniture and Fixtures	290.47	36.81	-	327.28	135.56	31.96	-	167.52	159.76	154.91
Vehicles	449.83	142.73	21.75	570.81	258.54	42.26	17.63	283.17	287.64	191.30
Office Equipments	233.46	30.32	-	263.78	156.26	17.45	-	173.71	90.07	77.20
Computer Hardwares	247.93	23.26	15.56	255.63	175.33	38.03	15.54	197.82	57.81	72.61
<b>Total (I)</b>	<b>94,159.93</b>	<b>24,959.55</b>	<b>311.96</b>	<b>1,18,807.52</b>	<b>27,652.48</b>	<b>4,930.59</b>	<b>200.01</b>	<b>32,383.07</b>	<b>86,424.46</b>	<b>66,507.45</b>
Capital Work in Progress	4,371.63	19,769.92	23,305.25	836.30	-	-	-	-	836.30	4,371.63
<b>Total (II)</b>	<b>4,371.63</b>	<b>19,769.92</b>	<b>23,305.25</b>	<b>836.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836.30</b>	<b>4,371.63</b>
<b>(I + II)</b>	<b>98,531.56</b>	<b>44,729.47</b>	<b>23,617.22</b>	<b>1,19,643.82</b>	<b>27,652.48</b>	<b>4,930.59</b>	<b>200.01</b>	<b>32,383.07</b>	<b>87,260.76</b>	<b>70,879.08</b>

**Notes :**

**i. Borrowing Cost Capitalised**

The amount of borrowing cost capitalised during the year ended March 31, 2024 was Nil (March 31, 2023 INR 290.43 lakhs).

**ii. Contractual Obligations**

Refer to Note 34 A for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**iii. Revaluation of Property, Plant and Equipment**

The company has elected to measure certain items of property, plant and equipment viz. Land at fair value as on 1st April 2017. Hence at the date of transition to Ind AS, an increase of INR 23,727.25 Lakhs was recognised in property, plant and equipment and a Revaluation Reserve of INR 23,727.25 Lakhs had been created towards this and transferred to Retained Earnings. However, the Company has earmarked the Revaluation Reserve separately and it is not available for distribution of dividends and bonus. The Valuation was carried out by registered approved valuer.





**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(iv) Details of Capital work in Progress (CWIP) are as below :

(A) CWIP ageing schedule as at March 31, 2024

(Amount in INR Lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress	1,482.55	189.73	-	-	1,672.28
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,482.55</b>	<b>189.73</b>	<b>-</b>	<b>-</b>	<b>1,672.28</b>

CWIP ageing schedule as at March 31, 2023

(Amount in INR Lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress	836.26	-	-	-	836.26
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>836.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836.26</b>

(B) CWIP completion schedule as at March 31, 2024 and March 31, 2023

As on the date of the financial statement, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan and thus completion schedule is not given.

(v) Title deeds of Immovable Properties not held in name of the Company as at March 31, 2024 and March 31, 2023 - NA

**4A. RIGHT OF USE ASSETS**

(Amount in INR Lakhs)

Particulars	Gross carrying value				Accumulated Depreciation				Net carrying value	
	As at March 31, 2023	Additions	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2023	During the Year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Office Building	83.07	29.54	(4.58)	108.03	35.59	30.55	(3.21)	62.93	45.10	47.48
<b>Total</b>	<b>83.07</b>	<b>29.54</b>	<b>(4.58)</b>	<b>108.03</b>	<b>35.59</b>	<b>30.55</b>	<b>(3.21)</b>	<b>62.93</b>	<b>45.10</b>	<b>47.48</b>

(Amount in INR Lakhs)

Particulars	Gross carrying value				Accumulated Depreciation				Net carrying value	
	As at March 31, 2022	Additions	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2022	During the Year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Office Building	89.86	9.84	(16.63)	83.07	35.36	16.86	(16.63)	35.59	47.48	54.50
<b>Total</b>	<b>89.86</b>	<b>9.84</b>	<b>(16.63)</b>	<b>83.07</b>	<b>35.36</b>	<b>16.86</b>	<b>(16.63)</b>	<b>35.59</b>	<b>47.48</b>	<b>54.50</b>

Notes :

(i) The Company has not revalued Rights to use assets for the reporting year.

(ii) The Company has entered into lease arrangements for its office purpose. These leasing arrangements are of 3 to 5 years on an average and are usually renewable by mutual consent on mutually agreeable terms.

(iii) The following amount are recognised in the statement of profit and loss:

(Amount in INR Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on ROU asset (Refer Note 29)	30.55	16.86
Interest on lease liabilities (Refer Note 28)	7.43	6.31
Expenses relating to short term leases (Refer Note 30)	179.09	177.73
	<b>217.07</b>	<b>200.90</b>

(iv) Refer note 16 for disclosures pertaining to lease liabilities

(v) The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**5. INTANGIBLE ASSETS**

Particulars	(Amount in INR Lakhs)									
	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31,2023	Additions	Deductions/ Adjustments	As at March 31,2024	As at March 31,2023	During the Year	Deductions/ Adjustments	As at March 31,2024	As at March 31,2024	As at March 31,2023
Patents	30.02	-	-	30.02	24.24	5.34	-	29.58	0.44	5.78
Software & Others	92.98	-	-	92.98	4.69	18.60	-	23.29	69.69	88.29
<b>Total</b>	<b>123.00</b>	<b>-</b>	<b>-</b>	<b>123.01</b>	<b>28.93</b>	<b>23.94</b>	<b>-</b>	<b>52.87</b>	<b>70.13</b>	<b>94.07</b>

Particulars	(Amount in INR Lakhs)									
	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2022	Additions	Deductions/ Adjustments	As at March 31,2023	As at March 31, 2022	During the year	Deductions/ Adjustments	As at March 31,2023	As at March 31,2023	As at March 31, 2022
Patents	30.02	-	-	30.02	18.42	5.82	-	24.24	5.78	11.60
Software & Others	-	92.98	-	92.98	-	4.69	-	4.69	88.29	-
<b>Total</b>	<b>30.02</b>	<b>92.98</b>	<b>-</b>	<b>123.00</b>	<b>18.42</b>	<b>10.52</b>	<b>-</b>	<b>28.93</b>	<b>94.07</b>	<b>11.60</b>

**5A. INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	(Amount in INR Lakhs)									
	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31,2023	Additions	Deductions/ Adjustments	As at March 31,2024	As at March 31,2023	During the Year	Deductions/ Adjustments	As at March 31,2024	As at March 31,2024	As at March 31,2023
Anti Cancer Molecules - License	820.24	335.37	-	1,155.61	-	-	-	-	1,155.61	820.24
Anti-Viral testing	47.43	39.01	-	86.45	-	-	-	-	86.45	47.43
<b>Total</b>	<b>867.67</b>	<b>374.39</b>	<b>-</b>	<b>1,242.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,242.06</b>	<b>867.67</b>

Particulars	(Amount in INR Lakhs)									
	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2022	Additions	Deductions/ Adjustments	As at March 31,2023	As at March 31, 2022	During the Year	Deductions/ Adjustments	As at March 31,2023	As at March 31,2023	As at March 31, 2022
Anti Cancer Molecules - License	634.88	185.36	-	820.24	-	-	-	-	820.24	634.88
Anti-Viral testing	28.52	18.91	-	47.43	-	-	-	-	47.43	28.52
<b>Total</b>	<b>663.40</b>	<b>204.28</b>	<b>-</b>	<b>867.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867.67</b>	<b>663.40</b>

(i) Details of Intangible Assets under Development are as below :-

(A)

Intangible Assets under Development ageing schedule as at March 31, 2024

(Amount in INR Lakhs)

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress (Intangible - Anti Cancer Molecules)	335.37	185.36	230.87	404.01	1,155.61
Project in Progress (Intangible - Anti-Viral testing)	39.01	47.44	-	-	86.45
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>374.38</b>	<b>232.80</b>	<b>230.87</b>	<b>404.01</b>	<b>1,242.06</b>





**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Intangible Assets under Development ageing schedule as at March 31, 2023

(Amount in INR Lakhs)

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress (Intangible - Anti Cancer Molecules)	444.76	8.94	311.54	55.00	820.24
Project in Progress (Intangible - Anti-Viral testing)	18.91	28.52			47.44
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>463.68</b>	<b>37.46</b>	<b>311.54</b>	<b>55.00</b>	<b>867.68</b>

(B) Intangible assets under development completion schedule as at March 31, 2024 and March 31, 2023

As on the date of the financial statements, there are no intangible asset under development projects whose completion is overdue or has exceeded the cost, based on approved plan and thus completion schedule is not given.

(ii) Research and development cost - Refer Note 31



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

6. FINANCIAL ASSETS		
Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>(A) INVESTMENTS</b>		
Non Current		
(1) Investments carried at fair value through Profit and Loss		
Unquoted		
(a) Investments in Equity Instruments		
SVC Co-Operative Bank Limited		
(100 shares of INR 25 each : March 31, 2024, 100 shares : March 31,	0.03	0.03
(b) Investments in Preference Shares		
3,57,604 Nonassessable shares of \$0.001 par value of e2e Material		
INC, USA in Series B preferred Stock (March 31, 2023: 3,57,604) (Refer	134.65	134.65
Note 44)		
Less : Loss allowance	(134.64)	(134.64)
	0.04	0.04
(2) Investments carried at Cost		
Unquoted		
Investments in Equity Instruments of Subsidiaries		
13,94,761 Equity Shares of EURO 1 each in Cayuga Investment B.V.		
(March 31, 2023: 13,94,761)	1,001.92	1,001.92
Less : Loss allowance	-	-
	1,001.92	1,001.92
54,50,000 Equity Shares of INR 10 each in Solar Magic Private		
Limited	602.27	602.27
(March 31, 2023: 54,50,000)		
Investments in Equity Instruments of Associate		
210 Equity Shares of INR 100 each in The Book Centre Limited		
(March 31, 2023: 210)	0.21	0.21
<b>Total</b>	<b>1,604.44</b>	<b>1,604.44</b>
Aggregate amount of unquoted investments	1,739.08	1,739.08
Aggregate amount of impairment in the value of investments	134.64	134.64
Investments carried at fair value through profit and loss	0.04	0.04
Investments carried at cost	1,604.40	1,604.40
<b>(B) LOANS</b>		
Non Current		
<i>Unsecured, considered good unless otherwise stated</i>		
Loans to Solar Magic Private Limited (Subsidiary)	225.00	175.00
<b>Total</b>	<b>225.00</b>	<b>175.00</b>
<i>(i) Loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member : Nil for March 31, 2024 and March 31, 2023 Loans or advances in the nature of advances to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person: Refer note no. 11</i>		
<b>(C) OTHER FINANCIAL ASSETS</b>		
Non Current		
Financial assets carried at amortised cost		
Security and Other Deposits	488.98	516.66
Interest Accrued but not due	1.92	7.90
Balance with banks deposit account with original maturity more than 12 months	1,325.33	842.70
<b>Total</b>	<b>1,816.22</b>	<b>1,367.26</b>
Current		
Financial assets		
Security Deposits	20.00	15.00
Claim Receivables	1,183.45	229.61
Foreign Exchange forward and options contracts	15.88	26.91
<b>Total</b>	<b>1,219.33</b>	<b>271.52</b>
Details of lien against fixed deposits : (non current)		
Security lien towards - Term loan (non current)	728.48	1.83
Security lien towards - SLR (non current)	55.62	277.74
Security lien towards - Ethanol project loan (non current)	518.13	518.15
Security lien towards - Pollution board (non current)	25.00	-
Security lien towards - cash credit facility (non current)	-	52.88
Security lien towards - sales tax (non current)	0.02	-
<b>Total</b>	<b>1,327.24</b>	<b>850.60</b>



## 7. INVENTORIES

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>(Valued at lower of Cost and Net Realisable value)</b>		
Raw materials		
- In stock	11,763.82	19,813.76
Work-in-process	112.72	532.03
Finished goods		
- In stock	63,040.05	28,211.91
- In transit	2,857.66	601.86
Traded goods	57.52	26.66
Stores, chemicals and spares	2,323.32	2,549.10
<b>Total</b>	<b>80,155.09</b>	<b>51,735.32</b>

(i) For mode of valuation of inventories, refer Note 2.2 (i) of material accounting policies

(ii) During the year ended March 31, 2024: INR Nil (March 31, 2023: INR Nil) was recognised as an expense for inventories carried at net realisable value.

## 8. TRADE RECEIVABLES

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Trade Receivables from customers	71.65	627.64
<b>Breakup of Security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	71.65	627.64
Trade receivable which have significant increase in credit risk - Unsecured	409.06	425.55
Trade receivable Credit Impaired - Unsecured	-	-
	<b>480.71</b>	<b>1,053.19</b>
<b>Less : Allowance for bad and doubtful debts</b>		
Trade receivable which have significant increase in credit risk - Unsecured	409.06	425.55
	<b>409.06</b>	<b>425.55</b>
	<b>71.65</b>	<b>627.64</b>
<b>Current</b>		
Trade Receivables from customers	18,105.97	19,919.45
Receivables from other related parties (Refer Note 35)	89.05	674.99
	<b>18,195.02</b>	<b>20,594.44</b>
<b>Breakup of Security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	18,195.02	20,594.44
Trade receivable which have significant increase in credit risk - Unsecured	-	-



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Trade receivable Credit Impaired - Unsecured	-	-
	<b>18,195.02</b>	<b>20,594.44</b>
<b>Less : Allowance for bad and doubtful debts</b>		
Trade receivable which have significant increase in credit risk - Unsecured	-	-
	-	-
	<b>18,195.02</b>	<b>20,594.44</b>

(i) Debts due by directors or other officers of the company or any of them, either severally or jointly, with any other person or Trade or Other Receivable due by firms or private companies respectively in which any director is a partner, a director or a member amounted to Nil (Previous year: Nil).

(ii) Refer Note No. 37 and 38 for Financial instruments, fair values and risk measurement

(iii) Trade Receivables Ageing Schedule are as below :

Particulars	Not Due	Outstanding from due date of payment as on March 31, 2024					
		Upto 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
<b>Non Current</b>							
Undisputed trade receivables – considered good	-	-	-	66.11	5.29	0.25	<b>71.65</b>
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	409.06	<b>409.06</b>
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	<b>66.11</b>	<b>5.29</b>	<b>409.31</b>	<b>480.71</b>
Less: Allowance for credit impaired/Expected credit loss	-	-	-	-	-	409.06	<b>409.06</b>
<b>Total</b>	-	-	-	<b>66.11</b>	<b>5.29</b>	<b>0.25</b>	<b>71.65</b>
<b>Current</b>							
Undisputed trade receivables – considered good	6,045.18	12,113.08	36.76	-	-	-	<b>18,195.02</b>
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>6,045.18</b>	<b>12,113.08</b>	<b>36.76</b>	-	-	-	<b>18,195.02</b>
Less: Allowance for credit impaired/Expected credit loss	-	-	-	-	-	-	-
<b>Total</b>	<b>6,045.18</b>	<b>12,113.08</b>	<b>36.76</b>	-	-	-	<b>18,195.02</b>

Particulars	Not Due	Outstanding from due date of payment as on March 31, 2023					
		Upto 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
<b>Non Current</b>							
Undisputed trade receivables – considered good	-	-	-	276.79	231.46	119.39	<b>627.64</b>
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	425.55	<b>425.55</b>
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	<b>276.79</b>	<b>231.46</b>	<b>544.94</b>	<b>1,053.19</b>



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Less: Allowance for credit impaired/Expected credit loss	-	-	-	-	-	425.55	425.55
<b>Total</b>	-	-	-	<b>276.79</b>	<b>231.46</b>	<b>119.39</b>	<b>627.64</b>
<b>Current</b>							
Undisputed trade receivables – considered good	9,651.53	10,892.90	50.01	-	-	-	<b>20,594.44</b>
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>9,651.53</b>	<b>10,892.90</b>	<b>50.01</b>	-	-	-	<b>20,594.44</b>
Less: Allowance for credit impaired/Expected credit loss	-	-	-	-	-	-	-
<b>Total</b>	<b>9,651.53</b>	<b>10,892.90</b>	<b>50.01</b>	-	-	-	<b>20,594.44</b>

In determining the allowance for trade receivables the Company has used practical expedients based on ageing of the customer receivables, over-dues and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are long standing and Corporate organisations, though there may be normal delay in collections.

**9. CASH AND CASH EQUIVALENTS**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Balances with banks:		
- On current accounts	115.59	54.82
Cash on hand	4.33	8.00
	<b>119.92</b>	<b>62.82</b>

**10. OTHER BANK BALANCES**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Balances with banks to the extent held as margin money	1,695.84	1,453.78
Interest accrued on Fixed Deposit less than 12 months	106.97	84.84
Other balances with banks*	343.15	812.07
	<b>2,145.97</b>	<b>2,350.69</b>

\*Balances with banks to the extent held as security against the borrowings, guarantees, other commitments etc

Details of lien against fixed deposits: (current)		
	March 31, 2024	March 31, 2023
Security lien towards - Term loan (current)	1.00	481.57
Security lien towards - SLR (current)	342.15	330.48
Security lien towards - Ethanol project loan (current)	-	-
Security lien towards Government - sales tax (current)	-	0.02
<b>Total</b>	<b>343.15</b>	<b>812.07</b>



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****11. OTHER ASSETS**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Stores and spares( capital goods) (Reassigning to the upcoming new project)	502.94	502.94
<b>Advances other than Capital advances (Unsecured, considered good unless otherwise stated)</b>		
- Advances for Supplies and Services	2,569.45	2,502.51
Less : Provision against Advances	(2,210.80)	(2,151.62)
	358.65	350.89
<b>Others</b>		
- Prepaid expenses	423.36	572.60
- Balances with Statutory, Government Authorities*	474.26	76.24
<b>Total</b>	<b>1,759.21</b>	<b>1,502.67</b>
<b>Current</b>		
<b>Advances other than Capital advances (Unsecured, considered good unless otherwise stated)</b>		
- Advances to Suppliers	1,258.94	1,150.97
<b>Others</b>		
- Prepaid expenses	508.61	417.23
- Balances with Statutory, Government Authorities*	1,796.30	3,932.87
- Export Benefits - MEIS and Others	25.63	20.16
<b>Total</b>	<b>3,589.48</b>	<b>5,521.23</b>

\*Includes Cenvat and VAT Credit receivables.

Note:

(i) There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(ii) There are no loans or advances granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment.



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****12. INCOME TAX**

<b>Deferred Tax</b>		<b>(Amount in INR Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	
<b>Deferred tax relates to the following:</b>			
Temporary difference in the carrying amount of property, plant and equipment	(5,566.04)	(5,888.44)	
Temporary difference in the carrying amount of financial instruments at amortised cost	3.07	4.03	
Impairment on financial assets at amortised cost	(102.96)	(69.36)	
Unabsorbed Depreciation and Business Losses	3,500.75	3,747.90	
Others		-	
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(2,165.18)</b>	<b>(2,205.87)</b>	

<b>Movement in deferred tax liabilities/assets</b>		<b>(Amount in INR Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	
<b>Opening balance as of April 1</b>	(2,205.87)	<b>(1,123.46)</b>	
Tax income/(expense) during the period recognised in profit or loss	21.88	(1,145.43)	
Tax income/(expense) during the period recognised in OCI	18.81	63.02	
<b>Closing balance as at March 31</b>	<b>(2,165.18)</b>	<b>(2,205.87)</b>	

Major Components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are as follows:

<b>i. Income tax recognised in profit or loss</b>		<b>(Amount in INR Lakhs)</b>	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>	
Adjustment in respect of current income tax of previous year	(0.30)	(0.20)	
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	(21.88)	1,145.43	
<b>Income tax expense recognised in profit or loss</b>	<b>(22.18)</b>	<b>1,145.23</b>	

<b>ii. Income tax recognised in OCI</b>		<b>(Amount in INR Lakhs)</b>	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>	
Net loss/(gain) on remeasurements of defined benefit plans	18.81	63.02	
<b>Income tax expense recognised in OCI</b>	<b>18.81</b>	<b>63.02</b>	

Reconciliation of tax expense and accounting profit multiplied by income tax rate

<b>Particulars</b>		<b>(Amount in INR Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	
<b>Accounting profit before income tax</b>	<b>1,034.15</b>	<b>2,345.13</b>	
Enacted tax rate in India	25.17%	25.17%	
<b>Income tax on accounting profits</b>	<b>260.28</b>	<b>590.22</b>	





**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

<b>Tax Effect of</b>		
Depreciation	(294.37)	(138.74)
Expenses not allowable or considered separately under Income Tax	163.67	301.42
Expenses allowable and others	(141.17)	(9.96)
Losses carried forward to future years	(284.25)	284.63
Losses on which deferred tax asset has been created	247.15	-
Income not taxable under income tax	24.62	115.87
Income considered under separate head - capital gain	2.20	1.99
Tax expense relating to earlier years	(0.30)	(0.20)
<b>Tax at effective income tax rate</b>	<b>(22.18)</b>	<b>1,145.23</b>



**GODAVAKI BIOREFINERIES LIMITED**
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

13. SHARE CAPITAL				
i. Authorised Share Capital				
Particulars	Equity Share of INR 10 each		Preference Share of INR 100 each	
	Number	Amount	Number	Amount
	At March 31, 2023	8,20,00,000	8,200.00	18,00,000
Increase/(decrease) during the year	-	-	-	-
At March 31, 2024	8,20,00,000	8,200.00	18,00,000	1,800.00

**Terms/rights attached to equity shares**

The Company has one class of Equity shares having a par value of INR 10/- each. Each holder of Equity shares is entitled to one vote per share. The Equity shareholders are also subject to restrictions as prescribed under the Companies Act, 2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders.

**ii. Issued Capital**

Particulars	(Amount in INR Lakhs)	
	Number	Amount
Equity shares of INR 10 each Issued, subscribed and fully paid		
At March 31, 2023	4,19,43,023	4,194.30
Issued during the year	-	-
At March 31, 2024	4,19,43,023	4,194.30

This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities.

**iii. Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Somaiya Agencies Private Limited	93,54,668	22.30	93,54,668	22.30
Sakarwadi Trading Company Private Limited	60,15,790	14.34	60,15,790	14.34
Lakshmiwadi Mines and Minerals Private Limited	57,20,717	13.64	57,20,717	13.64
Mandala Capital AG Limited	49,26,983	11.75	49,26,983	11.75
Samir Shantilal Somaiya	60,21,211	14.36	60,21,211	14.36
Sindhur Construction Private Limited	29,33,461	6.99	29,33,461	6.99

**iv. Details of shares held by promoters in the Company.**

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		% Change during the period
	Number	% holding	Number	% holding	
Equity shares of INR 10 each fully paid					
Promoter					
Samir S. Somaiya	60,21,211	14.36	60,21,211	14.36	-
Somaiya Agencies Private Limited	93,54,668	22.30	93,54,668	22.30	-
Sakarwadi Trading Company Private Limited	60,15,790	14.34	60,15,790	14.34	-
Lakshmiwadi Mines and Minerals Private Limited	57,20,717	13.64	57,20,717	13.64	-
Promoter Group					
Sindhur Construction Pvt Ltd	29,33,461	6.99	29,33,461	6.99	-
Zenith Commercial Agencies Pvt. Ltd.	9,32,189	2.22	9,32,189	2.22	-
Filmedia Communication Systems Private Limited	7,75,730	1.85	7,75,730	1.85	-
Jasmine Trading Company Private Limited	6,15,332	1.47	6,15,332	1.47	-
K. J. Somaiya and Sons Private Limited	5,96,131	1.42	5,96,131	1.42	-
Harinakshi Somaiya	3,00,000	0.72	3,00,000	0.72	-
Karnataka Organic Chemicals Private Limited	2,73,530	0.65	2,73,530	0.65	-
Shantilal Karamshi Somaiya (HUF)	1,49,950	0.36	1,49,950	0.36	-
Somaiya Properties and Investments Private Limited	1,31,295	0.31	1,31,295	0.31	-
Arpit Limited	86,000	0.21	86,000	0.21	-
The Book Centre Limited	73,306	0.17	73,306	0.17	-
Somaiya Chemical Industries Private Limited	20,800	0.05	20,800	0.05	-

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

v. None of the above shares are reserved for issue under options / contract / commitments for sale of shares or disinvestment.



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****14. OTHER EQUITY****Reserves and Surplus****(Amount in INR Lakhs)**

Particulars	March 31, 2024	March 31, 2023
Securities Premium Reserve	26,260.94	26,260.94
General Reserve	1,865.38	1,865.38
Retained Earnings	16,543.73	15,545.63
Capital Redemption Reserve	573.50	573.50
<b>Total</b>	<b>45,243.54</b>	<b>44,245.45</b>

**(a) Securities Premium Reserve****(Amount in INR Lakhs)**

Particulars	March 31, 2024	March 31, 2023
Opening balance	26,260.94	26,260.94
Add/(Less): Premium on share issue (Net)	-	-
<b>Closing balance</b>	<b>26,260.94</b>	<b>26,260.94</b>

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

**(b) General Reserve****(Amount in INR Lakhs)**

Particulars	March 31, 2024	March 31, 2023
Opening balance	1,865.38	1,865.38
Add/(Less):	-	-
<b>Closing balance</b>	<b>1,865.38</b>	<b>1,865.38</b>

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

**(c) Retained Earnings \*****(Amount in INR Lakhs)**

Particulars	March 31, 2024	March 31, 2023
Opening balance	15,545.63	14,533.09
Net Profit/(Loss) for the period	1,056.33	1,199.90
Impact of ROU	(2.31)	-
<i>Items of Other Comprehensive Income directly recognised in Retained Earnings</i>		
Remeasurement of gains (losses) on defined benefit plans	(74.75)	(250.37)
Income tax effect	18.81	63.02
<b>Closing balance</b>	<b>16,543.73</b>	<b>15,545.63</b>

\* Retained earnings includes Revaluation Reserve of INR 23,469.99 for the year ended March 31, 2024 and INR 23,469.99 Lakhs for the year ended March 31, 2023 respectively and it is not available for distribution of dividends. The Revaluation Reserve was created net of tax at the date of transition to Ind AS, i.e. April 01, 2017 for revaluation of Land at fair value.

**(d) Capital Redemption Reserve (CRR)****(Amount in INR Lakhs)**

Particulars	March 31, 2024	March 31, 2023
Opening balance	573.50	573.50
Add/(Less):	-	-
<b>Closing balance</b>	<b>573.50</b>	<b>573.50</b>

Represents reserve created during redemption of preference shares and it is a non-distributable reserve.



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****15. BORROWINGS**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Non Current Borrowings</b>		
<b>Secured</b>		
(a) Term Loans		
From Banks	39,715.19	45,891.98
<b>Unsecured</b>		
(a) Term Loans from Others		
Council of Scientific and Industrial Research	485.00	485.00
(b) Public Deposits		
- From Related Parties	259.00	415.35
- From Others	4,180.05	5,014.70
Interest accrued but not due on borrowings	311.35	414.34
	<b>(A)</b>	<b>52,221.37</b>
<b>Less : Current Maturity of Non Current Borrowings</b>		
(a) Term Loans		
From Banks	9,402.66	6,202.56
	<b>(B)</b>	<b>6,202.56</b>
	<b>Total (A)-(B)</b>	<b>46,018.81</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
(a) From Banks		
Cash Credit / Packing Credit	15,155.38	17,030.99
(b) Current maturities of long term debts	9,402.66	6,202.56
<b>Unsecured</b>		
(a) Public Deposits		
- From Related Parties	196.85	61.75
- From Others	2,838.40	1,954.40
(b) Others	2,265.00	2,265.00
	<b>Total</b>	<b>27,514.70</b>
	<b>29,858.29</b>	<b>46,018.81</b>



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**15. BORROWINGS**

**A. Details of Terms of repayment for Long Term Secured Borrowings**

(Amount in INR Lakhs)

Sr. No.	Particulars	March 31, 2024		March 31, 2023	
		Current	Non - Current	Current	Non - Current
1	Bank of India - BOI Soft Loan (Repayable in 60 Equal Monthly instalments , last instalment falling due on Aug 2025 )	1,303.20	542.00	1,303.20	1,845.20
2	Union Bank of India (UBI)- Ethanol 1 (Repayable in 20 Quarterly instalments , last instalment falling due on Sept 2025 )	947.60	472.93	947.60	1,420.53
3	SVC Cooperative Bank Ltd I (Repayable in 32 Quarterly instalments , last instalment falling due on Mar 2029 )	750.00	3,250.00	500.00	4,000.00
4	Indusind Bank Ltd - WCTL (Repayable in 28 Quarterly instalments , last instalment falling due on Apr 2027)	2,040.50	4,848.80	1,536.70	6,889.30
5	Indusind Bank Ltd- Boiler (Repayable in 26 Quarterly instalments , last instalment falling due on Sept 2028 )	380.20	1,330.72	369.24	1,721.88
6	SVC Cooperative Bank Ltd GECL (Repayable in 48 Monthly instalments , last instalment falling due on Feb 2028 )	327.00	1,147.25	62.50	1,437.50
7	Union Bank of India (UBI) - Ethanol 2 (Repayable in 24 Quarterly instalments , last instalment falling due on Sep 2028 )	1,283.33	4,491.67	1,283.32	5,775.01
8	Indusind Bank Ltd- GECL (Repayable in 48 Monthly instalments , last instalment falling due on Apr 2028 )	802.08	2,697.92	-	3,500.00
9	Bank of India - GECL (Repayable in 16 Quarterly instalments , last instalment falling due on Apr 2028 )	431.25	1,868.75	-	2,300.00
10	Union Bank of India - GECL (Repayable in 48 Monthly instalments , last instalment falling due on May 2028 )	937.50	3,562.50	-	4,500.00
11	SVC Cooperative Bank Ltd- III (Repayable in 40 Quarterly instalments , last instalment falling due on Mar 2033 )	200.00	6,100.00	200.00	6,300.00
	<b>Total</b>	<b>9,402.66</b>	<b>30,312.53</b>	<b>6,202.56</b>	<b>39,689.42</b>

**B. Nature of Securities:**

Loan under Sr 1: First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and First Pari Passu Charge on one Asset of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd ) as corporate guarantee. Second paripassu on Current asset of Sugar divn, Sameerwadi, Karnataka.

Loan under Sr 2: First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and First Pari Passu Charge on one asset of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd ) as corporate guarantee. Second paripassu on Current asset of Distillery divn, Sameerwadi, Karnataka

Loan under Sr 3 & Sr 11: First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi,Karnataka.

Loan under Sr 4: First Pari Passu Charge on Property-Land& Building only at Sakarwadi, Maharashtra and First exclusive charge on asset of research center at Mahape,Maharashtra and one asset of SPIPL. First charge on Power receivables at Sameerwadi, Karnataka

Loan under Sr 5: Exclusive charge on boiler P&M assets, and First paripassu charge on Land and bldg at Sakarwadi unit.

Loan under Sr 6: Second subservient Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and Second subservient Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka.



## GODAVARI BIOREFINERIES LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Loan under Sr 7: First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and Second Pari Passu Charge on one asset of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd ) as corporate guarantee. Second pari passu on Current asset of Sugar and Distillery divn, Sameerwadi, Karnataka

Loan under Sr 8: Second subservient Pari Passu Charge on Property-Land & Building only at Sakarwadi & Boiler equipment at Sakarwadi, Maharashtra and Second subservient charge on asset of research center at Mahape, Maharashtra and one asset of SPIPL. Second subservient charge on current assets of Sakarwadi, Maharashtra and on Power receivables, Sameerwadi

Loan under Sr 9: Second subservient Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and Second subservient Pari Passu Charge on one Asset of Somaiya Properties and Investments Pvt Ltd.(SPIPL) as corporate guarantee and Second subservient Pari Passu charge on Current Assets of Sameerwadi unit, Karnataka.

Loan under Sr 10: Second subservient Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, and Second subservient Pari Passu Charge on one Asset of Filmidia Communication Systems Pvt Ltd & one asset of Somaiya Properties & Investments Pvt Ltd (SPIPL) as Corporate Guarantee, and Second subservient pari passu charge on Current assets of Sameerwadi unit, Karnataka

The Company has not made any default in repayment of principal and interest as stipulated.

The Company has avail interest free purchase tax loan from Government of Karnataka, however the repayment schedule still to be informed. In view of this same has been classified under Non Current Liability.

Interest for above loans varies from 9.25% to 11.25% (Previous Year 7.95% to 11%).

#### C. Current Borrowings

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Secured</b>		
(a) From Banks		
Cash Credit / Packing Credit*	15,155.38	17,030.99
(b) Current maturities of long term debts	9,402.66	6,202.56
<b>Unsecured</b>		
(a) Public Deposits		
- From Related Parties	196.85	61.75
- From Others	2,838.40	1,954.40
(b) Others	2,265.00	2,265.00
	<b>29,858.29</b>	<b>27,514.70</b>

#### D. Nature of Security:

\* Secured by First Pari Passu charge over current assets of the respective division/unit, both present and future and second Pari Passu charge on Plant & Equipment of respective division; and Second charge on one Asset of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd ) as a Corporate Guarantee of SPIPL.

Interest for above Cash credit Rupee loans varies from 9.5% to 11.25% (Previous Year 8.95% to 10.80% )

Interest for above Public deposit varies from 8.50% to 9.50% (Previous Year 9.00 % to 10.00%)

#### E. Movement of Borrowings

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

Particulars	(Amount in INR Lakhs)		
	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
<b>Net Debt as at March 31, 2022</b>	<b>31,611.42</b>	<b>31,339.93</b>	<b>63,387.62</b>
Cash Inflows	24,655.49	11,488.74	36,144.24
Cash Outflows	(12,186.66)	(13,789.77)	(25,976.42)
	<b>44,080.26</b>	<b>29,038.91</b>	<b>73,555.43</b>
Interest Expense	-	-	7,253.27
Interest Paid	-	-	(7,007.39)
<b>Net Debt as at March 31, 2023</b>	<b>44,080.26</b>	<b>29,038.91</b>	<b>73,801.31</b>
Cash Inflows	-	9,178.25	9,178.25
Cash Outflows	(6,176.79)	(11,025.75)	(17,202.54)
	<b>37,903.47</b>	<b>27,191.41</b>	<b>65,777.01</b>
Interest Expense	-	-	7,551.43
Interest Paid	-	-	(7,001.45)
<b>Net Debt as at March 31, 2024</b>	<b>37,903.47</b>	<b>27,191.41</b>	<b>66,326.99</b>

The Net Debt includes Interest accrued and due on borrowings INR 920.77 Lakhs (March 31, 2023 :INR 267.80 Lakhs ) for the year ended on March 31, 2024. Refer Others under note no. 17(i).



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**16. LEASE LIABILITIES**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Lease liabilities payable beyond 12 months	24.84	50.14
	<b>24.84</b>	<b>50.14</b>
<b>Current</b>		
Lease liabilities payable within 12 months	27.86	5.32
	<b>27.86</b>	<b>5.32</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period: (Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	55.46	60.78
Additions during the year	27.26	9.84
Finance cost accrued during the year	7.43	6.31
Payment of lease liabilities	(37.45)	(21.47)
Closing Balance	52.70	55.46
Current Lease Liabilities	27.86	50.14
Non-current Lease Liabilities	24.84	5.32

(i) The maturity analysis of lease liabilities are disclosed in Note 38.

(ii) The effective interest rate for lease liabilities is 11.25 %.

(iii) Rental expense recorded for short-term leases was INR 179.09 Lakhs (Previous year : INR 177.73 Lakhs) for the year period ended March 31, 2024.

(iv) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**17. OTHER FINANCIAL LIABILITIES**

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Financial Liabilities at amortised cost		
Deposits Payables	100.97	10.69
Other payable	7.18	7.18
<b>Total</b>	<b>108.15</b>	<b>17.87</b>
<b>Current</b>		
(i) Financial Liabilities at amortised cost		
Interest accrued but not due on borrowings	920.77	267.81
Security Deposits	242.37	206.69
Other payable	2,640.92	3,654.77
Foreign exchange forward contracts	28.08	42.91
<b>Total</b>	<b>3,832.14</b>	<b>4,172.18</b>





**18. TRADE PAYABLES**

(Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	1,212.52	1,480.49
Trade Payables to Related Parties (Refer Note 35)	473.03	195.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	61,608.38	38,336.21
<b>Total</b>	<b>63,293.93</b>	<b>40,012.55</b>

(i) Trade Payables Aging Schedule are as below

(Amount in INR Lakhs)

Particulars	Unbilled Due	Outstanding from due date of payment as on March 31, 2024					Total
		Not Due	Upto 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
Total outstanding dues of micro,small & medium Enterprises	-	1,212.52	-	-	-	-	1,212.52
Total outstanding dues of Creditors other than micro,small & medium Enterprises	-	52,463.85	9,162.53	107.83	73.13	274.08	62,081.41
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>53,676.37</b>	<b>9,162.53</b>	<b>107.83</b>	<b>73.13</b>	<b>274.08</b>	<b>63,293.93</b>

(Amount in INR Lakhs)

Particulars	Unbilled Due	Outstanding from due date of payment as on March 31, 2023					Total
		Not Due	Upto 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
Total outstanding dues of micro,small & medium Enterprises	-	1,480.50	-	-	-	-	1,480.50
Total outstanding dues of Creditors other than micro,small & medium Enterprises	-	35,170.86	3,118.27	228.70	0.13	3.32	38,521.28
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	10.68	10.68
<b>Total</b>	<b>-</b>	<b>36,651.36</b>	<b>3,118.27</b>	<b>228.70</b>	<b>0.13</b>	<b>14.00</b>	<b>40,012.46</b>

**DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO,**

(Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers under MSMED Act, 2006	1,212.52	1,480.49
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers ( other than interest ) beyond the appointed day, during the	-	-
Interest paid to suppliers under MSMED Act, ( other than Section 16 )	-	-
Interest paid to suppliers under MSMED Act, ( Section 16 )	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED	-	-



**19. OTHER LIABILITIES**

(Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Government Grants		
- For depreciable assets	52.78	70.21
	<b>52.78</b>	<b>70.21</b>
<b>Current</b>		
Advance received from Customers*	13,492.69	4,595.08
Government Grants		
- For depreciable assets	18.45	19.45
Statutory Liabilities	247.01	266.33
<b>Total</b>	<b>13,758.15</b>	<b>4,880.86</b>

\*It includes advances received from customers - related party amounting to INR 2.38 Lakhs for March 31, 2024, INR 329.12 Lakhs for March 31, 2023.



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****20. PROVISIONS**

(Amount in INR Lakhs)		
Particulars	March 31, 2024	March 31, 2023
<b>Non Current</b>		
Provision for employee benefits (Refer Note 33)		
Leave encashment	229.92	206.83
<b>Total</b>	<b>229.92</b>	<b>206.83</b>
<b>Current</b>		
Provision for employee benefits (Refer Note 33)		
Gratuity	8.49	146.04
Leave encashment	401.85	341.88
<b>Total</b>	<b>410.34</b>	<b>487.92</b>

**21. GOVERNMENT GRANTS**

(Amount in INR Lakhs)		
Particulars	March 31, 2024	March 31, 2023
Opening balance	89.68	108.00
Grants received during the year	-	-
Released to statement of profit and loss	(18.43)	(18.32)
<b>Closing Balance</b>	<b>71.24</b>	<b>89.68</b>



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024****22. REVENUE FROM OPERATIONS**

(Amount in INR Lakhs)

Particulars	2023-24	2022-23
Revenue from contract with customers :		
Sale of products	1,67,545.87	2,00,028.13
	<b>1,67,545.87</b>	<b>2,00,028.13</b>

**Critical judgements in calculating amounts**

The company has recognised revenue amounting of INR 1,67,545.87 Lakhs for March 31, 2024 and INR 2,00,028.13 Lakhs for March 31, 2023 from sale of products net of trade discounts .

**(i) Disaggregated revenue information :**

(Amount in INR Lakhs)

**Geographical wise**

Particulars	2023-24	2022-23
Sale of products		
India	1,36,046.47	1,54,804.63
Outside India	31,499.40	45,223.50
	<b>1,67,545.87</b>	<b>2,00,028.13</b>

**Top Product wise**

Particulars	2023-24	2022-23
Sugar	54,820.53	67,142.27
Power	4,279.52	4,280.56
Bio based Chemicals		
Ethyl Acetate	23,675.05	30,896.98
3-Methyl-3-Pentene-2-One	5,968.95	12,541.35
1,3 Butylene Glycol	5,883.03	2,618.65
Crotonaldehyde	7,116.44	8,236.17
Distillery		
Ethanol	48,212.96	56,630.26

**(ii) Contract Balances**

Particulars	2023-24	2022-23
Contract liabilities (Advance from customers)	13,492.69	4,595.08

For Trade receivable Refer note 8

Particulars	2023-24	2022-23
<b>Contract Liabilities (Advance from customers):</b>		
Opening Balance	4,595.08	151.50
Revenue recognised that was included in the contract liability balance at the beginning of the year	(4,595.08)	(151.50)
Advance received during the year	13,492.69	4,595.08
Write off/ Provision during the year	-	-
Closing balance	<b>13,492.69</b>	<b>4,595.08</b>

**(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	2023-24	2022-23
Contracted price	1,67,545.87	2,00,028.13
Less : Rebates & Discount	-	-
<b>Total Revenue as per statement of profit and loss</b>	<b>1,67,545.87</b>	<b>2,00,028.13</b>



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****(ii) Performance obligations**

The performance obligation is satisfied for sale of product when control of the asset is transferred to the customer, generally as it leaves the Company's warehouse. The normal credit term is upto 90 days upon delivery.

**23. OTHER INCOME****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Interest income on bank fixed deposits & others	1,052.93	214.96
<b>Other Non Operating Income</b>		
Financial assets at amortised cost (Security deposit)	0.95	-
Net gain on disposal of property, plant and equipment	14.03	24.54
Government Grants Income	18.43	18.32
Allowance for provision for Doubtful debt	16.49	275.54
Miscellaneous Income	278.20	219.29
	<b>1,381.04</b>	<b>752.65</b>

**24. COST OF MATERIALS CONSUMED****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Cost of Material Consumed	1,53,212.43	1,31,216.28
	<b>1,53,212.43</b>	<b>1,31,216.28</b>

\* The Cost of Raw Materials Consumed includes additional provision in FY 2023-2024 -INR 1394.00 Lakhs for cane supplied in FY 2021-2022, and FY 2022-2023 INR NIL. The cost so incurred has not been considered for the valuation of the sugar inventory.

**25. PURCHASES OF STOCK-IN-TRADE****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Purchases of Stock-In-Trade	468.69	372.18
	<b>468.69</b>	<b>372.18</b>

**26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
<b>Inventories as at the beginning of the year</b>		
Work - in - process	532.03	697.84
Finished goods	28,813.77	34,800.28
<b>Total</b>	<b>29,345.80</b>	<b>35,498.12</b>
<b>Less : Inventories as at the end of the year</b>		
Work - in - process	112.72	532.04
Finished goods	65,897.71	28,813.77
<b>Total</b>	<b>66,010.43</b>	<b>29,345.81</b>
<b>Net decrease / (increase) in inventories</b>	<b>(36,664.63)</b>	<b>6,152.31</b>



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****27. EMPLOYEE BENEFITS EXPENSE****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Salaries, wages and bonus	9,755.59	9,813.63
Director's Remuneration	469.38	439.15
Contribution to provident and other funds (Refer Note 33)	667.60	576.21
Staff welfare expenses	634.79	578.57
	<b>11,527.36</b>	<b>11,407.56</b>

**28. FINANCE COST****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Bank Charges	507.75	606.17
<b>Interest Expense on</b>		
Term Loan	3,974.03	3,440.76
Cash Credit	1,648.11	1,934.07
Others*	1,414.10	1,265.96
Interest expense on Lease Liabilities	7.43	6.31
	<b>7,551.43</b>	<b>7,253.27</b>

\*It also includes interest paid to Income tax department / GST amounting to INR 7.24 lakhs for the year ended March 31, 2024 (March 31, 2023 INR 0.93 Lakhs).

**29. DEPRECIATION AND AMORTISATION EXPENSE****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
Depreciation on tangible assets	5,908.23	4,930.59
Depreciation on right-to-use assets	30.55	16.86
Amortisation on intangible assets	23.94	10.52
	<b>5,962.72</b>	<b>4,957.97</b>

**30. OTHER EXPENSES****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
<b>Manufacturing Expenses</b>		
Power and Fuel	8,005.87	14,659.83
Repairs and maintenance		
- Plant and Machinery	2,921.99	3,286.69
- Buildings	150.83	205.38
- Others	308.01	455.03
Stores, consumables and packing material	6,445.06	6,613.57
	<b>17,831.76</b>	<b>25,220.50</b>
<b>Selling Expense *</b>	<b>3,706.86</b>	<b>6,874.52</b>
* This includes expenses on account of exhibition, brokerage and cash discounts on sales for the period ended on March 31, 2024 INR 246.70 Lakhs, March 31, 2023. INR 294.41 Lakhs and March 31, 2022 INR 180.53 Lakhs.		
<b>Administration Expense</b>		
Payments to auditors (Refer note below)	39.00	84.40
Contribution to Scientific Research Institution	175.00	158.00
Insurance	605.73	589.79
Professional Charges	587.11	936.47
Write off /Net loss on disposal of property, plant and equipment	22.79	121.13
General Expenses (Including travelling, telephone, etc.)	2,492.93	2,635.49
Directors' Sitting Fees	26.95	26.60
Rent expenses	179.09	177.73





**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Rates and taxes	96.28	95.77
Allowance for provision for Doubtful debt	59.18	78.49
Fair value loss on financial instrument at Fair value through profit and loss	12.08	77.19
	<b>4,296.14</b>	<b>4,981.06</b>
<b>Total</b>	<b>25,834.76</b>	<b>37,076.08</b>

**Details of Payments to Auditors****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
<b>As auditor</b>		
Statutory Audit Fee	29.00	29.00
Statutory Audit- IPO related & Others	-	45.40
<b>In other capacity</b>		
Other services	-	-
Tax Audit Fee	10.00	10.00
	<b>39.00</b>	<b>84.40</b>

Particulars	2023-24	2022-23
<b>i. On Revenue Account :</b>		
<b>Manufacturing Expenses</b>		
Stores, Spares and Tools consumed	138.96	145.14
<b>Payments to and provision for employees</b>		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	511.57	505.97
<b>Other Expenses</b>		
- Legal and Professional charges	64.87	128.34
- Other Expenses	316.31	353.94
<b>Total</b>	<b>1,031.71</b>	<b>1,133.39</b>
<b>ii. On Capital Account</b>	<b>28.89</b>	<b>362.96</b>
<b>iii. On Capital Work in Progress ( Anti Cancer Molecules)</b>	<b>335.37</b>	<b>185.36</b>
(upto March 2024 INR 1,155.61 Lakhs - Previous Year upto March 2023 INR 820.24 Lakhs)		
<b>iv. On Capital work in progress( AV Testing Covid 19 )</b>	<b>39.01</b>	<b>18.92</b>
(upto March 2024 INR 86.45 Lakhs - Previous Year upto March 2023 INR 47.43 Lakhs)		
<b>Total Research &amp; Development Expenditure ( i + ii + iii+iv)</b>	<b>1,434.98</b>	<b>1,700.63</b>

**32. EARNINGS PER SHARE****(Amount in INR Lakhs)**

Particulars	2023-24	2022-23
<b>(a) Basic and diluted earnings per share (INR)</b>	<b>2.52</b>	<b>2.86</b>
<b>(b) Par value per share</b>	<b>10</b>	<b>10</b>
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share Face value Rs 10/-	1,056.33	1,199.90
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share Rs 10 each Face Value	4,19,43,023	4,19,43,023

(i) There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.



**GODAVARI BIOREFINERIES LIMITED**
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**
**33. EMPLOYEE BENEFIT OBLIGATIONS**

Particulars	March 31,2024			March 31,2023		
	Current	Non Current	Total	Current	Non Current	Total
	(Amount in INR Lakhs)					
Leave Encashment	401.85	229.92	631.77	341.88	206.83	548.72
Gratuity	8.49	-	8.49	146.04	-	146.04
<b>Total Employee Benefit Obligation</b>	<b>410.34</b>	<b>229.92</b>	<b>640.26</b>	<b>487.92</b>	<b>206.83</b>	<b>694.76</b>

**(i) Leave Encashment**

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 401.85 Lakhs (March 31, 2023: INR 341.88 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

**(ii) Post Employment obligations**
**a) Defined benefit plans - Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

Particulars	(Amount in INR Lakhs)		
	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 31,2022</b>	<b>2,118.36</b>	<b>2,007.15</b>	<b>111.21</b>
Current service cost	156.05	-	156.05
Past Service Cost -(vested benefits)	-	-	-
Interest expense/(income)	143.01	148.56	(5.55)
Adjustment to Opening Fair Value of Plan Asset	-	12.83	(12.83)
<b>Total amount recognised in profit or loss</b>	<b>299.06</b>	<b>161.39</b>	<b>137.67</b>
<b>Remeasurements</b>			
Return of plan assets, excluding amount included in interest (income)	-	3.31	(3.31)
(Gain)/Loss from change in financial assumptions	140.22	-	140.22
Experience (gains)/losses	113.45	-	113.45
<b>Total amount recognised in other comprehensive income</b>	<b>253.67</b>	<b>3.31</b>	<b>250.36</b>
Employer contributions	-	353.21	(353.21)
Benefit payments	(208.34)	(208.34)	-
<b>As at March 31,2023</b>	<b>2,462.75</b>	<b>2,316.71</b>	<b>146.04</b>
Current service cost	179.65	-	179.65
Past Service Cost -(vested benefits)	-	-	-
Interest expense/(income)	170.38	173.89	(3.51)
Adjustment to Opening Fair Value of Plan Asset	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>350.03</b>	<b>173.89</b>	<b>176.14</b>
<b>Remeasurements</b>			
Return of plan assets, excluding amount included in interest (income)	-	(6.92)	6.92
(Gain)/Loss from change in financial assumptions	38.80	-	38.80
Experience (gains)/losses	29.03	-	29.03
<b>Total amount recognised in other comprehensive income</b>	<b>67.84</b>	<b>(6.92)</b>	<b>74.75</b>
Employer contributions	-	388.45	(388.45)
Benefit payments	(251)	(251.1)	-
<b>As at March 31,2024</b>	<b>2,629.47</b>	<b>2,620.99</b>	<b>8.49</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	(Amount in INR Lakhs)	
	March 31,2024	March 31,2023
Present value of funded obligations	2,629.47	2,462.75
Fair value of plan assets	2,620.99	2,316.71
<b>Deficit of funded plan</b>	<b>8.49</b>	<b>146.04</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>8.49</b>	<b>146.04</b>



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The major categories of plan assets of the fair value of the total plan assets are as follows :

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Other Insurance Contracts (LIC of India) (100%)	2,620.99	2,316.72

The significant actuarial assumptions were as follows:

Particulars	March 31, 2024	March 31, 2023
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest/ Discount Rate	7.09%	7.29%
Rate of Increase in Compensation	4.00%	4.00%
Expected average remaining service	14.12	14.22
Retirement age	60 Years	60 Years
Employee Attrition Rate	Age: 0 to 45 : 2% Age: 46 to 60 : 1%	Age: 0 to 45 : 2% Age: 46 to 60 : 1%

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is shown below:

Assumptions	(Amount in INR Lakhs)			
	Discount rate		Salary escalation rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
<b>March 31, 2024</b>				
Impact on defined benefit obligation	(183.65)	211.59	208.96	(184.32)
% Impact	-6.98%	8.05%	7.95%	-7.01%
<b>March 31, 2023</b>				
Impact on defined benefit obligation	-168.22	193.51	190.59	-170.61
% Impact	-6.83%	7.86%	7.74%	-6.93%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The payments of expected contributions to the defined benefit plan is INR 279.02 lakhs for March 31, 2024 (March 31, 2023: INR 262.77 lakhs)

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.34 years (March 31, 2023: 8.19 years)

**b) Defined contribution plans**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is INR 454.07 Lakhs (March 31, 2023: INR 438.53 Lakhs)



**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****34. COMMITMENTS AND CONTINGENCIES****A. Commitments****Capital Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
Property, plant and equipment	612.53	555.38

**B. Contingent Liabilities**

(Amount in INR Lakhs)

Particulars	March 31, 2024	March 31, 2023
Custom Duty , Excise duty, Service Tax, Electricity Duty and Income tax (Excluding Interest and Penalty)	12,390.79	12,998.11
Bank Guarantees	179.46	177.12
<b>ii. Other money for which the company is contingently liable</b>		
Letter of Credits	2,099.62	-
Corporate Guarantee to Karnataka Bank	4,450.00	-

**i. Council of Scientific & Industrial Research (CSIR)**

The Company had taken financial assistance from the Council of Scientific & Industrial Research (CSIR) of INR 485 Lakhs to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology by CSIR.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and the same was accepted by NCL and also a third party engineering firm appointed by CSIR.

CSIR had demanded the financial assistance back. Subsequently, CSIR had filed an Application for appointing Arbitrator before the Delhi High Court for initiating Arbitration process and the Company's response was that the same is time barred however the court had passed the judgement appointing Arbitrators. Thereafter the company had filed Special Leave Petition (SLP) in the Supreme Court. Supreme Court admitting SLP stayed Order of the Delhi High Court on condition of deposit of INR 100 Lakhs and the company have deposited INR 100 Lakhs during the Financial year 2019-2020. On 26th November 2021 Special Leave Petition was dismissed and by subsequent Order dated 17th December 2021 Company may apply to Arbitrator for refund of deposit. Till then it will be invested in Fixed Deposit of nationalised banks.

The company had received communication from CSIR, inviting comments for referring to the Arbitration. The Company had replied that it will prefer to have the arbitration by a sole arbitrator to be appointed mutually or by the Delhi International Arbitration Centre. The Company is now, waiting for further communication from CSIR regarding the proposed arbitrator for its consent.

**ii National Green Tribunal**

The Company was directed by Hon'ble NGT to complete bioremediation of affected land and water before 31.12.2019.

The Company filed an application for the extension of time.

The NGT by its Order dated 27.09.2021 had granted extension till 31.12.2023 for completing bioremediation and further directed to CPCB to impose conditions for bioremediation within one month from the date of the order. Thereupon, CPCB vide its letter dated 15.11.2021 had imposed the certain conditions along with Rs. 5 Millions Bank Guarantee, which the company had complied with. Now, the granted period has expired and the Company is waiting for the authorities to conduct the survey of the work done and issue its report for further course of action.



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

#### **III. Sale of Extra Neutral Alcohol (ENA) to Bottling Plant**

During F.Y 21-22 the company received notice from the office of "Asst Commissioner of Central Tax ( GST) BIJAPUR", towards GST not paid for ENA supply for the period 07/2007 to 03/2021 and "Show Cause" notice from "Joint Commissioner of Central Tax & CX., Belagavi", towards GST not paid for ENA supply for the period 07/2007 to 03/2021. The Company had submitted it's responses against both notices and was awaiting for further communication from offices. During the current year the company has received show cause notice from the office "Commissioner of Central Tax & CX., Belagavi", with a demand towards GST of INR 4,684 Lakhs for ENA supply for the period July 2017 to March 2021. Against the show cause notice the Company submitted it's response on 26th March 2023 and was awaiting for further communication from the department.

The Company has sold ENA to various customers of IFL (Potable industry) without GST through Karnataka State Beverages Corporation Ltd (KSBCCL) since implementation of GST. The Customers have interpreted that GST is not applicable to IFL (potable industry) and customers have volunteered and have given undertaking for reimbursement of any dues that maybe be levied by Government on account of GST if applied on account on sale of ENA.

Further Government of Karnataka clarified on 19/07/2017 that canalisation of ENA to bottling units for manufacture of liquor would be outside the purview of the GST.

The matter was referred to GST Council by Indian Sugar Mills Association in July 2017 and thereafter same was followed up by reminders from time to time, however, in view of difference of opinion, GST Council has referred the matter to Advocate General of India for his opinion.

On 7th October 2023, the GST Council recommended that ENA used for manufacture of alcoholic liquor for human consumption be kept outside applicability of GST. Now, the Company is waiting for clarity from the Government of Karnataka for the VAT applicable on the sales made of ENA in the aforementioned periods.

#### **IV. Exit from Export Oriented Unit (EOU), Customs Revenue Audit (CRA) and Negative NFE:**

The company got in principal approval for the submissions from the office of Asst. Development Commissioner SEEPZ Mumbai against the CRA audit observations vide order dated December 14, 2022. Furthermore, the Company received it's Final Exit Order from EOU scheme dated January 12, 2023, from the Office of Development Commissioner SEEPZ Mumbai wherein no dues or demands were from the competent authority. However, the Company had to execute a Legal Undertaking for exit from EOU scheme for payment of penalties as may be imposed upon the Company under FT (D & R) Act, 1992. The competent authority has not intimated any dues or demands till date and the company cannot quantify, if any.

#### **V. Electricity Duty on captive consumption**

On 13 April 2015, by notification, the Government of Maharashtra had increased the electricity duty levied on Captive Power consumed from 30 paise to 120 paise per unit which was challenged by Captive Power Producers Association before the Bombay High Court. The Bombay High Court vide its Order dated 5.7.2016 restrained the Govt. from taking any coercive action for recovery against the Petitioner or charging further interest until further order. Company has made provision of Rs. 308 Lakhs over the years on account of incremental duty of 90 paise which is unpaid. Interest on this unpaid amount is not ascertainable.

The Government of Karnataka, had increased the electricity duty levied on Captive consumption to @ 20 paise on the power generated and on auxiliary consumption to @5 paise with effect from 31.05.2016. Company has made provision of Rs. 376 Lakhs over the years on account of incremental duty which is unpaid. Interest on this unpaid amount is not ascertainable

#### **VI. Cross Subsidy Surcharges to HESCOM**

For captive use of power, there was a demand notice from Assistant Executive Engineer [Electrical] Hubli Electric supply company (HESCOM) Subdivision Mahalingapur, for INR 590.95 Lakhs towards Cross Subsidy Surcharges for Imported power from IEX (Indian Energy Exchange) for the period of 2013-2016.

On December 3, 2021, Karnataka Electricity Regulatory Commission (KERC) through common Order announced that cross subsidy charges are payable as per HT2A tariff, whereby the demand of the company INR 590.95 Lakhs for the company will reduce.

The Company filed a writ petition on February 28, 2022 in the Dharwad high court; to issue an appropriate writ order or direction declaring that HESCOM is not authorised to collect cross subsidy surcharge as the HESCOM does not have license to charge the same under the Electricity Act 2003 or any of the order or regulation passed.

The court had granted interim relief in favour of the Company. However, impugned Electricity (amendment) rules 2023 granted the license to HESCOM and render the said writ petition infructuous

The Company has challenged the Electricity amendment rules 2023 in the high court of Karnataka wide writ petition No 100449 date 24.01.2024. The hearing held on 11.03.2024 was adjourned due to a change in the bench next date of hearing yet to be pronounced.



## **GODAVARI BIOREFINERIES LIMITED**

### **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

#### **VII. Custom Duty for import of Denatured Ethyl Alcohol**

The company had received a show cause cum demand notice dated 24th June 2021 for payment of 480 Lakhs towards differential custom duty on import (Difference between 5% and 2.5%) of Denatured ethyl alcohol.

In July 2017, GST was introduced with a concessional of 2.5% duty. Accordingly, the company had been paying 2.5% duty instead of 5%.

In February 2021 budget it is declared that alcohol to be imported @ 5% from date of budget with no clarification for the period GST i.e July 2017 till 2020 for concessional rate of duty. Company had started paying 5% duty from Feb 2021.

The Customs had challenged that 2.5% duty was applicable for excisable goods and the applicable duty is 5%. Hence the differential of 2.5% is applicable for the period July 2017 to February 2021.

Industry had already appealed to the Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance, Department of Revenue in November 2020. CBIC had forwarded this matter to Jt Secretary TRU (Tariff Unit). The Company had received a letter dated 21st December 2021 from The Office of the Deputy/Assistant Commissioner of Customs Nashik demanding Bond, as security for 100% of the Dispute amount (Rs. 480 Lacs) and 10% of the dispute amount as Bank Guarantee for taking up the proceeding further. Accordingly, the company had submitted the Bond for 100% for Dispute amount and Bank Guarantee of Rs.48.00 Lacs.

Dy. Commissioner of Customs, Nashik conducted a personal hearing 27.01.2022 and vide Order No 04/DC/Customs-Adj/2021-22 dated 28.02.2022 confirmed the demand of Rs. 480 Lakhs.

The Company filed an appeal before the Commissioner of Customs (Appeal), Nagpur against demand of Rs 480 Lakhs on 22.04.2022 and paid Rs. 36 Lakhs as amount under dispute as required at the time of filing the Appeal.

Commissioner of Customs (Appeal) conducted a personal hearing on 14.03.2023 and vide his order dated 03.05.2023 rejected the appeal.

Aggrieved by Commissioner's order the Company had filed Appeal before CESTAT on 01.08.2023 and is awaiting further communication.

#### **IX. Income Tax Order for Assessment Year 2021-22**

Addition of INR 13,218.80 Lakhs on account of alleged suppressed sale sugar recovery

During the financial year 2022-2023 Income Tax scrutiny assessment for assessment year 2021-22 was completed wherein unusually exorbitant addition of INR 13,218.80 Lakhs was made to the income reported by the company in its income tax return and a demand Order of INR 5,730.20 Lakhs including interest was raised on the Company. The addition had been made on the technical grounds that the company's sugar recovery is less than 10%. The assessing officer had not considered many aspects and information applicable and relevant to the company during the assessment. Furthermore, the assessing officer did not consider the tax credit available to the company and set-off of the depreciation losses carried forward from previous years. The company submitted a rectification application to the Assistant Commissioner of Income Tax pointing out the apparent mistakes in the assessment proceedings and got the demand reduced to INR 2,754 Lakhs and got a stay on the demand.

The company had filed an Appeal before the Commissioner of Income Tax on 24.01.2023 against the Assessment Order.

The hearing through video conferencing was held on 21/02/2024 before CIT(A). Thereafter additional submission were called for which have been made and now order is awaited.

It is not practicable to estimate the timing of cash flows except Letter of Credits, in respect of matters stated above. Letter of Credits are due within three to six months

It is not practicable to estimate the timing of cash flows except Letter of Credits, in respect of matters stated above. Letter of Credits are due within three to six months





**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**35. RELATED PARTY TRANSACTIONS**

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country of Incorporation	
<b>List of related parties :</b>			
Subsidiary	Solar Magic Private Limited	India	
	Cayuga Investment B.V.	Netherlands	
Fellow Subsidiary	Godavari Biorefineries B.V.	Netherlands	
	Godavari Biorefineries INC.	U.S.A.	
Enterprises over which Key management personnel are able to exercise significant influence	Somaiya Properties and Investments Private Limited	India	
	Somaiya Agencies Private Limited	India	
	K. J. Somaiya and Sons Private Limited	India	
	Lakshmiwadi Mines and Minerals Private Limited	India	
	Somaiya Chemical Industries Private Limited	India	
	Sakarwadi Trading Company Private Limited	India	
	Arpit Limited	India	
	Filmedia Communication Systems Private Limited	India	
	Zenith Commercial Agencies Private Limited	India	
	Somaiya Vidyavihar	India	
	K J Somaiya Medical Trust	India	
	Girivanvasi Educational Trust	India	
	K J Somaiya Institute of Applied Agricultural Research	India	
	Jasmine Trading Co. Private Limited	India	
	Somaiya Publications Private Limited	India	
	The Book Centre Limited	India	
	Key Management Personnel	Samir Shantilal Somaiya (Chairman and Managing Director)	
		Sangeeta Arunkumar Srivastava (Executive Director)	
		Bhalachandra Raghavendra Bakshi ( Executive Director)	
		Preeti Singh Rawat (Non Executive Women Director upto November 23, 2023)	
Kailash Pershad (Independent Director)			
Hemant Luthra ( Independent Director)			
Lakshmi Kantam Mannepilli ( Independent Director )			
Raman Ramachandran ( Independent Director From 30th November 2023)			
Sanjay Puri (Independent Director)			
Suhas Uttam Godage ( Executive Director From 8th Sept 2021 )			
Nitin Mehta ( Independent Director From 1 st July 2021 )			
Naresh Sitaram Khetan (Chief Financial Officer)			
Manoj Jain (Compliance officer (from 20th December 2022))			
Swarna Gunware ( Company Secretary)			
Relatives of Key Management Personnel	Harinakshi S Somaiya		

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Lakhs)

Name	Nature of Transaction	March 31, 2024	March 31, 2023
Solar Magic Private Limited	Investments in Equity Shares	-	200.00
Solar Magic Private Limited	Loans and Advances Given/(Recd)	50.00	(20.71)
	Interest Income Received	23.32	22.99
	Purchases	108.23	109.90
	Sales	3.06	1.03
Godavari Biorefineries INC.	Commission/ Reimbursement of Expenses	105.53	262.68
Godavari Biorefineries B.V.	Commission/ Reimbursement of Expenses	143.56	216.99
	Machinery purchased	396.96	-
	Sales	3,408.39	4,977.86
The Book Centre Limited	Purchases	-	1.15
K J Somaiya Institute of Applied Agricultural Research	Purchases	17.62	21.34
	Contribution paid	175.00	158.00
Arpit Limited	Purchases	0.22	0.06
	Rent paid	1.42	1.42
Somaiya Agencies Private Limited	Purchases	1.20	1.41
Somaiya Properties and Investments Private Limited	Rent paid	17.75	17.75
	Purchases	-	0.14
	Payment for Purchase of Land	-	801.49
Somaiya Chemicals Industries Private Limited	Payment for Purchase of Land	-	145.50
Sakarwadi Trading Company Private Lim	Payment for Purchase of Land	-	145.50
K J Somaiya & Sons Private Limited	Royalty paid	177.37	205.92
Filmedia Communications Systems Private Limited	Service Charges paid	13.93	12.32
	Rent paid	186.91	169.92
Somaiya Vidyavihar	Mobile application Development / Training Expenses paid/Professional fees/ AMC Contract	1.33	1.29



**GODAVARI BIOREFINERIES LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Name	Nature of Transaction	(Amount in INR Lakhs)	
		March 31, 2024	March 31, 2023
K J Somaiya Medical Trust	Professional Fees	-	0.30
Somaiya Vidyavihar	Donation paid	15.00	158.40
Samir Shantilal Somaiya	Remuneration paid	345.41	301.75
	Purchases	-	1.36
Sangeeta Arunkumar Srivastava	Remuneration paid	95.17	83.08
	Fixed Deposit Interest Credited	6.28	5.66
	Fixed Deposit Received / Renewed	-	10.00
Bhalachandra Raghavendra Bakshi	Remuneration paid	64.41	55.45
Bhalachandra Raghavendra Bakshi and Relatives	Fixed Deposit Interest Credited	4.71	3.92
	Fixed Deposit Received / Renewed	3.00	20.90
	Fixed Deposit repayment	-	5.90
Suhas Uttam Godage	Remuneration paid	45.65	43.92
Suhas Uttam Godage's Relatives	Fixed Deposit Interest Credited	5.11	5.74
	Fixed Deposit Received / Renewed	7.00	30.85
	Fixed Deposit repayment	15.00	19.00
Naresh Sitaram Khetan	Remuneration paid	113.29	98.19
Naresh Sitaram Khetan's Relatives	Fixed Deposit Interest Credited	35.70	34.07
	Fixed Deposit Received / Renewed	40.50	158.75
	Fixed Deposit repayment	56.75	103.50
Manoj Jain	Remuneration paid	27.99	14.04
Swarna Gunware	Remuneration paid	22.02	19.07
Harinakshi S Somaiya	Gratuity Paid	-	1.82
Hemant Luthra	Director's fees paid	5.60	5.60
Kailash Pershad	Director's fees paid	4.90	4.55
Lakshmi Kantam Mannepalli	Director's fees paid	5.95	6.30
Preeti Singh Rawat	Director's fees paid	1.05	2.80
Nitin Mehta	Director's fees paid	2.45	2.10
Sanjay Puri	Director's fees paid	5.25	5.25
Raman Ramachandran	Director's fees paid	1.75	-

(iii) Outstanding balances arising from sales/purchases of goods and services

Name	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
<b>Investments</b>		
Solar Magic Private Limited *	545.00	545.00
Cayuga Investments BV [* Includes Ind AS adjustments]	1001.92	1,001.92
<b>Trade Receivables / (Advances)</b>		
Solar Magic Private Limited	(0.01)	-
Godavari Biorefineries BV	86.67	345.88
<b>Trade Payables</b>		
Solar Magic Private Limited	3.01	0.00
Godavari Biorefineries IHC.	38.97	52.28
Godavari Biorefineries BV	413.97	86.85
Filmmedia Communications System Pvt Ltd	-	1.77
K J Somaiya and Sons Pvt. Ltd.	18.58	56.45
Somaiya Properties and Investments Pvt. Ltd.	(1.50)	(1.50)

(iv) Loans to related parties

Name	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Solar Magic Private Limited	225.00	175.00

The company has given loans and advances only to Solar Magic Private Limited, which is 100% of total loans.

(v) Other Debit / (Credit) balances with related parties

Name	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Samir Shantilal Somaiya	(1.36)	(1.36)
Sangeeta Arunkumar Srivastava	(50.00)	(50.00)
Bhalachandra Raghavendra Bakshi and Relatives	(43.90)	(40.90)
Suhas Uttam Godage's Relatives	(41.85)	(49.85)
Naresh Sitaram Khetan's Relatives	(320.10)	(336.35)



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(vi) Key management personnel compensation \*

Particulars	(Amount in INR Lakhs)	
	March 31, 2024	March 31, 2023
Directors' sitting fees	26.95	26.60
Short term employee benefits *	707.68	801.45
	734.63	828.05

\* The figures reported in above table is summary of Remuneration and benefits as appearing under (i) against individual name of the key personnel above

(vii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has given guarantee/security to the lenders of subsidiary company amounting to INR Nil Lakhs (March 31, 2023: INR Nil Lakhs). For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2023: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**36. SEGMENT REPORTING**

A. For management purposes, the Company is organized into following four business units based on the risks and rates of returns of the products offered by these unit as per Ind AS 108 on 'Operating Segment' :

- Sugar
- Cogeneration (Green Power)
- Bio based Chemicals
- Distillery

No operating segments have been aggregated to form the above reportable operating segment

The Managing Director (MD) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.



**GODAVARI BIOREFINERIES LIMITED**
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Period ended March 31,2024

(Amount in INR Lakhs)

Particulars	Sugar	Cogeneration	Bio based Chemicals	Distillery	Interunit Transfer	Unallocated	Total
<b>Revenue</b>							
External Revenue / Operating Revenue	56,631.49	4,282.28	50,462.64	56,169.46	-	-	1,67,545.87
Inter-segment	48,065.73	13,077.88	-	230.16	(61,373.76)	-	-
<b>Total revenue</b>	<b>1,04,697.22</b>	<b>17,360.16</b>	<b>50,462.64</b>	<b>56,399.62</b>	<b>(61,373.76)</b>	<b>-</b>	<b>1,67,545.87</b>
<b>Other Non Operating Income</b>							
Other Income	199.52	0.19	112.50	15.89	-	1,052.93	1,381.04
	<b>199.52</b>	<b>0.19</b>	<b>112.50</b>	<b>15.89</b>	<b>-</b>	<b>1,052.93</b>	<b>1,381.04</b>
<b>Total revenue</b>	<b>1,04,896.75</b>	<b>17,360.35</b>	<b>50,575.14</b>	<b>56,415.51</b>	<b>(61,373.76)</b>	<b>1,052.93</b>	<b>1,68,926.91</b>
<b>Segment profit</b>							
Operating Profit Before Interest Expense	1,751.55	713.02	452.89	5,318.51	-	349.61	8,585.58
Interest Expense	-	-	-	-	-	7,551.43	7,551.43
Excess / (Short) provision for Income Tax	-	-	-	-	-	(0.30)	(0.30)
Tax Expenses	-	-	-	-	-	(21.88)	(21.88)
<b>Net Profit / (Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056.33</b>
<b>Segment Asset</b>	<b>65,050.01</b>	<b>2,764.30</b>	<b>21,078.57</b>	<b>22,008.44</b>	<b>-</b>	<b>-</b>	<b>1,10,901.32</b>
<b>Capital assets including CWIP</b>	<b>30,348.27</b>	<b>6,958.78</b>	<b>25,010.83</b>	<b>25,528.12</b>	<b>-</b>	<b>-</b>	<b>87,845.99</b>
<b>Total Segment Asset</b>	<b>95,398.28</b>	<b>9,723.08</b>	<b>46,089.39</b>	<b>47,536.56</b>	<b>-</b>	<b>-</b>	<b>1,98,747.31</b>
<b>Total Segment Liabilities</b>	<b>1,15,825.64</b>	<b>581.71</b>	<b>26,963.99</b>	<b>3,772.95</b>	<b>-</b>	<b>2,165.18</b>	<b>1,49,309.47</b>
<b>Other disclosures</b>							
Capital expenditure	1,451.92	319.14	1,927.81	624.29	-	34.68	4,357.84
Segment Depreciation	2,077.71	915.69	1,070.20	1,813.16	-	85.98	5,962.72
Non cash expenses other than Depreciation	-	22.82	(0.03)	-	-	-	22.79



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Period ended March 31, 2023

(Amount in INR Lakhs)

Particulars	Sugar	Cogeneration	Bio based Chemicals	Distillery	Interunit Transfer	Unallocated	Total
<b>Revenue</b>							
External Revenue / Operating Revenue	67,978.03	4,285.33	64,578.55	63,186.22	-		2,00,028.13
Inter-segment	48,855.83	10,438.29	-	5,054.79	(64,348.91)	-	-
<b>Total revenue</b>	<b>1,16,833.86</b>	<b>14,723.62</b>	<b>64,578.55</b>	<b>68,241.01</b>	<b>(64,348.91)</b>	<b>-</b>	<b>2,00,028.13</b>
<b>Other Non Operating Income</b>							
Other Income	181.27	275.54	73.29	7.59	-	214.96	752.65
	181.27	275.54	73.29	7.59	-	214.96	752.65
<b>Total revenue</b>	<b>1,17,015.13</b>	<b>14,999.16</b>	<b>64,651.84</b>	<b>68,248.60</b>	<b>(64,348.91)</b>	<b>214.96</b>	<b>2,00,780.78</b>
<b>Segment profit</b>							
Operating Profit Before Interest Expense	4,308.96	680.31	(866.27)	6,149.21	-	(673.81)	9,598.40
Interest Expense	-	-	-	-	-	7,253.27	7,253.27
Excess / (Short) provision for Income Tax	-	-	-	-	-	(0.20)	(0.20)
Tax Expenses	-	-	-	-	-	1,145.43	1,145.43
<b>Net Profit / (Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,199.90</b>
<b>Segment Asset</b>	<b>31,540.50</b>	<b>2,153.48</b>	<b>25,326.82</b>	<b>26,792.23</b>	<b>-</b>	<b>-</b>	<b>85,813.03</b>
<b>Capital assets including CWIP</b>	<b>30,783.15</b>	<b>7,434.01</b>	<b>24,278.62</b>	<b>25,774.15</b>	<b>-</b>	<b>-</b>	<b>88,269.93</b>
<b>Total Segment Asset</b>	<b>62,323.65</b>	<b>9,587.49</b>	<b>49,605.44</b>	<b>52,566.38</b>	<b>-</b>	<b>-</b>	<b>1,74,082.96</b>
<b>Total Segment Liabilities</b>	<b>84,918.02</b>	<b>1,583.60</b>	<b>27,221.40</b>	<b>9,714.36</b>	<b>-</b>	<b>2,205.87</b>	<b>1,25,643.25</b>
<b>Other disclosures</b>							
Capital expenditure	6,516.54	568.98	7,387.78	10,496.91	-	92.17	25,062.38
Segment Depreciation	1,704.26	872.68	841.95	1,440.74	-	98.34	4,957.97
Non cash expenses other than Depreciation	0.09	-	111.63	9.41	-	-	121.13





**GODAVARI BIOREFINERIES LIMITED****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024****B. Information about geographical areas**

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(Amount in INR Lakhs)

Particulars	March 31,2024	March 31,2023
Domestic Sales	1,36,046.47	1,54,804.63
Export Sales	31,499.40	45,223.50
	<b>1,67,545.87</b>	<b>2,00,028.13</b>

Capital Expenditure	March 31,2024	March 31,2023
within India	4,357.84	25,062.38
Outside India		-
	<b>4,357.84</b>	<b>25,062.38</b>

All non current assets of the Company are located in India.

**Revenue from Major Customers**

Revenue from customers exceeding 10% of total revenue for the year ended March 31,2024 and year ended March 31, 2023 were as follows:

(Amount in INR Lakhs)

Segment	March 31,2024		March 31,2023	
	Number of Customers	Revenue	Number of Customers	Revenue
Sugar	2	29,619.27	1	14,965.62
Cogen	3	3,268.14	1	4,243.89
Chemical	-	-	1	8,460.89
Distillery	3	47,206.56	3	56,630.26
		<b>80,093.97</b>		<b>84,300.66</b>



**GODAVARI BIOREFINERIES LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**37. FAIR VALUE MEASUREMENTS**

Particulars	(Amount in INR Lakhs)			
	Carrying Amount		Fair Value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>FINANCIAL ASSETS</b>				
<b>Amortised cost</b>				
Trade Receivables	18,266.67	21,222.08	18,266.67	21,222.08
Loans	225.00	175.00	225.00	175.00
Cash and Cash Equivalents	119.92	62.82	119.92	62.82
Other Bank Balances	2,145.97	2,350.69	2,145.97	2,350.69
Security Deposits	488.98	516.66	488.98	516.66
Other Financial Assets	1,203.45	244.61	1,203.45	244.61
<b>Fair Value through Profit and Loss (FVTPL)</b>				
Investments in Preference Shares	0.01	0.01	0.01	0.01
Investments in Equity Shares	0.03	0.03	0.03	0.03
Derivative financial assets	15.88	26.91	15.88	26.91
<b>Total</b>	<b>22,465.91</b>	<b>24,598.81</b>	<b>22,465.91</b>	<b>24,598.81</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Amortised cost</b>				
Borrowings (Excludes Interest accrued and due on borrowings)	65,406.23	73,533.51	65,406.23	73,533.51
Lease Liabilities	52.70	55.46	52.70	55.46
Trade Payables	63,293.93	40,012.55	63,293.93	40,012.55
Other financial liabilities (Includes Interest accrued and due on borrowings)	3,912.21	4,147.14	3,912.21	4,147.14
<b>Fair Value through Profit and Loss (FVTPL)</b>				
Derivative financial liabilities	28.08	42.91	28.08	42.91
<b>Total</b>	<b>1,32,693.15</b>	<b>1,17,791.57</b>	<b>1,32,693.15</b>	<b>1,17,791.57</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**ii. Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**Assets and liabilities measured at fair value - recurring fair value measurement:**

Particulars	(Amount in INR Lakhs)							
	March 31, 2024				March 31, 2023			
	Fair value measurement using			Total	Fair value measurement using			Total
Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted prices in active markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
<b>Financial Assets</b>								
<b>Financial Investments at FVTPL</b>								
Investments in Preference Shares	-	-	0.01	0.01	-	-	0.01	0.01
Investments in Equity Shares	-	-	0.03	0.03	-	-	0.03	0.03
Derivatives - Foreign Exchange forward contract	-	15.88	-	15.88	-	26.91	-	26.91
<b>Total Financial Assets</b>	<b>-</b>	<b>15.88</b>	<b>0.04</b>	<b>15.92</b>	<b>-</b>	<b>26.91</b>	<b>0.04</b>	<b>26.95</b>
<b>Financial Liabilities</b>								
Derivatives - Foreign Exchange forward contract	-	28.08	-	28.08	-	42.91	-	42.91

**iii. Fair value measurement**

**Level 1 - Level 1 hierarchy** includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2 - The fair value of financial instruments** that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 - If one or more of the significant inputs** are not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity shares.

There have been no transfers among Level 1, Level 2 and Level 3 during the period

**iv. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.



**GODAVARI BIOREFINERIES LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**38. FINANCIAL RISK MANAGEMENT**

The company's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

**(A) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

**i. Credit risk management**

To manage the credit risk, Company periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to Customer. Company monitors the payment track record of the customers, restrict credit limited in SAP, credit rating etc. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which company has also availed borrowings.

**ii. Provision for expected credit losses - Trade Receivables**

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

**Exposure - Trade Receivables**

(Amount in INR Lakhs)

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31,2024	18,158.26	108.41	18,266.67
As at March 31,2023	20,544.43	677.65	21,222.08

**iii. Reconciliation of loss allowance provision - Trade receivables**

(Amount in INR Lakhs)

Particulars	Amount
Loss allowance on March 31,2022	701.09
Changes in loss allowance	(275.54)
Loss allowance on March 31,2023	425.55
Changes in loss allowance	(16.49)
Loss allowance on March 31,2024	409.06

**iv. Provision for expected credit losses - Other financial assets**

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 4138.39 Lakhs (March 31, 2023: INR 3,349.78 Lakhs ). The company does not expect credit loss on other financial assets.

**(B) Liquidity risk**

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

**Contractual maturities of financial liabilities**

(Amount in INR Lakhs)

Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
<b>March 31,2024</b>				
Borrowings (Excludes Interest accrued and due on borrowings)	65,406.23	29,858.29	35,547.93	-
Trade payables	63,293.93	63,293.93	-	-
Lease Liabilities	52.70	27.86	24.84	-
Other financial liabilities (Includes Interest accrued and due on borrowings)	3,912.21	3,860.22	51.99	-
<b>Total non derivative liabilities</b>	<b>1,32,665.07</b>	<b>97,040.30</b>	<b>35,624.76</b>	<b>-</b>
<b>March 31,2023</b>				
Borrowings (Excludes Interest accrued and due on borrowings)	73,533.51	27,514.70	46,018.81	-
Trade payables	40,012.55	40,012.55	-	-
Lease Liabilities	55.46	5.32	50.14	-
Other financial liabilities (Includes Interest accrued and due on borrowings)	4,190.05	4,215.08	(25.04)	-
<b>Total non derivative liabilities</b>	<b>1,17,791.57</b>	<b>71,747.65</b>	<b>46,043.91</b>	<b>-</b>



**GODAVARI BIOREFINERIES LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

**(i) Foreign currency risk**

Foreign currency risk arises commercial transactions that

**(a) Foreign currency risk exposure**

Particulars	(Amount in INR Lakhs)			
	USD	EURO	GBP	Total
<b>March 31,2024</b>				
Trade Receivables	8,815.49	554.47	-	9,369.96
Trade Payables	(18,628.84)	(413.97)	0.57	(19,042.24)
Forward contracts for receivables	(1,249.64)	(297.72)	-	(1,547.36)
Forward contracts for payables	10,563.11	-	-	10,563.11
<b>Net exposure to foreign currency risk</b>	<b>(499.88)</b>	<b>(157.22)</b>	<b>0.57</b>	<b>(656.53)</b>
<b>March 31,2023</b>				
Trade Receivables	5,614.13	932.80	-	6,546.93
Trade Payables	(5,378.71)	(86.85)	(4.58)	(5,470.14)
Forward contracts for receivables	(3,513.26)	(796.25)	-	(4,309.51)
Forward contracts for payables	3,486.67	-	-	3,486.67
<b>Net exposure to foreign currency risk</b>	<b>208.83</b>	<b>49.70</b>	<b>(4.58)</b>	<b>253.95</b>

**(b) Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

Particulars	(Amount in INR Lakhs)			
	March 31,2024		March 31,2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(5.00)	5.00	2.09	(2.09)
EURO	(1.57)	1.57	0.50	(0.50)
GBP	0.01	(0.01)	(0.05)	0.05
<b>Net Increase/(decrease) in profit or loss</b>	<b>(6.56)</b>	<b>6.56</b>	<b>2.54</b>	<b>(2.54)</b>

**(ii) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. During year ended March 31, 2024 and year ended March 31, 2023, the company's borrowings at variable rate were denominated in INR.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	4,816.40	4,271.05
<b>Impact - Profit or (Loss)</b>		
Interest rates - increase by 100 basis points	(48.16)	(42.71)
Interest rates - decrease by 100 basis points	48.16	42.71

**(iii) Inventory price risk**

The company is exposed to the movement in price of principal finished product i.e sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

Rate sensitivity	Increase / Decrease In sale price (per Qtls)	Effect on Profit before tax	
For year ended March 31,2024	1	+ / (-)	13.16
For year ended March 31,2023	1	+ / (-)	5.37



**GODAVARI BIOREFINERIES LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024**

**39. RATIO ANALYSIS AND ITS COMPONENTS**

Ratios :

Sr No.	Particulars	March 31,2024	March 31,2023	% change from March 31, 2023 to March 31, 2024
1	Current ratio	0.95	1.04	-9%
2	Debt- Equity Ratio	2.58	3.01	-15%
3	Debt Service Coverage Ratio	1.06	0.90	18%
4	Return on Equity Ratio	0.04	0.05	-16%
5	Inventory Turnover Ratio	2.28	3.07	-26%
6	Trade Receivable Turnover Ratio	8.49	10.30	-18%
7	Trade Payable Turnover Ratio	2.98	2.70	10%
8	Net Capital Turnover Ratio	(29.11)	57.77	-150%
9	Net Profit Ratio	0.01	0.01	5%
10	Return on Capital Employed	0.09	0.10	-4%
11	Return on Investment	0.04	0.04	-21%

Components of Ratio

Sr No.	Ratios	Numerator	Denominator	March 2024		March 2023	
				Numerator	Denominator	Numerator	Denominator
1	Current ratio	Current Assets	Current Liabilities	1,05,424.81	1,11,180.71	80,536.02	77,073.53
2	Debt- Equity Ratio	Total Debts (Including Government Grants)	Total Equity (Equity Share capital + Other equity-Revaluation Reserve-Capital Redepmtion Reserve)	65,406.23	25,394.35	73,533.51	24,396.26
3	Debt Service Coverage Ratio	Net Profit after taxes + Non-cash operating expenses (i.e. depreciation and other amortizations + Interest )	Finance cost+Lease repayment + principle repayment of long term borrowings during the period/year	14,570.48	13,728.22	13,411.14	14,939.92
4	Return on Equity Ratio	Net profit after tax - Exceptional items	Average Total Equity [Opening( Equity Share capital + Other equity-Revaluation Reserve-Capital Redepmtion Reserve)+Closing (Equity Share Capital+Other Equity-Revaluation Reserve-Capital Redepmtion Reserve)]/2]	1,056.33	24,895	1,199.90	23,890
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory (opening balance+ closing balance/2)	1,50,671.75	65,945.20	1,79,349.89	58,452.23
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance /2)	1,67,545.87	19,744.38	2,00,028.13	19,424.48
7	Trade Payable Turnover Ratio	Purchase of stock in trade and material consumed	Average trade payable (Opening balance + closing balance /2)	1,53,681.12	51,653.24	1,31,588.46	48,748.07
8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset - current liabilities)	1,67,545.87	(5,755.90)	2,00,028.13	3,462.49
9	Net Profit Ratio	Net profit after tax - Exceptional items	Revenue from operations	1,056.33	1,67,545.87	1,199.90	2,00,028.13
10	Return on Capital Employed	Profit Before Interest, Tax & Exceptional item	Equity Share capital + Other equity-Revaluation Reserve-Capital Redepmtion Reserve + Total Debts (Including Government Grants)	8,585.58	90,800.58	9,598.40	97,929.77
11	Return on Investment	Interest Income on fixed deposits	Non current Investments + Fixed deposits with bank	179.46	5,075.74	214.96	4,797.83



Reasons for variance of more than 25% in above ratios :

Sr No.	Particulars	March 31, 2024	March 31, 2023
1	Current ratio		-
2	Debt- Equity Ratio		-
3	Debt Service Coverage Ratio		
4	Return on Equity Ratio		The ratios deteriorated due to lower profit primarily affected due to volatility in chemical input material
5	Inventory Turnover Ratio	Intervention in ethanol blending program by GOI resulted to higher sugar production resulted to overstocking of sugar.	-
6	Trade Receivable Turnover Ratio		-
7	Trade Payable Turnover Ratio		
8	Net Capital Turnover Ratio	Lower working capital utilization.	Increase in Revenue from operation and Increase in Borrowings
9	Net Profit Ratio		The ratios deteriorated due to lower profit primarily affected due to volatility in chemical input material
10	Return on Capital Employed		
11	Return on Investment		The Ratios improved due to lesser investment in fixed deposit

40. DISCLOSURE ON BANK/FINANCIAL INSTITUTION COMPLIANCES

Summary of reconciliation of monthly statements of current assets filed by the Company with Banks are as below :-

No vairance in statement submitted to banks and books of accounts





## GODAVARI BIOREFINERIES LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2024

#### 41. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.

Particulars	(Amount in INR Lakhs)	
	March 31,2024	March 31,2023
Borrowings (Includes Interest accrued and due on borrowings)	66,327.00	73,801.31
Less: Cash and cash equivalents	(119.92)	(62.82)
Less: Other bank balance	(2,145.97)	(2,350.69)
<b>Net Debt</b>	<b>64,061.11</b>	<b>71,387.80</b>
Equity share capital	4,194.30	4,194.30
Other equity	45,243.54	44,245.45
Less: Revaluation Reserve	(23,469.99)	(23,469.99)
Less: Capital Redeption Reserve	(573.50)	(573.50)
<b>Total Equity</b>	<b>25,394.35</b>	<b>24,396.26</b>
<b>Total Equity and Net Debt</b>	<b>89,455.46</b>	<b>95,784.07</b>
<b>Gearing ratio</b>	<b>0.72</b>	<b>0.75</b>

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.



**42. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013****(Amount in INR Lakhs)**

Name of the Party	Nature	Purpose	Rate of interest	March 31,2024	March 31,2023
Solar Magic Private Limited	Loan	Working Capital	7.00%	225.00	175.00

**43 .Cenvat credit Tuljabhavani SSK Ltd, Naldurg.**

The company had taken the distillery of Tuljabhavani SSSK Ltd at Naldug, Maharashtra on a lease basis for three years upto June-2009. On the expiry of the lease, the company stopped production and surrendered the Central Excise registration certificate for the same. The company had carried forward and applied on March 28, 2012 for a transfer of CENVAT credit of Rs. 117.50 Lakhs lying in balance as on April 30, 2009 from the register of Tuljabhavani SSSK Ltd. to the register of Sakaradi unit of the company. A show cause notice (SCN) was issued to reject the request for a grant of permission to transfer credit lying as an unutilized balance in the CENVAT account.

The Assistant Commissioner of Central Excise & Customs, Nanded and rejected the company's submission and confirmed the said SCN.

Thereafter, The Commissioner of Central Excise and Service Tax, Aurangabad and Hon'ble Customs Excise Service Tax Appellate Tribunal (CESTAT), West Regional Branch, Mumbai have rejected company submissions and appeals.

The company has now filed an appeal before Hon'ble Bombay High Court, Aurangabad Bench on 18.04.2023 and are awaiting the hearing date for the matter.

**44. e2e materials**

The Company had made an investment of INR 134.65 Lakhs in a United States of America based company named as e2e Materials, INC. during the period April 2010 to July 2014. However, E2E Materials, INC. was dissolved on March 20, 2018 by the order of competent authority of United States of America. The Company had made a provision against the investment amount during period March 2015 to March 2016, as there was no expected returns or recovery against the investment made. The Company has submitted an application to UBI for reporting of disinvestment in E2E Materials, INC. due to dissolution on May 16, 2023 and awaiting response or confirmation from UBI along with applicable fees or demand under the LSF scheme of RBI.



45. Corporate Social Responsibility (CSR)			
		(Amount in INR Lakhs)	
		2023-24	2022-23
Sr No.	Details for CSR expenditure		
a)	Amount required to be spent by the company during the year,	71.52	55.19
b)	Amount of expenditure incurred,	18.92	161.64
c)	(Shortfall)/Excess at the end of the year,	(52.61)	106.45
d)	Total of previous years Excess /(Shortfall), *	133.69	186.30
e)	Reason for shortfall,	NA	NA
f)	Nature of CSR activities,	Education , Healthcare, Self Employment training Programme	Education , Healthcare, Self Employment training Programme
g)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	15.00	158.40
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Nil	Nil

\*Excess CSR expenditure done in F.Y 2021-22 set off against shortfall of expenditure done in F.Y 2023-24 in accordance with rule 7(3) of the Companies (CSR Policy) Rules, 2014.

#### 46. Other statutory information

(i). The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii). The Company have not traded or invested in Crypto currency or Virtual Currency during reporting periods.

(iii). The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv). The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(v). The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi). The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.



(vii). The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii). The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

(ix). The Company shall disclose as to whether the fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Since, the Company does not have any investment property during any reporting period, the said disclosure is not applicable.

(x). Section 8 of the Companies Act, 2013 companies are required to disclose grants or donations received during the year. Since, the Company is not covered under Section 8 of the Companies Act, 2013, the said disclosure is not applicable.

(xi). There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.

(xii). During the reporting periods, the Company does not have any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties as per the definition of Companies Act, 2013.

(xiii). The Company has not identified any transactions or balances in any reporting periods with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**47. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current period classification**

Material Accounting Policies and Notes on Accounts form an integral part of the Standalone financial statements. 1 to 47  
As per our report of even date attached For and on behalf of the Board of Directors

For VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number : 112118W



Sandeep Ramesh Verma  
Partner

Membership No. 045711

Place : Mumbai  
Date : 31st May 2024



Samir Shantilal Somaiya  
Chairman and Managing Director  
(DIN : 00295458)



Swarna Gunware


Company Secretary  
(Membership No:32787)  
Place : Mumbai  
Date : 31st May 2024



Manoj Jain  
Company Secretary &  
Compliance Officer  
(Membership No :7998)



Sangeeta Arunkumar Srivastava  
Executive Director  
(DIN : 00480462)



Naresh Sitaram Khetan

Chief Financial Officer  
(Membership No : F037264)



# VERMA MEHTA & ASSOCIATES

Chartered Accountants

104, Creative Industries Premises, Sunder Nagar, Kalina, Santacruz (East), Mumbai - 400 098.

Tel.: 2666 6359 • Fax : 6693 5131 E-mail : vmaca92@gmail.com

Independent Auditors' Report

To the Members of Godavari Biorefineries Limited

Report on the audit of the Standalone Financial Statements

## Opinion

1. We have audited the accompanying standalone financial statements of **Godavari Biorefineries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the period ended on that date.

## Basis for opinion

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

## Key audit matters

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



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<b>Valuation of inventory of Sugar, Distillery and Cogen Division as at the year ended March 31, 2024 (Refer note 2.2(i) and 7 of the Standalone Financial Statements)</b>	
	<p>As per the accounting policy of the Company, inventory of sugar division, distillery and cogen division are valued at the lower of cost and net realisable value ('NRV'). Sugarcane crushing results in production of products and by-products which are sold in market as well as used as inputs in the production in Distillery and Cogen Divisions of the Company. The valuation for all the products and by-products requires use of management's judgements and assumptions. These judgements and assumptions are subject to inherent limitations due to various external factors.</p> <p>We have determined this to be a key audit matter given the complexity in the judgments involved due to different valuation parameters arising out of variability in external factors such as government regulations, availability of sugarcane, sugarcane crushing days, recovery from cane crushing, fluctuating selling price of sugar and non-availability of industry data for cost/NRV of by-products. Further, any change in the management's judgements and assumptions is likely to have significant impact on the valuation of inventories.</p>	<ol style="list-style-type: none"> <li>1. Obtained an understanding of the matter from the management.</li> <li>2. Considered the appropriateness of the Company's accounting policies relating to valuation of finished goods and by-products and assessing compliance with the applicable accounting standards.</li> <li>3. Tested the effectiveness of the Company's controls over calculation of cost of inventories and estimation of corresponding NRV.</li> <li>4. Based on data used by the Company to arrive at cost and NRV, including minimum selling price and actual selling price during the year end, we assessed the permanence of methods used, relevance and reliability of data and the calculations applied.</li> </ol> <p>Based on the above procedures performed, we concluded that management's process for determination of NRV and comparing that with cost of inventories seems reasonable.</p>
2.	<b>Accounting Treatment of CWIP of expenditure done on account of Anti-Cancer Drug - MSP008-22</b>	
	In accordance with the IND AS 38, upto F.Y 2018-2019 as the drug was under research phase, all the expenditures (revenue and	<ol style="list-style-type: none"> <li>1. Obtained an understanding of the matter from the management.</li> <li>2. Obtained an understanding of the matter</li> </ol>





capital) incurred on the research were being accounted as revenue expenditures. The drug entered development phase in F.Y 2019-2020, and since then, all the expenditures were split and accounted as revenue and capital expenditures. Accordingly, all capital expenditures i.e. the equipment and machines acquired were accounted as Capital Work in Progress (CWIP) in the books of accounts since F.Y 2019-2020.

The Company being under the development phase has achieved a stable composition of the drug which is now under safety trials. The Company has also received approval from Central Drugs Standard Control Organisation (CDSCO) to continue the safety trials to completion or until a Serious Adverse Event is reported.

The Company has also started phase 1 efficacy trials to establish the efficacy of the drug.

The Company has approached pharma companies who have shown interest in the drug but are waiting for the efficacy results. The Company has also approached VC Companies and is trying to explore possibilities for investments.

Given the current stage of the drug and that the fact that

- (i) Company has the intention to complete the efficacy of the drug,
- (ii) has the resources – Financial and Technical to do so and lastly,
- (iii) wants to commercialize the drug,

the Company has decided to consider all the expenditures (including revenue expenditures) as addition towards CWIP under Intangible assets under development till such time that the drug is not commercialized.

We have determined this to be a key audit

from the strategy and business development manager who as represented to us, is leading and interacting with external parties regarding the drug.

- 3. Considered the appropriateness of the Company's accounting treatment of accounting all expenditures on Anti-Cancer Drug – MSP008-22 as CWIP under Intangible assets under development and assessing compliance with the applicable accounting standards.

Based on the above procedures performed, we concluded that management's policy for treating all expenditure as CWIP seems reasonable.





	<p>matter given the fact that the company is continuing the development phase of the drug and, in accordance with IND AS 38, all the expenditures incurred will be treated Capital Expenditures and will be accounted under CWIP under Intangible assets under development till the time the drug is not commercialized</p>	
<b>3.</b>	<p><b>Additional Cane Price for the Financial Year 2021-2022 crystalized and accounted during the period under audit in cost of materials consumed (Refer note to schedule 24 in the Standalone Financial Statement)</b></p>	
	<p>Additional Cane price amounting to Rs. 1,393.91 Lakhs for the FY 2021-2022 accounted as cost of material consumed during the period under audit.</p> <p>The above liability has crystalized and also accounted during the period under audit. However same has not been included in the valuation of the Closing Stock.</p> <p>We have considered this to be a Key Audit Matter considering the materiality of the amount involved.</p>	<p>1. Obtained an understanding of the matter from the management.</p> <p>2. Examined the following:</p> <p>a) Supporting data and documents to ascertain that the expenses even though relate to FY 2021-2022, same were Crystallized and Finalized during the year under audit.</p> <p>b) Valuation of inventory of sugar to ascertain that the additional price have not been considered in the valuation.</p> <p>Based on the above procedures performed we noted that the Management assessment of considering the additional cane price for the FY 2021-2022 as cost of cane consumed during the period under audit is reasonable.</p>

#### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

6. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the financial statements**

8. 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

12. 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.

13. 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.

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

#### **Report on other legal and regulatory requirements**

15. 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. 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 accounts 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 B, i to iii to the Ind AS financial statements;

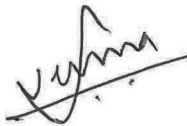
ii) There are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards. The Company has made provision in respect of derivative contracts as required under the applicable law or accounting standard;

iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

FOR VERMA MEHTA & ASSOCIATES

Chartered Accountants

Firm's Registration No: 112118W



**Sandeep Verma**

Partner

M.N. 045711

Place: Mumbai

Date: 31/05/2024

UDIN: 24045711BKIAFL8177



## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone IND AS financial statements for the period ended 31st March 2024, we report that:

(i)

(a)(A) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.

(a)(B) The Company has generally maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property plant and equipment by which property plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property plant and equipment were verified during the period under audit and no material discrepancies were noticed on such verification.

(c) the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements except as reported below are held in the name of the company: -

Description of item of property	Gross carrying value ₹ in Lakh	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director of promoter / director	Property held since which date	Reason for not being held in the name of the company
Not Applicable.					

(d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the period.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 inventory, except goods-in-transit and inventory lying with third parties, has been physically verified by the management at reasonable intervals during the period under audit. In our opinion, the frequency of such verification is reasonable.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements and stock statements submitted for its divisions are in agreement with the books of account of the Company.

(iii)

- (a) The Company has provided loans in the nature of loans and provided guarantee details of which are as follows:

(A) to Subsidiaries-

Sr. No.	Name of Company	Nature of Relation	Facility	Amount outstanding as on 31st March 2024 (Rs. In Lakhs)
1	Solar Magic Private Limited	Wholly Owned Subsidiary	Loan Given	225.00

(B) to Others- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no loans in the nature of loans or guarantees have been provided for parties other than Subsidiaries.

- (b) The investments made, guarantees provided, and the terms and conditions of all loans and advances in the nature of loans granted and guarantees provided to wholly owned subsidiaries listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans and advances in the nature of loans, there is no schedule of repayment of principal. However, condition for payment of interest has been stipulated and receipts on account of interest are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amount is overdue.
- (e) 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 granted any loans in the nature of loans either repayable on demand or without specifying any terms or period of repayment details of which are as follows:



Sr. No.	Name of Company	Nature of Relation	Aggregate Amount outstanding as on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	Percentage thereof to the total loans granted
1	Solar Magic Private Limited	Wholly Owned Subsidiary	225.00	100%

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the wholly owned subsidiary covered under Section 186.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other applicable provisions of the Act and the (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) in respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of excise, duty of customs, service tax, GST, professional tax, cess and other material statutory dues have been generally regularly deposited during the period under audit by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, GST, professional tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March ,2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty, income tax and electricity duty:





Name of the Statute	Nature of Dues	Period to which it pertains	Forum Where Dispute is Pending	Amount (Excluding Interest and Penalty) (Rs. in Lakhs)
The Central Excise Act, 1944	Excise Duty Excise	2009-2010	Commissioner of Central Excise	130.86
		2008-09, 2009-10, 2010-11, 2014-15, 2015-16	CESTAT	280.62
		2005-06, 2006-2007	Commissioner of State Excise	164.40
		2015-16	Commissioner of Central Excise (Appeals)	152.06
Customs Act, 1962	Customs Duty	2013-14	CESTAT	25.38
Cross Subsidy Surcharges	Cross Subsidy Surcharges	01/05/2013 to 31/10/2016	Company is in the process of filing petition with H'ble High Court of Dharwad	590.95
Customs Act, 1962	Customs Duty	July 2017 to February 2021	CBIC has forwarded this matter to Jt Secretary TRU (Tariff Unit)	480.00
Income Tax Act, 1961	Income Tax	2015-16 (AY 2016-17)	Commissioner of Income Tax (Appeal)	355.37
Income Tax Act, 1961	Income Tax	2009-10 (AY 2010-11)	Income Tax	4.18
Income Tax Act, 1961	Income Tax	2018-19 (AY 2019-20)	Income Tax	102.97
Income Tax Act, 1961	Income Tax	2020-21 (AY 2021-22)	Commissioner of Income Tax (Appeal)	5333.73
Goods & Service Tax	Goods & Service Tax	07/2017 to 03/2021	Commissioner of Central Tax & CX., Belagavi	4684.50
Goods & Service Tax	Goods & Service Tax	2019-20	Superintend Central Tax GST Hubballi	84.00
Goods & Service Tax	Goods & Service Tax	2022-23	Ahmedabad GST office	1.77

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions that have been not recorded in the books of account that have been surrendered or disclosed as income during the period under audit in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



(ix)

- (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender for the period ended on 31st March 2024.
- (b) As per the information, representation and explanations given to us, the Company has not been a declared wilful defaulter by any bank or financial institution or other lender.
- (c) As per the information, representation and explanations given to us, the Company has applied the term loans obtained during the period upto 31st March 2024 for the purpose for which the loans were obtained.
- (d) As per the information, representation and explanations given to us, the Company has not utilised funds raised for short term basis for long term purposes.
- (e) As per the information, representation and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) As per the information, representation and explanations given to us, the Company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x)

- (a) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the period upto 31st March 2024.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period upto 31st March 2024, thus compliance for the requirements of section 42 and section 62 of the Companies Act, 2013 are not applicable.

(xi)

- (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) 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.
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) to (c) of the Order is 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 sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

(xiv)

(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit have been considered by us during the course of our audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) to (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses for the period ended on 31st March 2024 and in the immediately preceding financial year i.e., F.Y. 2022-2023. Thus, paragraph 3(xvii) of the Order is not applicable.

(xviii) The Statutory Auditor's of the Company has not resigned during the period ended on 31<sup>st</sup> March 2024. Thus, paragraph 3(xviii) of the Order is not applicable.

(xix) on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report regarding the Company's capabilities of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.

(xx) The Company has made expenditure of Rs. 18.92 Lakhs against the required amount of Rs. 71.52 Lakhs for CSR activities during the year. The Company had made excess CSR expenditure during previous financial years, details of which are as follows:

Amounts in Lakhs

Sr. No.	Financial Year	Obligation (2% of NP)	Actual Expenditure	Excess Expenditure Amount	Set off *
1.	2021-2022	Rs. 32.14	Rs. 112.00	Rs. 79.86	Can be set off against expenditure obligation for FY 2023-2024 and FY 2024-2025.
2.	2022-2023	Rs. 55.20	Rs. 161.44	Rs. 106.44	Can be set off against expenditure obligation for FY 2023-2024, FY 2024-2025 and FY 2025-2026.

\*As per rule 7(3) of the Companies (CSR Policy) Rules, 2014.



Thus, against the shortfall of Rs. 52.60 Lakhs for F.Y 2023-2024, the Company has vide board approval dated 21/03/2024, set off the excess expenditure made in F.Y 2021-2022. The expenditure has been made on education and healthcare activities during the year. The expenditure of Rs. 15.00 Lakhs has been made with related parties during the year. As the company has made expenditure in excess of the required amount in the previous financial years which are available for set off as mentioned above, there is no requirement for the company to make a transfer of any unspent amount to a special account in compliance relevant provisions of section 135 of Companies Act, 2013.

(xxi) The Companies (Auditor's Report) Order (CARO) is not applicable to the companies that have been included in the consolidated financial statements. Thus, paragraph 3(xxii) of the Order is not applicable.

FOR VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 112118W



**Sandeep Verma**

Partner

M.N. 045711

Place: Mumbai

Date: 31/05/2024

UDIN: 24045711BKIAFL8177



## **Annexure B**

### **to the Independent Auditor's Report of even date on the standalone Ind AS Financial Statements of Godavari Biorefineries Limited**

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act") We have audited the internal financial controls over financial reporting of Godavari Biorefineries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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, both issued by the 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with the 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 standalone Ind AS 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 standalone Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 ICAI.

FOR VERMA MEHTA & ASSOCIATES  
Chartered Accountants  
Firm's Registration No: 112118W

  
Sandeep Verma

Partner

M.N. 045711

Place: Mumbai

Date: 31/05/2024

UDIN: 24045711BKIAFL8177

