

July 02, 2024

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra - Kurla Complex  
Bandra [E], Mumbai - 400 051

Dear Sirs,

Stock Code - **KOTARISUG**

**Sub: 63<sup>rd</sup> Annual Report of the Company and e-voting process of Kothari Sugars and Chemicals Limited for the financial year 2023 - 2024.**

- (i) Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report along with the Notice convening the 63<sup>rd</sup> Annual General Meeting of the Company is enclosed. The 63<sup>rd</sup> Annual General Meeting of the Company will be held on **Friday, 26<sup>th</sup> July 2024 at 11:00 A.M** through Video Conference (VC) / Other Audio-Visual Means (OAVM).
- (ii) Further, we wish to inform that in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company shall provide to its members the facility to exercise their votes electronically for transacting the items of business as set out in the Notice convening the 63<sup>rd</sup> Annual General Meeting of the Company.
- (iii) The Company has entered into an arrangement with Central Depository Services (India) Limited ('CDSL') for facilitating e-voting through their e-voting platform i.e. [www.evotingindia.com](http://www.evotingindia.com). The remote e-voting period begins on Monday, 22<sup>nd</sup> July 2024 at 9.00 A.M and ends on Thursday, 25<sup>th</sup> July 2024 at 5.00 P.M. The cut-off date for reckoning the eligibility of the members for e-voting is Friday, 19<sup>th</sup> July 2024.
- (iv) In compliance with MCA Circulars dated 25<sup>th</sup> September 2023, 28<sup>th</sup> December 2022, 05<sup>th</sup> May 2022, 05<sup>th</sup> May 2020, 08<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 13<sup>th</sup> January 2021 & 14<sup>th</sup> December 2021 and SEBI Circulars dated 07<sup>th</sup> October 2023, 05<sup>th</sup> January 2023, 13<sup>th</sup> May 2022 & 12<sup>th</sup> May 2020, Notice of the AGM along with the Annual Report 2023 - 2024 has been sent to the shareholders, only through electronic mode on Tuesday, 02<sup>nd</sup> July 2024 to those members whose e-mail addresses are registered with the Company / Depositories and the same is available in the website of the Company [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

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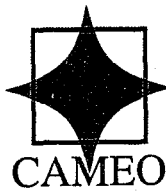
- (v) Proof of sending of Annual Report through e-mail to shareholders is enclosed for your records.
- (vi) Kindly take the same on your record and display the same on the website of the Stock Exchange.

Thanking You,

Yours faithfully  
*for Kothari Sugars & Chemicals Limited*

**R. Prakash**  
Company Secretary & Compliance Officer

Encl: as above



## **CAMEO CORPORATE SERVICES LIMITED**

Ref: CAM/KSR/EMAIL/2024

2<sup>nd</sup> July 2024

The Company Secretary,  
Kothari Sugars and Chemicals limited,  
Kothari Buildings,  
No.115, Mahatma Gandhi Salai,  
Nungambakkam,  
Chennai- 600 034

Sub: Kothari Sugars and Chemicals Limited –Sending of Annual Report 2023-2024 through Email on 02<sup>nd</sup> July 2024- Reg.

The Ministry of Corporate Affairs vide its General Circular No: 09/2023 dated September 25, 2023 read with Circular No. 10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No. 21/2021 dated December 14, 2021 read with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circular no.SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023 and relevant Circulars of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company.

We have sent Email to the shareholders-68149 on 02.07.2024. The details of Email sent/returned is given below:

Description	No.of Holders
Total Email Sent on 02.07.2024	68149
Email returned undelivered	NIL
Invalid Email	NIL
Emails sent successfully	68149

This is for your kind information.

Thanking you,

Yours faithfully,  
For CAMEO CORPORATE SERVICES LIMITED

  
P.Muralidharan  
Manager



# Kothari Sugars and Chemicals Limited

63<sup>rd</sup> Annual Report 2023 - 24





**Bhadrashyam H Kothari**

11.11.1961 - 22.02.2015



*With fond memories of our Dearest Chairman  
You will always inspire and guide us.*

## CORPORATE INFORMATION

### Board of Directors

Nina B. Kothari - Chairperson (Non - Executive)  
 Arjun B. Kothari - Managing Director  
 M. Silvester Goldwin - Whole Time Director  
 C. V. Krishnan - Independent Director  
 M. R. Mohan - Independent Director (w.e.f 08.11.2023)  
 S. Sundarraman - Independent Director (w.e.f 08.11.2023)  
 P. S. Balasubramaniam - Independent Director\*  
 V. R. Deenadayalu - Independent Director\*  
 P. S. Gopalakrishnan - Independent Director\*  
 \*(retired w.e.f. 01.04.2024)

### Company Secretary & Compliance Officer

R. Prakash

### Chief Financial Officer

R. Krishnan

### Statutory Auditors

P. Chandrasekar LLP  
 Chartered Accountants  
 No.18A, 1<sup>st</sup> Floor, Plot No. 5, Balaiah Avenue,  
 Luz, Mylapore, Chennai - 600 004.

### Internal Auditors

R. Subramanian & Co. LLP  
 Chartered Accountants  
 No. 6, Krishnaswamy Avenue,  
 Luz, Mylapore, Chennai - 600 004.

V. P. Mukundan & Associates  
 Chartered Accountants  
 No. 29/2, IV Trust Cross Street,  
 Raj Kamal Apartments, I Floor,  
 Mandavelipakkam, Chennai - 600 028.

### Cost Auditor

K. Suryanarayanan  
 Flat A, Brindhavan Apartments, No.1, Poes Road,  
 4<sup>th</sup> Street, Teynampet, Chennai - 600 018.

### Secretarial Auditor

M. Alagar and Associates  
 Temple Tower, H-5, 7<sup>th</sup> Floor,  
 672, Anna Salai, Nandanam,  
 Chennai - 600 035.

### Registered Office

"Kothari Buildings"  
 No.115, Mahatma Gandhi Salai,  
 Nungambakkam, Chennai - 600 034.  
 Phone No. 044 - 3522 5526 / 3522 5529  
 e-mail : secdept@hckgroup.com  
 website : www.hckotharigroup.com/kscl

### Legal Advisors

S. Ramasubramanian & Associates  
 Advocates  
 No. 6/1, Bishop Wallers Avenue (West),  
 Mylapore, Chennai - 600 004.

### Registrar & Share Transfer Agents

M/s. Cameo Corporate Services Limited  
 Subramanian Building, No. 1,  
 Club House Road, Chennai - 600 002.  
 Phone No. 044 - 40020700 / 710  
 Online Investor Portal : <https://wisdom.cameoindia.com>  
 Website : [www.cameoindia.com](http://www.cameoindia.com)

### Manufacturing Units

#### Kattur

Kattur Railway Station Road, Lalgudi Taluk,  
 Trichy District, Tamil Nadu - 621 706.

#### Sathamangalam

Sathamangalam Village, Vetriyur Post,  
 Keezhapalur, Ariyalur Taluk,  
 Ariyalur District, Tamil Nadu - 621 707.

### Listing

The National Stock Exchange of India Limited (NSE)

<b>Stock Code</b>	<b>KOTARISUG</b>
<b>ISIN</b>	<b>INE419A01022</b>
<b>CIN</b>	<b>L15421TN1960PLC004310</b>

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## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
<b>PROFITABILITY ITEMS</b>					
Gross Revenue	51,812	61,850	43,028	42,421	35,720
Gross Profit (PBDIT)	5,971	6,916	5,646	3,737	3,266
Depreciation	1,427	1,404	1,410	1,379	1,297
Profit / (Loss) Before Interest & Tax	4,544	5,512	4,236	2,357	1,969
Finance Cost	353	389	410	510	702
Exceptional Items (Debit) / Credit	-	362	110	497	634
Profit / (Loss) Before Tax	4,191	5,485	3,936	2,345	1,901
Income Tax	722	958	729	461	357
Deferred Tax	520	334	(196)	(18)	(397)
Profit / (Loss) After Tax	2,949	4,192	3,403	1,902	1,942
<b>BALANCE SHEET ITEMS</b>					
Net Fixed Assets (incl. CWIP)	16,339	16,018	15,233	16,226	17,209
Investments	10,004	7,201	7,147	5,831	3,014
Other Current / Non current assets	21,916	19,964	17,050	11,962	17,105
Total Capital Employed	38,255	35,983	32,283	28,188	34,314
Shareholders Funds	27,848	25,756	22,001	18,625	16,648
<b>OTHERS</b>					
Book Value per share (₹)	34	31	27	22	20
EPS (₹)	3.56	5.06	4.11	2.29	2.34
Dividend on Equity %	5	10	-	-	-

## NOTICE TO THE MEMBERS

Notice is hereby given that the 63<sup>rd</sup> Annual General Meeting of Kothari Sugars and Chemicals Limited will be held on Friday, 26<sup>th</sup> July 2024 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

### Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, the Report of the Auditors thereon and Report of the Board of Directors.
2. To appoint a Director in the place of Mr. M. Silvester Goldwin, (DIN: 08145634) who retires by rotation and being eligible offers himself for re-appointment.

### Special Business:

#### 3. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"Resolved that subject to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, if any and Companies (Audit & Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and re-imbursment of out of pocket expenses to Mr. K. Suryanarayanan, Cost Accountant in Practice for conducting the audit of cost records of the Sugar, Distillery & Co-gen units of the Company for the year 2024 - 2025, which has been approved by the Board on the recommendation of the Audit Committee, be and is hereby ratified and confirmed".

#### 4. To consider and approve the payment of commission to Mrs. Nina B. Kothari, (DIN: 00020119) Non-Executive Chairperson of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of Section 197, 198 read with Schedule V other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the allied rules made thereunder and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and other applicable provisions, if any, (including any amendment or re-enactment thereof), and Article 76 of the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, approval of the Members of the Company is hereby accorded to pay a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act, subject to a minimum of ₹50,00,000/- to

Mrs. Nina B. Kothari, (DIN: 00020119) Non-Executive Chairperson of the Company, for the financial year 2024 - 2025.

**Resolved further that** the Board of Directors of the Company or the Nomination and Remuneration Committee be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution."

#### 5. To consider and approve the Re-appointment of Mr. M. Silvester Goldwin, (DIN: 08145634) as Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. M. Silvester Goldwin, (DIN: 08145634) as the Whole Time Director and Key Managerial Person (KMP) of the Company for a period of three years with effect from 01<sup>st</sup> August 2024 upon the terms and conditions including remuneration as set out in this Resolution and sanctioned with authority to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment in such manner as the Board may deem fit but subject to complying applicable provisions of laws at that point of time and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose directorship is liable to retirement by rotation.

#### (a) Salary:

₹8,36,366/- (Rupees Eight Lakhs Thirty Six Thousand Three Hundred and Sixty Six only) per month.

#### (b) Perquisites:

- (i) Perquisites including use of car with driver, personal accident insurance, medical insurance, leave travel allowance and other benefits as provided to the other Senior Executives of the Company, will be provided in accordance with the rules of the Company and the same will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the company.
- (ii) Leave encashment as per the Company's policy from time to time.
- (iii) Use of telephone at residence and mobile phone for Company's purpose, which will not be treated as Perquisite.



(iv) Subscription fees for any one club as per the policy of the Company.

**(c) Contribution to funds:**

Company's contribution to Provident Fund, National Pension Scheme Fund, Super Annuation Fund and Gratuity at the rate not exceeding 15 days salary for every completed year of service, subject to prevailing Rules & Regulations.

**(d) Annual Increment and Performance Bonus:**

The annual increment and Bonus, if any, shall be decided by the Nomination & Remuneration Committee and Board of Directors from time to time.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution."

By Order of the Board  
for **Kothari Sugars and Chemicals Limited**

**Place:** Chennai  
**Date :** May 17, 2024

**R. Prakash**  
Company Secretary

**Important Notes**

a) The Ministry of Corporate Affairs vide its Circular No. 09/2023 dated September 25, 2023 read with Circular No.10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No. 21/2021 dated December 14, 2021 read with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue till 30<sup>th</sup> September 2024. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl).

b) Since the AGM is being conducted through VC / OAVM, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

c) Body Corporate members are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote in the AGM through VC / OAVM on its behalf and to vote through remote e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

e) The Register of Members and Share Transfer Books will remain closed from Saturday, 20<sup>th</sup> July 2024 to Friday, 26<sup>th</sup> July 2024 (both days inclusive) on account of the Annual General Meeting.

**Dividend**

f) Members who have not encashed their dividend warrants / Demand Drafts pertaining to the dividend declarations as mentioned in the below table are advised to write to the Company / RTA immediately claiming the dividends declared by the Company. The details of unpaid dividends that are due for transfer to Investor Education and Protection Fund (IEPF) along with due dates are furnished below. As per Section 124 (6) of the Companies Act, 2013 ("Act"), all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the IEPF Rules, 2016.

Sl. No.	Nature of Dividend	Date of Declaration of Dividend	Due Date for Transfer to IEPF on
(i)	Final Dividend	08.09.2017	14.10.2024
(ii)	Final Dividend	07.08.2019	11.09.2026
(iii)	Interim Dividend	08.02.2023	16.03.2030
(iv)	Final Dividend	10.08.2023	15.09.2030
(v)	Interim Dividend	12.02.2024	19.03.2031

g) In terms of the extant provisions of IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the dividend declarations as mentioned in the above table on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also in the Company's Website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl) under "Investors Relations".

- h) **Mandatory furnishing of PAN, KYC details & Nomination by holders of Physical Securities:**  
 As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated March 16, 2023 read with Circular dated November 17, 2023 in supersession of its earlier Circulars dated 03<sup>rd</sup> November 2021 and 14<sup>th</sup> December 2021 provides revised common and simplified norms for processing investor's service request by RTAs and norms for mandatory furnishing of PAN, KYC details and Nomination including the fillable forms are hosted on the Company's Website www.hckotharigroup.com/kscl under "Investors Relations".  
**In this connection, the Company has issued reminder letters to all shareholders holding shares in physical, who have not updated any of the above said details. Any dividend payment with respect to physical folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above.**
- i) Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25<sup>th</sup> January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises shareholders holding physical shares to take steps for dematerializing your shareholding in the Company.
- j) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- k) In compliance with the aforesaid MCA Circulars and SEBI Circular dated October 7, 2023, Notice of the AGM along with the Annual Report 2023 - 24 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at <https://hckotharigroup.com/kscl/>. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the VC / OAVM facility, Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's investor email id : [secdept@hckgroup.com](mailto:secdept@hckgroup.com).
- l) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can send an e-mail to [secdept@hckgroup.com](mailto:secdept@hckgroup.com) requesting for inspection of the Registers.
- m) Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 (SS-2) with respect to the Directors seeking reappointment at the forth coming Annual General Meeting is appended to this Notice.
- n) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Voting Through Electronic Means**  
 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated September 25, 2023 read with December 28, 2022 read with May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020, the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.  
 For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency.  
 The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL.
- The instructions to Shareholders for remote E-voting and E-voting during AGM and joining meeting through VC/OAVM are as under:**
- (i) The remote e-voting period begins on Monday, 22<sup>nd</sup> July 2024 at 9.00 A.M. and ends on Thursday, 25<sup>th</sup> July 2024 at 5.00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, 19<sup>th</sup> July 2024 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' Resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. There are also multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India which necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The user to login to Easi / Easiest are requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi and click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit these-Services website of NSDL. Open web browser by typing the following URL : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/secureWeb/ideas_directreg.jsp">https://eservices.nsdl.com/secureWeb/ideas_directreg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.  Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP received in registered mobile &amp; email and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

<p>Individual Shareholders holding securities in demat mode login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
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**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at Toll Free No. : 1800 22 55 33.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free No. : 1800 1020 990 and 1800 22 44 30.</p>

(v) Login method for remote e-Voting and joining virtual meeting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders / Members" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

for physical shareholders & other than individual shareholders holding shares in Demat form	
<p>PAN</p>	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.</li> </ul>
<p>Dividend Bank Details <b>OR</b> Date of Birth (DOB)</p>	<ul style="list-style-type: none"> <li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

7) After entering these details appropriately, click on "SUBMIT" tab.

8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with anyother person and take utmost care to keep your password confidential.

9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10) Click on the relevant Company name i.e. Kothari Sugars & Chemicals Limited on which you choose to vote.

- 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

(vi) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
- e) It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- f) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer ([alagarcs@gmail.com](mailto:alagarcs@gmail.com)) and to the RTA

at the email address viz; ([murali@cameoindia.com](mailto:murali@cameoindia.com)), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**Instructions for shareholders attending the AGM through VC/OAVM & E-voting during meeting are as under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting. Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. **Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 03 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [secdept@hckgroup.com](mailto:secdept@hckgroup.com).** The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **03 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at [secdept@hckgroup.com](mailto:secdept@hckgroup.com). These queries will be replied to by the company suitably by email.
8. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.**
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Process for those Shareholders whose email / mobile no. are not registered with the Company / Depositories:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For individual demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at Toll Free No. : 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free No.: 1800 22 55 33.

**General:**

- a) The remote e-voting period commences on Monday, 22<sup>nd</sup> July 2024 at 9.00 A.M. and ends on Thursday, 25<sup>th</sup> July 2024 at 5.00 P.M. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on

the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting. The remote e-voting module shall be blocked by CDSL for e-voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- b) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e. Friday, 19<sup>th</sup> July 2024 may obtain the login ID and password by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [secdept@hckgroup.com](mailto:secdept@hckgroup.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DPID and Client ID No. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password forecasting your vote.
- c) The voting rights of a member shall be in proportion to his shares in the paid-up equity share capital of the Company as on the cut-off date of i.e. Friday, 19<sup>th</sup> July 2024.
- d) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, Practising Company Secretaries, Chennai, (Firm Registration No. P2011TN078800) has been appointed as Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- e) The Scrutinizer shall, immediately after the conclusion of voting in the Annual General Meeting held through VC / OAVM, will first count the votes cast in the meeting, and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than two days after the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl) and website of CDSL <http://www.evotingindia.com> and also forward the same to The National Stock Exchange of India Limited simultaneously, where the Company's shares are listed.

## **Explanatory statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013.**

### **Item No. 3**

The Audit Committee and the Board of Directors of the Company at their meetings held on 17<sup>th</sup> May 2024 appointed Mr. K. Suryanarayanan, Cost Accountant, as Cost Auditor for the Sugar, Distillery & Co-gen units of the Company for the year 2024 - 2025.

As per the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out in Item No. 3 of the Notice to ratify the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses to Mr. K.Suryanarayanan, Cost Auditor for the Sugar, Distillery & Co-Gen units of the Company for the year 2024 - 2025 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company at the meeting held on 17<sup>th</sup> May 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested either financially or otherwise, in the Resolution set out at Item No. 3. In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Ordinary Resolution set out in Item No. 3 to the shareholders of the Company.

### **Item No. 4**

Mrs. Nina B. Kothari was appointed as the Chairperson of the Company in April 2015, after the demise of Mr. Bhadrashyam Kothari. Mrs. Nina B. Kothari hails from a family of top industrialists in the country, and she is well versed in the management and administration of business with a good reputation among the business conglomerates. Since her appointment, she has been continuously playing a pivotal role in providing the right strategical advice with unequivocal commitment to strengthening the company's growth. Recognising her role in the progress and growth, spending considerable time and efforts towards maintaining the company's revenue and profits despite many challenges, it is felt fair and equitable to consider the payment of a commission. Keeping this in mind, the NRC Committee and the Board have recommended the payment of a commission for the year 2024-2025.

She is the Chairperson of the Corporate Social Responsibility (CSR) Committee and as an Invitee of the other Committees, she attends the Committees' Meetings and Board Meetings of the Company. Though she attends almost all the Meetings, sitting fees are not paid for all committee meetings.

Considering the valuable time and advice given by the Non-Executive Chairperson in deliberating on the strategic and critical issues in the course of the Board meetings and various Committee meetings of the Company and the valuable suggestions and guidance given by her to the management of the Company from time to time with her rich business connect and wide experience, the Board of Directors at their meeting held on 17<sup>th</sup> May, 2024, based on the recommendation of the Nomination and Remuneration Committee, had recommended to pay Mrs. Nina B. Kothari, a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act subject to a minimum of ₹50,00,000/- for the year 2024 - 2025 and the said Commission be paid either in a lump sum or in instalments.

Except Mrs. Nina B. Kothari and her relative Mr. Arjun B Kothari, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out in Item No. 4 of this notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 4 to the shareholders of the Company.

### **Item No. 2 & 5**

Mr. M. Silvester Goldwin joined HCK Group during 1998 and he has handled various key functions of the Company very efficiently. Based on his technical expertise, positive attributes, quality, and willingness to shoulder the responsibilities, the Nomination and Remuneration Committee (NRC) considered him to be a good resource to the Company and based on his qualification and experience in the field of Sugar Industry, the NRC recommended to the Board to re-appoint Mr. M. Silvester Goldwin as the Whole Time Director. The Board of Directors also noted the contribution made by Mr. M. Silvester Goldwin, during his tenure as the Whole Time Director.

Considering the profile of Mr. M. Silvester Goldwin and current trend of compensation package in Corporates,

the remuneration proposed is in line with comparable remuneration levels in the industry and also in line with remuneration policy.

The Board of Directors at its Meeting held on 17<sup>th</sup> May 2024, considered and accepted the recommendations of the NRC and approves the re-appointment of Mr. M. Silvester Goldwin as the Whole-Time Director and Key Managerial Person (KMP) of the Company for a period of three years with effect from the 01<sup>st</sup> August 2024 on a remuneration as set out in Item No. 5 of this notice and proposed to the Shareholders for their approval at this Annual General Meeting. Under Section 160 of the Companies Act, 2013,

the Company has received requisite notice from a member proposing the appointment of Mr. M Silvester Goldwin as the Whole-Time Director of the Company.

The terms of appointment and remuneration of Mr. M. Silvester Goldwin have been determined by the Board on the recommendations of the Nomination and Remuneration Committee having regard to the extant provisions of the Companies Act, 2013 and Schedule V thereof.

The Company has not committed any default in payment of dues to any Banks.

**Statement pursuant to Section II of Part II of Schedule V of the Companies Act, 2013**

General Information					
1	Nature of industry	Kothari Sugars and Chemicals Limited (KSCL) is into manufacturing sugar and its by-products and cogeneration of power with distillery.			
2	Date or expected date of commencement of commercial production	The Company commenced its commercial production from 17.01.1963.			
3	Financial performance based on given indicators	₹ in lakhs			
		<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
		<b>Total Income</b>	<b>51,812</b>	61,850	43,028
		<b>Profit before interest, depreciation and tax</b>	<b>5,971</b>	6,916	5,646
		<b>Net Profit after tax</b>	<b>2,949</b>	4,192	3,403
	<b>Net worth</b>	<b>27,848</b>	25,756	22,001	
4	Foreign investments or collaborations, if any	Not applicable			
Information about the Appointee					
5	Background details	Details are provided in the Explanatory Statement under item No. 5			
6	Past remuneration	<b>Salary : ₹8,36,366/- per month;</b>			
7	Job profile and his suitability	Kothari Sugars and Chemicals Limited is a Public Company, which has Listed its shares with National Stock Exchange of India Limited. The Company has manufacturing units located at Kattur and Sathamangalam. Mr. M. Silvester Goldwin was appointed as the Whole-Time Director of the Company on 01 <sup>st</sup> August 2018. Considering his proven technical expertise in Sugar Industry, he is having right capacity to steer the company. During his tenure he has successfully managed to achieve good profits through planning and leadership skills. In the opinion of the Board, he has rich and varied experience in project and operational management of process industries.			
8	Remuneration proposed	As set out in the Resolution.			
9	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the profile of Mr. M. Silvester Goldwin and current trend of compensation package in Corporates, the remuneration proposed is in line with comparable remuneration levels in the industry and also the minimum remuneration as indicated in the Statute when company makes inadequate profits or loss.			



10	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Nil
<b>Other Information</b>		
11	Reasons for inadequate profits or loss	<p>Sugar industry is cyclical with fluctuations in production between years. Sugar prices are not steady in the International and domestic markets. Since sugar and sugarcane are essential commodities and politically sensitive, they are subject to government intervention like export banor duty and price fixation etc.</p> <p>Reduction of Agricultural labour force in Tamilnadu and sharp increase in the labour cost has serious impact on the sugarcane cultivation. Most of the factories could not get adequate cane supply to its rated crushing capacity.</p> <p>High cost of farm labour and better returns from other competing crops have together dampened farmer's interest in cane crop. Repeated incidence of pest and disease in sugarcane has created fear among farming community and are hesitating to take up sugarcane cultivation which in turn is having impact on fresh cane planting.</p> <p>Vagaries in the monsoon pattern will have an impact on the availability of sugar cane which is the major raw material. Compared with 2022-23 crushing season, the sugarcane availability for the 2023-24 crushing season is lower by around 20% and lower sugar recovery because of failure of monsoon rain. This will have a cascading effect during 2024-25 and 2025-26 crushing seasons. Also, there is no water flow in the Cauvery River during 23-24 season which has led to reduction in water table in most part of central Tamilnadu.</p> <p>The increase in FRP (Fair and Remunerative Price), for the sugar season 2024-25 of ₹250/MT of Cane will have a substantial impact on the profitability for the financial year 2024-25.</p>
12	Steps taken or proposed to be taken for improvement	<p>Company is continuously taking steps to improve its profitability by increasing sugarcane cultivation and procurement. Efforts are being taken to increase additional cane area demarcated to our Company. The Company is providing technical support to the sugarcane farmers on modern technologies and scientific cultivation practices by organising technical seminars, providing technical support, and demonstrating modern practices in Demo plots which will improve the profitability of farmers besides increasing cane availability to the Company. The Company also extends support to the farmers on mechanization of cane cultivation for the sustainability of the farmers and to reduce their cost of cultivation.</p> <p>Company is working on development of new sugar cane clones having characteristics like higher yield, high sugar recovery, early maturing, drought tolerant, pest &amp; disease resistant etc, in association with SISMA, TNAU and Sugar cane Breeding Institute, Coimbatore and bulk planting of high yield and high sugar varieties in both the units command area.</p>
13	Expected increase in productivity and profits in measurable terms.	The Company would be facing the challenges to maintain its profitability. In this juncture, we are unable to quantify the productivity and profits.



Except Mr. M Silvester Goldwin, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 5 to the shareholders of the Company.

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

**Place :** Chennai  
**Date :** May 17, 2024

**R. Prakash**  
Company Secretary

**ANNEXURE TO THE NOTICE**

**THE INFORMATION IN RESPECT OF ITEM NO. 2 & 5 IN ACCORDANCE WITH REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ABOUT THE DIRECTOR SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER.**

Particulars	Item No. 2 & 5
Name of the Director	M. Silvester Goldwin
DIN	08145634
Date of Birth	30.05.1968
Date of First Appointment on the Board	01.08.2018
Qualification	B. Tech - Mechanical Certified Energy Manager- by BEE, MOP. Senior Executive Certificate in Business Transformation Strategies from XLRI.
Nature of expertise in specific functional areas	He is a renowned professional in sugar industry having about 36 years of overall experience in various functions of sugar industry including operation & maintenance, design & engineering, project management, technical services, sales & marketing, business development etc. He is an expert in the field of sugar manufacture, cogeneration of power, modern distillery technologies and energy management. He is working with Kothari Sugars for the past 26 years and handles key functions of the company very efficiently. He is heading operations of the company as President from the year 2011 onwards. Prior to joining Kothari Group, he was the Managing partner of Miltech Engineers, Chennai and Dy. Chief Engineer of Balrampur Chini Mills Ltd, UP. He is the President of SISMA-TN and Executive committee Member of ISMA and Co-Chairman of Agri Sub Committee of ISMA. He is the life fellow member of Sugar Technologists Association of India, member of International society of sugar cane technologists, Life member of SISSTA and Executive Committee Member of Employer's Federation of South India (EFSI).

List of other Listed / Public Companies in which Directorship held	-
Listed entities from which resigned in the past three years	-
Chairman / Member of the Committee of the Board of Director of the Company	-
Chairman / Member of the Committee of the other Listed / Public companies in which he / she is a Director	-
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2024	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. M. Silvester Goldwin is not related to Promoters and Directors in the Company.
Remuneration details	Remuneration proposed : ₹8,36,366/- per month + perquisites Remuneration last drawn : ₹8,36,366/- per month + perquisites
Number of meetings attended during the year	Please refer Corporate Governance Section.
Not Debarred from holding office by order of SEBI or any authority.	

## BOARD'S REPORT

### To the Members

Your Directors present the 63<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2024.

### Financial Summary & Highlights of the Company

(₹ in Lakhs)

Financial Performance	2023 - 2024	2022 - 2023
Revenue from Operations	50,273	60,997
Other Income	1,539	853
Total Income	51,812	61,850
Profit/(Loss) before Interest, Depreciation	5,971	6,916
Interest	353	389
Depreciation	1,427	1,404
Exceptional items (Debit) / Credit	-	362
Profit/(Loss) Before Tax	4,191	5,485
Tax Adjustments including Deferred Tax	1,242	1,292
Profit / (Loss) after Tax before comprehensive Income	2,949	4,192
Other Comprehensive Income Net of Tax	(28)	(23)
Total Comprehensive Income	2,921	4,170

### Financial Highlights

The Company's Profit before Tax for the year ended 31<sup>st</sup> March 2024 has decreased by ₹1,293 lakhs to ₹4,192 lakhs as compared to ₹5,485 lakhs in the previous year. The total income from operations for the year ended 31<sup>st</sup> March 2024 is ₹51,812 lakhs as against ₹61,850 lakhs in the previous year. The decrease in revenue is mainly due to lower sales volumes of Sugar, Power and Bagasse.

### Sugar Industry Overview

#### World Sugar:

During 2023 - 24 Sugar Season (SS) the world sugar production is expected to be around 181.8 million metric tons as against consumption of 179.1 million metric tons. In 2022 - 23 Sugar season, the sugar production was 180.4 million metric tons against consumption of 176.2 million metric tons. The forthcoming year 2024 - 25 SS is expected to be a balanced year in terms of production and consumption of sugar.

**India's sugar** production during 2022 - 23 SS was 32.8 million metric tons and during 2023 - 24 sugar season, it is expected to be around 32.0 million metric tons. The marginal decrease in sugar production is mainly on account of the deficit of monsoon rain in Karnataka, Andhra Pradesh and Tamilnadu. The sugar consumption in the year 2023 - 24 SS is expected to be around 29.0 million metric tons.

**Tamilnadu 's Sugar** production for the year 2023 - 24 SS is expected to be around 1.2 million metric tons against

previous year's 1.5 million metric tons. The Northeast Monsoon failure in most of the States sugarcane cultivation areas affected the standing crops yield and sugar recovery and led to lesser sugar production than the initial estimate. In addition, due to the higher cost of cane harvesting (manual) and the higher revenue reported for other competitive crops like Paddy, Banana, Tapioca, Gingelly etc., sugarcane planting got affected in most of the factories command area. It is expected that there will be a reduction in fresh sugarcane planting area by around 40% than the previous year.

The Company's command area received about 35% lesser rainfall than the long period average rainfall. Fresh cane planting is expected to be around 50% of previous years achievement due to the water scarcity reported in the garden land areas and also due to crop failure because of pest and disease incidence. Confidence building measures are being taken up, involving Senior Scientists from the Sugarcane Breeding Institute, Coimbatore and Senior officials from the Department of Agriculture, Tamilnadu.

### Performance of Business Segment

#### Sugar

Your Company has crushed 8,35,208 tons of cane in 2023 - 24 and produced 7,46,880 quintals of sugar as against crushing of 10,87,693 tons of cane and sugar production of 10,38,540 quintals in the previous year. In financial year 2023 - 24, the average Sugar recovery was 8.88% as against 9.57% in the previous year. The

reduction in cane crushing was on account of the decrease in sugarcane planting area and yield.

**Alcohol**

Your Company has produced 198.53 lakh litres of alcohol during the financial year 2023 - 24 as against 178.22 lakhs litres in the previous year. This is the highest production ever achieved by your company. Your Company has supplied 9.07 lakh litres of Ethanol to Oil Marketing Companies during the ethanol marketing year 2022 - 23. For the marketing year 2023 - 24, against the Order/LOI of 6.30 lakhs litres, 3.25 lakh litres supplied till March'24, and the balance quantity will be supplied before July' 2024 end.

**Co-generation of Power**

During financial year 2023 - 24, the total power generation was 71.42 million units against 88.25 million units for the

corresponding period of 2022 - 23. The decrease in power production was due to the decrease in cane crushing volume. The long term PPA with TANGEDCO continues for Sathamangalam unit with a tariff of ₹4.837/Kw-hr. The surplus power from the Kattur unit is being sold to open access consumers through bilateral agreements / IEX.

**Dividend**

The Board of Directors met on 17<sup>th</sup> May 2024 to take account of the full year's performance, various growth opportunities and challenges, and also took note of the interim dividend of ₹0.50 paise per equity share of ₹10/- each declared during the year and the same was paid to the shareholders within the stipulated time. After reviewing this, the Board of Directors has decided not to recommend a final dividend for the year 2023 - 2024, in order to conserve resources, considering the challenges ahead.

**Conservation of Energy / Technology Absorption / Foreign Exchange Earning and Outgo**

**(a) Conservation of Energy : Sathamangalam unit**

Sl. No.	Description	Actual Energy Savings		Capex. (₹ in Lakhs)
		Per Day (in Units)	Annual Cost (₹ in Lakhs)	
1	Installation of 45 KW VFD for No.3 sulphur burner air blower	600	3.82	2.23
2	Installation of 9.3 KW VFD for FRP Cooling tower fan	96	0.92	0.50
3	Installation of Planetary drive for C - Fore Magma Mingler (3.7KW)	120	0.63	1.10
4	Installation of planetary drive for No 6 crystalliser (2.2KW).	187	1.19	0.60
	<b>Total</b>	<b>1003</b>	<b>6.55</b>	<b>4.43</b>

**(b) Technology absorption**

(i) Your company has entered into a technology transfer agreement and a MOU with Tamil Nadu Agricultural University (TNAU) for establishing a Bio-fertiliser unit at Kattur.

The Bio-fertiliser unit commenced trial production in May 2024. The estimated project cost is ₹1.09 Cr. and will be producing the following bio-fertilisers:

- (a) Glucono Acetobacter Diazotrophicus - Nitrogen Fixer
- (b) Phospho Bacteria - Bacillus magaterium (PSB) - Phosphorus Solubilizer
- (c) Phospho Bacteria - Arbuscular mycorrhizae (AM fungi) - Phosphorus Mobilizer
- (d) Frareuria Aurantia- Paenibacillus Mucilaginosus - Potash Release Bacteria
- (e) Zinc Solubilizer- Pseudomonas Chloroaphis (ZSB)

(f) Vasicular Arbuscular Mycorrhize (VAM)

(ii) To reduce the dependency on labour and to reduce the cost of cultivation of sugar cane, your company has facilitated development of mechanical cane planters to suit the soil and other field conditions prevailing in the command area. These planter machines can do six operations simultaneously, thereby reducing the time consumed for planting besides reducing the cost by over 60%. As of now there are 5 planters in both the unit's area.

(iii) Harvesting of sugar cane is the major labour intensive and expensive activity of sugarcane cultivation. To reduce the cost and dependency of labour, your Company has deployed about 30 sugarcane harvesters through entrepreneurs. We hope that in the coming years mechanized sugarcane cultivation will play a major role.

**(c) Foreign exchange earnings and Outgo**

(₹ in Lakhs)

Sl. No.	Particulars	2023 - 2024	2022 - 2023
(i)	Total Foreign Exchange inflow	-	-
(ii)	Total Foreign Exchange outflow	258.19	199.20

**Awards and Recognition**

“Best overall performance sugar mill award” was received from Bharatiya Sugar.

**Sathamangalam**

Best Technical Efficiency (2022-23) - Gold award in Tamil Nadu Region was received from the SISSTA.

**Kattur Distillery** unit has received Best Distillery-Platinum Award - (2022-23) - Tamilnadu Region from the SISSTA.

**Research & Development:**

Your Company’s Research and Development (R&D) unit started functioning from April’23. This unit is mainly focusing on developing various value-added products from Sugar and other bi-products.

**Board Meetings**

During the year 05 Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between any two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars thereon.

**Directors and Key Managerial Personnel**

Pursuant to Section 149(11) of the Companies Act, 2013, Mr. P. S. Gopalakrishnan, Mr. P. S. Balasubramaniam and Mr. V. R. Deenadayalu, Independent Directors of the Company ceased to hold their office due to retirement on completion of their second term with effect from 01<sup>st</sup> April 2024 and Board places on record its appreciation and gratitude for their years of service, valuable contributions, guidance and support provided by the retiring directors during their tenure as Independent Directors of the Company.

Mr. M. Silvester Goldwin, (DIN: 08145634) Director is liable to retirement by rotation at the ensuing 63<sup>rd</sup> Annual General Meeting and being eligible offers himself for re-appointment.

Mr. M. Silvester Goldwin, (DIN: 08145634) was re-appointed as Whole Time Director with effect from 01<sup>st</sup> August 2021 for a period of three years and the Board proposes to re-appoint him for a further period of three years with effect from 01<sup>st</sup> August 2024 subject to approval of shareholders in this Annual General Meeting of the Company.

Mr. M. R. Mohan, (DIN: 10289673) and Mr. S. Sundarraman, (DIN: 01032768) were appointed as the Independent Directors of the Company with effect from 08<sup>th</sup> November 2023 as approved by the shareholders through postal ballot.

Mr. Arjun B Kothari, Managing Director, Mr. M. Silvester Goldwin, Whole Time Director, Mr. R. Krishnan, Chief Financial Officer and Mr. R. Prakash, Company Secretary are the Key Managerial Personnel of the Company as per section 203 of the Companies Act, 2013.

**Declaration from Independent Directors**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company continues to meet the criteria of their Independence laid down in Section 149(6) and continue to be included in the Data Bank maintained by the Indian Institute of Corporate Affairs and the online proficiency self-assessment test requirement pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Independent Directors met on March 07, 2024 without the presence of Non-Independent Directors and members of the Management to evaluate the performance of the Non-Independent Director & Board as a whole.

**Composition of Audit Committee**

During the year 04 Audit Committee meetings were held, the details of the composition of Audit Committee are provided in the Corporate Governance Report of this Annual Report. The Board has not rejected any proposal/recommendations of Audit Committee during the year. The intervening gap between any two meetings was within the period as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Remuneration Policy**

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

**Vigil Mechanism / Whistle Blower Policy**

The Company has a vigil mechanism named “Whistle Blower Policy” to deal with genuine concerns, if any, raised by the Directors / Employees. The details of Vigil Mechanism / the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the Company’s website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl). There were no incidents / concerns reported during the year under review.

**Prevention of Insider Trading**

The Company has adopted a Code of Prevention of Insider Trading with a view to regulating trading in securities by the Promoters, Directors and Designated Persons of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale

of Company's shares by the Promoters, Directors and the Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

#### Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Material changes and commitments

There is no change in the nature of business of the company during the year. There is no material change or commitment affecting the financial position of the company that has occurred since 31<sup>st</sup> March 2024 to the date of this report.

#### Share Capital

The paid-up equity share capital of the Company as on March 31, 2024 was ₹8,288.86 lakhs. The Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity.

#### Annual Return

As required under Section 92(3), copy of Annual Return is placed on the Company's website. The web link to access the annual return is <http://hckotharigroup.com/kscl/?q=node/20>

#### Auditors

##### a) Statutory Auditors

The Statutory Auditors of the Company M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.: 000580S/S200066) has been reappointed for the second term by the Shareholders at the 61<sup>st</sup> AGM held on 3<sup>rd</sup> August 2022 to hold office

till the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. There are no qualifications or observations, or any adverse remarks made by the Auditors in their Report on the Financial Statements for the year 2023 - 24 and no fraud was reported by auditors under Section 143(12) of the Companies Act, 2013.

##### b) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit Records maintained by the Company in respect of its Sugar, Co-gen and Distillery Unit are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Mr. K. Suryanarayanan, Cost Accountant in Practice for conducting the audit of cost records of the Company and the remuneration payable to the Cost Auditor is required to be ratified by the Members in a general meeting. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Mr. K. Suryanarayanan, Cost Accountant, is included at Item No. 3 of the Notice convening this 63<sup>rd</sup> Annual General Meeting.

##### c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. Alagar, of M/s. M. Alagar and Associates, Chennai, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is forming part of this Annual Report. The Secretarial Report does not contain any qualifications or observations.

##### d) Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s. R. Subramanian & Co. LLP, Chartered Accountants, Chennai as Internal Auditor for Kattur unit & Head office and M/s. V. P. Mukundan & Associates, Chartered Accountants, Chennai as Internal Auditor for Sathamangalam unit of the Company.

#### Deposits

The Company has not accepted deposits either from the members or public falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year, hence, there were no outstanding deposits during and at the end of the financial year 2023 - 2024.

### Significant and Material Orders Passed by the Regulators

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### Internal Financial Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function is carried out by an independent firm of Chartered Accountants. The scope and authority of the Internal Audit function is defined by the Audit Committee. The Internal Audit Reports are placed before the Audit Committee on a quarterly basis for its scrutiny and suggestions, if any. The Internal Auditor attends the Audit Committee meetings.

The Internal Auditors monitor and evaluate the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the Report of the Internal Auditors, the Company undertakes corrective action in the respective areas and strengthens controls.

### Particulars of Loans, Guarantees or Investments

The Company has not given any Loans or Guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the general investments made by the company are given in the notes to the financial statements.

### Risk Management

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company periodically submits the Risk Management Review Report to the Board for its review and suggestions.

### Corporate Social Responsibility Policy

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was formed to recommend (a) the policy on CSR and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The policy on CSR as approved by the Board

### Disclosure about Cost Audit

Filing of Cost Audit Report	2023-2024	2022-2023
Due Date	27.09.2024	27.09.2023
Actual Date	30.08.2024 (Tentatively)	30.08.2023
Cost Auditor Details	Mr. K. Suryanarayanan, M.No. 24946, Chennai	Mr. K. Suryanarayanan, M.No. 24946, Chennai
Audit Qualification in Report	-	Nil

is posted on the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl). A detailed Report on CSR activities in the prescribed format is forming part of this Annual Report.

### Related Party Transactions

All related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business. There were no 'material' contracts or arrangements or transactions, and therefore disclosure in form AOC-2 is not required. All related party transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. For all the transactions entered pursuant to the omnibus approval so granted, a statement giving details of all such transactions is placed before the Audit Committee for their review on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is posted on the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

### Annual Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of the Board, its committees and of individual directors in the format (questionnaire) prescribed by the Nomination and Remuneration Committee of the Company.

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc. The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

### Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 07<sup>th</sup> Mar 2024 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.



**Disclosure under the Insolvency and Bankruptcy Code, 2016**

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.

**Listing with Stock Exchanges**

The Company is listed in The National Stock Exchange of India Limited (NSE) and the Stock Code is KOTARISUG & ISIN INE419A01022. The Company confirms that it has paid the Annual Listing Fees for the year 2024 - 2025 to NSE where the Company's Shares are listed.

**Corporate Governance and Shareholders Information**

Your Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report.

**Management Discussion and Analysis Report**

A detailed discussion on the industry structure (dealing with world sugar and Indian sugar) as well as on the financial and operational performance is contained in the 'Management Discussion and Analysis Report' that forms an integral part of this Report.

**Disclosure under the Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013**

The Human Resources Department created an "Internal Complaints Committee" for the prevention and redressal of sexual harassment of women at workplace as per the requirement of Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013. **There were no incidents** of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Particulars of Employees**

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

**Particulars pursuant to Section 197(12) and the relevant Rules:**

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: Except Mr. Arjun B. Kothari, Managing Director and Mr. M. Silvester Goldwin, Whole Time Director of the Company, no other director was in receipt of remuneration except sitting fees.

Sl. No.	Name	Designation	Ratio
(i)	Mr. Arjun B. Kothari	Managing Director	86.50:1
(ii)	Mr. M. Silvester Goldwin	Whole Time Director	26.18:1

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name	Designation	Percentage of Increase
(i)	Mr. Arjun B. Kothari	Managing Director	As approved by the Shareholders
(ii)	Mr. M. Silvester Goldwin	Whole Time Director	12%
(iii)	Mr. R. Krishnan	Chief Financial Officer	10%
(iv)	Mr. R. Prakash	Company Secretary	12%

- c) 11.70% increase has been reported in the median remuneration of employees in the financial year.
- d) The number of permanent employees on the rolls of the company as on 31<sup>st</sup> Mar 2024 : 512.
- e) Increase of remuneration for employees was in the varying range of 5% to 20% and for KMP the increase was in the varying range of 10% to 12% for the year.
- f) We affirm that the remuneration paid during the period under review is as per the Remuneration Policy of the Company.

**Compliance with Secretarial Standards**

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

**Cautionary Statement**

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those either expressed or implied in the statement depending on the circumstances.

**Acknowledgement**

Your Directors thank the Banks, Customers, Farmers, Financial Institutions, Government Authorities, Suppliers and Shareholders for their continued support. Your Directors also place on record their appreciation for the services rendered by the employees of the Company.

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

Place : Chennai

Date : May 17, 2024

**Nina B. Kothari**  
Chairperson

**Information as per Section 197(12) of the Companies Act, 2013 & Rule 5 of the Companies (Appointment & Remuneration) of Managerial Personnel Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2024.**

Sl. No	Name	Designation	Qualification	Gross Remuneration (₹ in Lakhs)	Nature of Employment (Contractual or otherwise)	Date of Commencement of Employment	Age (in years)	Experience	Last or previous employment	No. of Equity Shares held	Relative of Director or Manager
1	Arjun B Kothari	Managing Director	B.Sc., Northwestern University, USA & Global Health and European Politics from Paris Institute of Political Studies, Paris, France	331.66	Permanent	08.04.2015	32	10	General Electric Company, USA	54,467 0.07%	Mr. Arjun B. Kothari is the relative of Mrs. Nina B. Kothari, Chairperson of the company
2	M. Silvester Goldwin	Whole Time Director	B. Tech. (Mechanical)	103.11	Permanent	27.07.1998	56	36	Militech Engineers	-	-
3	R. Krishnan	Chief Financial Officer	B.Com., ICWA (Inter)	47.10	Permanent	23.10.2009	59	38	TTK Ltd.	-	-
4	D. Sathiyarayanan	General Manager - Tech Services	B.E. (Mechanical) B.O.E., AVSI	43.79	Permanent	01.08.2016	54	32	Prudential Sugars	-	-
5	R. Prakash	Vice President & Company Secretary	M.Com., FCS., LLB	42.17	Permanent	01.05.2010	47	17	Kothari Petrochemicals Ltd.	-	-
6	V. Ramachandran	Senior General Manager - Technical	B.E., (Mech), B.O.E., M.Tech. (Enviro Engg)	34.46	Permanent	19.08.1994	58	34	Veasons Energy Systems	-	-
7	P. Karthikeyan	Senior Manager - TLS	B.E. (Instrumentation)	30.01	Permanent	04.06.2007	42	21	Mawana Sugars	5,000 0.01%	-
8	S. Pushparaj	General Manager - Distillery	Fermentation & Alcohol Technologist (IFAT)	28.62	Permanent	14.08.2000	55	32	Mohan Breweries	-	-
9	Dr. S. H. Manohar	DGM - R & D	Ph.D	25.37	Permanent	08.06.2021	44	15	Aurobindo	-	-
10	R. Ravichandran	DGM - Process	B.Sc., Chemistry AVSI	23.64	Permanent	01.12.1995	54	28	New Horizon Sugar Mills Ltd.	-	-

**Notes:**

- Remuneration shown above includes salary, bonus, and contribution to provident fund, superannuation fund and perquisites valued as per Income Tax Rules, wherever applicable and in other cases at actual cost to the Company.

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

In alignment with the "Vision" of the company, Kothari Sugars and Chemicals Limited (KSCL), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate, with environmental concern.

The policy encompasses the Company's philosophy its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons.

For the purpose of focusing its CSR efforts in a continued and effective manner, the Company takes CSR initiatives covering mainly the poor and needy section of the society living in different parts of India, and would normally be considered as the activities covered under Schedule VII of the Companies Act, 2013 and amendments thereon. As per the Section 135 of the Companies Act, 2013 the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities within the State / States in India.

### 2. The Composition of the CSR Committee

The Company has constituted the CSR Committee with the following Directors:

Sl. No.	Name of the Directors	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
(i)	Mrs. Nina Bhadrashayam Kothari	Chairperson (Non-Executive & Non-Independent)	01	01
(ii)	Mr. Arjun B. Kothari	Member (Executive & Non-Independent)	01	01
(iii)	Mr. P. S. Balasubramaniam (*)	Member (Independent)	01	01
(iv)	Mr. P. S. Gopalakrishnan (*)	Member (Independent)	01	01

\* Retired with effect from 01<sup>st</sup> April 2024 due to completion of second term as Independent Directors.

The Committee was reconstituted with Mr. C. V. Krishnan and Mr. M.R.Mohan, Independent Director as the members of the Committee. All the criteria as laid down in the Companies Act 2013 have been considered and fulfilled in reconstitution of the Committee.

### 3. Details of the web link where Composition of the CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

<https://hckotharigroup.com/kscl/sites/default/files/3.%20CSR%20Policy%20with%20Annual%20action%20plan%202023-24.pdf>

### 4. Details of executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

**5. (a) Average net profit of the company as per section 135(5)**

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2022 - 2023	5,654.09
(ii)	2021 - 2022	3,693.40
(iii)	2020 - 2021	2,085.31
	<b>Total</b>	<b>11,432.80</b>
	<b>Average Annual Net Profit</b>	<b>3,810.93</b>

**(b) Two percent of average net profit of the company as per section 135(5).**

2% of Average Net Profit works out to ₹ 76.22 Lakhs

**(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil**
**(d) Amount required to be set off for the financial year, if any : Nil**
**(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 76.22 Lakhs**
**6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project):**

₹ 76,22,000/- was spent on other than ongoing projects for the financial year 2023 - 2024 and no ongoing project was approved during the financial year.

**(b) Amount spent in Administrative Overheads : Nil**
**(c) Amount spent on Impact Assessment, if applicable : Nil**
**(d) Total amount spent for the Financial Year (6a+6b+6c) : ₹ 76,22,000**
**(e) CSR Amount spent or unspent for the financial year : (Amount Unspent (in ₹))**

Total amount spent for the Financial year (amount in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 76,22,000	Nil		Nil		

**(f) Excess amount for set off, if any : Nil**

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	76,21,869
(ii)	Total amount spent for the Financial Year	76,22,000
(iii)	Excess amount spent for the financial year [(ii) - (i)]	130
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for setoff in succeeding financial years [(iii) - (iv)]	-

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years (in ₹)
					Amount (in ₹)	Date of transfer	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year :

- Yes
  No

If yes, enter the number of Capital assets created / acquired : 01

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent (Amount in ₹.)	Details of entity / Authority / Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Additional Rest rooms for HC Kothari Balavihar Matriculation School M/s. Kothari Sugars & Chemicals Limited - Kattur Unit Campus Lalgudi Taluk, Trichy - 621 706.	621 706	As on 31 <sup>st</sup> March 2024	76,22,000	CSR00005717	HCK Educational & Development Trust	No.18, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034.

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) :

2% of the average net profit has been spent during the financial year 2023 - 2024.

Place: Chennai  
Date : May 17, 2024

**Arjun B Kothari**  
Managing Director  
DIN: 07117816

**Nina B. Kothari**  
Non-Executive Director &  
Chairperson of the CSR Committee  
DIN: 00020119

**Form No. MR - 3  
SECRETARIAL AUDIT REPORT**

**For the Financial Year ended March 31, 2024**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the  
Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

**Kothari Sugars and Chemicals Limited**

Kothari Buildings, No.115, Nungambakkam High Road,  
Nungambakkam, Chennai - 600 034.

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **Kothari Sugars and Chemicals Limited** hereinafter called (“**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2024 (“**Audit Period**”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by “**the Company**” for the Financial Year ended March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 (‘Act’) and the rules made thereunder, as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India (‘ICSI’) and as mandated by the Companies Act, 2013.
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; as amended from time to time;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time; (**Not applicable for the Company for the audit period**)
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’); as amended from time to time;

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (**There were no events requiring compliance during the audit period**);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021; (**There were no events requiring compliance during the audit period**);
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;
- (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**There were no events requiring compliance during the audit period**) and
- (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**There were no events requiring compliance during the audit period**)

**We report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis, the Company has complied with the following Labour and Industrial Laws specifically applicable to the Company, as listed below, as amended from time to time;

1. The Factories Act, 1948
2. The Sugar Cess Act, 1982
3. The Sugarcane Control (Order), 1966
4. The Sugar (Packing and Marking) Order, 1970
5. Sugar Development Fund Act, 1982
6. Food Safety and Standards Act, 2006
7. The Boiler Act, 1923
8. The Legal Metrology Act, 2009
9. Environmental Protection Act, 1986
10. Essential Commodities Act, 1955, and orders issued thereunder

11. The Tamilnadu Molasses Control and Regulation Rules, 1958
12. The Tamilnadu Sugarcane (Regulation of Purchase Price) Act, 2018
13. Tamilnadu Tax on consumption or sale of electricity Act, 2003
14. The Contract Labour (Regulation and Abolition) Act, 1970
15. The Employees Compensation Act, 1923
16. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
17. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
18. The Industrial Disputes Act, 1947
19. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
20. The Minimum Wages Act, 1948
21. The Payment of Bonus Act, 1965
22. The Payment of Gratuity Act, 1972
23. The Payment of Wages Act, 1936
24. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
25. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
26. The Tamil Nadu Labour Welfare Fund Act, 1972
27. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
28. The Tamil Nadu Shops and Establishments Act, 1947
29. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
30. The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017
31. The Tamil Nadu Control of Industrial Major Accident Hazards Rules, 1994
32. The Environment (Protection) Rules, 1986
33. Maternity Benefit Act, 1961
34. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
35. Water (Prevention and Control of Pollution) Act, 1974
36. Tamil Nadu Water (Prevention and Control of Pollution) Rules, 1983
37. Air (Prevention and Control of Pollution) Act, 1981
38. Tamil Nadu Air (Prevention and Control of Pollution) Rules, 1983
39. Explosives Act 1884
40. Petroleum Act, 1934

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent

Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- i. The Company has declared and paid final dividend of ₹0.50/- per equity share of ₹10/- each on August 10, 2023.
- ii. The Company has declared and paid interim dividend of ₹0.50/- per equity share of ₹10/- each on February 12, 2024.
- iii. The holding Company, Parvathi Trading and Finance Company Private Limited which held 70.20% in Kothari Sugars and Chemicals Limited (KSCL) got amalgamated with NBK Real Estates Private Limited pursuant to the Scheme of Amalgamation for the Group Companies restructuring as approved by the Hon'ble National Company Law Tribunal, Chennai. Hence, NBK Real Estates Private Limited is the holding company of KSCL holding 70.20% with effect from 15.05.2023. However, the ultimate control of the Company remains with the same individuals, as before.

**For M. Alagar & Associates**  
**(Practising Company Secretaries)**  
 Peer Review Certificate No: 1707 / 2022

**M. Alagar**  
 Managing Partner  
 FCS No: 7488  
 COP No: 8196

**Place :** Chennai  
**Date :** April 30, 2024

UDIN : F007488F000277879

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**ANNEXURE TO SECRETARIAL AUDIT REPORT**

**‘Annexure A’**

To  
**The Members**  
**Kothari Sugars and Chemicals Limited**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M. Alagar & Associates**  
**(Practising Company Secretaries)**  
Peer Review Certificate No: 1707 / 2022

**M. Alagar**  
Managing Partner  
FCS No: 7488  
COP No: 8196  
UDIN : F007488F000277879

**Place :** Chennai  
**Date :** April 30, 2024



## Management Discussion and Analysis

### Industry Structure and Development

#### World Sugar

The global sugar production during the year 2023 - 24 SS is expected to be around 181.8 million metric tons as against 180.4 million metric tons reported in the previous year. The consumption during 2023 - 24 SS is expected to be around 179.1 million metric tons against 176.2 million metric tons in the previous year. 2024 - 25 SS is expected to be a balanced year in terms of production and consumption.

Sugar production in Brazil is expected to increase during the year 2023 - 24 SS due to the diversion of more cane juice to sugar production than the earlier estimate. The industry is focusing on increasing sugar production to take advantage of better sugar prices and demand in the international market.

In Thailand the production is estimated to be around 8.1 million metric tons which will be lower by around 2.9 million metric tons than the previous season. EU's sugar production during 2023 - 24 is expected to increase by 7%

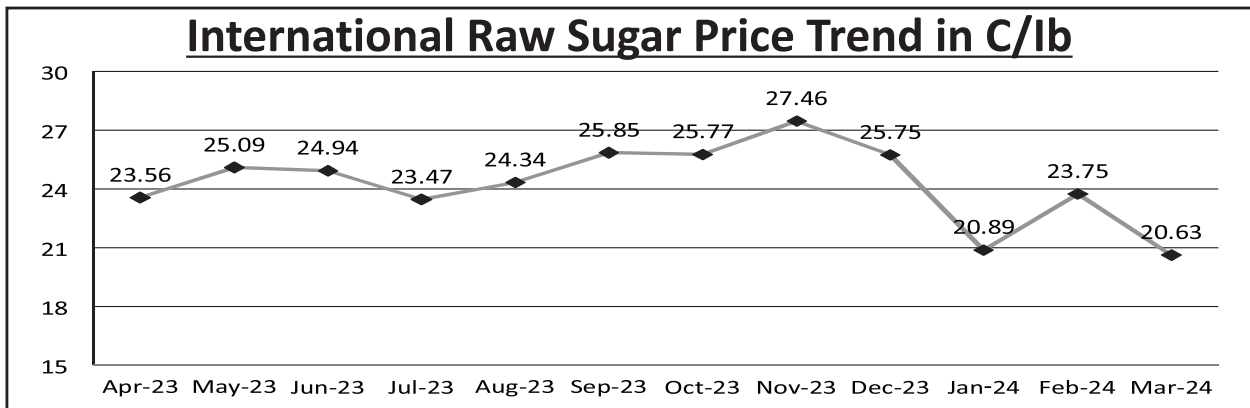
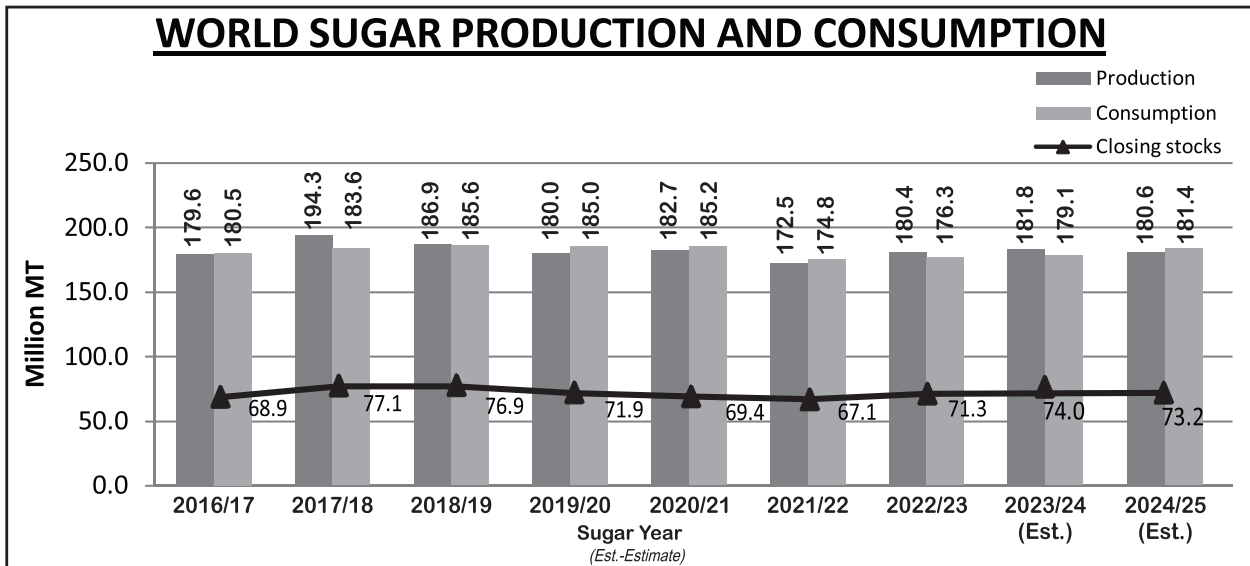
than previous season, to 15.6 million metric tons.

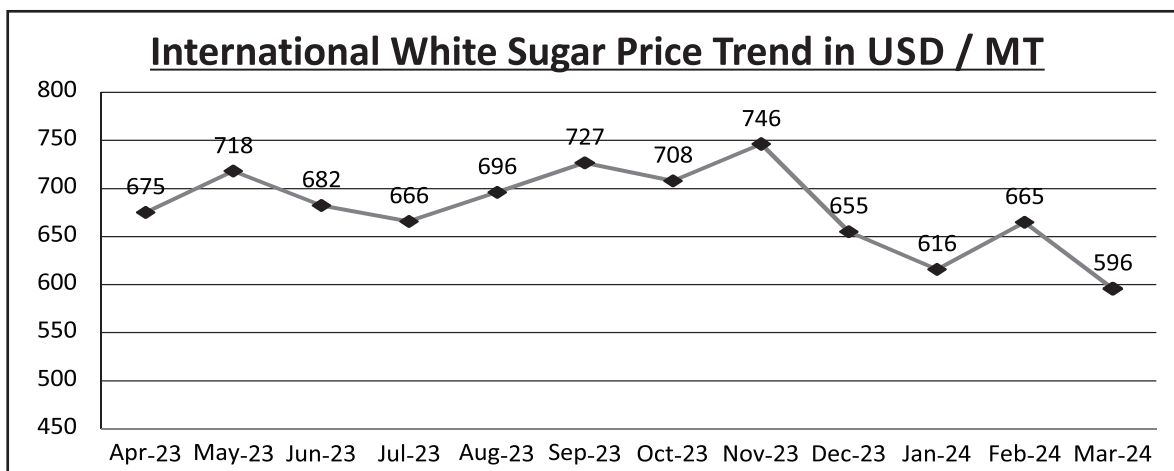
El Nino began in June 2023, which brought warmer weather, dry conditions to many parts of Asia, Australia, West Africa and heavy rainfall to Brazil and USA. This has impacted sugar production in India and Thailand, where unseasonal weather and lack of rainfall have led to reduced sugarcane production.

The sugar price in the international market has improved significantly, making exports from India very attractive. However, exports from India are restricted to protect domestic consumers.

#### Indian Sugar

India's sugar production during the sugar year 2023 - 24 is expected to be around 32.0 million metric tons as against the previous sugar year's production of 32.8 million metric tons. Though there is a marginal decrease in production in Karnataka, Tamilnadu and Uttar Pradesh, Maharashtra just surpassed the previous season's production. The sugar





consumption in 2023 - 24 is expected to be around 29.0 million metric tons, against previous year's 27.5 million metric tons.

It is pertinent to note that around 2.5 million metric tons of sugar is expected to be diverted to ethanol production, which is excluded from the current sugar year's estimated production of 32 million metric tons.

In the beginning of the year 2023 - 24, the opening stock of sugar was 5.7 million metric tons, as against the previous year's stock of 6.8 million metric tons. The expected closing stock at the end of the sugar year 2023 - 24 would be around 8.7 million metric tons. Considering the expected higher closing stock, ISMA is seeking permission from GOI for sugar export.

For the sugar season 2023 - 24, the Government of India has fixed the Fair and Remunerative Price (FRP) for Sugarcane, linked to 10.25% recovery at ₹3,150 per ton. A premium / rebate @ ₹30.70 / ton of sugarcane is applicable for the increase / decrease in recovery of every 0.1% from 10.25% recovery. However, for sugar factories having recovery of 9.5% or less, the FRP is fixed at ₹2,819.75 / ton.

GOI has announced FRP for the sugar season 2024 - 25 as ₹3,400 / ton linked to 10.25% recovery. A premium / rebate @ ₹33.20 / ton of sugarcane is applicable for the increase / decrease in recovery of every 0.1% from 10.25% recovery. However, for sugar factories having recovery of 9.5% or less, the FRP is fixed at ₹3,151 / ton. Though, the sugarcane procurement price has increased year on year, the Minimum Selling Price (MSP) of Sugar, which was fixed at ₹31/Kg in February 2019 has not been increased. However, the actual selling price is market driven.

The sugar price in the international market is reasonably good and export from India is profitable. However, since the Government of India has banned exports, industry in the country could not take advantage of it.

India has achieved an average ethanol blending rate of 11.60 per cent in the first four months of 2023 - 24 supply

year that started from November, against the 15 percent target set by the government for the whole year. By 2025 supply year, the government has set the target of blending 20 percent ethanol with petrol

#### Government Policies

**Government of India (GOI) has taken the following measures:**

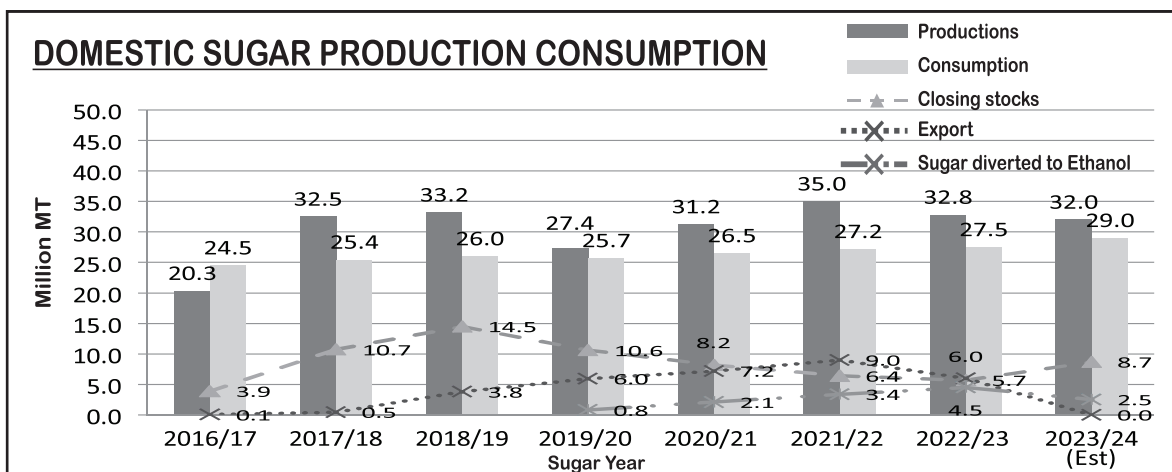
- GOI is continuing the monthly release mechanism for sugar which was re-introduced from Jan 2019.
- Sugar export is banned.
- For the marketing year 2023 - 24, the Ethanol procurement price has been fixed as ₹56.28 per litre for the Ethanol produced from C-molasses, ₹60.73 per litre for the Ethanol produced from BH-molasses and ₹65.61 per litre for the Ethanol produced from 100% sugarcane juice / syrup.
- GST on molasses sales is reduced from 28% to 5% from October '23.
- GST council recommended to keep ENA sold to the IMFL units outside the purview of GST and it is open to the state govt to fix tax if any. However, a clear G.O is yet to be released on this issue.

#### Ethanol policy:

In December'23 GOI has banned the diversion of syrup / B-Heavy to ethanol production, anticipating a shortfall in sugar production than the estimated figures. However based on the revised sugar production estimate of 32 million metric tons, the Government has permitted the conversion of B-Heavy molasses already produced and kept in stock.

**Tamil Nadu Government has taken the following measures:**

The Government of Tamilnadu has disbursed a production incentive at the rate of ₹195 / ton directly to the farmers for the sugarcane supplied during crushing season 2022 - 23. For the crushing season 2023 - 24 also, Government has



announced in the budget that ₹215 / ton of cane will be paid to the farmers.

**Opportunities and Threats**

The Central Government’s push to produce more ethanol, by granting subsidies to build more ethanol plants and increasing procurement prices of ethanol produced from B-Heavy molasses is helping the industry in a big way by absorbing a significant portion of surplus sugar production. In the long run, India will have the option of balancing both sugar and ethanol production based on market requirements. The Govt. Policies like MSP and the monthly sugar release mechanism would help in stabilisation of the sugar price.

The reduction in the availability Agricultural labour force in Tamilnadu and the sharp increase in labour cost have serious impact on the sugarcane cultivation. Most of the factories could not get adequate cane supply to its rated crushing capacity. Therefore, mechanisation of sugarcane cultivation is to be expedited.

Vagaries in the monsoon pattern will have an impact on the availability of sugar cane which is the major raw material. Compared with 2022 - 23 crushing season, sugarcane availability for the 2023 - 24 crushing season is lower by around 20% and sugar recovery is lower because of failure of the monsoon rain. This will have a cascading effect during 2024 - 25 and 2025 - 26 crushing seasons. Also, there is no water flow in the Cauvery River during 23 - 24 season, which has led to a reduction in water table in most parts of central Tamilnadu.

**Segment-wise or product-wise performance of the Company**

**Sugar:**

In 2023 - 24 financial year, 8,35,208 tons of sugarcane was crushed, as against the previous year’s 10,87,693 tons. This decrease of 23.2% in crushing volume is mainly due

to the decrease in cane planting area and yield. Failure of North East Monsoon in the factory’s command area and continuance of pest and disease incidence in the sugarcane crop are the major reasons for the reduction in planting area as well as yield.

**Power:**

Power generation in the financial year 2023 - 24 was 714.25 lakh units against previous year’s 882.5 lakh units. This decrease in power generation is due to lesser cane crushing compared to the previous season. The Long term PPA with TANGEDCO continues for Sathamangalam unit with a tariff of ₹4.837/Kw-hr. From Kattur unit, power is being sold to open access consumers and IEX.

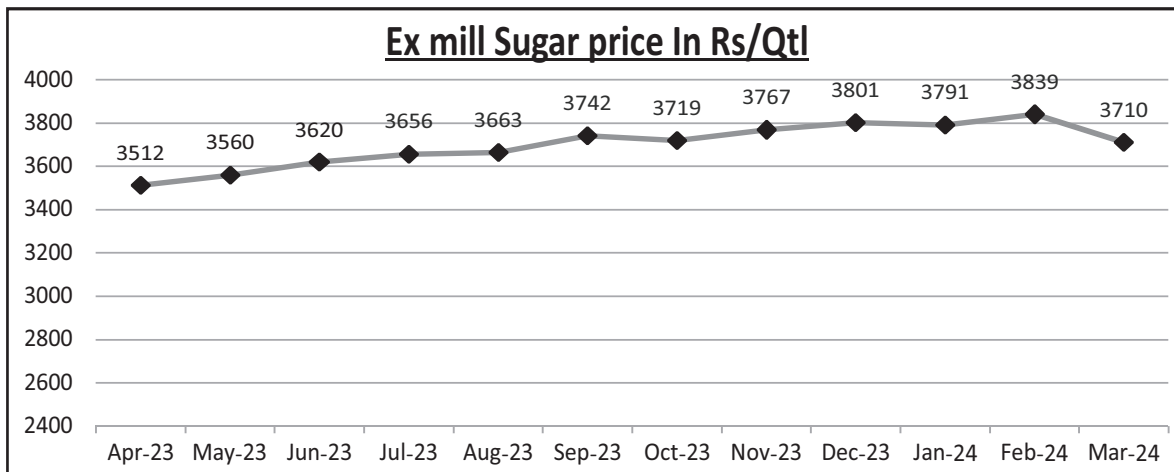
**Alcohol:**

During the financial year 2023 - 24, the total alcohol production was 19,853 KL against previous year’s total production of 17,822 KL. This is the highest production ever achieved in your distillery. As the availability of own molasses was inadequate, the company had procured 55,043 metric tons of molasses from other factories in the state and operated distillery for the maximum possible number of days.

**Quantitative Performance details:**

The Company is engaged in three major segments, namely Sugar, Cogeneration of power (Cogen) and Distillery. The segment wise performance for the year is as under:

Particulars	Sugar (Tonnes)	Power & Other (Lakh Units)	Distillery (Lakh litre)
Production	74,688	714	199
Sales	76,663	364	178
(₹ in Lakhs)			
Revenue	28,518	10,543	11,212
Operating Profit	(2,035)	2,670	5,398



**Out Look:**

India's Sugar production for the sugar season 2023 - 24 is estimated to be around 32 million metric tons after considering the diversion of sugarcane juice / syrup / B-Heavy molasses. This will result in surplus sugar availability in the market and hence the price of sugar is likely to be under pressure. Global sugar production is expected to be around 182 million metric tons and consumption is estimated to be around 179 million metric tons. The predictions of LA-Nina setting during the southwest monsoon period in India during 2024 is expected to have an impact on the rainfall and weather pattern.

**Risk and Concerns**

**Industry Risk**

Whenever there is surplus sugar production in the country the selling price falls below the cost of production. Most of the times when India produces surplus sugar, the Global sugar production also becomes surplus. Hence, exports also become unviable.

**Risk Mitigation**

Ethanol production capacity should be increased to absorb surplus sugar available in the market for stabilisation of the sugar price in the long run. The development of alternate usage of sugar and positive and proactive policies by the Government are the key drivers. The monthly sugar release mechanism and minimum selling price for sugar introduced by the Central Government help in stabilisation of sugar price.

**Risk specific to the Company**

Failure of Northeast Monsoon (NEM) rainfall during 2023 at your factory's command area will adversely affect raw material availability for the company and in turn the overall capacity utilization. Compared with 2022 - 23 crushing season, sugarcane availability for the 2023 - 24 crushing season is lower by around 47% and sugar recovery is lower because of the failure of monsoon rain and subsequent

summer rains. Further, pest and disease incidence in sugarcane crops in the central part of Tamilnadu and in particular, in your company's command area forced the farmers to go for alternative crops as a crop rotation measure. Also, competitive crops like Paddy, topiaco, banana, gingelly etc., fetch better revenue compared to sugarcane. All these will have a cascading effect during 2024 - 25 and 2025 - 26 crushing seasons.

**Risk Management**

Your company gives top priority to the development of sugar cane in the command area by optimizing utilisation of all resources.

A few major initiatives taken by the company are given below.

- (i) Working on the development of new sugar cane clones having characteristics like higher yield, high sugar recovery, early maturing, drought tolerant, pest & disease resistant etc., in association with SISMA, TNAU and Sugar cane Breeding Institute, Coimbatore.
- (ii) Bulk planting of high yield and high sugar varieties like Co-86032, CoV-09356, Co -11015, COG-7 etc., in both the units command areas.
- (iii) Educating farmers on modern cultivation practices by organising technical seminars, providing technical support, demonstrating modern practices in Demo plots, etc.
- (iv) Providing technical and financial support to the farmers on the development of irrigation infrastructure such as well deepening, lift irrigation, installation of new bore/pumps etc.
- (v) Promoting water conservation systems like micro irrigation systems in association with the State Agriculture Department.

- (vi) Mechanization of cane cultivation, right from ploughing to harvest to the possible extent to reduce the cultivation cost to the farmers and to reduce the dependency on labour.

### Discussion on Financial Performance with respect to Operational Performance

#### Operational Review and State of Affairs

Sl. No.	Production Performance	2023 - 2024	2022 - 2023
(i)	No of crushing days: Kattur Unit Sathamangalam Unit	<b>151</b> <b>165</b>	184 187
(ii)	Cane Crushed (tons)	<b>8,35,208</b>	10,87,693
(iii)	Sugar Recovery (%)	<b>8.88</b>	9.57
(iv)	Sugar Produced from cane (Quintals)	<b>7,46,880</b>	10,38,540
(v)	Alcohol Produced (KL)	<b>19,854</b>	17,822
(vi)	Power Produced (lakh kwh)	<b>714</b>	882

Due to decrease in cane availability, the sugarcane crushing has decreased by over 23% compared to the previous year and sugar production is down by over 28% due to pest infection and scanty rainfall, leading to a lower recovery. The FRP (Fair and Remunerative Price) has risen by 3%, Chemicals have etc. increased by 4%. This resulted in the sugar segment posting a higher loss. In the distillery segment, profitability marginally increased due to higher production by 11% and sales by 1% with the average selling price / litre increasing by over 8%. In the power segment, the export of power to the grid has declined by over 20% consequent to lower crushing and lower sales volumes of bagasse.

The finance cost marginally decreased by around 10% compared to the previous year due to the repayment of term loans, despite higher interest cost reset and higher usage of short-term borrowings.

#### Internal Control Systems and their adequacy

The Company has established a system of internal control across all its business operations and for safeguarding the Assets. The functions of Internal Audit are carried out by an Independent firm of Chartered Accountants, who submit their Reports on a quarterly basis to the Management. These Reports are placed before the Audit Committee at its meetings for review.

The Board, Audit Committee and the Management ensure that the internal financial control system operates effectively, and they periodically review the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory norms.

The Internal Auditors review the adequacy of internal control systems and suggest necessary checks and balances to ensure and increase the effectiveness of the system and that the policies are in place for approval and control of expenditure.

#### Human Resources / Industrial Relations

Human resources are the most important resources in an organization and need to be used efficiently, because the success, stability and growth of an organization depend on its ability in acquiring, utilizing and developing human resources for the benefit of the organization. Employees attend a series of training sessions on Technical and soft skills as part of the Employee Development Program. Special Onsite Program and In-house Training program were conducted on safety. During the year, industrial relations have continued to be cordial, conducive, and mutually productive.

The Human Resources Department created an Internal Complaint Committee for the prevention and redressal of sexual harassment of women at workplace as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013. There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The total number of employees as on 31<sup>st</sup> March 2024 was 512 in respect of sugar and allied operations.

**Key Financial Ratios**

Description	U/M	2023-24	2022-23	Remarks
Debtors Turnover	Days	18	16	Barring EB dues rest of the sales are on cash and carry basis.
Inventory Turnover	Days	117	85	Lower Sales to Quota mechanism implemented by Govt. of India.
Interest coverage ratio	Times	12.89	15.09	Lower earnings and Higher working capital borrowings.
Current ratio	Times	1.76	1.74	Lower sales and higher inventory buildup due to sugar sales quota release mechanism implementation post vacation of our stay in High Court.
Debt Equity ratio	Times	0.73	0.68	Increase in borrowings (cash credit) to meet vendor payments due lower sales volume due to Quota system.
Operating Profit Margin	%	5.98	7.64	Higher cane cost / lower yields.
Net Profit Margin	%	5.87	6.87	Lower due to product volume and margin mix and higher tax provisioning.
Return on Net worth	%	11.00	17.56	Lower retained earnings due to product volume and margin mix and Dividend payout of 10%.

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

**Place :** Chennai  
**Date :** May 17, 2024

**Nina B. Kothari**  
Chairperson

## CORPORATE GOVERNANCE

### Corporate Governance Philosophy

Kothari Sugars and Chemicals Limited believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term values while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong Corporate Governance values intrinsic in all its operations. The Company is led by a distinguished Board, which includes Independent Directors. The Board provides a strong oversight and strategic counsel. The Company has

established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide the management, the strategic direction it needs..

### Board of Directors

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition of the Board and Directorship held as on 31<sup>st</sup> March 2024

Name of the Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on Aug 10, 2023	No. of Directorships in other companies	No. of Committee Memberships in other companies		No. of shares held by the Director
					Chairman	Member	
Mrs. Nina B. Kothari	Promoter & Non-Executive Chairperson	5	Yes	13	01	-	26,83,498
Mr. Arjun B. Kothari	Promoter & Managing Director	5	Yes	11	-	01	54,467
Mr. M. Silvester Goldwin	Executive	5	Yes	-	-	-	Nil
Mr. P. S. Balasubramaniam*	Independent	5	Yes	03	-	01	505
Mr. V. R. Deenadayalu*	Independent	5	Yes	-	-	-	Nil
Mr. P. S. Gopalakrishnan*	Independent	4	Yes	02	01	-	Nil
Mr. C. V. Krishnan	Independent	5	Yes	-	-	-	Nil
Mr. M. R. Mohan#	Independent	3	N.A	-	-	-	Nil
Mr. S. Sundarraman#	Independent	3	N.A	01	01	01	Nil

#### Note :

- (i) (\*) Pursuant to Section 149(11) of the Companies Act, 2013, Mr. P. S. Gopalakrishnan, Mr. P. S. Balasubramaniam and Mr. V. R. Deenadayalu, Independent Directors of the Company ceased to hold their office due to retirement on completion of their second term with effect from 01<sup>st</sup> April 2024.
- (ii) (#) Mr. M. R. Mohan and Mr. S. Sundarraman were appointed as Independent Directors of the Company w.e.f. 08<sup>th</sup> Nov 2023.
- (iii) Count of other directorships also include Private Limited Companies.
- (iv) Only membership in Audit Committee, Stakeholders' Relationship Committee has been reckoned for Committee Memberships.

(v) The time gap between the Board Meetings was within the prescribed time limits.

(vi) Mr. Arjun B. Kothari, Managing Director of the Company is a relative of Mrs. Nina B. Kothari, Chairperson of the Company. None of the other directors is related inter se in any manner.

The Board of Directors met five times during the year on 30<sup>th</sup> May 2023, 10<sup>th</sup> Aug 2023, 08<sup>th</sup> Nov 2023, 12<sup>th</sup> Feb 2024 and 15<sup>th</sup> Mar 2024.

None of the Directors on the Board is a member of more than 10 committees or act as Chairperson of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he / she is a Director.

**Names of other Listed Companies in which the Directors of the Company is a Director and their category:**

S. No.	Name of the Director	Name of Other Listed Company	Category of Directorship
1	Mrs. Nina B.Kothari	Kothari Petrochemicals Limited	Non - Executive Director
2	Mr. Arjun B. Kothari	Kothari Petrochemicals Limited	Managing Director
3	Mr. P. S. Gopalakrishnan	(i) Dharani Sugars and Chemicals Limited (ii) Sakthi Finance Limited	Independent Director
4	Mr. S. Sundarraman	Kothari Petrochemicals Limited	Independent Director

**Familiarisation programme for Independent Directors**

A Familiarisation programme for Independent Directors of the Company was being conducted either before or after the Board Meetings and the details of such familiarization programmes are disseminated on the website of the Company [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

Presentations/Briefings were also made at the meeting of the Board of Directors/Committees by KMP's/Senior Executives of the Company on Company's financial and operational performance, industrial relations prevailing during the period, marketing strategies, etc.

**Core skills, expertise and competencies of the Board of Directors:**

The Board of Directors has identified the following core skills, expertise and competencies in the context of the Company's business and sector for it to function effectively which are given below:

The Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing/operations, risk management etc. The Directors shall understand company's structure, policies, and culture including the mission, vision, values, goals, current strategic plan and governance structure and also in which the Company operates including the industrial trends, challenges and opportunities, unique dynamics within the sector that are relevant to the success of the Company.

The Directors shall have ability to understand and analyse financial reports / key financial statements to review and analyse budgets, annual operating plans considering Company's resources, strategic goals and priorities, analyse various reports, create and incorporate multiple view points with different perspectives. Ability to identify key risks to the organisation in a widerange of areas including production, marketing, legal and regulatory compliance management and systems.

The following matrix sets out the skills, expertise and competence of each of the Directors in the Company:

S. No.	Name of the Directors	Skills, Expertise and Competence
(i)	Arjun B. Kothari	Well recognized for his business acumen and leadership skills and has overall managerial experience. Proven Leader in making sound commercial judgments and managing risks and challenges of the business. Strategic thinker with the right capacity to steer the company.
(ii)	Nina B. Kothari	Hands on experience in General Management and Administration and well known for her diversified business knowledge and Mentoring abilities. Varied experience in the domain of Finance, Administration and General Management in diverse family businesses.
(iii)	M. Silvester Goldwin	Renowned professional in sugar industry having about 30 years of overall experience in various functions of sugar industry including operation & maintenance, design & engineering, project management, technical services, sales & marketing, business development etc. Expert in the field of sugar manufacture, cogeneration of power, modern distillery technologies and energy management.
(iv)	V. R. Deenadayalu	Technocrat with vast experience in Engineering, Hands on experience in General Management Held high positions in public sector undertakings like Madras Refineries Limited (Chairman and MD) and BHEL, Trichy (Chief Executive). Professional Expertise in Engineering, Business Strategy, General Management. Played active role in the Board of various reputed Management Institutes across India.
(v)	P. S. Gopalakrishnan	A thorough professional wide experience in the Banking Industry having expertise in Finance and Investment Banking and Insurance Business. Fellow of Economic Development Institute (EDI), World Bank and Associate member of Institute of Banking, London.



(vi)	P. S. Balasubramaniam	A Chartered Accountant and a Company Secretary with more than 50 years of experience at Senior Management level in the Financial Services Sector. Competent professional with expertise in Business strategy, Consulting, Corporate Law, Finance, General Management and Taxation.
(vii)	C. V. Krishnan	An Alumnus of IIT (Madras and IIM (Ahmedabad) with wide range of experience in General Management, Collaborations, Joint Ventures, Acquisitions, Mergers, and Disinvestments in India and abroad. Strategic thinker with global business exposure with experience across industries. Contributor to Academic and Research activities with focus on Management Education / Development Research.
(viii)	M. R. Mohan	A retired IAS officer having around thirty four years of experience in Government Service in various capacities including General Administration, Management of Industrial Establishments, discharging regulatory functions and the Quasi - Judicial responsibilities, etc. Successfully turned around many sick units, including a sugar mill into profitable ones.
(ix)	S. Sundarraman	A Chartered Accountant with over thirty two years of experience in auditing, taxation (particularly international taxation) with litigation experience and business advisory services. Consistently recognized for his ability to design and implement proactive, cost-saving solutions for businesses. Professional Expertise in Consulting, Corporate Law, Finance, General Management, Legal and Taxation.

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

#### Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate

Social Responsibility Committee and a Non-mandatory Committee viz. Investment and Credit Approval Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

#### Audit Committee

The Audit Committee comprises of the following Independent Directors and attendance of each director for the year ended 31<sup>st</sup> March 2024 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. P. S. Gopalakrishnan (*)	Chairman	04	03
(ii)	Mr. P.S. Balasubramaniam (*)	Member	04	04
(iii)	Mr. V. R. Deenadayalu (*)	Member	04	04
(iv)	Mr. C. V. Krishnan	Member	04	04

\*Retired with effect from 01<sup>st</sup> April 2024 due to completion of second term as Independent Directors.

The Committee was reconstituted with Mr. S. Sundarraman, Independent Director as Chairman, Mr. C. V. Krishnan and Mr. M. R. Mohan, Independent Director as the members of the Committee. All the criteria as laid down in the Companies Act 2013 and SEBI Listing Regulations, 2015 have been considered and fulfilled in reconstitution of the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on 10<sup>th</sup> Aug 2023. The Audit Committee met four times during the year on 30<sup>th</sup> May 2023, 10<sup>th</sup> Aug 2023, 08<sup>th</sup> Nov 2023 and 12<sup>th</sup> Feb 2024.

The Audit Committee acts as a link between the Board of Directors and the Statutory and Internal Auditors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The role and terms of reference of the Audit Committee are governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the members of Audit Committee are financially literate and have relevant finance / accounting exposure. The Managing Director, Whole Time Director and Chief

Financial Officer are permanent invitees to the meetings of the committee. The Statutory Auditor and Internal Auditors were present at Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Nomination And Remuneration Committee

The Nomination and Remuneration Committee comprises of the following Non - Executive and Independent Directors. The Company Secretary is the Secretary to the Committee. The Chairman of Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 10<sup>th</sup> Aug 2023. The Committee met twice during the year on 25<sup>th</sup> May 2023 and 27<sup>th</sup> Oct 2023.

The composition of Committee and attendance of each director for the year ended 31<sup>st</sup> March 2024 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. P. S. Gopalakrishnan (*)	Chairman	02	02
(ii)	Mr. P.S. Balasubramaniam (*)	Member	02	02
(iii)	Mr. V. R. Deenadayalu (*)	Member	02	02

\*Retired with effect from 01<sup>st</sup> April 2024 due to completion of second term as Independent Directors.

The Committee was reconstituted with Mr. C. V. Krishnan, Independent Director as Chairman, Mr. S. Sundarraman and Mr. M. R. Mohan, Independent Directors as the members of the Committee. All the criteria as laid down in the Companies Act 2013 and SEBI Listing Regulations, 2015 have been considered and fulfilled in reconstitution of the Committee.

#### Remuneration Policy

##### Policy for selection and Appointment of Directors / KMP / Senior Management and their Remuneration

The Nomination and Remuneration (N&R) Committee has framed a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director / KMP's / Senior Management and their remuneration.

##### Criteria of selection of Non - Executive Directors

- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
  - Personal, Professional or business standing;
  - Diversity of the Board.
- (c) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

#### Remuneration

The Non - Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission of such sum as may be approved by the Board of Directors within the limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Remuneration details of Managing Director / Whole Time Director is disclosed in detail elsewhere in the Board's Report.

In accordance with the approval of the members of the Company vide Special resolution dated 10<sup>th</sup> Aug 2023, Ms. Nina B. Kothari, the Non - Executive Chairperson is entitled for a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act, subject to a minimum of ₹50,00,000/- for the financial year 2023 - 2024. The other Non - Executive Directors of the company are not paid any remuneration except sitting fees. The details of the transactions and pecuniary relationship with the Non - executive Directors vis-à-vis the Company are disclosed elsewhere in the Annual Report.

#### Criteria for Performance evaluation framed by N & R Committee

- Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee shall lay down the criteria for the formal annual evaluation of Board, Committees and Individual Directors.
- Pursuant to the above requirements, the Nomination and Remuneration Committee has framed a format inter alia containing attendance & participation at meetings, inputs provided & its impact on the company whether positive or adverse etc. for the Annual Evaluation of the performance of the Board, individual Directors and its Committees. Thus, Nomination and Remuneration Committee recommends the devised format to the Board to apply while conducting the Annual Evaluation.

The Remuneration Policy approved by the Board of Directors is posted on the website of the Company viz. [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

**Details of Sitting Fees paid during the financial year 2023-2024**

Name of the Directors	Sitting Fees Paid					(Amount in ₹)
	Board Meeting	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Independent Director Meeting	Total
Mrs. Nina B. Kothari	1,50,000	N.A	10,000	N.A	N.A	1,60,000
Mr. P. S. Balasubramaniam	1,50,000	1,20,000	10,000	20,000	10,000	3,10,000
Mr. V. R. Deenadayalu	1,50,000	1,20,000	N.A	20,000	10,000	3,00,000
Mr. P. S. Gopalakrishnan	1,20,000	90,000	10,000	20,000	10,000	2,50,000
Mr. C. V. Krishnan	1,50,000	1,20,000	N.A	N.A	10,000	2,80,000
Mr. M. R. Mohan (*)	90,000	N.A	N.A	N.A	10,000	1,00,000
Mr. S. Sundarraman (*)	90,000	N.A	N.A	N.A	10,000	1,00,000
<b>Total</b>	<b>9,00,000</b>	<b>4,50,000</b>	<b>30,000</b>	<b>60,000</b>	<b>60,000</b>	<b>15,00,000</b>

(\*) Mr. M. R. Mohan and Mr. S. Sundarraman were appointed as Independent Directors of the Company w.e.f. 08<sup>th</sup> Nov 2023.

**Stakeholders' Relationship Committee:**

The Stakeholders Relationship Committee carries out the functions of transmissions, duplicate share certificates, dematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, non-receipt of annual reports etc.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Stakeholders

Relationship Committee and the Company Secretary to approve the share transfers / transmissions and accordingly, the Stakeholders Relationship Committee or the Company Secretary approve the transmission of shares generally on a fortnight basis. The Committee also reviews the performance of the Registrar and Share Transfer Agents.

The committee met once during the year 2023 - 2024. No sitting fee is paid for attending the meetings of the Committee.

The attendance of each Director in the Stakeholders' Relationship Committee meeting held during the year ended 31<sup>st</sup> March 2024 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. P. S. Gopalakrishnan (*)	Chairman	01	01
(ii)	Mr. Arjun B. Kothari	Member	01	01
(iii)	Mr. C. V. Krishnan	Member	01	01

\*Retired with effect from 01<sup>st</sup> April 2024 due to completion of second term as Independent Directors.

The Committee was reconstituted with Mr. M. R. Mohan, Independent Director as Chairman, Mr. C. V. Krishnan, Independent Director and Mr. Arjun B. Kothari, Executive Director as the members of the Committee. All the criteria as laid down in the Companies Act 2013 and SEBI Listing Regulations, 2015 have been considered and fulfilled in reconstitution of the Committee.

The Chairperson of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the company held on Aug 10, 2023. Mr. R Prakash, the Company Secretary is the Compliance Officer.

No Complaints were received from the Shareholder(s) / Department(s) during the financial year 2023 - 2024.

Pursuant to SEBI LODR Regulations, 2015 the Company is processing investor complaints in a web-based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. R. Prakash, Company Secretary is the Compliance Officer of the company. For any clarification / complaint the shareholders may contact the Secretarial Department at the registered office of the company.

Also, an investor can initiate online dispute resolution through the ODR portal after the option to resolve complaint / dispute with the listed entity through the aforesaid available routes i.e. Raising the grievance with the listed entity / its RTA and SEBI SCORES are exhausted.

The Online Dispute Resolution Portal named SMART ODR Portal - 'Securities Market Approach for Resolution through ODR' offers a user-friendly platform to file disputes for resolution through Online conciliation and online Arbitration. It enables investors to access Online Dispute Resolution Institutions for the resolution of their complaints. The weblink of the SMART ODR portal is <https://smartodr.in/>

#### Senior Management:

The Senior Management comprises of the following Personnel of the Company and there was no change in the Senior Management during the financial year 2023-24.

Sl. No.	Name of the Person	Designation / Role
1.	Mr. R. Prakash	Company Secretary
2.	Mr. R. Krishnan	Chief Financial Officer
3.	Mr. V. Ramachandran	Plant Head, Kattur
4.	Mr. M. Palanivelrajan	Plant Head, Sathamangalam
5.	Mr. D. Sathiyarayanan	General Manager - Technical Service

#### General Body Meetings:

The details of the Annual General Meetings held in the last three years are as follows :

Year / Date / Day / Time	Venue
2022 - 2023 Aug 10, 2023, Thursday 14:00 Hrs.	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 was the deemed venue of the meeting.
2021 - 2022 Aug 03, 2022, Wednesday 10:30 A.M.	
2020 - 2021 Jul 30, 2021, Friday 10:15 A.M.	

The details of Special Resolutions passed in AGM / EGM in the last 3 years are as follows:

Date of AGM	Whether any Special Resolution was passed	Particulars
Aug 10, 2023	Yes	Payment of Commission to Mrs. Nina B. Kothari, Non - Executive Chairperson of the Company.
Aug 03, 2022	Yes	(i) Re-appointment of Mr. Arjun B. Kothari, as Managing Director of the Company. (ii) Re-appointment of Mr. C. V. Krishnan, as an Independent Director of the Company.
Jul 30, 2021	Yes	(i) Re-appointment of Mr. M. Silvester Goldwin, as Whole Time Director of the Company. (ii) Adoption of new set of Articles of Association of the Company in line with Companies Act, 2013.

**POSTAL BALLOT:**

- (a) During the year 2023 - 24, Special Resolutions were passed through Postal Ballot on 30<sup>th</sup> Dec 2023 for the appointment of Mr. M. R. Mohan and Mr. S. Sundarraman as Independent Directors of the Company.

**Voting pattern - Appointment of Independent Director - Special Resolutions**

Item No.	Particulars of the Resolutions	Remote e-voting			
		Total Votes Cast	Votes in favour	Votes Against	Invalid Votes
1.	Appointment of Mr. M. R. Mohan (DIN: 10289673) as an Independent Director of the Company.	6,26,46,147	6,26,44,210	1,937	-
2.	Appointment of Mr. S. Sundarraman (DIN: 01032768) as an Independent Director of the Company.	6,26,46,147	6,26,45,246	901	-

- (b) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, (Firm Registration No. P2011TN078800) Practicing Company Secretaries, Chennai, was appointed as the Scrutinizer for conducting the postal ballot process, in a fair and transparent manner.

The Postal Ballot exercise was duly conducted as per the provisions of Companies Act, 2013.

The Company has sent the notice of Postal Ballot only through electronic mode on Wednesday, November 29, 2023 to those members whose names appeared on the Register on Members / Register of Beneficial Owners, as on Friday, November 24, 2023 ("Cut-off Date"). The newspaper advertisement regarding dispatch of notice was published on Thursday, November 30, 2023. The Shareholders were offered the facility of remote e-voting. The remote e-voting remained open from Friday, December 01, 2023 to Saturday, December 30, 2023. Mr. M. Alagar, Scrutinizer, carried out the scrutiny of all electronic votes cast through CDSL platform upto 5.00 p.m. on 30<sup>th</sup> Dec 2023 & submitted his report dated 02<sup>nd</sup> Jan 2024 relating to the results on the voting by Postal Ballot.

- (c) At present there is no proposal to pass any Special Resolution through Postal Ballot.

**Means of Communication**

- (a) The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and Makkal Kural.
- (b) The company's website address is: [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl). The website contains basic information about the company and such other details as required under Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company ensures periodical updation of its website. The company has designated email-id [ksclcs@hckgroup.com](mailto:ksclcs@hckgroup.com) and [secdept@hckgroup.com](mailto:secdept@hckgroup.com) to enable the shareholders to register their grievances.
- (c) Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all data related to quarterly financial results, shareholding pattern and report on Corporate Governance etc. are filed in NEAPS / New Digital Exchange (NSE Portal) within the time frame prescribed in this regard.
- (d) No presentations have been made to institutional investors or to analysts.

**GENERAL SHAREHOLDER INFORMATION**
**(a) Annual General Meeting**

<b>Day, Date and Time</b>	Friday, 26 <sup>th</sup> July 2024 @ 11:00 A.M.
<b>Venue</b>	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio - Visual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 shall be deemed to be venue of the meeting.

**(b) Financial Calendar of the Company**

The Financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March

Results for Quarter ending 30 <sup>th</sup> June, 2024	First fortnight of August, 2024
Results for Quarter ending 30 <sup>th</sup> September, 2024	First fortnight of November, 2024
Results for Quarter ending 31 <sup>st</sup> December, 2024	First fortnight of February, 2025
Results for Quarter ending 31 <sup>st</sup> March, 2025	Last Week of May, 2025

**(c) Date of Book Closure**

The period of Book Closure is fixed from Saturday, the 20<sup>th</sup> July 2024 to Friday, 26<sup>th</sup> July, 2024 (both days inclusive).

**(d) Dividend Payment**

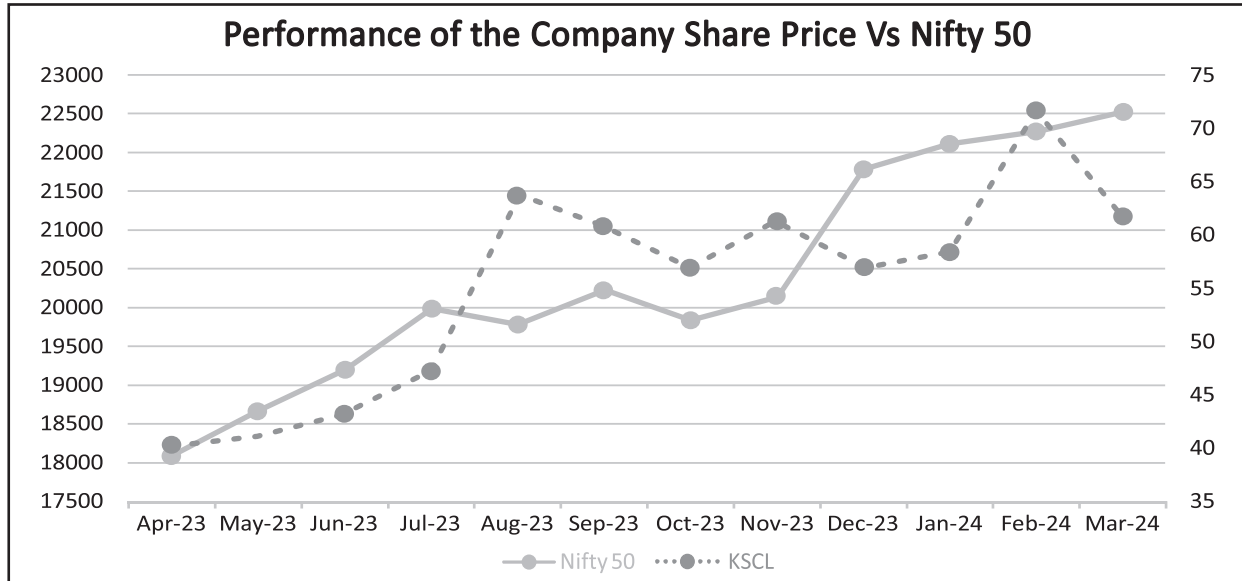
The Board of Directors of the Company at its meeting held on 12<sup>th</sup> February 2024, declared an Interim Dividend at the rate of 5% i.e., ₹0.50 (Fifty Paise only) per equity share of ₹10/- each for the Financial Year 2023 - 24 to the shareholders of the Company. Accordingly, the Interim Dividend for the Financial Year 2023 - 24 was paid on 02<sup>nd</sup> March 2024 to the Shareholders whose names appeared in the Register of Members as on 20<sup>th</sup> February 2024.

**(e) Listing of Shares**

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2024 - 2025 has been paid. (Stock Code: KOTARISUG). ISIN: INE419A01022.

**(f) Details of the outstanding ADRs / GDRs / Warrants or Convertible Instruments: Nil****(g) Stock Market Data**

FY 2023-24	Kothari Sugars and Chemicals Limited Share Price			Nifty 50		
	Month	High	Low	Volume of shares traded	High	Low
Apr 2023	40.30	35.45	25,75,413	18,089.15	17,312.75	445,97,62,894
May 2023	41.10	36.80	22,51,061	18,662.45	18,042.40	573,73,98,688
Jun 2023	43.25	38.85	41,64,044	19,201.70	18,464.55	514,41,88,356
Jul 2023	47.25	39.90	61,00,787	19,991.85	19,234.40	580,22,71,229
Aug 2023	63.80	43.00	2,35,50,907	19,795.60	19,223.65	625,39,92,252
Sep 2023	60.90	53.00	36,59,805	20,222.45	19,255.70	607,76,73,965
Oct 2023	56.95	47.50	18,75,378	19,849.75	18,837.85	424,85,11,422
Nov 2023	61.35	48.30	25,59,163	20,158.70	18,973.70	442,33,23,090
Dec 2023	57.00	49.00	50,32,683	21,801.45	20,183.70	612,13,73,605
Jan 2024	58.40	50.60	72,72,256	22,124.15	21,137.20	698,64,53,888
Feb 2024	71.70	56.20	1,80,80,934	22,297.50	21,530.20	694,64,14,756
Mar 2024	61.85	47.85	49,00,779	22,526.60	21,710.20	673,26,71,167


**(h) Distribution of Shareholding as on 31<sup>st</sup> March 2024**

(Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Paid up Capital
Upto 5000	65,992	5,37,40,010
5001-10000	3,146	2,64,69,320
10001-20000	1,366	2,14,80,000
20001-30000	437	1,12,61,290
30001-40000	175	63,82,060
40001-50000	226	1,09,08,230
50001-100000	220	1,70,80,680
100001 and above	164	68,15,64,210
<b>Total</b>	<b>71,726</b>	<b>82,88,85,800</b>

**(i) Reconciliation of Share Capital Audit**

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2024, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 8,28,43,182 equity shares representing 99.94% of the paid-up equity capital have been dematerialized as on 31<sup>st</sup> March 2024.

**(j) Registrar and Share Transfer Agents**

M/s. Cameo Corporate Services Limited, having its registered office at Subramanian Building, No.1, Club House Road, Chennai - 600 002 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment are handled by the share transfer agent.

**(k) Foreign Exchange Risk and hedging activities**

Presently your Company is not exporting any of its products. Hence, foreign exchange risk did not arise during the financial year 2023 - 2024.

**(l) Plant Locations**

Kattur	Kattur Railway Station, Lalgudi, Trichy District - 621 706. Tamilnadu. Phone Nos.: 0431-2541224, 2541350, Fax No.: 0431 - 2541451
Sathamangalam	Sathamangalam Village, Vetriyur Post, Via - Keezhpalur, Ariyalur Taluk, Ariyalur Dist - 621 707, Tamilnadu. Phone Nos.: 04329-320800, Fax No.: 04329 - 209730

**(m) Address for Correspondence**

Company's Registered Office	Company's Share Transfer Agent
The Company Secretary Kothari Sugars and Chemicals Limited Kothari Buildings, 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Tel. No. : 044-35225526, 35225529 Email : secdept@hckgroup.com	M/s. Cameo Corporate Services Limited Unit: Kothari Sugars and Chemicals Limited Subramanian Building, No. 1, Club House Road, Chennai - 600 002. Phone No. 044 - 40020700 / 710 Online Investor Portal : <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a> Website : <a href="http://www.cameoindia.com">www.cameoindia.com</a>

**(n) Credit Rating and revision thereto**

- (i) At the request of the Company, the Credit Rating Agency ICRA Limited has withdrawn the long-term rating [ICRA] BBB (Stable) (pronounced ICRA Triple B) with Stable Outlook and short-term rating [ICRA]A2 (pronounced ICRA A Two) with effect from Oct 05, 2023.
- (ii) However, the Company continues to have the credit rating assigned by "CRISIL Ratings Limited" a credit rating agency which has rated the following facilities availed from Bank as detailed below:

Sl. No.	Facility	Amount (₹ in Crores)	Rating
(i)	Long-Term Fund Based - Working Capital Facilities	100.00	[CRISIL] BBB+ / Stable [pronounced as CRISIL triple B plus Stable]
(ii)	Long-Term Fund Based - Term loan	7.00*	
(iii)	Short-Term Non-Fund Based - Working Capital Facilities	3.00	[CRISIL] A2 [pronounced as CRISIL A two]
<b>Total</b>		<b>110.00</b>	

\*Note : The Term loan was fully repaid during the month of May 2023 and Term Loan outstanding is 'Nil' as on 31.03.2024.

**OTHER DISCLOSURES****Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There was no materially significant related party transaction having potential conflict with the interests of the Company during the year. Transactions with related parties, as per the requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements.

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained prior approval of the Audit Committee for entering into transactions with related parties. The approved policy for related party transactions has been uploaded on the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

**Vigil Mechanism / Whistle Blower Policy**

The Company has formulated a Whistle Blower Policy of Vigil Mechanism and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy.

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behaviour. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly.



The company affirms that no one has been denied access to the Audit Committee.

Further details are available in the Whistle Blower policy of the Company posted in Company Website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

### Compliances

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters. The disclosure of compliances with respect to Corporate Governance requirements as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 is made in the Corporate Governance Report.

### Compliance with mandatory / non mandatory requirements

The company has complied with all applicable mandatory requirements in terms of Regulations 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

### Statutory Auditor Fee Particulars

The Members at the 61<sup>st</sup> Annual General Meeting held on 03<sup>rd</sup> August 2022 have appointed M/s. P. Chandrasekar LLP, Chartered Accountants as the Statutory Auditor of the Company and to hold office till the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company. The Company does not have any Subsidiaries. No fees were paid during the year to any entity in the network firm / network entity of which the Statutory Auditor is a part.

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit. The total fee paid for the year 2023 - 2024 to M/s. P. Chandrasekar LLP, Chartered Accountants is given below :

Sl. No.	Description of the Service	Fees (Amount in ₹)
(i)	Statutory Audit	6,00,000
(ii)	Limited Review Report	1,50,000
	<b>Total</b>	<b>7,50,000</b>

### Particulars of Loans and Advances to the related entities

There are no loans and advances in the nature of loans was given to the firms/companies in which directors are interested.

### Discretionary requirements

The discretionary requirements as specified in Part E of Schedule II have been adopted to an extent possible by the Company.

### Certificate from Practising Company Secretary confirming Directors are not debarred / disqualified

A Certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

### Disclosure as required under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(a) Number of complaints filed during the financial year	:	Nil
(b) Number of complaints disposed of during the financial year	:	Nil
(c) Number of complaints pending as on end of the financial year	:	Nil

**Code of Conduct for the Board of Directors and the Senior Management**

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl). As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the financial year 2023 - 2024.

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

**Place :** Chennai  
**Date :** May 17, 2024

**Nina B. Kothari**  
Chairperson

**DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2024.

for **Kothari Sugars & Chemicals Limited**

**Place:** Chennai  
**Date :** May 17, 2024

**Arjun B. Kothari**  
Managing Director

**CERTIFICATE UNDER REGULATION 17(8) & PART B OF SCHEDULE II OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Arjun B. Kothari, Managing Director and R. Krishnan, Chief Financial Officer of the Company hereby confirm and certify that:

- (a) We have reviewed Financial Statements and Cash Flow Statements for the year ended 31<sup>st</sup> March 2024 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee.
  - (i) significant changes, if any, in internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and



(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place** : Chennai  
**Date** : May 17, 2024

**Arjun B. Kothari**  
Managing Director

**R. Krishnan**  
Chief Financial Officer

### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

#### **To the Members of Kothari Sugars and Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by **Kothari Sugars and Chemicals Limited**, for the year ended March 31, 2024 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M. Alagar & Associates**  
**(Practising Company Secretaries)**  
Peer Review Certificate No.: 1707/2022

**Place** : Chennai  
**Date** : April 30, 2024

**M. Alagar**  
Managing Partner  
FCS No. 7488 / COP No. 8196  
UDIN: F007488F000278407

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**To the Members of Kothari Sugars and Chemicals Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kothari Sugars and Chemicals Limited** having CIN **L15421TN1960PLC004310** and having registered office at Kothari Buildings, 115, Nungambakkam High Road, Chennai - 600 034 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para C, Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in/> as considered necessary and explanations furnished to us by the Company & its officers, **we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies** by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Designation	Date of appointment
1	Mrs. Nina Bhadrashyam Kothari	00020119	Chairperson (Non - Executive & Non - Independent Director) - Woman Director	27.05.2014 (subject to retire by rotation)
2	Mr. Arjun Bhadrashyam Kothari	07117816	Managing Director (Executive & Non - Independent)	08.04.2015 (Re-appointment 01.09.2022)
3	Mr. M. Silvester Goldwin	08145634	Whole Time Director	01.08.2018 (Re-appointment 01.08.2021)
4	*Mr. P.S.Balasubramaniam	00019843	Independent Director	08.11.2013 (Re-appointment 01.04.2019)
5	*Mr. V.R.Deenadayalu	00020898	Independent Director	27.04.2009 (Re-appointment 01.04.2019)
6	*Mr. P.S.Gopalakrishnan	00001446	Independent Director	12.06.1995 (Re-appointment 01.04.2019)
7	Mr. C. V. Krishnan	01606522	Independent Director	28.05.2018 (Re-appointment 28.05.2023)
8	Mr. M. R. Mohan	10289673	Independent Director	08.11.2023
9	Mr. S. Sundarraman	01032768	Independent Director	08.11.2023

\*Mr. P. S. Balasubramaniam, Mr. V. R. Deenadayalu, and Mr. P. S. Gopalakrishnan ceased to be an Independent Directors upon completion of second term of five consecutive years from April 01, 2019 to March 31, 2024.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M. Alagar & Associates**  
**(Practising Company Secretaries)**  
Peer Review Certificate No.: 1707/2022

Place : Chennai  
Date : April 30, 2024

**M. Alagar**  
Managing Partner  
FCS No. 7488 / COP No. 8196  
UDIN: F007488F000278396

**INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

To the Members of Kothari Sugars and Chemicals Limited  
**REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS**

**Opinion**

- We have audited the accompanying Ind AS financial statements of Kothari Sugars and Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 after tax and other comprehensive income), changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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**

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

S. No.	Key Audit Matters	Principal audit procedures
1.	<p><b>Quantity of raw materials</b></p> <p>Significant portion of the material procurement is from individual farmers and sugarcane are accounted on weight basis. Hence, any variance in the ascertainment of the quantity purchased may have a significant impact on the cost of materials.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>Assessment of controls over ascertaining the quantity of purchase for which payment is made.</li> <li>Assessment of controls over calibration system of the weighing equipment.</li> <li>Performed substantive audit procedures on cane procurement.</li> </ul>
2.	<p><b>Investments</b></p> <p>As on 31<sup>st</sup> March 2024, the Company stands invested in various financial instruments. The amount of investments has been considered a key audit matter given the relative size of the balance in the financial statements.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>We have tested the design and operating effectiveness of controls with regard to acquisition as well as redemption of investments.</li> <li>We have reviewed the board minutes as well as the investment policy to ensure that the investments made are in compliance with them.</li> <li>We have verified the fund statements received from the respective fund houses, Demat Holding Statements and internal MIS of the management to evaluate the correctness of the investments reported in the balance sheet.</li> </ul>
3.	<p><b>Contingent liabilities</b></p> <p>The Company has material amounts of disputed statutory levies such as Excise Duty, Service Tax and Electricity taxes, which have not been paid pending adjudication by the respective authority. Refer to Note 41 of the Financial Statements.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>Evaluation of internal controls relating to identification and evaluation of litigations involving statutory dues.</li> <li>Obtained the list of litigations and claims from the Company's legal team, identified material litigations from the list and performed inquiries on the management's evaluation of these material litigations.</li> <li>Performed an independent assessment of the conclusions reached by the management.</li> <li>Evaluated the management's assumptions, estimates and judgements used for calculating the provisions and contingent liabilities disclosed in the Ind AS financial statements.</li> </ul>

**Information other than the financial statements and auditor's report thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report together with the annexure thereto and Report on Corporate Governance but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

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

8. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

9. 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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

13. 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 B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
15. As required by Section 143(3) of the Act, we report that:
- 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the

Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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:
  - The Company has disclosed the impact of pending litigations in Note 41 to the financial statements.
  - The Company did not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.

- v. During the year 2023 - 24, the Company has paid final dividend for the financial year 2022 - 23 and one interim dividend. The dividends paid are in compliance with the provisions of section 123 of the Act.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit-log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

For **P. Chandrasekar LLP**  
**Chartered Accountants**  
FRN: 000580S/S200066

**S. Raghavendhar**  
Partner  
Membership No.: 244016  
UDIN : 24244016BKELLX8005

**Place :** Chennai  
**Date :** May 17, 2024



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Kothari Sugars and Chemicals Limited on the Ind AS financial statements as of and for the year ended March 31, 2024.**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Kothari Sugars and Chemicals Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. Chandrasekar LLP**  
**Chartered Accountants**  
FRN: 000580S/S200066

**S. Raghavendhar**  
Partner

Membership No.: 244016  
UDIN: 24244016BKELLX8005

**Place** : Chennai  
**Date** : May 17, 2024

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Kothari Sugars and Chemicals Limited on the Ind AS financial statements as of and for the year ended March 31, 2024**

**To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:**

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment, investment property and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets
  - (b) As explained to us, the property, plant and equipment, investment property and right-of-use assets are physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in the Ind AS financial statements are held in the name of the Company as at the Balance Sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

- (b) The Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks / or financial institutions during the year on the basis of security of the current assets of the Company. The quarterly returns / statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company except in case of disputed trade payable balances as indicated below:

(₹ in Lakhs)

Particulars	June 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024
Trade Payable as per Books	5,446.18	4,998.40	5,898.42	8,531.78
Trade Payable as per reported to Bank*	2,723.10	1,744.83	2,708.11	4,704.06

\*Trade payable reported to Bank by the company excludes disputed trade payables.

- (iii) (a) During the year the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under clause (iii) (a) of the Order is not applicable.
- (b) The investments made during the year are not prejudicial to Company's interest. Further the Company has not provided guarantees, security or granted loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties, consequently requirement to report on these under clause (iii) (b) of the Order is not applicable.
- (c) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (d) of the Order is not applicable to the Company.
- (e) There were no loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3 (iii) (e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying the terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not provided any loans or guarantee, or security as covered under Section 185 or 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and based on our audit procedures, we report that:
- (a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax as applicable to the appropriate authorities. There were no undisputed amounts payable which were in arrears as at March 31, 2024 for a period of more than six months from the date they become payable except as below:

Statute	Nature of Dues	Amount (₹ in lakhs)
Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Interest u/s 7 of Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	432

- (b) Details of dues of various taxes and statutory dues not deposited on account of disputes as of 31<sup>st</sup> March 2024 is given below:

Name of the Statute	Nature of the Dues	Amount* (₹ in lakhs)	Forum where the dispute is pending	Period to which the dues belong to
Central Excise Act, 1944	Excise Duty*	3.87	Madras High Court	Oct' 1999 to Mar' 2000
Finance Act, 1994	Service Tax*	1.46	CESTAT	Mar 2011 to May 2011
Central Excise Act, 1944	Excise Duty*	87.31	CESTAT	April 1997 to December 1997
Tamil Nadu Tax on Consumption or sale of electricity Act, 2003	Electricity Tax	539.94	Government of Tamil Nadu	April 2009 to May 2011
	Interest on above dues	918.15		

\*Amounts exclude interest and payments under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not borrowed any term loan during the year 2023-24. Hence reporting under clause (ix) (c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x) (a) of the Order is not applicable.
- (b) On an overall examination of the financial statements, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause (x) (b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle blower complaints received by the Company during the year.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with the director or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted any non-banking or housing finance activities.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3 (xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year
- (xviii) There has been no resignation of statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the meetings of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has spent the minimum amount required to be spent on Corporate Social Responsibility (CSR), as stipulated in section 135 of the Companies Act. Therefore, no unspent amount is required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year, in compliance with second proviso to sub-section 5 of section 135 of the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) The Company does not have any unspent amount towards CSR on ongoing projects requiring a transfer to a distinct account in compliance with provisions of sub-section (6) of section 135 of the said Act.

For **P. Chandrasekar LLP**  
**Chartered Accountants**  
FRN: 000580S/S200066

**S. Raghavendhar**  
Partner

Membership No.: 244016  
UDIN: 24244016BKELLX8005

**Place** : Chennai  
**Date** : May 17, 2024

**BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in Lakhs)

S.No	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	16,199.67	15,027.85
	(b) Capital Work in Progress	2	26.76	879.70
	(c) Investment Property	3	103.20	105.56
	(d) Intangible Assets other than goodwill	4	9.33	5.32
	(e) Right-of-use of assets	4(a)	71.31	81.03
	(f) Financial Assets			
	(i) Investments	5(b)	1,312.93	616.78
	(ii) Trade Receivables	6(a)	903.67	1,517.88
	(iii) Other financial assets other than loans	7	105.04	99.26
	(g) Other Non-Current Assets	8	21.15	32.74
	<b>Total non-Current Assets</b>		<b>18,753.06</b>	<b>18,366.12</b>
	<b>Current Assets</b>			
	(a) Inventories	9	16,773.43	13,559.68
	(b) Financial Assets			
	(i) Investments	5(a)	8,690.78	6,584.08
	(ii) Trade Receivables	6	2,183.59	2,823.64
	(iii) Cash and Cash Equivalents	10	6.55	16.97
	(iv) Bank balances other than (iii) above	11	11.69	9.42
	(v) Other Financial assets	7	1,095.11	1,189.45
	(c) Current tax assets (Net)	8(a)	20.00	-
	(d) Other current Assets	8	724.10	634.01
	<b>Total Current Assets</b>		<b>29,505.25</b>	<b>24,817.25</b>
	<b>TOTAL ASSETS</b>		<b>48,258.31</b>	<b>43,183.37</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	12	8,288.86	8,288.86
	(b) Other Equity	13	19,559.49	17,467.15
	<b>Total Equity</b>		<b>27,848.35</b>	<b>25,756.01</b>
	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Lease Liabilities	4(b)	74.39	81.86
	(b) Deferred Tax Liabilities	33	3,577.06	3072.18
	<b>Total Non-Current Liabilities</b>		<b>3,651.45</b>	<b>3,154.04</b>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	6,941.58	3,761.70
	(ii) Lease liabilities	4(b)	7.48	6.45
	(iii) Trade Payables			
	(a) Total Outstanding dues to Micro and Small Enterprises	16	46.22	38.08
	(b) Total Outstanding dues of creditors other than Micro and Small Enterprises	16	8,656.37	8,505.01
	(iv) Other Financial Liabilities	17	216.79	373.01
	(b) Short term Provisions	19	433.81	782.02
	(c) Current Tax Liabilities (Net)	18(a)	-	138.95
	(d) Other Current Liabilities	18	456.26	668.10
	<b>Total Current Liabilities</b>		<b>16,758.51</b>	<b>14,273.32</b>
	<b>Total Liabilities</b>		<b>20,409.96</b>	<b>17,427.36</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>48,258.31</b>	<b>43,183.37</b>

The accompanying notes are integral part of these financial Statements

Vide our report of even date

For P. Chandrasekar LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No.244016

Place : Chennai

Date : May 17, 2024

For and on behalf of the Board of Directors of

**Kothari Sugars and Chemicals Limited**

CIN : L15421TN1960PLC004310

Arjun B. Kothari

Managing Director

DIN: 07117816

C.V. Krishnan

Director

DIN: 01606522

R. Prakash

Company Secretary

R. Krishnan

Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024** (₹ in Lakhs)

S.No	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from Operations	20	50,272.88	60,997.15
II	Other Income	21	1,539.45	852.99
III	<b>Total Income (I+II)</b>		<b>51,812.33</b>	<b>61,850.14</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	22	37,463.72	43,396.52
	Changes in Inventories of finished goods, work-in-progress and stock in trade	23	(3,272.47)	(650.45)
	Employee benefit expenses	24	3,350.20	3,328.51
	Finance costs	25	352.55	389.33
	Depreciation and amortisation expense	26	1,426.84	1,403.73
	Other expenses	27	8,300.07	8,859.88
	<b>Total Expenses (IV)</b>		<b>47,620.91</b>	<b>56,727.52</b>
V	<b>Profit before exceptional items and Tax (III-IV)</b>		<b>4,191.42</b>	<b>5,122.61</b>
VI	<b>Exceptional items - (Expenses) / Income</b>	28	-	362.14
VII	<b>Profit before Tax (V + VI)</b>		<b>4,191.42</b>	<b>5,484.76</b>
VIII	<b>Tax Expense:</b>			
	1) Current tax		722.26	958.30
	2) Deferred tax		519.92	334.13
	<b>Total Tax expenses</b>		<b>1,242.18</b>	<b>1,292.43</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>2,949.24</b>	<b>4,192.33</b>
	<b>Other Comprehensive Income</b>			
	A. (i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of the defined benefit plan		(43.05)	(34.92)
	(ii) Income tax relating to items that will not be re-classified to profit or loss		15.04	12.20
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be re-classified to profit or loss		-	-
X	<b>Total other comprehensive income (A(i+ii)+(B(i+ii)))</b>		<b>(28.01)</b>	<b>(22.72)</b>
XI	<b>Total Comprehensive Income (IX+X)</b>		<b>2,921.23</b>	<b>4,169.61</b>
XII	<b>Earnings Per Equity Share (Nominal value per share ₹10/-)</b>			
	(a) Basic (₹)	37	3.56	5.06
	(b) Diluted (₹)	37	3.56	5.06

The accompanying notes are integral part of these financial Statements

Vide our report of even date

For P. Chandrasekar LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No.244016

Arjun B. Kothari

Managing Director

DIN: 07117816

R. Prakash

Company Secretary

For and on behalf of the Board of Directors of

**Kothari Sugars and Chemicals Limited**

CIN : L15421TN1960PLC004310

C.V. Krishnan

Director

DIN: 01606522

R. Krishnan

Chief Financial Officer

Place : Chennai

Date : May 17, 2024

**STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share Capital as at 31.03.2024**

(₹ in Lakhs)

Balance as on a April 01, 2023	Changes in Equity share Capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during 2023-24	Balance as on March 31, 2024
8,288.86	-	-	-	8,288.86

**A. Equity Share Capital as at 31.03.2023**

Balance as on a April 01, 2022	Changes in Equity share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during 2022-23	Balance as on March 31, 2023
8288.86	-	-	-	8,288.86

**B. Other Equity as at 31.03.2024**

(₹ in Lakhs)

Reserves and Surplus					Total
Particulars	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance at April 01, 2023	1,400.00	1,928.60	14,138.55		17,467.15
Changes in accounting policy of prior period errors	-	-	-		-
Restated Balance at April 01, 2023	-	-	-		-
Transfer from Debenture Redemption Reserve		-	-		-
Dividend Paid			(828.89)		(828.89)
Other Comprehensive Income for the year *			(28.01)		(28.01)
Profit for the year			2,949.24		2,949.24
<b>Balance at March 31, 2024</b>	<b>1,400.00</b>	<b>1,928.60</b>	<b>16,230.90</b>		<b>19,559.49</b>

\* Represents actuarial gain / (Loss) on remeasurement of defined benefit obligation.

**B. Other Equity as at 31.03.2023**

(₹ in Lakhs)

Reserves and Surplus					Total
Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	
Balance at April 01, 2022	1,400.00	750.00	1,178.60	10,383.38	13,711.98
Changes in accounting policy of prior period errors	-	-	-	-	-
Restated Balance at April 01, 2022	-	-	-	-	-
Transfer from Debenture Redemption Reserve		(750.00)	750.00		
Interim Dividend for FY 2022 - 23				(414.44)	(414.44)
Other Comprehensive Income for the year*				(22.72)	(22.72)
Profit for the year				4,192.33	4,192.33
<b>Balance at March 31, 2023</b>	<b>1,400.00</b>	<b>-</b>	<b>1,928.60</b>	<b>14,138.55</b>	<b>17,467.15</b>

\* Represents actuarial gain / (Loss) on remeasurement of defined benefit obligation.

The accompanying notes are integral part of these financial Statements

Vide our report of even date

For P. Chandrasekar LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No.244016

Place : Chennai

Date : May 17, 2024

For and on behalf of the Board of Directors of

**Kothari Sugars and Chemicals Limited**

CIN : L15421TN1960PLC004310

Arjun B. Kothari

Managing Director

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C.V. Krishnan

Director

DIN: 01606522

R. Krishnan

Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>A.</b>	<b>Cash flow from operating activities</b>				
	Profit before tax		4,191.42		5,484.76
	Adjustments for:				
	Depreciation and Amortisation	1,426.84		1,403.73	
	Finance Costs (net)	352.55		389.33	
	Dividend Income	(5.54)		(5.49)	
	Rental Income from Investment Property	(32.87)		(26.85)	
	Profit on sale of Fixed Assets (net)	(0.04)		(2.95)	
	Interest Income	(529.49)		(135.36)	
	Liability no longer required written back	(358.55)		(204.19)	
	Net (Gain) / Loss arising on FVPTL Transactions	(416.81)		177.77	
	Loss / (gain) on sale of investments	(163.92)	272.17	(455.71)	1,140.28
	<b>Operating profit before working capital changes</b>		<b>4,463.59</b>		<b>6,625.04</b>
	<b>Changes in operating assets and liabilities</b>				
	Adjustments for (increase) / decrease in:				
	Trade and other receivables	1,409.74		(1,858.48)	
	Inventories	(3,213.75)		(770.17)	
	Other Assets	(107.84)		1,013.71	
	Other Financial Assets	100.76		(428.55)	
	Trade Payable	159.50		813.52	
	Other Liabilities	(327.17)		(227.49)	
	Other Financial Liabilities	(204.57)	(2,183.33)	161.75	(1,295.71)
	<b>Cash generated from operations</b>		<b>2,280.26</b>		<b>5,329.33</b>
	Less :Direct taxes paid net of refund		722.26		817.09
	<b>Net cash generated from operating activities</b>		<b>1,558.00</b>		<b>4,512.24</b>
<b>B.</b>	<b>Cash flow from investing activities</b>				
	Purchase of Property, Plant and Equipment including capital work in progress		(1,741.40)		(2,147.95)
	Advances to Capital Creditors		11.59		(32.74)
	Proceeds from sale of Property, Plant and Equipment (Purchase) / Sale of investments(net)		3.78		3.76
	Short Term Capital gains tax		(2,222.12)		224.06
	Short Term Capital gains tax		(6.94)		(14.76)
	Rental Income from Investment Property		30.63		25.99
	Interest received		361.80		65.82
	Dividend received		5.54		5.49
	<b>Net cash used in investing activities</b>		<b>(3,557.11)</b>		<b>(1,870.33)</b>
<b>C.</b>	<b>Cash flow from Financing activities</b>				
	Repayment Term loan Borrowings		(45.13)		(700.00)
	Dividend Paid		(828.89)		(414.44)
	Bank balances other than cash and cash equivalents		0.53		0.01
	Lease Rent payment under Ind AS 116		(14.40)		(13.92)
	Finance Cost		(348.44)		(385.96)
	<b>Net cash used in financing activities</b>		<b>(1,236.32)</b>		<b>(1,514.31)</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		<b>(3,235.43)</b>		<b>1,127.61</b>
	<b>Reconciliation</b>				
	Cash and cash equivalents as at beginning of the year		(3,699.60)		(4,827.21)
	Cash and cash equivalents as at end of the year		(6,935.03)		(3,699.60)
	<b>Net (increase) / decrease in cash and cash equivalents</b>		<b>3,235.43</b>		<b>(1,127.61)</b>

The accompanying notes are integral part of these financial Statements

Vide our report of even date

For P. Chandrasekar LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No.244016

Place : Chennai

Date : May 17, 2024

For and on behalf of the Board of Directors of

Kothari Sugars and Chemicals Limited

CIN : L15421TN1960PLC004310

Arjun B. Kothari

Managing Director

DIN: 07117816

C.V. Krishnan

Director

DIN: 01606522

R. Prakash

Company Secretary

R. Krishnan

Chief Financial Officer

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 1**

**CORPORATE OVERVIEW**

Kothari Sugars and Chemicals Limited (referred to as “KSCL” or the “Company”) are the Manufacturers of Sugar, Alcohol and Power having units at Kattur and Sathamangalam, Tamilnadu.

KSCL has two sugar factories having a capacity to crush 6400 Tons of Cane per day, generate 33 MW of power and a distillery having a capacity of 60 KLPD.

The functional and presentation currency of the Company is Indian Rupees (“₹”) which is the currency of the primary economic environment in which the Company operates.

**MATERIAL ACCOUNTING POLICIES**

**1. Statement of Compliance**

The financial statements have been prepared in accordance with Ind AS notified under section 133 of the Companies Act 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**1.1 Basis of preparation and presentation**

The financial statements have been prepared in accordance with Ind AS under notified under section 133 of the Companies Act 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

**1.2 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**(a) Sale of goods**

Revenue from the sale of goods is recognized at the point in time when control of goods is transferred to customer depending on the terms of the sales and all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**(b) Rendering of Services**

Revenue from a contract to provide services is based on the agreements / arrangements with the concerned parties. In the case of services rendered over a period revenue is recognized based on the progress measured in line with the receiver of service. In the case of service rendered at a point in time, revenue is recognized on satisfaction of performance obligation.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**(c) Dividend and interest income**

- (i) Dividend income from investments is recognized when the shareholder's right to receive payment has been established.
- (ii) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company using the effective interest rate method.

**(d) Insurance Claims**

Insurance claims are accounted for based on claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**1.3 Leasing**

Leases are classified in accordance with Ind AS 116, Standards for Leases which is effective from 01<sup>st</sup> April 2019. Below conditions need to be fulfilled if the contract is to be classified as lease:

- Identified asset.
- Lessee obtains substantially all of the economic benefits.
- Lessee directs the use.

**Lessee Accounting:**

- A Lessee will recognize assets and liabilities for all leases for a term of more than 12 months unless the underlying asset is of low value.
- A Lessee is required to recognize a right of use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.
- A lessee will measure right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.
- A lessee recognizes depreciation of the right-of-use asset and interest on the lease liability (as per IND AS 17 the same was classified as rent in case of operating lease on a straight-line basis)
- Lease liability = Present value of lease rentals + present value of expected payments at the end of lease. The lease liability will be amortized using the effective interest rate method.
- Lease term = non-cancellable period + renewable period if lessee reasonably certain to exercise.
- Right to use asset = Lease liability + lease payments (advance) - lease incentives to be received if any initial + initial direct costs + cost of dismantling / restoring etc. The assets will be depreciated as per Ind AS 16 Property plant and equipment.

**Lessor Accounting:**

- A lessor shall classify each of its leases as either an operating lease or a finance lease.
- A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.
- For operating leases, lessors continue to recognize the underlying asset and recognize the lease rental incomes on a straight-line basis.
- For finance leases, lessors derecognize the underlying asset and recognize a net investment in the lease.

**1.4 Functional and presentation currency and Foreign Currency Transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e., the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. All receivables and payable in foreign currency are restated based on the exchange rate prevailing at the reporting date and the resultant gain or loss is recognized in profit and loss statement.

**1.5 Borrowing and related costs**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs), and the redemption amount is recognized in Profit and Loss over the period of borrowings using effective interest method.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**1.6 Government grants**

Government grants are not recognized until there is a reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income."

**1.7 Employee Benefits**

**(a) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income; and
- Re-measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or

loss. Defined benefit plans comprise gratuity payable to eligible employees on the exit due to retirement or otherwise. Contributions paid/payable to defined contribution plans comprising of Superannuation and Provident Funds for certain employees covered under the respective Schemes are recognized in the Statement of Profit and Loss each year.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

**(b) Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**1.8 Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**1.9 Taxation**

Income tax expense represents the sum of the tax currently payable net of MAT (Minimum Alternate Tax) credit utilization and deferred tax.

**(a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Company offsets current tax assets and current tax liabilities, where it has

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**(b) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(c) MAT Credit**

It is the difference between the amount paid as per book profit tax under section 115JB of the Income tax Act, 1961 and the tax as per regular provisions of the Income Tax Act, 1961. MAT credit is a tax credit and as per IndAS 12 tax credits are treated as deferred tax assets.

**(d) Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**1.10 Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified into the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Block of the Asset	Useful Life in (years)
Freehold Land	NA
Factory Building	30
Plant and Equipment	15
Office Equipment	5
Furniture and Fixtures	10
Vehicles	8

Useful lives applied as above are based on Schedule II to the Companies Act, 2013 except certain items of Buildings for which the useful life has been taken based on internal technical evaluation.

Assets costing ₹5,000 and below are depreciated over a period of one year. An item of property, plant and equipment is de-recognized upon disposal or

## NOTES FORMING PART OF FINANCIAL STATEMENTS

when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### 1.11 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognized.

### 1.12 Intangible Assets

#### (a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### (b) De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is de-recognized.

#### (c) Useful lives of intangible assets

Estimated useful lives of the intangible assets are not more than 6 years.

### 1.13 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

The cost of inventories is computed on a weighted average basis. Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. Such write downs are recognized in the Statement of Profit and Loss. When the reason for a write-down of the inventories ceases to exist, the write-down is reversed.

### 1.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

### 1.15 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**1.16 Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**(a) Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition). The debt instruments carried at amortized cost include Deposits, Debtors, Loans and advances recoverable in cash.

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are subsequently measured at fair value.

**(b) Effective interest method**

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

Expense is recognized on an effective interest basis for debt instruments other than those financial liabilities classified as at FVTPL. Interest expense is recognized in profit or loss and is included in the Finance cost line item.

**(c) Investments in equity instruments at FVTPL (Fair Value Through Profit and Loss account)**

The Company has elected to carry investment in equity instruments as Fair value through Profit and Loss account. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in profit and loss account pertaining to investments in equity instruments. This election is permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in the Profit and Loss account.

The Company has certain strategic equity investments, and some are held for trading. The Company has elected the FVTPL irrevocable option for these investments (see note 5). Fair value is determined in the manner described in note 39.3.

**(d) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

**(e) Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

The company assess the impairment of trade receivables on case-to-case basis and creates allowance for expected credit loss accordingly.

**(f) De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flow 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 recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

**(g) Modification of financial assets**

When the contractual cash flows of a financial asset is modified without requiring a derecognition then the gross carrying amount of the financial assets is recalculated based on the modified cash flows and a gain or loss is recognized in the statement of profit and loss for the difference between the amortized cost before modification and the recalculated gross carrying amount.

**1.17 Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company,

and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**(a) Financial liabilities at FVTPL**

Financial liabilities at FVTPL include derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. Fair value is determined in the manner described in note 39.3.

**(b) Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

**(c) De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**1.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing, and financing activities of the Company are segregated based on the available information.



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**1.19 Key sources of estimation uncertainty and judgement made:**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

**(a) Fair value measurement and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 3.

**(b) Useful lives of Property, Plant and Equipment**

The useful life of property, plant, equipment, and other intangible assets are reviewed at each reporting date. Any re-adjustment would result in revised depreciation for the future periods.

**(c) Provisions and contingent liabilities**

The Company estimates provisions that have present obligations because of past events, and it is probable that an outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**(d) Provision for Income tax and Deferred tax**

The Income tax expenses for the year estimated using assumptions and judgements certain allowances and provisions, any change in actual income tax expenses is recognized in the year it arises. Deferred tax assets are recognized to the extent of future taxable profit expected by the management.

**(e) Provision for defined benefit obligations to employees**

The Company's provisions for defined benefit obligations are on the basis of actuarial valuation report which uses various inputs and assumptions to estimate the obligations. (Refer note 36).

**(f) Significant judgements made in the preparation of financials**

(a) Outcome of the litigations involving the company:

The impact of litigations involving the Company have been presented based on the best judgement of the Company on the outcome of these litigations wherever the management expects the outcome to be unfavorable, the expected outflow is estimated and provided in the books based on the provisioning policy.

**1.20 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**1.21 Cash and Cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**1.22 Rounding off amounts**

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 2

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amounts of</b>		
Freehold land	404.79	391.31
Building	2,548.95	1,989.66
Plant and Equipment	12,684.69	12,266.67
Furniture and Fixtures	71.46	59.97
Office Equipment	2.70	2.70
Vehicles	487.08	317.54
<b>Total</b>	<b>16,199.67</b>	<b>15,027.85</b>
Capital work-in-progress	26.76	879.70
	<b>16,226.43</b>	<b>15,907.55</b>

(₹ in Lakhs)

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
<b>Cost or Deemed cost</b>							
<b>Balance at March 31, 2022</b>	<b>391.31</b>	<b>2,754.42</b>	<b>19,280.92</b>	<b>101.26</b>	<b>511.68</b>	<b>54.22</b>	<b>23,093.81</b>
Additions	-	228.80	1,065.78	2.42	54.73	-	<b>1,351.73</b>
Disposals	-	-	-	-	16.27	-	<b>16.27</b>
<b>Balance at March 31, 2023</b>	<b>391.31</b>	<b>2,983.22</b>	<b>20,346.71</b>	<b>103.68</b>	<b>550.14</b>	<b>54.22</b>	<b>24,429.27</b>
Additions	13.48	707.29	1,612.56	17.54	237.35	-	<b>2,588.22</b>
Disposals	-	-	-	-	13.59	-	<b>13.59</b>
<b>Balance at March 31, 2024</b>	<b>404.79</b>	<b>3,690.52</b>	<b>21,959.27</b>	<b>121.22</b>	<b>773.90</b>	<b>54.22</b>	<b>27,003.91</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
<b>Accumulated depreciation and impairment</b>							
Balance at March 31, 2022	-	867.12	6,880.45	37.48	193.61	51.51	8,030.17
Disposals	-	-	-	-	15.46	-	15.46
Depreciation expenses	-	126.45	1,199.59	6.22	54.45	-	1,386.71
Balance at March 31, 2023	-	993.57	8,080.04	43.71	232.60	51.51	9,401.43
Disposals	-	-	-	-	9.84	-	9.84
Depreciation expenses	-	148.00	1,194.54	6.05	64.06	-	1,412.65
Balance at March 31, 2024	-	1,141.57	9,274.58	49.76	286.81	51.51	10,804.24
Carrying amount as on March 31, 2023	391.31	1,989.66	12,266.67	59.97	317.54	2.70	15,027.85
Carrying amount as on March 31, 2024	404.79	2,548.95	12,684.69	71.46	487.08	2.70	16,199.67

(Details of assets offered as securities is provided in Note 14 and 15)

## Capital Work In Progress Ageing Schedule as at 31.03.2024

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	26.76	-	-	-	26.76

## Change in CWIP as at 31.03.2024

Particulars	Opening Balance as at 01.04.23	Additions	Capitalized	Closing Balance as at 31.03.24
Capital work in Progress	879.70	258.04	1,110.98	26.76

## Capital Work In Progress Ageing Schedule as at 31.03.2023

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	862.09	17.61	-	-	879.70

## Change in CWIP as at 31.03.2023

Particulars	Opening Balance as at 01.04.22	Additions	Capitalized	Closing Balance as at 31.03.23
Capital work in Progress	50.75	862.09	33.14	879.70

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 3**

**INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amounts of</b>		
Investment property	103.20	105.56
<b>Total</b>	<b>103.20</b>	<b>105.56</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	160.24	160.24
Disposal during the year	-	-
<b>Balance at end of the year</b>	<b>160.24</b>	<b>160.24</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	54.68	52.31
Depreciation expenses	2.37	2.37
<b>Balance at end of the year</b>	<b>57.04</b>	<b>54.68</b>

All the Company's investment properties are held under freehold interests.

**3.1 Fair value of the Company's investment properties**

The following table gives details of the fair value of the Company's investment properties

Particulars	As at March 31, 2024	As at March 31, 2023
Land and Building in Tamilnadu	1,562.49	1,299.57
Land and Building other than in Tamilnadu	1,636.81	1,556.86
<b>Total</b>	<b>3,199.30</b>	<b>2,856.43</b>

The fair value of the Company's investment properties as at March 31, 2024 and March 31, 2023 has been arrived at on the basis of a valuation carried out by an independent valuer not registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

**Note 4**

**OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amounts of</b>		
Software and licenses	9.33	5.32
<b>Total</b>	<b>9.33</b>	<b>5.32</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	65.10	65.10
Additions	6.12	-
<b>Balance at end of the year</b>	<b>71.22</b>	<b>65.10</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	59.78	54.86
Depreciation expenses	2.11	4.93
<b>Balance at end of the year</b>	<b>61.89</b>	<b>59.78</b>
<b>Carrying amount at the end of year</b>	<b>9.33</b>	<b>5.32</b>

## Note 4a

## RIGHT-OF-USE OF ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amounts of</b>		
Assets under Lease	71.31	81.03
<b>Total</b>	<b>71.31</b>	<b>81.03</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	97.24	97.24
Additions	-	-
<b>Balance at end of the year</b>	<b>97.24</b>	<b>97.24</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	16.21	6.48
Depreciation expenses	9.72	9.72
<b>Balance at end of the year</b>	<b>25.93</b>	<b>16.21</b>
<b>Carrying amount at the end of year</b>	<b>71.31</b>	<b>81.03</b>

## Note 4b

## Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening net carrying balance</b>	<b>88.32</b>	<b>93.79</b>
Additions	-	-
Add: Accretion of interest	7.95	8.44
Less: Payments	14.40	13.92
<b>Total</b>	<b>81.86</b>	<b>88.32</b>
<b>Of which</b>		
Current	7.48	6.45
Non-Current	74.39	81.86
<b>Total</b>	<b>81.86</b>	<b>88.32</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 5(a) - INVESTMENTS**

(₹ in Lakhs)

Particulars	No. of Shares / Bonds / Units	As at March 31, 2024	No. of Shares / Bonds / Units	As at March 31, 2023
<b>I. Quoted Investments</b>				
<b>a) Investments in Equity Instruments at FVTPL</b>				
KOTHARI PETROCHEMICALS LIMITED (₹10 EACH)	1,000	1.22	1,000	0.56
GUJARAT PETROSYNTHESIS LTD (₹ 10 EACH)	5,000	2.43	5,000	1.50
REC LTD (₹10 EACH)	27,246	122.88	27,246	31.46
<b>Total</b>		<b>126.53</b>		<b>33.52</b>
<b>b) Investments in Infrastructure Investment Funds (INVTs)</b>				
INDIA GRID TRUST	1,47,258	195.53	1,23,356	166.26
POWERGRID INFRASTRUCTURE INVESTMENT TRUST	1,27,891	121.13	85,891	105.23
<b>Total</b>		<b>316.65</b>		<b>271.49</b>
<b>c) Other Investments in Mutual Funds at FVTPL</b>				
ADITYA BIRLA SUNLIFE BANKING & PSU DEBT FUND	11,267	38.63	46,815	149.15
ADITYA BIRLA SUNLIFE CORPORATE BOND FUND	1,74,053	179.70	2,23,849	214.01
ADITYA BIRLA SUNLIFE FLOATING RATE FUND	77,889	251.92	77,889	233.35
ADITYA BIRLA SUNLIFE MONEY MANAGER FUND	33,566	114.39	33,566	106.13
ADITYA BIRLA SUNLIFE SHORT TERM FUND	5,23,969	242.08	7,92,794	339.06
ADITYA BIRLA SUNLIFE SAVINGS FUND	68,275	345.61	68,275	321.07
AXIS CORPORATE BOND FUND	2,34,043	37.85	2,34,043	35.04
AXIS FIXED TERM PLAN - SERIES 114	-	-	9,99,950	100.20
AXIS LIQUID FUND	7,335	196.85	620	15.51
BANDHAN BANKING AND PSU DEBT FUND - Erstwhile IDFC MF	-	-	5,28,541	112.86
BANDHAN BOND FUND-SHORT TERM - Erstwhile IDFC MF	3,21,753	176.72	540,831	276.00
BANDHAN CORPORATE BOND FUND - Erstwhile IDFC MF	26,44,165	471.22	26,44,165	438.99
BANDHAN CRISIL GILT 2027 INDEX FUND - Erstwhile IDFC MF	16,96,148	199.06	16,96,148	185.23
EDELWEISS BHARAT BOND FUND OF FUND	9,99,940	113.51	9,99,940	104.61
EDELWEISS ARBITRAGE FUND	2,90,415	54.93	2,90,415	50.68
ETERNITY CAPITAL FUND - ALTERNATIVE INVESTMENT FUND	8,78,741	153.86	8,78,741	124.34
HDFC CORPORATE BOND FUND	13,58,057	405.84	13,58,057	375.09
HDFC FMP 1406D SERIES 46	9,99,950	111.20	9,99,950	103.54
HDFC SHORT TERM DEBT FUND	4,03,106	119.69	4,03,106	110.83
HDFC ULTRA SHORT TERM FUND	-	-	11,52,220	151.01
ICICI PRU CORPORATE BOND FUND	18,82,580	529.86	18,82,580	489.99
ICICI PRUDENTIAL SHORT TERM FUND	7,08,517	417.54	7,08,517	385.21
ICICI PRUDENTIAL FMP - SERIES 88	-	-	9,99,950	100.18
JM SHORT DURATION FUND	9,99,950	110.90	9,99,950	103.45
JM LOW DURATION FUND	1,71,053	59.10	1,71,053	55.08
KOTAK CORPORATE BOND FUND	6,672	235.87	6,672	218.59
NIPPON INDIA CORPORATE BOND FUND	4,06,485	229.25	4,06,485	211.83
NIPPON INDIA FLOATING RATE FUND	1,24,003	52.97	4,51,429	178.38
NIPPON INDIA AAA PSU BOND SDL	9,99,950	110.74	9,99,950	103.24
NIPPON INDIA NIFTY G-SEC MATURITY INDEX FUND	4,65,157	50.94	4,65,157	47.41
NIPPON INDIA QUARTERLY INTERVAL FUND - SERIES 111	-	-	5,47,147	100.54
TATA BANKING & PSU DEBT FUND	-	-	8,60,139	106.52
UTI SHORT TERM INCOME FUND	3,82,014	116.29	3,82,014	107.44
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - Growth	4,77,526	53.78	4,77,526	50.15
Edelweiss Bharat Bond FOF - Direct Plan	4,00,875	54.24	4,00,875	50.15
HDFC Overnight Fund - Direct - Growth	-	-	316	10.57
ABSL INTERVAL INCOME FUND-QUARTERLY INTERVAL PLAN-SERIES 1-DIRECT-GROWTH	3,27,230	102.69	-	-
ADITYA BIRLA SUNLIFE LIQUID FUND - DIRECT - GROWTH	26,404	102.89	-	-
AVESHTA MUTICAP COMPOUNDERS FUND	1,42,508	148.89	-	-
AXIS ARBITRAGE FUND	11,36,598	210.04	-	-
AXIS FIXED TERM PLAN - SERIES 120 - DIRECT - GR	9,99,950	101.45	-	-
AXIS OVERNIGHT FUND - DIRECT - GROWTH	98	1.25	-	-
BAJAJ FINSERV LIQUID FUND - DIRECT - GROWTH	15,738	165.85	-	-
DSP LIQUIDITY FUND - DIRECT - GROWTH	404	13.95	-	-
HDFC ARBITRAGE FUND - WSP - DIRECT - GROWTH	13,85,557	254.47	-	-
ICICI PRUDENTIAL EQUITY ARBITRAGE FUND - DIRECT - GR	3,11,254	104.22	-	-
JM ARBITRAGE FUND	3,34,980	106.64	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 5(a) - INVESTMENTS**

(₹ in Lakhs)

Particulars	No. of Shares / Bonds / Units	As at March 31, 2024	No. of Shares / Bonds / Units	As at March 31, 2023
KOTAK EQUITY ARBITRAGE FUND - GROWTH - DIRECT	5,71,298	207.87	-	-
KOTAK FMP SERIES 326 - DIRECT - GROWTH	10,06,337	102.80	-	-
KOTAK FMP SERIES 327 - DIRECT - GROWTH	9,99,950	101.73	-	-
KOTAK FMP SERIES 329 - DIRECT - GROWTH	1,99,99,000	200.50	-	-
KOTAK LIQUID FUND - DIRECT - GROWTH	2,057	100.36	-	-
KOTAK NIFTY AAA BOND JUNE HTM INDEX FUND - DIRECT - GROWTH	10,71,123	107.20	-	-
SBI ARBITRAGE OPPORTUNITIES FUND - DIRECT - GROWTH	6,33,518	207.37	-	-
SBI FIXED MATURITY PLAN (FMP) - SERIES 92	9,99,950	101.18	-	-
SUNDARAM LIQUID FUND - DIRECT - GROWTH	1,260	26.86	-	-
<b>Total</b>		<b>7,702.78</b>		<b>5,865.42</b>
<b>Total Quoted Investments</b>		<b>8,145.97</b>		<b>6,170.43</b>
<b>II. Un-quoted Investments</b>				
<b>a) Investments in Equity Instruments at FVPTL</b>				
BIO- TECH CONSORTIUM LTD (₹10 EACH)	50,000	5.00	50,000	5.00
<b>Total Un-quoted Investments</b>		<b>5.00</b>		<b>5.00</b>
<b>b) Investments in Debentures carried at amortized cost (Current)</b>				
8.55% INDIA INFRASTRUCTURE FINANCE CO.LTD - NCB	10	100.97	-	-
10.25% - SHRIRAM TRANSPORT FINANCE CO. LTD	10	100.24	10	101.34
SHRIRAM TRANSPORT FINANCE CO. LTD	-	-	9	103.51
8.75% - SHRIRAM TRANSPORT FINANCE CO. LTD	100	104.02	-	-
8.75% - SHRIRAM TRANSPORT FINANCE CO. LTD	20	21.52	-	-
MLD - DMI FINANCE PRIVATE LTD	10	111.91	10	103.21
7.99% - HDB FINANCIAL SERVICES LTD	100	101.16	-	-
8.30% NCD - TATA CAPITAL FINANCIAL SERVICES LTD	-	-	100	100.60
<b>Total</b>		<b>539.81</b>		<b>408.65</b>
<b>Total Current Investment</b>		<b>8,690.78</b>		<b>6,584.08</b>
<b>5 (b) Investments in Debentures carried at amortized cost (Non-Current)</b>				
11.03% NCD - TATA MOTORS FINANCE LIMITED	-	-	30	328.10
7.60% NCD - FOOD CORPORATION OF INDIA LTD	10	99.34	10	101.02
8.25% NCD - REC LTD	3	31.45	3	31.47
9.10% NCPD - TATA INTERNATIONAL LTD	10	100.60	10	102.92
8.65% NCD - TATA CLEANTECH CAPITAL LTD	5	51.31	5	53.27
8.30% TATA CAPITAL FINANCIAL SERVICES LTD - NCD	100	100.17	-	-
7.98% GOI - REC LTD - NCD	1	101.10	-	-
8.94% BAJAJ FINANCE LTD - NCD	4	40.90	-	-
9.30% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD	2,100	21.81	-	-
8.55% CHOLAMANDALAM INVESTMENT & FINANCE CO. LTD	1	10.11	-	-
7.905% TATA CAPITAL FINANCIAL SERVICES LTD	100	298.60	-	-
8.05% HDB FINANCIAL SERVICES LTD	10	100.00	-	-
9% M&M FINANCIAL SERVICES LTD	10,000	101.36	-	-
9.30% M&M FINANCIAL SERVICES LTD	20,000	206.32	-	-
8.25% HDFC CREDILA FINANCIAL SERVICES LTD	50	49.85	-	-
<b>Total</b>		<b>1,312.93</b>		<b>616.78</b>
<b>Total other Investments - Current</b>		<b>10,003.71</b>		<b>7,200.86</b>
<b>Market Value of Quoted Investments</b>		<b>8,145.97</b>		<b>5,703.77</b>
<b>Cost of Un-quoted Investments</b>		<b>1,857.73</b>		<b>621.78</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 6

## TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered Good - Secured	-	-
Considered Good - Unsecured	2,179.28	2,819.33
Significant Increase in credit risk	4.31	4.31
<b>Total</b>	<b>2,183.59</b>	<b>2,823.64</b>
<b>Current</b>	<b>2,183.59</b>	<b>2,823.64</b>

## TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	540.12	1,639.17	-	-	-	-	<b>2,179.28</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	4.31	<b>4.31</b>
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>540.12</b>	<b>1,639.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.31</b>	<b>2,183.59</b>

## TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	878.02	1,941.32	-	-	-	-	<b>2,819.34</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	4.31	-	<b>4.31</b>
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>878.02</b>	<b>1,941.32</b>	<b>-</b>	<b>-</b>	<b>4.31</b>	<b>-</b>	<b>2,823.65</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 6(a)

TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered Good - Secured	-	-
Considered Good - Unsecured	903.67	1,517.88
Significant Increase in credit risk	-	-
<b>Total</b>	<b>903.67</b>	<b>1,517.88</b>
<b>Non-Current</b>	903.67	1,517.88

TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	903.67	-	-	-	-	-	<b>903.67</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>903.67</b>	-	-	-	-	-	<b>903.67</b>

TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,517.88	-	-	-	-	-	1,517.88
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,517.88</b>	-	-	-	-	-	<b>1,517.88</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 7

## OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>At Amortised Cost</b>				
<b>Unsecured, considered good</b>				
a) Security Deposit	105.04	99.26	-	49.51
b) Deposits maturing within 12 months	-	-	665.08	802.30
c) Interest accrued on NCD / bonds	-	-	66.43	-
d) Advance recoverable in cash				
(i) Unsecured and Considered good	-	-	363.60	337.64
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
<b>Total</b>	<b>105.04</b>	<b>99.26</b>	<b>1,095.11</b>	<b>1,189.45</b>

## Note 8

## OTHER ASSETS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a) Balance with Customs and Central Excise / GST authorities	-	-	364.63	142.04
b) Capital advances to suppliers	21.15	32.74	-	-
c) Other advances to suppliers	-	-	54.19	218.90
d) Advance recoverable in kind or for value to be received				
(i) Unsecured and Considered good	-	-	305.28	273.07
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
<b>Total</b>	<b>21.15</b>	<b>32.74</b>	<b>724.10</b>	<b>634.01</b>

## Note 8(a)

## CURRENT TAX ASSETS (Net)

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Income Tax Payable	-	-	20.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20.00</b>	<b>-</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 9**

**INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw Materials	311.01	421.73
b) Stock-in-Process	467.04	554.88
c) Finished goods	15,251.96	11,891.65
d) Stores and spares	828.14	780.51
Less: Writedown of non-moving stores & spares	(84.71)	(89.09)
<b>Total</b>	<b>16,773.43</b>	<b>13,559.68</b>

The cost of inventories recognised as an expense during the year was ₹34,191.25 Lakhs (2022-23 ₹42,746.07 Lakhs). Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

The cost of inventories is computed on weighted average basis. Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. Such write downs are recognized in the Statement of Profit and Loss. When the reason for a write-down of the inventories ceases to exist, the write-down is reversed.

**Note 10**

**CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Balances with banks</b>		
(i) In Current account	4.83	3.75
(ii) In Deposit account	-	11.90
b) Cash on hand	1.72	1.32
<b>Total</b>	<b>6.55</b>	<b>16.97</b>

**Note 11**

**OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Balances with banks in earmarked accounts</b>		
(i) In unclaimed Dividend account	11.58	8.77
(ii) In margin money accounts for Bank Guarantee issued	0.11	0.65
<b>Total</b>	<b>11.69</b>	<b>9.42</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 12

## EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>AUTHORISED</b>		
Equity Shares :		
13,00,00,000 Equity shares of ₹ 10/- each (March 31, 2024 - 13,00,00,000)	13,000.00	13,000.00
12,00,000 Redeemable Preference shares of ₹ 100/- each (March 31, 2024 - 12,00,000)	1,200.00	1,200.00
20,00,000 Redeemable Preference shares of ₹ 10/- each (March 31, 2024 - 20,00,000)	200.00	200.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
8,28,88,580 (March 31, 2024) Equity Shares of ₹ 10/- each	8,288.86	8,288.86
<b>Total</b>	<b>8,288.86</b>	<b>8,288.86</b>

Shares held by Promoter at the end of the year	As at 31 <sup>st</sup> March 2024		
	Promoter Name	No. of shares	% of the total shares
(i) NBK Real Estates Private Limited	5,81,86,610	70.20	-
(ii) Nina B Kothari	26,83,498	3.24	-
(iii) Arjun B Kothari	54,467	0.07	-
(iv) Nayantara B Kothari	23,025	0.03	-
(v) Anandita Kothari	-	-	-
<b>Total</b>	<b>6,09,47,600</b>	<b>73.53</b>	<b>-</b>

Shares held by Promoter at the end of the year	As at 31 <sup>st</sup> March 2023		
	Promoter Name	No. of shares	% of the total shares
(i) Parvathi Trading and Finance Company Pvt. Ltd.*	5,81,86,610	70.20	-
(ii) Nina B Kothari	26,83,498	3.24	-
(iii) Arjun B Kothari	54,467	0.07	-
(iv) Nayantara B Kothari	23,025	0.03	-
(v) Anandita Kothari	-	-	-
<b>Total</b>	<b>6,09,47,600</b>	<b>73.53</b>	<b>-</b>

\* The holding Company, Parvathi Trading and Finance Company Private Limited which held 70.20% in Kothari Sugars and Chemicals Limited (KSCL) got amalgamated with NBK Real Estates Private Limited pursuant to the Scheme of Amalgamation for the Group Companies restructuring as approved by the Hon'ble National Company Law Tribunal, Chennai. Hence, NBK Real Estates Private Limited is the holding company of KSCL holding 70.20% with effect from 15.05.2023. However, the ultimate control of the Company remains with the same individuals, as before.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**12.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.**

Reconciliation	2023-24		2022-23	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
<b>Equity Shares of ₹10 each fully paid up</b>				
At the beginning of the period	8,28,88,580	8,288.86	8,28,88,580	8,288.86
At the end of the period	8,28,88,580	8,288.86	8,28,88,580	8,288.86

**12.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company**

Reconciliation	No. of shares held as at			
	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
NBK Real Estates Private Limited (Parvathi Trading and Finance Co Pvt.Ltd).(Holding Company)	5,81,86,610	70.20	5,81,86,610	70.20

**12.3 Term attached to Equity Shares:**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. All equity shares have equal rights to receive or participate in any dividend or other distribution in respect of such shares.

**Note 13**

**OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Redemption Reserve	1,400.00	1,400.00
General Reserve	1,928.60	1,928.60
Retained earnings	16,230.89	14,138.55
<b>Total</b>	<b>19,559.49</b>	<b>17,467.15</b>

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Capital Redemption Reserve</b>		
Opening balance	1,400.00	1,400.00
Add: Appropriation from statement of Profit and Loss	-	-
<b>Closing Balance</b>	<b>1,400.00</b>	<b>1,400.00</b>

The capital redemption reserve is created out of the statutory requirement to create such reserve on redemption of Preference shares. These are not available for distribution of dividend and will not be reclassified subsequently to profit or loss.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
<b>b) Debenture Redemption Reserve</b>		
Opening balance	-	-
Add: Appropriation from statement of Profit and Loss	-	-
Less: Transfer to General Reserve	-	750.00
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Since there is no outstanding of Debentures the said reserve transferred to General Reserve.</b>		
<b>c) General Reserve</b>		
Opening balance	1,928.60	1,178.60
Add: Transfer from Debenture Redemption Reserve	-	750.00
<b>Closing Balance</b>	<b>1,928.60</b>	<b>1,928.60</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and Rules made thereunder.

<b>d) Retained Earnings</b>		
Opening balance	14,138.55	10,383.38
Less: Dividend on Equity Shares	828.89	414.44
Profit /(Loss) for the year	<b>2,921.23</b>	<b>4,169.61</b>
<b>Closing Balance</b>	<b>16,230.89</b>	<b>14,138.55</b>
The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial performance of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.		
<b>Total Other Equity</b>	<b>19,559.49</b>	<b>17,467.15</b>

**Note 14****NON-CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Secured - at amortised cost</b>				
i) Term Loans from Banks	-	-	-	45.13
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45.13</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**SUMMARY OF BORROWING ARRANGEMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Rate of interest %	Amount of each installment	Security	Terms of Repayment
Kattur Distillery Plant Modernisation	-	11.80	9.90	11.80	Exclusive charge on assets to be purchased / created out of fresh Term Loan at Kattur Plant and Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit with Indian Bank.	Repayment 33 monthly installments starting from August 2020 ending in April 2023
COVID-19 Emergency line of Credit	-	33.33	7.30	33.33	80% of the limit to be secured by stocks and book debts and balance 20% will be clean and extension of Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit with Indian Bank.	Repayment 30 monthly installments starting from November 2020 ending in April 2023
<b>Total</b>	<b>-</b>	<b>45.13</b>				

**Note 15**
**SHORT TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured - at amortised cost</b>		
Loan repayable on demand (refer note a )	<b>6,941.58</b>	3,716.57
Current maturities of long term borrowings (refer note b & c )	-	45.13
<b>Total</b>	<b>6,941.58</b>	3,761.70

a) Working capital facilities of ₹6941.58 lakhs (Prev.year ₹3716.57 lakhs) in the form of open cash credit has been availed from Indian bank. The loans were secured by Parri Passu first charge on land, buildings and Plant and equipment and all the movable properties (present and future) and hypothecation of Finished Goods / Work-in-process/stores and spares and book debts of Sathamangalam sugar and Co-generation Unit.

b) Exclusive charge on assets to be purchased / created out of fresh Term Loan at Kattur Plant and Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit with Indian Bank. Balance ₹ Nil (Prev. year ₹11.80 lakhs).

c) 80% of the limit to be secured by stocks and book debts and balance 20% will be clean and extension of Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit with Indian Bank. Balance ₹ Nil (Prev. year ₹33.33 lakhs).

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 16****TRADE PAYABLES AGEING SCHEDULE AS AT 31.03.2024**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	46.22	-	-	-	-	46.22
(ii) Others	1,492.51	2,544.45	6.33	-	-	4,043.29
(iii) Disputed dues	-	-	-	-	-	-
MSME	-	-	-	-	-	-
Others	-	241.39	610.77	162.92	3,598.00	4,613.08
<b>Total</b>	<b>1,538.73</b>	<b>2,785.84</b>	<b>617.10</b>	<b>162.92</b>	<b>3,598.00</b>	<b>8,702.59</b>

Identification of MSME Vendors is on the basis of information provided by the respective vendor.

**TRADE PAYABLES AGEING SCHEDULE AS AT 31.03.2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	38.08	-	-	-	-	38.08
(ii) Others	1,562.56	2,461.72	-	1.00	6.99	4,032.27
(iii) Disputed dues	-	-	-	-	-	-
MSME	-	-	-	-	-	-
Others	-	164.10	162.92	194.84	3,950.87	4,472.74
<b>Total</b>	<b>1,600.64</b>	<b>2,625.82</b>	<b>162.92</b>	<b>195.85</b>	<b>3,957.86</b>	<b>8,543.09</b>

Identification of MSME Vendors is on the basis of information provided by the respective vendor.

**Note 17****OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	Current		Non-Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>At Amortised Cost</b>				
(a) Interest accrued but not due on borrowings	3.59	0.37	-	-
(b) Unclaimed dividends (refer note 17.1 & 17.2)	11.57	8.77	-	-
(c) Advances and Deposits repayable in cash	34.90	35.46	-	-
(d) Other Miscellaneous liabilities	15.18	15.88	-	-
(e) Employee related	151.55	312.53	-	-
<b>Total</b>	<b>216.79</b>	<b>373.01</b>	<b>-</b>	<b>-</b>

17.1 These amounts represent dividend warrants issued to the shareholders which remained unclaimed at their end.

17.2 During the year there were no amounts due to be transferred to Investor Education and Protection Fund.



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 18**
**OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a) Statutory remittances	-	-	325.32	319.23
b) Advances and Deposits from Customers / others	-	-	7.72	226.40
c) Deferred revenue arising from Interest free deposit	-	-	13.84	12.81
d) Gratuity payable	-	-	109.38	109.66
<b>Total</b>	<b>-</b>	<b>-</b>	<b>456.26</b>	<b>668.10</b>

**Note 18(a)**

(₹ in Lakhs)

CURRENT TAX LIABILITY (Net)	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Income Tax Payable	-	-	-	138.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.95</b>

**Note 19**
**PROVISIONS**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a) Compensated absences including Bonus	-	-	128.51	130.42
b) Related to expenses	-	-	305.30	651.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>433.81</b>	<b>782.02</b>

**Note 20**
**REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sale of Products	50,217.49	60,509.51
	<b>50,217.49</b>	<b>60,509.51</b>
(b) Other operating revenues		
- Technical service fee	-	411.52
- Scrap sales	55.39	76.12
<b>Total</b>	<b>50,272.88</b>	<b>60,997.15</b>

Sale of products is net of commission on sales and discount of ₹53.46 lakhs (Previous year ₹60.31 lakhs)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Disclosure pursuant to Ind AS 108 para 34

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sugar Segment</b>		
No. of Customers having 10% or more of the revenue (Nil) (Prev. year 1 No.)	-	6,328.48
<b>Power Segment</b>		
No. of Customers having 10% or more of the revenue (1 No.) (Prev. Year 1 No.)	8,756.77	11,695.14
<b>Distillery Segment</b>		
No. of Customers having 10% or more of the revenue	-	-

## Note 21

## OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest income		
On bank deposits and others	374.19	132.82
(b) Dividend Income		
From equity and Mutual Funds	5.54	5.49
(c) Other gains or losses		
Profit on sale of Fixed Assets (net)	0.04	2.95
Net gain / (Loss) arising on financial assets measured at FVTPL	416.81	-
Profit on sale of investments	163.92	455.71
(d) Other non-operating income		
Operating lease rental from Investment property	32.87	26.85
Insurance claims received	23.47	17.49
Liability no longer required written back	358.55	204.19
Interest income others	155.29	2.54
Other Miscellaneous income	8.77	4.95
<b>Total</b>	<b>1,539.45</b>	<b>852.99</b>

## Note 22 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sugarcane	27,213.65	33,513.06
Coal and Bio-fuel Molasses	4,489.02	6,252.54
Molasses and Biofuel	4,884.80	2,485.18
Chemical and Others	534.17	665.26
Packing	342.09	480.48
<b>Total</b>	<b>37,463.72</b>	<b>43,396.52</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Opening Stock:</b>		
<b>Finished goods</b>		
Sugar	11,466.22	11,046.47
Molasses	307.69	193.91
Industrial Alcohol	117.74	85.25
<b>Work in progress</b>		
Sugar	543.07	457.64
Molasses	11.81	12.82
<b>Sub-Total (A)</b>	<b>12,446.54</b>	<b>11,796.09</b>
<b>Closing Stock:</b>		
<b>Finished goods</b>		
Sugar	13,103.44	11,466.22
Molasses	920.04	307.69
Industrial Alcohol	1,228.48	117.74
<b>Work in progress</b>		
Sugar	455.51	543.07
Molasses	11.53	11.81
<b>Sub-Total (B)</b>	<b>15,719.01</b>	<b>12,446.54</b>
<b>Net change (Increase) / Decrease (A-B)</b>	<b>(3,272.47)</b>	<b>(650.45)</b>

**Note 24**

**EMPLOYEE BENEFIT EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries, Wages and Bonus	2,853.52	2,876.44
(b) Contribution to Provident and other Funds	262.19	250.79
(c) Workmen and Staff welfare expenses	234.49	201.28
<b>Total</b>	<b>3,350.20</b>	<b>3,328.51</b>

**Note 25**

**FINANCE COST**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest on Cash Credit and Term loans	323.56	360.36
(ii) Interest on Lease liabilities	0.89	8.44
(iii) Other borrowing costs	28.10	20.53
<b>Total</b>	<b>352.55</b>	<b>389.33</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 26****DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation/amortisation on		
a) Property, Plant and Equipment	1,412.65	1,386.71
b) Investment property	2.37	2.37
c) Right-of-use of Assets	9.72	9.72
d) Intangible assets	2.11	4.93
<b>Total</b>	<b>1,426.84</b>	<b>1,403.73</b>

**Note 27****OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
a) Consumption of stores and spare parts	-	1,662.17	-	1,808.55
b) Power and Fuel	-	903.25	-	700.88
c) Operating lease Rental	-	42.67	-	108.51
d) Repairs-Buildings	294.49	-	222.14	-
e) Repairs-Machinery	920.78	-	1,069.25	-
f) Repairs-Others	156.72	1,371.99	176.91	1,468.30
g) Biocompost	-	162.13	-	170.77
h) Insurance	-	170.46	-	158.21
i) Rates and Taxes	-	120.45	-	106.62
j) Directors Sitting Fees	-	15.00	-	11.00
k) GST input credits (ineligible)	-	27.46	-	26.16
l) Freight & Clearing Expenses	-	1,829.09	-	2,259.17
m) Auditor's Remuneration (Ref.note 29)	-	7.50	-	7.50
n) Loss on Fair value of Investments measured at FVPTL	-	-	-	177.77
o) Travelling Expenses	-	332.61	-	540.70
p) Professional Fees	-	527.23	-	301.89
q) State Excise duty	-	99.27	-	87.40
r) Research & Development Expenses	-	35.24	-	10.00
s) CSR expenditure	-	76.22	-	55.42
t) Other Expenses	-	917.33	-	861.03
<b>Total</b>	-	<b>8,300.07</b>	-	<b>8,859.88</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 28 EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Exceptional items</b>		
Interest on Delayed receipts from TANGEDCO (Refer note a)	-	362.14
<b>Total</b>	<b>-</b>	<b>362.14</b>

**Notes**

- (a) During the year the contractual cash flows of Trade Receivables from TANGEDCO was re-negotiated. The gain arising on recalculation of the gross carrying amount in compliance with Ind AS 109 has been recognized as an exceptional item.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amortized cost before modification	-	2,198.87
Gross carrying value after modification	-	1,836.73
Gain arising out of modification of financial asset	-	362.14

**Note 29 PAYMENT TO AUDITORS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Statutory Audit	6.00	6.00
b) Limited audit review	1.50	1.50
c) Certification	-	0.10
<b>Total</b>	<b>7.50</b>	<b>7.60</b>

**Note 30**
**DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Direct operating expenses arising from investment property that generated rental income during the year	2.76	2.33
Direct operating expenses arising from investment property that did not generate rental income during the year	3.10	1.60
<b>Total</b>	<b>5.86</b>	<b>3.93</b>

**Note 31**
**DIRECTORS REMUNERATION**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Managing Director Salary	123.10	98.10
b) Managing Director Commission	208.56	200.00
c) Whole-time Director Salary	103.11	90.29
d) Commission paid to Non-executive Director	50.00	-
e) Sitting Fees to Non-executive directors	15.00	11.00
<b>Total</b>	<b>499.77</b>	<b>399.39</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 32****OPERATING LEASE ARRANGEMENTS (Company as Lessor)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income	32.87	26.85
<b>Total</b>	<b>32.87</b>	<b>26.85</b>

**Note 33****DEFERRED TAX BALANCES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax assets	101.10	45.57
Deferred tax liabilities	(3,678.16)	(3,117.75)
<b>Total</b>	<b>(3,577.06)</b>	<b>(3,072.18)</b>

(₹ in Lakhs)

Year 2023-24	Opening balance	Recognised in profit or loss account	Recognised in Other Comprehensive income	Closing balance
<b>Deferred tax (Liabilities) / Asset in relation to</b>				
Property, Plant and equipment	(2,942.48)	(419.24)	-	(3,361.72)
Provision compensated absences and defined benefit obligations	33.37	(3.50)	15.04	44.91
Financial Assets at FVTPL	(163.07)	(153.37)	-	(316.44)
Modification of Financial Instruments	-	56.19	-	56.19
<b>Total</b>	<b>(3,072.18)</b>	<b>(519.92)</b>	<b>15.04</b>	<b>(3,577.06)</b>
Tax losses	-	-	-	-
<b>Net Deferred tax Assets / (Liability)</b>	<b>(3,072.18)</b>	<b>(519.92)</b>	<b>15.04</b>	<b>(3,577.06)</b>
<b>MAT credit entitlement</b>	-	162.01	-	162.01
<b>MAT credit Utilized</b>	-	(162.01)	-	(162.01)
<b>Total</b>	<b>(3,072.18)</b>	<b>(519.92)</b>	<b>15.04</b>	<b>(3,577.06)</b>

(₹ in Lakhs)

Year 2022-23	Opening balance	Recognised in profit or loss account	Recognised in Other Comprehensive income	Closing balance
<b>Deferred tax (Liabilities) / Asset in relation to</b>				
Property, Plant and equipment	(2,554.05)	(388.43)	-	(2,942.48)
Provision compensated absences and defined benefit obligations	33.45	12.12	(12.20)	33.37
Financial Assets at FVTPL	(205.25)	42.18	-	(163.07)
<b>Total</b>	<b>(2,725.85)</b>	<b>(334.13)</b>	<b>(12.20)</b>	<b>(3,072.18)</b>
Tax losses	-	-	-	-
<b>Net Deferred tax Assets / (Liability)</b>	<b>(2,725.85)</b>	<b>(334.13)</b>	<b>(12.20)</b>	<b>(3,072.18)</b>
<b>MAT credit entitlement</b>	-	1,120.72	-	1,120.72
<b>MAT credit Utilized</b>	-	(1,120.72)	-	(1,120.72)
<b>Total</b>	<b>(2,725.85)</b>	<b>(334.13)</b>	<b>(12.20)</b>	<b>(3,072.18)</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 34**
**INCOME TAXES RELATING TO CONTINUING OPERATIONS**

(₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Current tax</b>		
In respect of current year	722.26	958.30
In respect of Previous years	-	-
MAT credit availed	162.01	1,120.72
MAT Credit utilized	(162.01)	(1,120.72)
<b>Total</b>	<b>722.26</b>	<b>958.30</b>

The Income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Profit before tax from continuing operations</b>	<b>4,191.42</b>	<b>5,484.86</b>
Income tax expenses calculated at 34.944% (Prev.year 34.944%)	1,464.65	1,916.59
a) Tax effect on IT depreciaton and Book Depreciation	48.42	123.69
b) Fair value gains on Investments	(145.65)	62.12
c) MAT credit Utilized	(162.01)	(1,120.72)
c) Deduction u/s 35(1)(iv) Scientific Research	(378.78)	-
e) Other Disallowances of income / Expenses	(104.37)	(23.38)
<b>Total</b>	<b>722.26</b>	<b>958.30</b>

(₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Deferred tax</b>		
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Re-measurement of defined benefit obligation	(43.05)	(34.92)
<b>Total income tax recognised in other comprehensive income</b>	<b>15.04</b>	<b>12.20</b>

**Note 35**
**SEGMENT INFORMATION**

Operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available for the following segments which are tabulated below. No operating segments have been aggregated in arriving at the reportable segments of the Company. Specifically the Company's reportable segments under Ind AS 108 are as follows.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## i) Operating Segment

Sugar	Cogeneration	Distillery
Sugar	Power	Alcohol

## ii) Geographical information

The Company predominantly operates in the following principal geographical areas

Asia	India (Country of domicile)

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net un-allocable expenses / income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment that are used interchangeable among segments are not allocated to reportable segments.

Operating segments represent products also and therefore, separate disclosure of revenue from major products are not made.

**Inter segment transfer pricing:**

Inter segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall objective of optimising the resources for the enterprise.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

**35.1 Segment Reporting**
**OPERATING SEGMENTS REVENUE AND RESULTS**

(₹ in Lakhs)

Particulars	OPERATING SEGMENTS						Overall	
	Sugar		Power		Distillery		Elimination	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<b>Revenue (Sales / Income)</b>								
External customers (Net of GST)	28,462.48	36,393.13	10,543.00	13,792.60	11,212.02	10,323.78	-	60,509.51
Other operating revenue	55.32	487.64	-	-	0.07	-	-	55.38
Inter-segment sales	2,526.89	3,426.84	2,453.63	2,578.38	199.99	219.85	(5,180.50)	487.64
<b>Total</b>	<b>31,044.68</b>	<b>40,307.61</b>	<b>12,996.63</b>	<b>16,370.98</b>	<b>11,412.07</b>	<b>10,543.63</b>	<b>(5,180.50)</b>	<b>60,997.15</b>
Operating Profit / (Loss)	(2,034.57)	(913.30)	2,670.40	3,382.86	5,397.76	5,184.65	-	7,654.21
Interest income	-	-	-	-	-	-	-	132.82
Dividend income	-	-	-	-	-	-	-	5.49
Other Unallocated income / (exp)	-	-	-	-	-	-	-	(1,869.35)
Finance costs	-	-	-	-	-	-	-	(352.55)
<b>Profit / (Loss) before tax</b>	<b>(2,034.57)</b>	<b>(913.30)</b>	<b>2,670.40</b>	<b>3,382.86</b>	<b>5,397.76</b>	<b>5,184.65</b>	<b>-</b>	<b>5,484.76</b>
<b>Tax Expenses</b>								
Current tax	-	-	-	-	-	-	-	958.30
Deferred tax	-	-	-	-	-	-	-	334.13
<b>Total Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292.42</b>
<b>Net Profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,192.33</b>
<b>Other information</b>								
Segment Assets	22,845.59	20,655.92	6,204.14	7,790.00	6,629.73	5,228.21	-	33,674.13
Unallocated Corporate Assets	-	-	-	-	-	-	-	9,509.24
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,183.37</b>
Segment Liabilities	6,384.49	7,143.76	2,624.41	2,421.89	197.70	133.91	-	9,699.57
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	11,203.37
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,409.96</b>
Capital Expenditure	1,217.94	462.40	8.94	233.99	9.68	621.48	-	1,317.87
Unallocated capital expenditure	-	-	-	-	-	-	-	33.87
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,351.73</b>
Depreciation	575.21	558.31	322.10	410.29	387.89	357.99	-	1,326.59
Unallocated Depreciation	-	-	-	-	-	-	-	77.14
<b>Total Depreciation</b>	<b>575.21</b>	<b>558.31</b>	<b>322.10</b>	<b>410.29</b>	<b>387.89</b>	<b>357.99</b>	<b>-</b>	<b>1,403.73</b>

(₹ in Lakhs)

**35.2 Geographical Information**

Particulars	Rest of the world		India		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	Segment Revenue	-	-	50,272.88	60,997.15	50,272.88

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 36**
**A. Defined contribution plans**

The Company makes Provident Fund, Superannuation Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹178.18 lakhs (Prev. year 2022 - 23 ₹172.36 lakhs) for provident fund contribution and for superannuation fund contribution of ₹13.13 lakhs (Prev. year 2022 - 23 ₹11.15 lakhs) in the statement of Profit or loss. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes.

**B. Defined benefit plans (Gratuity)**

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2024 by fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statment of Profit and Loss. The Company provided the gratuity benefit through annual contributions to a fund managed by the ICICI Prudential Life Insurance Company Limited.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A drop in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Investment risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment which is inherent.

**Salary escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Gratuity**

Liability to existing employees of the Company in respect of gratuity is covered insurance policy administered by the Trust.

The actuarially valued liabilities under the Projected Unit Credit Method for the employees of the participating enterprise of the trust are calculated enterprise wise. The investments available with the underwriter are adjusted in proportion to the liability and the shortfall is provided for in the books of the participating enterprise. Consequently, the actuarial loss / gain if any relating to the other participating enterprise is also borne by every other participating enterprise.

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognized in the Balance sheet and the Statement of Profit and loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	GRATUITY (FUNDED)	
	2023-24	2022-23
<b>Present value of obligations at the beginning of the year</b>	<b>743.66</b>	<b>658.79</b>
Less: Equitable interest of Kothari Petrochemicals Limited employees	-	-
Current service cost	63.94	57.32
Interest Cost	54.35	46.91
Re-measurement (gains) / losses:		
-Actuarial gains and losses arising from change in financial assumption	45.55	7.18
-Actuarial gains and losses arising from experience adjustment	14.50	13.62
Benefits paid	(35.98)	(40.16)
<b>Present value of obligations at the end of the year</b>	<b>886.03</b>	<b>743.66</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	<b>634.01</b>	<b>542.91</b>
Interest income	46.14	37.22
Return on plan assets	17.00	(14.11)
Other (Taxes, Expenses)	5.82	(7.74)
Increase / (Decrease) due to effect of transfer	-	-
Contributions by the employer	109.66	115.89
Benefits paid	(35.98)	(40.16)
<b>Fair value of plan assets at the end of the year</b>	<b>776.65</b>	<b>634.01</b>
<b>Amounts recognized in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	886.03	743.66
Fair value of plan assets at end of the year	776.65	634.01
Gross Liability	109.38	109.65
<b>Funded status of the plans - Liability recognized in the balance sheet</b>	<b>109.38</b>	<b>109.65</b>
<b>Components of defined benefit cost recognized in profit or loss</b>		
Current service cost	63.94	57.32
Net interest expenses	54.35	46.91
<b>Net cost in Profit or Loss</b>	<b>118.29</b>	<b>104.23</b>
<b>Components of defined benefit cost recognized in Other Comprehensive income</b>		
Re-measurement on the net defined benefit liability:		
-Actuarial gains and losses arising from change in financial assumption	45.55	7.18
-Actuarial gains and losses arising from experience adjustment	14.50	13.62
Return on plan assets	(17.00)	14.11
<b>Net Cost in other Comprehensive Income</b>	<b>43.05</b>	<b>34.92</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Assumptions</b>		
Discount rate	7.21%	7.70%
Interest Rate (Rate of return on assets)	NA	NA
Expected rate of salary increase	6.50%	6.00%
Expected rate of attrition	2.00%	2.00%
Average age of members	41.45	40.72
Average remaining working Life	16.60	17.32
Mortality (IALM - 2012-14) Table	100%	100%

The Company has invested the plan assets with insurer managed funds. The Insurance Company has invested the plan assets in Govt. securities, Debt Funds, Mutual Funds, Money market instruments etc. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

**Note (i) Experience Adjustments**

(₹ in Lakhs)

Particulars	For the Year Ended	
	31-Mar-24	31-Mar-23
(Gain) / Loss on Plan Liabilities	14.50	15.82
% of Opening Plan Liabilities	1.95	2.40
Gain / (Loss) on Plan Assets	(20.02)	13.48
% of Opening Plan Assets	(3.16)	2.48

**Notes :**

- Experience adjustment has been provided only to the extent of details available.
- Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors.
- The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The Company's gratuity funds are managed by ICICI Prudential Life insurance Co. Ltd.
- The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹109.38 lakhs (as on 31<sup>st</sup> March, 2023 ₹109.65 lakhs).

**Note (ii) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period., while holding all other assumptions constant.

The results of sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	Assumption	March 31, 2024	March 31, 2023
<b>Discount rate</b>			
Plus 100 basis points	8.21%	(57.09)	(63.14)
Minus 100 basis points	6.21%	65.28	48.26
<b>Salary Increase rate</b>			
Plus 100 basis points	7.50%	65.08	52.06
Minus 100 basis points	5.50%	(57.96)	(37.18)
<b>Attrition rate</b>			
Plus 100 basis points	3.00%	2.39	22.31
Minus 100 basis points	1.00%	(2.74)	(7.44)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 37**
**EARNINGS PER SHARE**

Particulars	2023-24	2022-23
Basic Earnings per share (₹)	3.56	5.06
Diluted Earnings per share (₹)	3.56	5.06

**37.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share as follows :

Particulars	2023-24	2022-23
<b>Profit after Taxation (₹ In Lakhs)</b>	<b>2,949.24</b>	<b>4,192.33</b>
Earnings used in the calculation of basic earnings per share (₹ lakh)	2,949.24	4,192.33
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	8,28,88,580	8,28,88,580
Number of equity shares of ₹ 10 each outstanding at the end of the year	8,28,88,580	8,28,88,580
Weighted Average number of Equity Shares	8,28,88,580	8,28,88,580

**Note 37.2**
**Diluted Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share as follows : (₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Earnings used in the calculation of basic earnings per share</b>	<b>2,949.24</b>	<b>4,192.33</b>
Adjustments (if any)	-	-
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>2,949.24</b>	<b>4,192.33</b>

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows :

Particulars	2023-24	2022-23
Weighted average number of equity shares used in calculation of basic earnings per share	8,28,88,580	8,28,88,580
Shares deemed to be issued for no consideration	-	-
Weighted average number of equity shares used in calculation of diluted earnings per share	8,28,88,580	8,28,88,580

**Note 38**
**38.1 Capital Management**

The Company's capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Company through the leveraging of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through long and short term borrowings. The Company monitors the capital structure on the basis of debt to equity ratio and the maturity of the overall debt of the Company.

The following table summarises the capital of the Company: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Equity</b>	<b>27,848.35</b>	<b>25,756.01</b>
Debt	6,941.58	3,761.70
Cash and cash equivalents	(6.55)	(16.97)
<b>Net debt</b>	<b>6,935.03</b>	<b>3,744.73</b>
<b>Total capital (Equity + Net debt)</b>	<b>34,783.38</b>	<b>29,500.74</b>
Net debt to capital ratio	0.20	0.13

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 38.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
a) Mandatorily measured:		
i) Equity instruments and Mutual Funds	8,685.78	6,579.08
<b>Measured at amortised cost</b>		
i) Trade Receivables	3,087.26	4,341.52
ii) Other financials assets	1,200.15	1,288.71
iii) Cash and cash equivalents	6.55	16.97
iv) Investments in Debentures and Bonds	1,312.93	616.78
v) Bank balances other than (iii) above	11.69	9.42
<b>Measured at cost</b>		
i) Investments in equity instruments and others designated at FVPTL upon initial recognition	5.00	5.00
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
i) Borrowings	6,941.58	3,761.70
ii) Lease liabilities	81.87	88.31
iii) Trade payables	8,702.59	8,543.09
iv) Other financial liabilities	216.79	373.01

## 39.1 Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (predominantly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of this counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.

## 39.2 Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding contractual maturities of financial liabilities as at 31<sup>st</sup> March 2024: (₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Non interest bearing	9,001.25	8,966.61	20.04	14.60	9,001.25
Fixed Interest rate instruments	6,941.58	6,941.58	-	-	6,941.58
<b>Total</b>	<b>15,942.83</b>	<b>15,908.19</b>	<b>20.04</b>	<b>14.60</b>	<b>15,942.83</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

The table below provides details of financial assets as at 31<sup>st</sup> March 2024: (₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Trade receivables	2,183.59	2,183.59	-	-	2,183.59
Non-current Trade Receivables	903.67	-	903.67	-	903.67
Investments	10,003.71	8,690.78	1,312.93	-	10,003.71
Non-current financial assets	105.04	105.04	-	-	105.04
Cash and cash equivalents	6.55	6.55	-	-	6.55
Bank balances	11.69	11.69	-	-	11.69
Other Financial assets	1,095.11	1,095.11	-	-	1,095.11
<b>Total</b>	<b>14,309.36</b>	<b>12,092.76</b>	<b>2,216.60</b>	<b>-</b>	<b>14,309.36</b>

The table below provides details regarding contractual maturities of financial liabilities as at 31<sup>st</sup> March 2023.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Non interest bearing	8,959.28	8,916.69	22.03	20.56	8,959.28
Fixed Interest rate instruments	3,806.83	3,806.83	-	-	3,806.83
<b>Total</b>	<b>12,766.11</b>	<b>12,723.52</b>	<b>22.03</b>	<b>20.56</b>	<b>12,766.11</b>

The table below provides details of financial assets as at 31<sup>st</sup> March 2023.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Trade receivables	2,823.64	2,823.64			2,823.64
Non-current Trade Receivables	1,517.88		1,517.88		1,517.88
Investments	7,200.86	6,584.08	616.78		7,200.86
Non-current financial assets	99.26	99.26			99.26
Cash and cash equivalents	16.97	16.97			16.97
Bank balances	9.42	9.42			9.42
Other Financial assets	1,189.45	1,189.45			1,189.45
<b>Total</b>	<b>12,857.48</b>	<b>10,722.82</b>	<b>2,134.66</b>	<b>-</b>	<b>12,857.48</b>

**39.3 Fair Value Measurements**

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined i.e the valuation techniques and inputs used:

Particulars	Fair value as at* (₹ in Lakhs)		Fair value hierarchy
	As at March 31, 2024	As at March 31, 2023	
1) Investment in equity instruments at FVTPL	8,150.97	6,175.43	Level 1

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Notes :**

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market.
3. The following table shows the valuation technique and key input used for Level 2.

Financial instrument	Valuation technique	Key inputs used
Investment in Debt Instruments	Discounted cash flow	Interest rates

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Note - 40****Related Party Transaction**

S. No.	Name of Related Party	Relationship
1	M/s NBK Real Estates Private Limited	Holding Company
2	(i) M/s Kothari Petrochemicals Limited (ii) M/s Kothari Safe Deposits Limited"	Under section 2(76)(v) of the Companies Act, 2013
3	M/s BHK Land holdings Pvt.Ltd.	Under section 2(76)(iv) of the Companies Act, 2013
4	M/s HCK Educational and Development Trust	Charitable Trust created and Managed by Promoters
5	Kothari Sugars and Chemicals Ltd.- Employee Gratuity Scheme	Trust set up to manage post employment benefit plan of Kothari Sugars and Chemicals Limited - Employees
6	(i) Mr. Arjun B. Kothari - MD (ii) Mr. M Silvester Goldwin - WTD (iii) Mr. R. Krishnan - CFO (iv) Mr. R. Prakash - CS	Key Management Personnel (KMP)
7	Mrs. Nina B Kothari - Chairperson	Non Independent Non - Executive Director (KMP)
8	Mrs. Anandita Arjun Kothari	Relative of Managing Director and Chairperson
9	Mrs. Nayantara B. Kothari	Relative of Chairperson and Managing Director
10	(i) Mr.PS Gopalakrishnan (ii) Mr.VR Deenadayalu (iii) Mr.PS Balasubramaniam (iv) Mr.CV Krishnan (v) Mr. MR Mohan (vi) Mr. S Sundarraman	Non Executive Independent Directors (KMP)





**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 41 Contingent Liabilities**

(₹ in Lakhs)

Particulars	2023-24	2022-23
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	33.06	141.97
<b>Other monies for which the Company is contingently liable</b>		
a) Bank Guarantees issue for Tenders.	-	18.46
b) Disputed Excise Duty / GST and Customs demand (out of which ₹ 73.39 lakhs (2022-23 - ₹ 73.39 lakhs)) have been deposited under protest.	624.07	624.07
c) Disputed electricity matters.	1,494.86	1,361.69

Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

**Note 42**

The Company has filed the monthly statement of current assets with the Bank and same are in agreement with the books of accounts except to the extent of disputed trade payables that have been excluded in the monthly statements submitted to the bank for this purposes.

**Note 43****Corporate Social Responsibility (CSR)**

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
(i) Amount required to be spent by the company during the year	76.22	50.43
(ii) Amount of expenditure incurred	76.22	50.43
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Educational infrastructure facility developments in Schools giving preference to local area	Towards construction of additional class rooms / stari case for school located at Kattur, Lalgudi Taluk, Tiruchirapalli.
(vii) Details of related party transactions. (a) Donation to HCK Education and Development Trust	76.22	50.43
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provisions during the year shall be shown separately.	-	-

**Note 44 Key Financial Ratios**

Description	Basis	Amount (₹ in Lakhs)	U/M	2023-24	2022-23	% change	Remarks / Explanation
Current Ratio	Current Assets / Current Liabilities	29,505 / 16,759	Times	1.76	1.74	1%	Lower sales and higher inventory buildup due to sugar sales quota release mechanism implementation post vacation of our stay in High Court.
Inventory turnover Ratio	Cost of sales / Average Inventory	47,268 / 15,167	Days	117	85	37%	Lower Sales due to Quota mechanism implemented by Govt. of India.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Description	Basis	Amount (₹ in Lakhs)	U/M	2023-24	2022-23	% change	Remarks / Explanation
Trade Payable Turnover Ratio	Net credit purchases / Average trade payables	37,490 / 8,623	Days	84	68	23%	Lower sales of Sugar, Alcohol and Bagasse resulting in lower realisation leading to higher credit period.
Trade Receivables Turnover Ratio	Net credit sales / Average trade receivables	50,273 / 3,714	Days	27	20	32%	Barring EB dues rest of the sales are on cash and carry basis.
Debt Equity Ratio	Total Liabilities / Equity	20,410 / 27,848	Times	0.73	0.68	8%	Increase in borrowings (cash credit) to meet vendor payments due lower sales volume due to Quota system.
Debt Service coverage Ratio	Net Profit + Depn.+ Interest (TL) / Interest + Term Loan paid	4,729 / 45	Times	104.78	7.77	1248%	Significantly improved as we have closed all long term borrowings.
Net Capital Turnover Ratio	Revenue from operations / Average Working capital	50,273 / 11,954	Times	4.21	6.07	(31%)	Lower revenue from operations and higher working capital utilisation.
Return on Investment	Investment Income / Average Investment	586 / 8,602	%	6.82	3.95	73%	Higher due to impact of interest hike by RBI during Prev. year resulting in higher Marked to Market valuations.
ROCE (Return on Capital employed)	Profit Before Tax / Total Equity + Non Current Liabilities	4,191 / 31,500	%	13.31	18.97	(30%)	Lower profit before tax due to lower crushing and drop in yield.
Return on Equity Ratio	Profit after Tax / Total Average Equity	2,949 / 26,802	%	11.00	17.56	(37%)	Lower retained earnings due to product volume and margin mix and Dividend payout of 10%
Net Profit [PAT]	Net Profit / Net sales	2,949 / 50,273	%	5.87	6.87	(15%)	Lower due to product volume and margin mix and higher tax provisioning.

**Note 45 Approval of financial statements**

The financial statements were approved by the Board of Directors on May 17, 2024.

**Note 46**

Previous years' figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

In terms of our report attached

**For P. Chandrasekar, LLP**  
**Chartered Accountants**  
 FRN : 000580S/S200066

**S. Raghavendhar**  
 Partner  
 Membership No: 244016

**Place:** Chennai  
**Date :** May 17, 2024

**For and on behalf of the Board of Directors**  
**CIN: L15421TN1960PLC004310**

**Arjun B. Kothari**  
 Managing Director  
 DIN: 07117816

**C.V. Krishnan**  
 Director  
 DIN: 01606522

**R. Prakash**  
 Company Secretary

**R. Krishnan**  
 Chief Financial Officer

**KOTHARI SUGARS AND CHEMICALS LIMITED**

Regd. Office. "Kothari Buildings"  
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