



Independent Auditor's Report on the Quarterly and year to date Audited Standalone Annual Financial Results of the Davangere Sugar Company Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To

The Board of Directors of Davangere Sugar Company Limited.

Opinion

1. We have audited the accompanying standalone annual financial results (the 'Statement') of Davangere Sugar Company Limited (the 'Company') for the quarter ended March 31, 2021 and year to date results for the period April 2020 to 31st March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31st March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(1 O) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.



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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

9. 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.



10. 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.

Our opinion is not modified in respect of above matter.

For D G M S & Co
Chartered Accountants
Firm Reg No 112187w

Shashank P. Doshi

CA. Shashank P Doshi
Partner
Membership No 108456
UDIN 21108456AAAAEO4124
Date 30 June 2021
Place: Mumbai



M/s. DAVANGERE SUGAR COMPANY LIMITED.

Kukkuwada, Davanagere Tq & Dist.

Registered Office : 73/1,P.B.No.312,Shamanur Road,Davanagere-577004 . davangeresugars.com

CIN : U37100KA1970PLC001949

Post Bpx No.312

Phone: (0811)2 222022 to 222027

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31.03.2021

| PARTICULARS | For Quarter ending on | | | Standalone | |
|--|-----------------------|-----------------|-----------------|------------------|------------------|
| | 31 Mar,2021 | 31 Dec,2020 | 31 Mar,2020 | 31 Mar,2021 | 31 Mar,2020 |
| | Audited | Unaudited | Audited | Audited | Audited |
| 1. Income from Operations | | | | | |
| (a) Revenue from operations | 5,795.49 | 4,839.61 | 5,892.61 | 14,452.78 | 20,284.71 |
| (b) Other income | 307.82 | 19.06 | (699.61) | 328.39 | 21.51 |
| (c) Other operating income | - | - | - | - | - |
| Total Income | 6,103.31 | 4,858.67 | 5,193.00 | 14,781.17 | 20,306.22 |
| 2. Expenses | | | | | |
| (a) Purchases of Stock in Trade | 1,301.41 | 7,711.03 | 3,299.28 | 9,015.60 | 9,116.56 |
| (b) (Increase) in inventories of finished goods and work i | 3,285.09 | (5,268.89) | 88.60 | 652.22 | 5,330.07 |
| (c) Other operating expense | - | - | - | - | - |
| (d) Employee benefits expense | 264.58 | 291.20 | 190.59 | 760.59 | 775.79 |
| (e) Finance Cost | 128.58 | 813.56 | 638.55 | 1,651.68 | 2,174.32 |
| (e) Power & Fuel | 120.78 | 61.91 | 101.34 | 221.28 | 387.75 |
| (f) Depreciation and amortisation expense | 212.99 | 224.88 | 225.68 | 887.60 | 899.47 |
| (g) Other expenses | 671.00 | 440.51 | 511.72 | 1,270.50 | 1,360.94 |
| Total Expenses | 5,984.43 | 4,274.20 | 5,055.76 | 14,459.47 | 20,044.90 |
| 3. Profit before Tax before exceptional items | 118.88 | 584.47 | 137.24 | 321.70 | 261.32 |
| 4. Exceptional items | | | | | |
| 5. Profit before Tax | 118.88 | 584.47 | 137.24 | 321.70 | 261.32 |
| 6. Tax expense | | | | | |
| 1) Current tax | 24.33 | 34.47 | 21.78 | 58.80 | 43.57 |
| 2) Deferred tax | 9.73 | 3.24 | 5.41 | 12.97 | 10.83 |
| 5. Total tax expense | 34.06 | 37.71 | 27.19 | 71.77 | 54.40 |
| 6. Profit/ (Loss) for the year | 84.82 | 546.76 | 110.05 | 249.93 | 206.92 |
| 7. Other Comprehensive Income | | | | | |
| A) i) Items that will not classified to profit and loss | - | - | - | - | 14,857.83 |
| ii) Income tax effect on Items that will not classified to profit and loss | - | - | - | - | - |
| B) i) Items that will classified to profit and loss | (20.15) | - | (32.54) | (20.15) | (110.59) |
| ii) Income tax effect on Items that will be classified to profit and loss | 6.05 | - | 9.76 | 6.05 | 33.17 |
| Other comprehensive income for the period / year | (14.11) | - | (22.78) | (14.11) | 14,780.41 |
| Total Comprehensive Income for the year (6 + 7) | 70.72 | 546.76 | 87.27 | 235.82 | 14,987.33 |
| 8. Earnings per equity share (not annualised) | | | | | |
| Paid - up Equity Share Capital (Nominal value ₹10 per shar | 5,568.45 | 5,568.45 | 5,568.45 | 5,568.45 | 5,568.45 |
| Reserves excluding revaluation reserves as per balance sh | 1,892.66 | 4,057.72 | 3,854.89 | 1,892.66 | 3,763.28 |
| 1) Basic | 0.15 | 0.98 | 0.15 | 0.45 | 0.37 |
| 2) Diluted | | | | | |



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Reporting on Segment Wise Revenues, Results, Assets & Liabilities

| S. N | PARTICULARS | Standalone | | | Standalone | | Amount in Lakhs Year ending 31 March, 2020 Audited |
|------|---------------------------------------|------------------------|--------------------------|--------------------------|----------------------------|------------------------|---|
| | | For Quarter ending on | | | For Twelve month ending on | | |
| | | 31 Mar,2021 Audited | 31 Dec,2020 Unaudited | 31 Mar,2020 Unaudited | 31 Mar,2021 Audited | 31 Mar,2020 Audited | |
| 1 | Segment Revenues | 3864.56 | 3558.02 | 5099.13 | 10742.59 | 18420.75 | 18420.75 |
| | (a) Sugar | 426.51 | 1043.98 | 534.48 | 1471.00 | 1348.00 | 1348.00 |
| | (b) Power | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (c) Distillery | 103.65 | 19.06 | -699.61 | 395.00 | 279.00 | 279.00 |
| | (d) Others | 4394.72 | 4621.06 | 4934.00 | 12608.59 | 20047.75 | 20047.75 |
| | Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Less: Inter Segment Revenue | 4394.72 | 4621.06 | 4934.00 | 12608.59 | 20047.75 | 20047.75 |
| | Net Segment Revenue | 1708.59 | 237.61 | 259.00 | 2172.41 | 259.25 | 259.25 |
| | Revenue from exports | | | | | | |
| 2 | Segment Results | 136.84 | 622.84 | 1374.90 | 1348.00 | 1,913.00 | 1,913.00 |
| | (a) Sugar | 169.10 | 836.51 | -499.18 | 805.00 | 602.00 | 602.00 |
| | (b) Power | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (c) Distillery | (58.48) | -61.32 | -99.95 | (180.00) | (79.00) | (79.00) |
| | (d) Others | 247.46 | 1398.03 | 775.77 | 1973.00 | 2436.00 | 2436.00 |
| | Less : Interest and Financial Charges | 128.58 | 813.56 | 638.53 | 1651.00 | 2175.00 | 2175.00 |
| | Less : Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Profit before Tax | 118.88 | 584.47 | 137.24 | 322.00 | 261.00 | 261.00 |
| 3a | Segment Assets | 32307.61 | 25897.38 | 24460.00 | 32307.61 | 24460.00 | 24460.00 |
| | (a) Sugar | 10876.88 | 5350.00 | 5350.00 | 10876.88 | 5350.00 | 5350.00 |
| | (b) Power | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| | (c) Distillery | 634.00 | 634.00 | 634.00 | 634.00 | 634.00 | 634.00 |
| | (d) Others | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| | (e) Unallocable | 43818.49 | 31881.38 | 30444.00 | 43818.49 | 30444.00 | 30444.00 |
| | Total | 0.00 | | | | | |
| 3b | Segment Liabilities | 40629.24 | 28692.17 | 27254.90 | 40629.24 | 27254.90 | 27254.90 |
| | (a) Sugar | 3189.10 | 3189.10 | 3189.10 | 3189.10 | 3189.10 | 3189.10 |
| | (b) Power | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (c) Distillery | 0.15 | 0.11 | 0.00 | 0.15 | 0.00 | 0.00 |
| | (d) Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (e) Unallocable | 43818.49 | 31881.38 | 30444.00 | 43818.49 | 30444.00 | 30444.00 |
| | Total | | | | | | |



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DAVANGERE SUGAR COMPANY LIMITED
KUKKUWADA-577525
BALANCE SHEET AS AT 31.03.2021

(All Figures in Rs.)

| PARTICULARS | AS AT 31.03.2021 | AS AT 31.03.2020 |
|------------------------------------|-----------------------|-----------------------|
| | Total | Total |
| I ASSETS | | |
| A) NON -CURRENT ASSETS | | |
| a) Property , Plant and Equipments | 2,71,07,60,376 | 2,79,82,50,330 |
| | 2,71,07,60,376 | 2,79,82,50,330 |
| c) Financial Assets | | |
| i) Investments | 2,34,45,900 | 1,54,45,900 |
| ii) Loans | - | 20,15,00,818 |
| d) Other Non Current assets: | 4,16,05,410 | 4,15,97,758 |
| B) CURRENT ASSETS | | |
| a) Inventories | 42,41,97,871 | 47,07,60,349 |
| b) Financial Assets | | |
| i) Trade Recevables | 31,75,51,869 | 23,62,88,166 |
| ii) Cash and cash equivalents | 17,03,14,777 | 6,64,82,295 |
| iii) Loans and advances | 69,98,53,549 | 70,01,44,838 |
| TOTAL | 4,38,77,29,751 | 4,53,04,70,455 |
| II EQUITY AND LIABILITIES | | |
| A) EQUITY | | |
| a) Share Capital | 55,68,44,620 | 55,68,44,620 |
| b) Other equity | 1,89,62,66,495 | 1,87,12,73,366 |
| | 2,45,31,11,115 | 2,42,81,17,986 |
| B) LIABILITIES : | | |
| 1) NON-CURRENT LIABILITIES | | |
| a) Financial Liabilities | | |
| i) Borrowings | 50,68,83,508 | 3,76,17,493 |
| ii) Deferred Tax Liability | 1,00,48,370 | 1,26,73,786 |
| iii) Other Long Term Liabilities | 55,47,81,294 | 83,14,39,443 |
| iv) Provisions | - | - |
| 2) CURRENT LIABILITIES | | |
| a) Financial Liabilities | | |
| i) Borrowings | 71,41,25,335 | 1,06,75,85,117 |
| ii) Trade Payables | 9,90,001 | 2,97,50,512 |
| iii) Other Liabilities | 14,19,09,982 | 11,89,29,507 |
| iv) Short term Provisions | 58,80,146 | 43,56,612 |
| TOTAL | 4,38,77,29,750 | 4,53,04,70,455 |



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**DAVANGERE SUGAR COMPANY LTD
KUKKUWADA**

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2021

| Sl.No | Particulars | As at 31.03.2021 | As at 31.03.2020 |
|----------|--|---------------------|-----------------------|
| A | <u>Cash flow from Operating activities:</u> | | |
| | Net profit after tax | 2,49,92,829 | 2,06,92,639 |
| | Adjustment for provision for taxation | 71,77,126 | 54,39,776 |
| | | 3,21,69,955 | 2,61,32,416 |
| | Adjustment for depreciation | 8,87,60,982 | 8,99,47,434 |
| | Operating profit before working capital adjustment | 12,09,30,937 | 11,60,79,849 |
| | Adjustment for: | | |
| | Inventories | 4,65,62,478 | 54,01,74,784 |
| | Sundry Debtors & trade receivables | (8,12,63,702) | (3,87,79,505) |
| | Trade payables | (2,87,60,511) | (2,44,71,301) |
| | Deferred Tax | (23,98,561) | 10,83,164 |
| | Others | | - |
| | <i>Net cash flow from operating activities</i> | 5,50,70,641 | 59,40,86,991 |
| B | <u>Cash flow from Investing Activities:</u> | | |
| | Sale of Fixed Assets | | - |
| | Purchase of Fixed Assets | (12,71,028) | (1,27,05,741) |
| | From Investments | (80,00,000) | (39,00,000) |
| | <i>Net Cash flow from Investing activities</i> | (92,71,028) | (1,66,05,741) |
| C | <u>Cash flow from Financing activities:</u> | | |
| | Proceeds from Short Term Borrowings | (35,34,59,782) | (27,03,80,535) |
| | Proceeds from Long Term Borrowings | 46,92,66,015 | (3,36,15,027) |
| | Proceeds from Other Long Term Liabilities | (27,66,58,149) | 8,15,09,332 |
| | Proceeds from Long Term Loans and Advances | 20,14,93,166 | (20,15,00,818) |
| | Proceeds from Other Current Liabilities | 2,29,80,475 | (84,02,059) |
| | Proceeds from Short Term Loans and Advances | 2,91,289 | (8,36,96,519) |
| | Proceeds from Short Term Provisions | (58,80,146) | (53,13,250) |
| | <i>Net cash flow from financing activity</i> | 5,80,32,868 | (52,13,98,876) |
| | <i>Net Cash and Cash Equivalents (A+B+C)</i> | 10,38,32,482 | 5,60,82,374 |
| | Cash and Cash Equivalents at the beginning of the year | 6,64,82,295 | 1,03,99,920 |
| | Cash and Cash Equivalents at the end of the year | 17,03,14,777 | 6,64,82,295 |



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Notes:

1. The above audited financial results were approved in the meeting of Board of Directors held on Wednesday, June 30, 2021 after being reviewed by and recommended by the audit committee.
2. The results of the company have been prepared in accordance with Indian Accounting Standard notified under the companies (Indian Accounting Standard) Rules 2015, prescribed under section 133 of the companies Act, 2013 and relevant amendment rules thereafter, the company has adopted IND AS from 1st April 2020, with transition date of 1st April, 2019 and accordingly the last quarter/financial year numbers have been restated to comply with the requirements of IND AS and to make them comparable with the those of the quarter/financial year ended 31st Mar 2020.
3. The company has elected to use fair value method for valuation of Land and Building, Plant and Machinery at the date of transition to Ind As i.e 1st April 2019 as deemed cost on the date of transition to the Ind AS
4. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date given figures up to the third quarter of the financial year.
5. The company is periodically reviewing possible impact of COVID-19 on it's business and the same are considered in preparation of financial results for the quarter and year ended march 2021. Review includes internal and external factors as know to the company up to the date of approval of these results to assess and finalise the carrying amount of assets and liabilities.
6. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
7. A) Reconciliation of standalone audited financial results of previously reported figures under IGAAP and IND AS for the quarter and financial year is presented as under

| Pariculars | Qtr ended 31st Mar 2020 | Financial Year Ended 31st Mar 2020 |
|--|----------------------------|--|
| PAT as per previous GAAP | 1,10,05,000 | 2,06,92,639 |
| Add Acturial gain / loss route through | (32,54,141) | (1,10,59,652) |
| tax effect there on acturial gain / loss | 9,76,242 | 33,17,896 |
| Fair valuation of land and building | - | 1,48,57,83,534 |
| Total comperhensive income | 87,27,101 | 1,49,87,34,417 |



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B) Reconciliation of standalone audited financial reported under previous IGAAP and IND AS for the quarter and financial year is presented as under

Other equity

| Particulars | Financial Year Ended 31st Mar 2020 |
|--|---------------------------------------|
| Other equity | 38,54,89,832 |
| Less Acturial gain / loss net | (77,41,756) |
| Add Fair valuation of land and buildings and plant and machienny | 1,48,57,83,534 |
| | 1,86,35,31,610 |

8. Given the seasonal nature of the industry, the results of the quarter may not be true and / or proportionate reflection of annual performance of the company.



A handwritten signature in blue ink, appearing to be 'KRD'.