

July 08, 2022

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

Dear Sirs,

Stock Code - **KOTARISUG**

**Sub: 61<sup>st</sup> Annual Report of the Company and e-voting process of Kothari Sugars and Chemicals Limited for the financial year 2021 - 2022.**

- (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 61<sup>st</sup> Annual General Meeting of the Company is enclosed. The 61<sup>st</sup> Annual General Meeting of the Company will be held on **Wednesday, 03<sup>rd</sup> August 2022 at 10:30 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 61<sup>st</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 Saturday, 30<sup>th</sup> July, 2022 at 9.00 A.M and ends on Tuesday, 02<sup>nd</sup> August, 2022 at 5.00 P.M. The cut-off date for reckoning the eligibility of the members for e-voting is Wednesday, 27<sup>th</sup> July, 2022.
- (iv) In compliance with MCA Circulars dated 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 12<sup>th</sup> May 2020 & 13<sup>th</sup> May 2022, Notice of the AGM along with the Annual Report 2021 - 2022 has been sent to the shareholders, only through electronic mode on Friday, 08<sup>th</sup> July 2022 to those members whose e-mail addresses are registered with the Company / Depositories.
- (v) Proof of sending of Annual Report through e-mail to shareholders is enclosed for your records.

Cont....2/-



**Sugar Units :**

Unit - I : Kattur Post - 621 706, Lalgudi Taluk, Trichy Dist., Tamilnadu, Phone : 0431-2541224 / 2541350, Fax : 0431-2541455  
Unit - II: Sathamangalam Village, Vetriyur Post : 621 707. Ariyalur Dist., Tamilnadu, Phone : 04329-320800

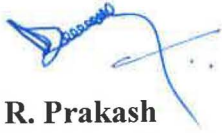
CIN : L15421TN1960PLC004310  
TIN No. : 33790460019 dt 1-1-2007  
CST No. 24518 dt. 26-06-1961  
GSTIN : 33AABCK2495F1ZP

..(2)..

(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/KOTHARI SUGARS/EMAIL/2022

8<sup>th</sup> July 2022

The Company Secretary,  
KOTHARI SUGARS AND CHEMICALS LTD,  
Kothari Buildings,  
No.115, Mahatma Gandhi Salai,  
Nungambakkam,  
Chennai -600 034..

Dear Sir,

Sub: Sending of Annual report-2021-2022 to the shareholders through Email- Reg.


As per your request for sending Annual Report through Email to the shareholders of your company In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular no: 02/2022 dated May, 5, 2022 read with Circular No. 20/2020 dated May 05, 2020 read with circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively and Circular no. 02/2021 dated January 13, 2021, Circular no: 21/2021 dated December 14, 2021 in relation to "Clarification on holding of Annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. We have sent Email to the shareholders-32823 on 08.07.2022. The details of Email sent/returned is given below:

Description	No.of Holders
Total Email Sent on 08.07.2022	32823
Email returned undelivered	NIL
Invalid Email	---
Emails sent successfully	32823

This is for your kind information.

Thanking you,

Yours faithfully,  
For CAMEO CORPORATE SERVICES LIMITED

  
P. Muralidharan  
Joint Manager





# Kothari Sugars and Chemicals Limited

61<sup>st</sup> Annual Report 2021 - 22





**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  
Arjun B. Kothari - Managing Director  
M. Silvester Goldwin - Whole Time Director  
P. S. Balasubramaniam - Independent Director  
V. R. Deenadayalu - Independent Director  
P. S. Gopalakrishnan - Independent Director  
C. V. Krishnan - Independent Director

**Company Secretary**

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,  
Mandavalipakkam, 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  
21-B, First Floor, A.R.K. Colony, Eldams Road,  
Alwarpet, Chennai - 600 018.

**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, 5<sup>th</sup> Floor,  
No.1, Club House Road, Chennai - 600 002.  
Phone No. 044 - 28460390 (5 Lines) / 40020700  
Fax No.: 044 - 28460129  
e-mail : investor@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	2021-22	2020-21	2019-20	2018-19	2017-18
<b>PROFITABILITY ITEMS</b>					
Gross Revenue	43,028	42,421	35,720	34,956	29,218
Gross Profit (PBDIT)	5,646	3,737	3,266	4,732	3,320
Depreciation	1,410	1,379	1,297	1,281	1,386
Profit / (Loss) Before Interest & Tax	4,236	2,357	1,969	3,451	1,934
Finance Cost	410	510	702	704	650
Exceptional Items (Debit) / Credit	110	497	634	(465)	(1,018)
Profit/ (Loss) Before Tax	3,936	2,345	1,901	2,281	2,302
Income Tax	729	461	357	507	81
Deferred Tax	(196)	(18)	(397)	503	138
Profit/ (Loss) After Tax	3,403	1,902	1,942	1,271	2,084
<b>BALANCE SHEET ITEMS</b>					
Net Fixed Assets (incl.CWIP)	15,233	16,226	17,209	16,787	17,845
Investments	7,147	5,831	3,014	4,824	3,298
Other Current / Non current assets	17,050	11,962	17,105	17,808	16,482
Total Capital Employed	32,283	28,188	34,314	34,595	34,327
Shareholders Funds	22,001	18,625	16,648	15,206	13,937
<b>OTHERS</b>					
Book Value per share (₹)	27	22	20	18	17
EPS (₹)	4.11	2.29	2.34	1.53	0.06

## NOTICE TO THE MEMBERS

Notice is hereby given that the 61<sup>st</sup> Annual General Meeting of Kothari Sugars and Chemicals Limited will be held on Wednesday, 03<sup>rd</sup> August 2022 at 10.30 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, 2022, the Report of the Auditors thereon and Report of the Board of Directors.
2. To appoint a Director in the place of Mrs. Nina B Kothari, (DIN : 00020119) who retires by rotation and being eligible offers herself for re-appointment.
3. **Re-appointment of Statutory Auditors for a second term of another five years**

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

**"Resolved that** pursuant to the provisions of Section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s.P. Chandrasekar LLP, Chartered Accountants (Registration No. 000580S/S200066), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of another 5 (five) years to hold office till the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company".

### Special Business:

4. **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 Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and re-imbursement 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 2022-2023, which has been approved by the Board, be and is hereby ratified and confirmed".

5. **Re-appointment of Mr.Arjun B Kothari, as Managing 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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Arjun B Kothari (DIN: 07117816) as the Managing Director of the company for a period of three years with effect from 01<sup>st</sup> September 2022 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 compliance of applicable provisions of law 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:

Rs. 10,00,000/- (Rupees Ten Lakhs) per month.

#### (b) Perquisites:

- (i) Perquisites including use of a car with driver, personal accident insurance, medical insurance, leave travel allowance and other benefits as provided to the other Senior Executives of the Company, may 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.
- (v) One Key Man Insurance Policy as approved by the Nomination and Remuneration Committee or by Board of Directors.



**(c) Annual Performance Commission:**

A Commission not exceeding 5% of the net profits subject to minimum of Rs.1 Crore as approved by the Nomination and Remuneration Committee.

**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.”

**6. To consider and approve the Re-appointment of Mr. C. V. Krishnan as an Independent 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 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. C. V. Krishnan (DIN:01606522), who was appointed as an Independent Director and who holds office as an Independent Director till May 27, 2023 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, up to May 27, 2028 subject to him continuously fulfilling the Independent Director Criteria on the effective date of re-appointment.

“**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 24, 2022

**R. Prakash**  
Company Secretary

**Important Notes**

- (a) In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs vide its Circular No.20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 08, 2020 read with Circular No.17/2020 dated April 13, 2020 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 05, 2022 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 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) 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 Register of Members and Share Transfer Books will remain closed from Thursday, the 28<sup>th</sup> July, 2022 to Wednesday, 3<sup>rd</sup> August, 2022 (both days inclusive) on account of the Annual General Meeting.
- (e) 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.

Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.

- (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 Companies Act, 2013.

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

- (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) As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circulars dated 3<sup>rd</sup> November 2021 and 14<sup>th</sup> December 2021 respectively had mandated that the holders of physical securities should furnish the documents / details such as PAN (also Compulsory linking of PAN and Aadhaar), Nomination, Contact details such as postal address with PIN, Mobile number, E-mail address, Bank account details and Specimen Signature Updation etc. to Registrars and Transfer Agents (RTA). The Norms for processing investor service request, including the aforementioned are standardized, simplified and made common across all service requests and that are prescribed in the said SEBI Circulars are hosted on the Company's Website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl) under "Investors Relations". In this connection, the Company has sent reminder letters to all shareholders holding shares in physical, who have not updated any one of the above said details.
- (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 you to take steps for dematerializing your shareholding in the Company.
- (j) The Company has designated an exclusive e-mail id viz. [secdept@hckgroup.com](mailto: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 May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 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 re-appointment 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 & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 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 Saturday, 30<sup>th</sup> July 2022 at 9.00 A.M. and ends on Tuesday, 2<sup>nd</sup> August, 2022 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., Wednesday, 27<sup>th</sup> July 2022 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 December 9, 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 abovesaid 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 CDSL	<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 URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <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 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 i.e. CDSL/NSDL/KARVY/LINKIN-TIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>

Type of share-holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/registration/easiregistration">https://web.cdslindia.com/myeasi/registration/easiregistration</a></p> <p>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 or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. 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.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-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.</p> <p>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/ideasdirectreg.jsp">https://eservices.nsdl.com/secureWeb/ideasdirectreg.jsp</a></p> <p>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.</p>

Individual Shareholders holding securities in demat mode with NSDL	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 & 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 & voting during the meeting.
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 & voting during the meeting.
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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 abovementioned 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
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.



- (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**.
- 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:

Details	Physical shareholders and shareholders other than individual holdingn shares in demate form
PAN	<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>
Dividend Bank Details OR Date of Birth (DOB)	<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 any other 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 and 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) and to the RTA at the email address viz; (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.
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.** 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**. 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.

**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.

**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 Futurex, 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 Saturday, 30<sup>th</sup> July 2022 at 9.00 A.M. and ends on Tuesday, 2<sup>nd</sup> August, 2022 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. Wednesday, 27<sup>th</sup> July, 2022 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 FolioNo./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 for casting 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. Wednesday, 27<sup>th</sup> July, 2022.
- (d) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, (M.No.7488 / CP No.8196) Practising Company Secretary, 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 countersign 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.**

### **Ordinary Business**

#### **Item No. 3**

M/s. P. Chandrasekar LLP, Chartered Accountants, was appointed as the Statutory Auditors of the Company at the 56<sup>th</sup> Annual General Meeting ('AGM') held on 8<sup>th</sup> September 2017 as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM. Their present term will get completed with the conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommends the Ordinary Resolution as set out in the item No.3 of the Notice for the re-appointment of M/s. P. Chandrasekar LLP, Chartered Accountants, as the Statutory Auditors of the Company for the second term of five years from the conclusion of this AGM till the conclusion of the 66<sup>th</sup>

AGM taking into their credentials and also based on the evaluation of the quality of audit work done by the Statutory Auditors.

**Credentials of the Auditors:** M/s. P. Chandrasekar LLP, Chartered Accountants formerly known as P. Chandrasekar, Chartered Accountants was established in 1988 and headed by 12 experienced Partners assisted with a team comprising of Qualified Chartered Accountants and other supporting staff. The firm has its offices at Bangalore and Chennai. The firm is empaneled with various regulators including C&AG and RBI. The firm's clientele inter-alia includes PSUs, listed companies in the manufacturing, banking and service sectors.

The terms and conditions of re-appointment of the Statutory Auditors and the proposed fees are as follows:

- (i) **Term of Appointment:** 5 years from the conclusion of this AGM till the conclusion of 66<sup>th</sup> AGM.

- (ii) **Proposed Fees:** Remuneration for Statutory Audit is Rs.6,00,000 (Rupees Six Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2022-23. The remuneration payable to the Statutory Auditors for the remainder of the second tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee from year to year.

The proposed fees is based on expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

M/s. P. Chandrasekar LLP, Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013. None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, is interested in this Resolution. The Board, based on the recommendation of the Audit Committee, recommends the Ordinary Resolution as set out in item no. 3 of this notice.

### Special Business

#### Item No.4

The Audit Committee and the Board of Directors of the Company at their meetings held on 24<sup>th</sup> May 2022 appointed Mr. K. Suryanarayanan, Cost Accountant, as Cost Auditor for the Sugar, Distillery & Co-gen units of the Company for the year 2022-23.

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. 4 of the Notice to ratify the remuneration of Rs.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 2022- 2023 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 24<sup>th</sup> May 2022. 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. 4.

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 Resolution set out in Item No. 4 to the shareholders of the Company.

#### Item No.5

Mr. Arjun B Kothari, aged 30 years, son of Late Shri B H Kothari, has a Bachelor of Science (Education and Social Policy) degree from the Northwestern University, Evanston, Illinois, United States of America and Science PO (Global Health & European Politics Focus) from Paris, France. He worked in General Electric Company, USA as a Senior Specialist in the Management Development Rotation Program. He has also held various positions during his studies in USA which includes off-campus senator at Northwestern University, Evanston, USA and Research Assistant at Kellogg School of Management at Northwestern University, Evanston, USA.

The current term of Mr.Arjun B Kothari as Managing Director ends on 31<sup>st</sup> August 2022. The Board of Directors, on the recommendation of Nomination and Remuneration Committee at its meeting held on 24<sup>th</sup> May, 2022 recommended the re-appointment of Mr.Arjun B Kothari as Managing Director and Whole Time Key Managerial Person (KMP) of the company for a period of three years with effect from 01<sup>st</sup> September 2022 on a remuneration as set out in Item No.5 of this notice to the Shareholders of the Company. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr.Arjun B Kothari as a candidate for the office of Director of the Company.

The Nomination & Remuneration Committee and the Board are satisfied about his positive attributes, quality and willingness to shoulder the responsibilities and consider him to be a good resource to the company based on his experience, qualification, family and business background. The Board of Directors also noted the contribution made by Mr.Arjun B Kothari, during his tenure as the Managing Director is extraordinary.

The terms of appointment and remuneration of Mr. Arjun B Kothari 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 07 <sup>th</sup> November, 1960.			
3	Financial performance based on given indicators	Particulars	FY 2021 -22	FY 2020 -21	FY 2019 -20
		Total Income	43,028	42,421	35,720
		Profit before interest, depreciation and tax	5,646	3,737	3,266
		Net Profit after tax	3,403	1,902	1,942
		Net worth	22,001	18,625	16,648
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	Salary: Rs. 5,00,000/- per month;			
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 Arjun B. Kothari was appointed as the Managing Director of the Company on 8 <sup>th</sup> April 2015 as a part of succession planning and due to the sudden demise of Shri.B.H.Kothari, then Chairman and Managing Director of the Company. Considering his dedicated work, business acumen and family background, he is having right capacity to steer the company. During his tenure he has proven his expertise in business planning and strategic decision making. In the opinion of Board, he has the requisite leadership qualities to head the Company as the Managing Director.			
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.Arjun B. Kothari 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.			
10	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs.Nina B. Kothari, Chairperson of the Company is relative of Mr.Arjun B. Kothari. Mr.Arjun B. Kothari holds 54,467 equity shares in the Company.			
Other Information					
11	Reasons of loss or inadequate profits	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 ban or duty and price fixation etc. Sugarcane availability for the company is marginally impacted by monsoon, flow in Cauvery River and water table in the plants' area. The cultivable area under the command area of the company has been severely hit by successive years of drought leading to significant drop in cane planting. Hence cane availability would be continued to be a key challenge for forthcoming years.			

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 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>The Company is working on a few value added products through Research &amp; Development (R&amp;D)</p>
13	Expected increase in productivity and profits in measurable terms	The Company expects to maintain its present growth rate.

Except Mr. Arjun B Kothari, being the appointee and Mrs. Nina B Kothari relative of appointee, 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 at Item No. 5. 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 Resolution set out in Item No. 5 to the shareholders of the Company.

#### Item No.6

The Members of the Company at the 57<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2018 approved the appointment of Mr. C. V. Krishnan (DIN:01606522) as an independent director for a term of five years effective from 28<sup>th</sup> May, 2018. In terms of the provisions of Section 149 of the Act, Mr. C. V. Krishnan is eligible for re-appointment for a second term. Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), approval of the members by way of Special Resolution is required for the re-appointment of Mr. C. V. Krishnan for a second term of five consecutive years from 28<sup>th</sup> May, 2023 to 27<sup>th</sup> May, 2028. The Company has received a notice from a member proposing the candidature of Mr. C. V. Krishnan for appointment as an Independent Director of the Company for a second term of five consecutive years. Mr. C. V. Krishnan has given his consent and also declaration that he meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations and subject to him continuing to fulfill the criteria at the time of this Resolution taking effect.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mr. C. V. Krishnan fulfills the conditions specified in the Act, the Rules made thereunder, Regulations for his appointment as an Independent Director and he is independent of the management. The Board, after taking into consideration the valuable contributions made by Mr. C. V. Krishnan; his participation in the Board and based on his performance evaluation, unanimously recommends the Special Resolution as set out at item no. 6 of this Notice. Except Mr. C. V. Krishnan, being the appointee, none of the Directors and Key Managerial or their relatives are interested financially or otherwise in the Resolution as set out in item no. 6 of this Notice. A copy of the draft letter of appointment of Mr. C. V. Krishnan setting out the terms and conditions is available for inspection without any fee at the registered office of the Company during normal business hours on working days upto the date of the Annual General Meeting.

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 Resolution set out in Item No. 6 to the shareholders of the Company.

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

Place : Chennai  
Date : May 24, 2022

**R. Prakash**  
Company Secretary

**ANNEXURE TO THE NOTICE**

THE INFORMATION IN RESPECT OF ITEM NO. 2,5 & 6 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	Item No.5	Item No.6
<b>Name of the Director</b>	<b>Nina B Kothari</b>	<b>Arjun B Kothari</b>	<b>C.V.Krishnan</b>
Date of Birth	21.07.1962	11.09.1991	09.03.1950
Date of First Appointment on the Board	27.05.2014	08.04.2015	28.05.2018
Qualification	B A (Economics)	Bachelor of Science, Northwestern University, Evanston, Illinois, United States of America & Global Health and European Politics from Paris Institute of Political Studies, Paris, France.	B. Tech. from IIT Chennai, MBA from IIM Ahmedabad Advanced Training in Industrial Management from Research Institute for Management Science, Delft, Netherlands, 1981, Global Leadership Program, Michigan Business School, USA,1993.
Experience in specific functional areas	She is holding directorship in H.C.Kothari Group of Companies. She held various positions in prestigious institutions as Treasurer of Crafts Council of India, World Crafts Council and Chairman of National Crafts & Heritage Committee of ASSOCHAM. She was the President of International Women's Association (IWA).	Mr. Arjun B Kothari is holding directorship in H C Kothari Group of Companies. He also worked in General Electric Company, USA as a senior specialist in the management development rotation programme. His work involved analyzing future interests of the company, developing strategic plans to achieve goals and collaborating and implementing steps to improve retention rate for expatriated workers. He has rich experience in the sugar industry for past 5 years.	He held various positions including President of EID Parry (India) Limited, Chennai during 1992- 1996, CEO & MD, Essar Power Limited during 1996-1999 & CEO & Director, Sterlite Industries (India) Limited during 1999-2003, CEO, Sankara Nethralya, Chennai during 2003-2005, and during 2005-2010 held various positions including CEO & MD, Konkola Copper Mines plc., Zambia, Head of Mergers & Acquisitions, Vedanta group CEO, Vedanta University Project, Orissa. From 2012 - 2017 he held the office of the President in Institute for Financial Management and Research (IFMR). During his tenure in various capacities in E.I.D.Parry, Sterlite Industries, BALCO, Konkola Copper Mines and IFMR he achieved turn arounds. He conceptualized and implemented major growth plans successfully in Fertiliser, Pesticides, Sugar, Copper, Zinc, Aluminium sectors and in Management Education / Development Research (creation of a private University in Andhra Pradesh). He has wide ranging and hands on experience in Collaborations, Joint Ventures, Acquisitions, Mergers, Disinvestments in India and abroad.
List of other Public Companies in which Directorship held	(a) Kothari Petrochemicals Limited (b) Kothari Safe Deposits Limited	(a) Kothari Petrochemicals Limited (b) Kothari Safe Deposits Limited	Nil

Particulars	Item No.2	Item No.5	Item No.6
Listed entities from which resigned in the past three years	Nil	Nil	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	<b>Chairperson</b> CSR	<b>Member</b> SRC & CSR <b>Chairman</b> ICAC	<b>Member</b> AC & SRC
Chairman / Member of the Committee of the other companies in which he/she is a Director	Kothari Petrochemicals Limited  <b>Chairperson</b> CSR & SRC  <b>Member</b> NRC & ICAC	(a) Kothari Petrochemicals Limited <b>Chairman</b> ICAC <b>Member</b> SRC, CSR & Technical Committee (b) Kothari Safe Deposits Limited <b>Chairman</b> Share Transfer Committee & Investment Committee	Nil
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2022	26,83,498 Equity Shares	54,467 Equity Shares	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Nina B. Kothari is the mother of Mr. Arjun B. Kothari, Managing Director of the Company.	Mr. Arjun B. Kothari is son of Mrs. Nina B. Kothari, Chairperson of the Company.	Mr C.V. Krishnan is not related to any Director, Manager and other KMP of the Company.
Number of meetings attended during the year.	Please refer Corporate Governance Section		
Skills and capabilities required for the role and the manner the proposed Independent Director meets such requirements	Not Applicable		Please refer Corporate Governance Section.

**Note:** Audit Committee - AC, Corporate Social Responsibility Committee - CSR, Stakeholders Relationship Committee - SRC, Investment & Credit Approval Committee - ICAC, Nomination and Remuneration Committee - NRC.



## BOARD'S REPORT

### To the Members

Your Directors present the 61<sup>st</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2022.

### Financial Summary & Highlights of the Company

(₹ in Lakhs)

Financial Performance	2021 - 2022	2020 - 2021
Net Revenue	43,028	42,421
Profit/(Loss) before Interest, Depreciation	5,646	3,737
Interest	410	510
Depreciation	1,410	1,379
Exceptional items (Debit) / Credit	110	497
Profit/(Loss) Before Tax	3,936	2,345
Tax Adjustments including Deferred Tax	533	443
Profit / (Loss) after Tax before comprehensive Income	3,403	1,902
Other Comprehensive Income Net of Tax	(27)	75
Total Comprehensive Income	3,376	1,977

### Sugar Industry Overview

#### World Sugar:

The world sugar production during the year 2021 - 2022 is expected to be around 183 million metric tons as against previous year's 182.7 million metric tons. The sugar consumption during 2021 - 2022 is expected to be 185.6 million metric tons as against 185.2 million metric tons in the previous year. The sugar production in the forthcoming sugar year 2022 - 2023 is expected to be 188.98 million metric tons, to end up with a marginal surplus.

**India's sugar** production for the Sugar Year 2021 - 22 is expected to be around 35 million metric tons against previous year's 31.2 million metric tons. This increase in production is because of good rainfall, increase in cane yield per hectare besides increased cane cultivation in Maharashtra. In 2021 - 22, the sugar consumption is expected to be around 27.2 million metric tons, almost same as that of last year.

**Tamilnadu's sugar** production for the sugar year 2021 - 22 is expected to be around 1.09 million metric tons against previous year's 0.90 million metric tons. Last year's rainfall was normal, the sugarcane cultivation area is expected to increase by 20% from the previous season's level.

The Company's command area has received normal rainfall in most of the command areas which will help in getting more area under sugarcane cultivation. On account of this, the overall cane planting area is likely to increase by 20%.

### Performance of Business Segment

#### Sugar

Your Company has crushed 8,74,135 tons of cane and produced 8,44,380 quintals of sugar as against crushing of 7,70,823 tons and sugar production of 7,11,130 quintals in the previous year. In financial year 2021 - 2022, the average Sugar recovery was 9.70% as against 9.33% of the previous year. The increase in cane crushing was possible on account of increase in sugarcane planting area and yield.

#### Alcohol

Your Company produced 171.96 lakh liters of alcohol during the financial year 2021 - 2022 against 140.26 lakhs liters in the previous year. Your Company has supplied 8 lakh liters of Ethanol to Oil Marketing Companies during the ethanol marketing year 2020 - 2021. For the marketing year 2021 - 2022, against the order of 10.20 lakhs liters, 5.60 lakh liters was supplied so far, and the balance quantity will be supplied before October' 2022.

#### Co-generation of Power

During financial year 2021 - 2022, the total power generation was 71.66 million units against 64.427 million units for the corresponding period of 2020 - 2021. The increase in power production is due to the increase in cane crushing volume. Long term PPA with TANGEDCO continues for Sathamangalam unit with a tariff of Rs. 4.669/Kw-hr. From Kattur unit, surplus power is being sold to the open access consumers through bilateral agreements / IEX.

## Dividend

The Board of Directors met on 24<sup>th</sup> May 2022 to take account of the full year performance, various growth opportunities and the ongoing pandemic. After reviewing this, the Board

of Directors has decided not to recommend any dividend for the year 2021 - 2022 given the projects that have been lined up and the forward expansion plans.

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

### (a) Conservation of Energy

#### Kattur unit

#### Total Power Saving per day

- |   |          |
|---|----------|
| (i) Replacement of 562 KW DC drive and motor with new 560 Kw high efficiency VFD drive and AC VFD motor                     | 1450 Kwh |
| (ii) Replacement of 3 Nos. Mingler 5.5 Kw motor and 2 Nos. of 7.5 KW motors with new 3.7 Kw high efficiency planetary drive | 330 Kwh  |
| (iii) Replacement of 6 nos. of Magma pump drives (6nos of 11.2Kw) with new 7.5 Kw planetary drives                          | 542 Kwh  |

#### Sathamangalam unit

#### Total Power Saving per day

- |   |         |
|---|---------|
| (i) Installation of 55 KW - VFD drive for Sugar unit Cooling Tower Fan No.1         | 288 Kwh |
| (ii) Installation of 30 KW - VFD drive for Sugar Wooden Cooling Tower Fan           | 336 Kwh |
| (iii) Installation of 55 KW 2Nos. - VFD drive for Cogen Cooling Tower Fan No. 1 & 3 | 576 Kwh |
| (iv) Installation of 100 KW - VFD drive for Boiler Secondary Air Fan No.1           | 360 Kwh |
| (v) Installation of 3.7 KW - Planetary drive for A-Pug mill                         | 120 Kwh |
| (vi) Installation of PHE for A - Super Heated Wash Water System                     | 420 Kwh |

### (b) Technology absorption

- To reduce the dependency of labour and to reduce 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%. During 2020 - 2021 season, four such machines were deployed through progressive entrepreneurs and during 2021-22 season three more machines were added.
- Harvesting of sugar cane is the major labour intensive and expensive activity of sugarcane cultivation. To reduce the cost and to reduce the dependency of labour, your Company has deployed about 30 sugarcane harvesters through entrepreneurs. We hope in the coming years mechanised sugarcane cultivation will play a major role.

### (c) Foreign exchange earnings and Outgo

(₹ in Lakhs)

Sl. No.	Particulars	2021 - 2022	2020 - 2021
(i)	Total Foreign Exchange earned	-	-
(ii)	Total Foreign Exchange outflow	66.18	2.10

### Awards and Recognition

Sathamangalam unit secured first place and the '**Overall Best Performance Award**' in the 52<sup>nd</sup> Sugarcane Research & Development Workshop of Tamilnadu and Puducherry for the involvement and inspiration shown by the team of officials and employees during the Crushing Season 2020 -2021.

### Research & Development

Your Company has started a Research and Development (R & D) unit for the development of value added products from Sugar and molasses. A new R& D facility is being built near Sriperumpudur at the cost of around Rs.10 Cores. This is expected to be operational from December 2022.

### Board Meetings

During the year 04 Board Meetings and 04 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between 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

Mrs. Nina B Kothari, (DIN 00020119) Director is liable to retirement by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Arjun B Kothari, (DIN 07117816) was reappointed as Managing Director with effect from 01<sup>st</sup> September 2019 for

a period of three years and the Board proposes to reappoint him for another period of three years with effect from 01<sup>st</sup> September 2022 subject to approval of shareholders in this Annual General Meeting.

Mr. C. V. Krishnan, (DIN 01606522) was appointed as Independent Director w.e.f. 28.05.2018 for a term of five years and based on the evaluation of his performance and the recommendation of the Nomination and Remuneration Committee, the Board proposes to reappoint him for a second term of 5 years as Independent Directors w.e.f. 28.05.2023 subject to approval of shareholders in this Annual General Meeting by passing a Special Resolution in accordance with Section 149 (10) read with Schedule IV of the Act.

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 meet the criteria of their Independence laid down in Section 149(6) including the confirmations that their names inclusion in the Data Bank and all the Independent Directors were exempted from undergoing the online proficiency self-assessment test for the Independent Directors 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 21, 2022 without the presence of Non - Independent Directors and members of the Management.

#### **Composition of Audit Committee**

The details of composition of Audit Committee are provided in Corporate Governance Report of this Annual Report. The Board has not rejected any proposal / recommendations of Audit Committee during the year.

#### **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)

#### **Prevention of Insider Trading**

The Company has adopted a Code of Prevention of Insider Trading with a view to regulate 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 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- 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;
- the directors had 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.
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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.

#### **Share Capital**

The paid-up equity share capital of the Company as on March 31, 2022 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

M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.000580S/S200066), have been appointed as statutory auditors of the Company till the conclusion of 61<sup>st</sup> Annual General Meeting.

At the ensuing AGM, the first term of five years of M/s. P. Chandrasekar LLP, Chartered Accountants shall expire, and they are eligible for re-appointment for another term of 5 years under the provision of the Companies Act, 2013. The Company has received their written consent pursuant to section 139 of the Companies Act, 2013 and a certificate that they satisfy the criteria provided under section 141 of the Companies Act, 2013 and the Rules frame there under, confirming their eligibility for re-appointment as Auditors 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.

Your Directors have therefore proposed to appoint M/s. P. Chandrasekar LLP, Chartered Accountants as Statutory Auditors of the Company, subject to the approval of the shareholders at the ensuing AGM.

There are no qualifications or observations or any adverse remarks made by the Auditors in their Report on the Financial Statements for the year 2021 - 22.

### 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. 04 of the Notice convening this 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 qualification or observations.

## 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 2021 - 2022.

## 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 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 the 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 annually 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 Corporate Social Responsibility (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 Corporate Social Responsibility as approved by the Board is posted on the Company's website [www.hckotharigroup.com/kscl](http://www.hckotharigroup.com/kscl)

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the promotion of health care, creating health infrastructure including COVID care, establishment of medical oxygen generation and storage plants, etc. The contributions in this regard have been made to a Registered Trust which is undertaking these schemes. 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 approvals 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 21<sup>st</sup> Mar 2022 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 about Cost Audit

Filing of Cost Audit Report	2021-2022	2020-2021
Due Date	27.09.2022	27.09.2021
Actual Date	30.08.2022 (Tentatively)	30.08.2021
Cost Auditor Details	Mr. K. Suryanarayanan, M.No. 24946, Chennai	Mr. K. Suryanarayanan, M.No. 24946, Chennai
Audit Qualification in Report	-	Nil

### 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 2022 - 2023 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.

### 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	18.35:1
(ii)	Mr. M. Silvester Goldwin	Whole Time Director	24.91:1

- 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	-
(ii)	Mr. M. Silvester Goldwin	Whole Time Director	10%
(iii)	Mr. R. Krishnan	Chief Financial Officer	9%
(iv)	Mr. R. Prakash	Company Secretary	6%

- c) 5.11% 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 2022: 530.
- 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 6% to 10% 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 24, 2022

**Nina B. Kothari**  
Chairperson

**BOARD'S REPORT**
**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, 2021**

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	61.60	Permanent	08-04-2015	30	8	General Electric Company, USA	54,467 0.07%	Mr. Arjun B. Kothari is the son of Mrs. Nina B. Kothari, Chairperson of the company
2	Silvester Goldwin. M	Whole Time Director	B.Tech. (Mechanical)	83.56	Permanent	27-07-1998	54	34	Miltech Engineers	-	-
3	Krishnan. R	Chief Financial Officer	B.COM., ICWA (Inter)	38.79	Permanent	23-10-2009	57	36	TTK Ltd.	-	-
4	Sathyanarayanan. D	General Manager-Tech Services	B.E. (Mechanical) B.O.E., AVSI	35.73	Permanent	01-08-2016	52	30	Prudential Sugars	-	-
5	Anthony John Bosco	General Manager - Cane	B.Sc. (Agri), MBA (Marketing)	34.77	Permanent	11-12-2019	57	34	CNH Industrial (India) Pvt.Ltd.	-	-
6	Prakash. R	Company Secretary	M.com., FCS, LLB	34.23	Permanent	01-05-2010	45	15	Kothari Petrochemicals Ltd.	-	-
7	Ramachandran.V	General Manager	B.E., (Mech), B.O.E., M.Tech. (Enviro Engg)	29.26	Permanent	19-08-1994	56	32	Veesons Energy Systems	-	-
8	Karthikeyan P	Manager TLS	B.E. (Instrumentation)	24.04	Permanent	04-06-2007	40	19	Mawana Sugars	5,000 0.01%	-
9	Pushparaj. S	DGM Distillery	Fermentation & Alcohol Technology (IFAT)	23.68	Permanent	14-08-2000	53	30	Mohan Breweries	-	-
10	Ravichandran. R	AGM Process	B.Sc. Chemistry AVSI	19.19	Permanent	01-12-1995	52	26	New Horizon Sugar Mills Ltd.	-	-

**Notes:**

1. 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, underprivileged 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 would normally be covered on 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	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	LOA

### 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/CSR%20Policy%202021%20with%20Annual%20action%20plan%202021-22.pdf>

### 4. Details 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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
(i)	2021 - 2022	Nil	Nil



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

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2020 - 2021	2,035.35
(ii)	2019 - 2020	1,785.47
(ii)	2018 - 2019	1,527.37
<b>Total</b>		<b>5,348.19</b>
<b>Average Annual Net Profit</b>		<b>1,782.73</b>

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

2% of Average Net Profit comes around ₹ 35.65 Lakhs.

**(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.**

Nil

**(c) Amount required to be set off for the financial year, if any**

Nil

**(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 35.65 Lakhs**
**8. (a) 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
₹ 35,65,000	Nil		Nil		

**(b) Detail of CSR amount spent against ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the Project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
No ongoing project was approved during the financial year 2021 - 2022												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contribution towards Oxygen concentrators to CMC, Vellore	Promoting health care	Yes	Tamil Nadu	vellore	₹ 2,50,000	Yes	Directly to 'CMC Vellore Association' along with other Companies in the Southern Region	CSR00001924
2	Promoting health care, creating health infrastructure including COVID care, establishment of medical oxygen generation and storage plant etc.		Yes	Tamil Nadu	Chennai	₹ 33,15,000	No	Through Implementing Agency - Shyam Kothari Foundation	CSR00005719
Total						₹ 35,65,000			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 35,65,000

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	35,65,000
(ii)	Total amount spent for the Financial Year	35,65,000
(iii)	Excess amount spent for the financial year [(ii) - (i)]	0
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years (iii) - (iv)]	0

## 9. (a) Details of Unspent CSR amount for the preceeding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to 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(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceeding financial year(s):**

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project -Completed /Ongoing
No ongoing project was undertaken during last three financial year								

**10. Detail relating to creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s) : -

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Name of the Trust : N.A.

Section 12AA Registration No. : N.A.

Section 80G Registration No. : N.A.

Address of the Trust : N.A.

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Capital asset(s) created : N.A.

Address where capital assets located : N.A.

**11. 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 2021 - 2022.

**Place:** Chennai  
**Date :** May 24, 2022

**Arjun B Kothari**  
 Managing Director

**Nina B. Kothari**  
 Non executive Director &  
 Chairperson of the CSR Committee

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

**For the Financial Year ended March 31, 2022**

**[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** herein after called (“**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis forevaluating 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, 2022 (“**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, 2022 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) Regulations, 2021; (Not applicable to the Company 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) 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 (Buyback 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 Employees' State Insurance Act, 1948
18. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
19. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
20. The Industrial Disputes Act, 1947
21. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
22. The Maternity Benefit Act, 1961
23. The Minimum Wages Act, 1948
24. The Payment of Bonus Act, 1965
25. The Payment of Gratuity Act, 1972
26. The Payment of Wages Act, 1936
27. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
28. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
29. The Tamil Nadu Labour Welfare Fund Act, 1972
30. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
31. The Tamil Nadu Shops and Establishments Act, 1947
32. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992

33. The Maharashtra Shops And Establishments (Regulation Of Employment And Conditions of Service) Act, 2017

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 the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**We further report that** during the audit period;

1. Mr. M. Silvester Goldwin, (DIN: 08145634) was re-appointed as a Whole Time Director of the company for a period of three years with effect from 01<sup>st</sup> August 2021, in the shareholders meeting held on July 30, 2021.

**For M. Alagar & Associates**  
**(Practising Company Secretaries)**

**M. Alagar**  
Managing Partner  
FCS No: 7488  
C P No: 8196  
Place : Chennai  
Date : May 09, 2022 UDIN : F007488D000290661

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)**

**M. Alagar**

Managing Partner

FCS No: 7488

C P No: 8196

UDIN : F007488D000290661

Place : Chennai

Date : May 09, 2022

## Management Discussion and Analysis

### Industry Structure and Development

#### World Sugar

In 2021 - 2022 sugar year the world sugar production is expected to be around 183 million metric tons against 182.7 million metric tons in the previous year. The consumption during 2021- 2022 is expected to be around 185.6 million metric tons against 185.2 million metric tons in the previous year. The new COVID variant, Omicron, slowed down global recovery and sugar consumption. The expected sugar production during 2022 - 2023 will be around 188.98 million metric tons and the consumption is projected to be around 188.66 million metric tons.

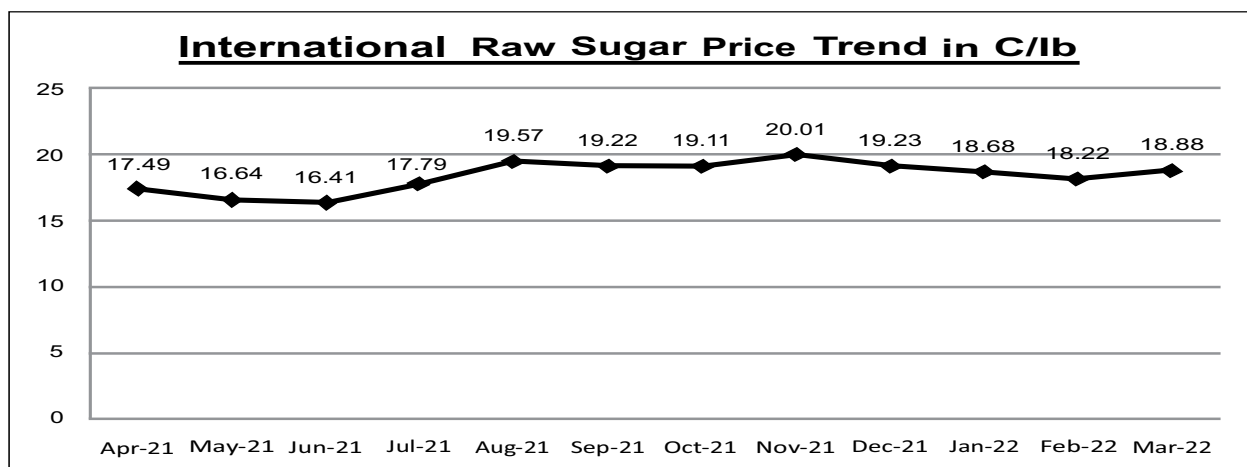
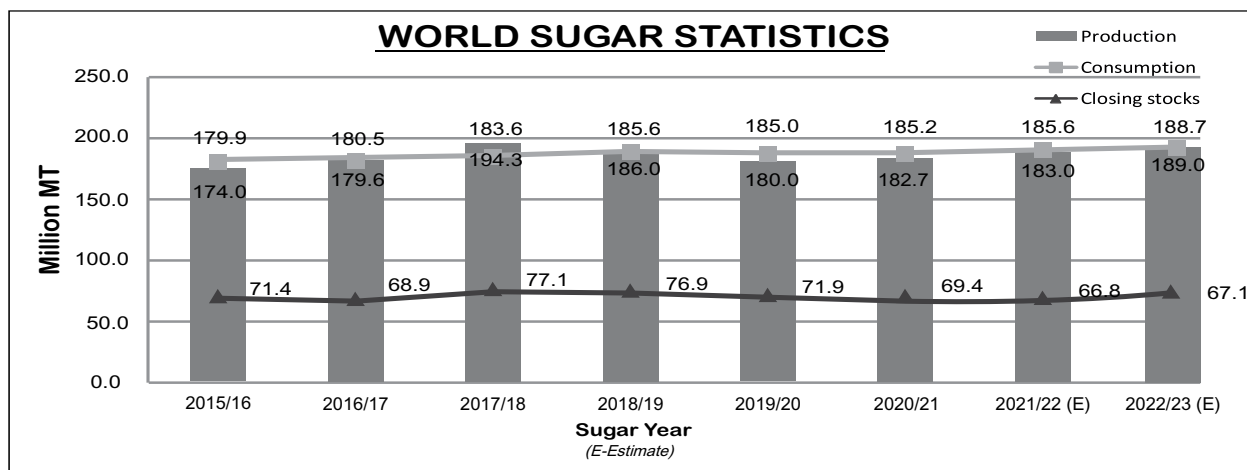
Sugar production in Brazil's centre south region came to a complete halt in the second half of December following dry weather and multiple frosts in July which damaged the canes. High oil prices and a stronger Brazilian real(R\$) would entice millers to divert more cane to ethanol. This would reduce sugar supplies and could have an impact on the global sugar market. In Thailand, if the current pace continues, the Country is expected to produce around 10

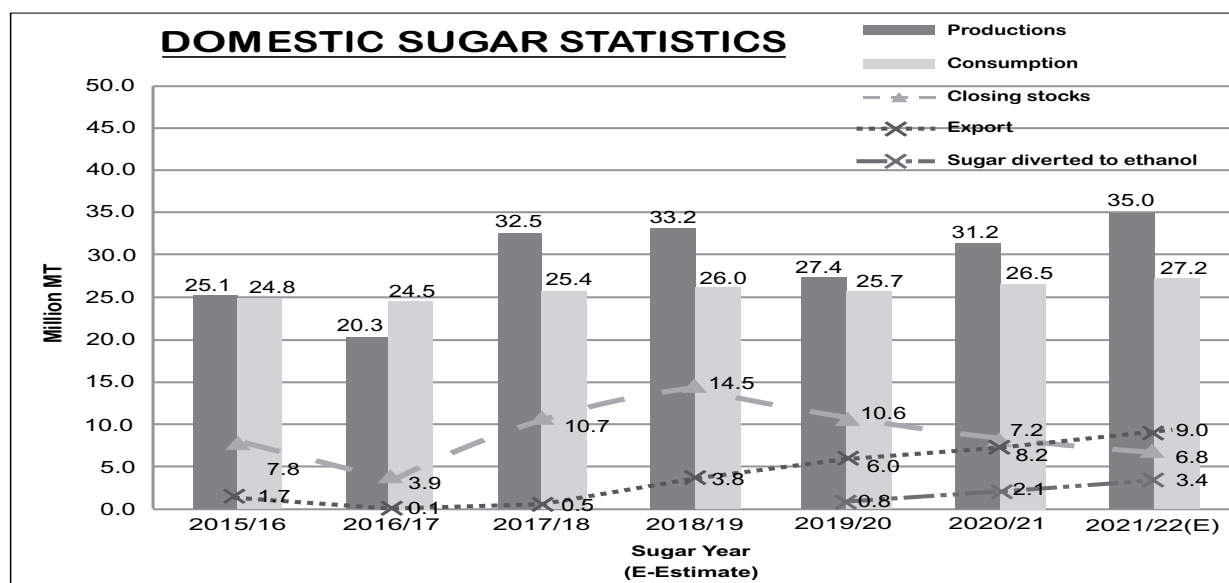
million tonnes of sugar as against 7.7 million tonnes during 2020 - 2021.

The quantum of sugar cane diversion to Ethanol / Sugar production in Brazil, expected increase in production in India and Thailand during the year 2021-2022 and changes in oil and energy prices will have significant impact on the final sugar production.

#### Indian Sugar

India's sugar production during the sugar year 2021-2022 is expected to be around 35 million metric tons as against previous sugar year's production of 31.2 million metric tons. The higher sugar production is due to higher yields per hectare, higher recovery and increase in area under sugarcane. The sugar consumption in 2021-2022 is expected to be around 27.2 million metric tons against previous year's 26.5 million metric tons. Maharashtra state is expected to record a bumper production of 13.5 million metric tons which is attributable to the overall increase in the country.





It is pertinent to note that around 3.4 million metric tons of sugar (in the form of sugarcane juice or B-Heavy molasses) is expected to be diverted to ethanol production, which is excluded in the current sugar year's estimated production of 35 million metric tons.

In the beginning of 2021-2022, the opening stock of sugar was 8.2 million metric tons as against previous year's 10.64 million metric tons. The expected closing stock at the end of sugar year 2021 - 2022 would be around 6.8 million metric tons after considering the current sugar year's expected export of 9.0 million metric tons.

For the sugar season 2021-2022, the Government of India has fixed Fair and Remunerative Price (FRP) of Sugarcane, linked to 10% recovery at ₹ 2,900 per ton and for 9.5% recovery it was fixed at ₹ 2,755 per ton. Though, the sugarcane procurement price was increased in the past two seasons, the Minimum Selling Price (MSP) of Sugar, which was fixed at ₹ 31/Kg in February 2019 has not been increased.

The Government of India has not announced any incentive for the sugar export. As the global sugar price is marginally higher than domestic price and export from India is viable without any incentive. The total export in 2021-2022 is expected to surpass previous season's figure and to reach around 9.0 million metric tons.

### 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.

- For the marketing year 2021-22, the Ethanol procurement price has been fixed as ₹ 46.66 per litre for the Ethanol produced from C-molasses, ₹ 59.08 per litre for the Ethanol produced from BH-molasses and ₹ 63.45 per litre for the Ethanol produced from 100% sugarcane juice / syrup.

### (c) Ethanol policy:

In June 2021, the Government of India has announced "Roadmap for ethanol blending in India 2020-25". Under this road map, 20% blending of ethanol with petrol is envisaged by Ethanol marketing year 2025 - 2026 which will absorb substantial portion of surplus sugar in the country.

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

- In the sugar year 2021-22 also, Sugarcane procurement price will be fixed based on the Revenue sharing formulae or the FRP whichever is higher.
- The Government of Tamilnadu disbursed a transitional production incentive of ₹ 42.50/ton and a Special incentive of ₹ 150/ton, totalling ₹ 192.50/ton directly to the farmers for the sugarcane supplied during crushing season 2020-21.

### Opportunities and Threats

The Central Government's push to produce more ethanol, by granting subsidies to build more ethanol plants and by increasing procurement prices of ethanol produced from B-Heavy molasses and 100% sugar cane juice is helping the industry in a big way by absorbing significant portion



of surplus sugar production. In the long run, India will have the option of balancing both sugar and ethanol production based on the market requirement. The Govt. Policies like MSP and monthly sugar release mechanism would help in stabilisation of the sugar price.

Vagaries in the monsoon pattern will have impact on the availability of sugar cane which is the major raw material. Any further increase in Fair and Remunerative Price, for the sugarcane, for the sugar season 2022-2023 will have impact on the financials of the company if the Minimum Selling Price of sugar is not proportionately raised.

### Segment-wise or product-wise performance of the company

#### Sugar

In 2021-22 financial year, 8,74,135 tons of sugarcane was crushed as against previous year's 7,70,823 tons. This increase of 13.4% in crushing volume is possible due to marginal increase in the cane planting area and sugarcane yield improvement. Favourable agro-climatic conditions like near normal rainfall coupled with supportive government policies and incentives and various service support extended by the company has helped in improvement of cane volume.

#### Power

Power generation in the financial year 2021 - 2022 was 716 lakh units against previous year's 644 lakh units. This increase in power generation is attributable to higher cane crushing. Long term PPA with TANGEDCO continues for Sathamangalam unit with a tariff of ₹4.669/Kw-hr. From Kattur unit, power is being sold to open access consumers and IEX.

#### Alcohol

During the financial year 2021-2022, the total alcohol production was 17,196 KL against previous year's total production of 14,026 KL. This total production includes 679 KL of Ethanol production. As the availability of own molasses was inadequate, the company had procured 24,260 metric tons of molasses from other factories in the state and operated distillery for a maximum possible number of days.

### Quantitative Performance details

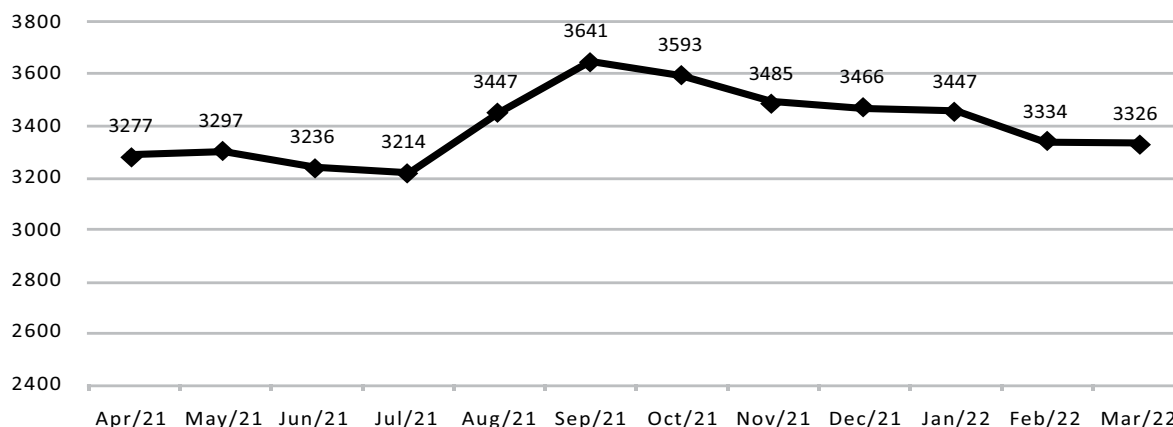
The Company is engaged in three major segments, namely Sugar, Cogeneration of power (Cogen) and Distillery. The segment wise performance for the year is as under:

Particulars	Sugar (Tonnes)	Power & Other (Lakh Units)	Distillery (Lakh litre)
Production	84,438	716	172
Sales	66,723	362	191
	(₹ in Lakhs)		
Sales	22,829	8,705	10,408
Operating Profit	(1,411)	1,327	5,359

#### Outlook

India's Sugar production for the season 2022-2023 is estimated to be around 35 million metric tons after considering diversion of sugarcane juice / syrup / B heavy molasses. This will result in surplus sugar availability in the market and hence the price of sugar likely to be under pressure. However, the sugar price may get moderated if the sugar exports during the next year picks up substantially. The global sugar production and consumption is estimated to be around 188 million metric tons. The monsoon is expected to be normal during the coming season.

### Ex Mill Sugar Price in Rs./Qtl



## 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

Increasing ethanol production capacity to absorb surplus sugar available in the market for stabilisation of sugar price in the long run. 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 helps in stabilisation of sugar price.

### Risk specific to the Company

Though last year's Northeast Monsoon (NEM) rainfall was reported as normal, on account of continuous drought faced during last eight years, the overall cane cultivation area in Tamil Nadu and in the company's command area is not increasing substantially. This has resulted in lower raw material availability which adversely affects the overall capacity utilisation of the factories besides increasing the cost of production.

### Risk Management

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

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

- Working on 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.
- Bulk planting of high yield and high sugar varieties like Co-86032, CoV-09356, Co -11015, COG-7 etc., in both the units command area.
- Educating farmers on modern cultivation practices by organising technical seminars, providing technical support, demonstrating modern practices in Demo plots, etc.
- Providing technical and financial support to the farmers on development of irrigation infrastructure such as well deepening, lift irrigation, installation of new bore/pumps etc.
- Promoting water conservation systems like micro irrigation system in association with the State Agriculture department.
- Mechanisation 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.

### Key Financial Ratios

Description	U/M	2021-22	2020-21	Remarks
Debtors Turnover	Days	19	19	In line with the previous year.
Inventory Turnover	Days	100	97	Lower sugar sale of sugar leading to higher in inventory at the year end.
Interest coverage ratio	Times	10.60	5.60	Higher earnings and lower interest cost due to and repayment of term loans.
Current ratio	Times	1.61	1.51	Higher Inventory.
Debt Equity ratio	Times	0.79	0.83	Increase in networth due to higher Profit After Tax and repayment of Term Loans.
Operating Profit Margin	%	9.84	5.55	Sales and margin mix
Net Profit Margin	%	8.04	4.53	Higher due to product volume and margin mix.
Return on Net worth	%	16.75	10.78	Higher retained earnings due to product volume and margin mix

## Discussion on Financial Performance with respect to Operational Performance

### Operational Review and State of Affairs

Production Performance	2021 - 2022	2020 - 2021
No of crushing days:		
Kattur Unit	146	123
Sathamangalam Unit	163	150
Cane Crushed (tons)	8,74,135	7,70,823
Sugar Recovery (%)	9.70	9.33
Sugar Produced from cane (Quintals)	8,44,380	7,11,130
Alcohol Produced (KL)	17,196	14,026
Power Produced (lakh kwh)	716	644

Due to increase in cane availability the sugarcane crushing has increased by over 13% compared to the previous year. The average sugar consumption has gone up only by 2.50% year on year. The FRP (Fair and Remunerative Price) has risen by 2%, Chemicals etc. increased by 28% and packing cost by 20% during the operating year. This resulted in sugar segment posting a higher loss. In the distillery segment the profitability increased due to higher production by 23% and sales by 41% despite average selling price / litre dropped by over 11%. Power segment has done well with sale of surplus bagasse.

The finance cost substantially decreased around 25% compared to the previous year due to repayment of term loans, reduction in usage of short-term borrowings and marginal reduction in interest rates.

### 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 success, stability and growth of an organization depend on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. Employees attend a series of training sessions on Technical and soft skills as part of Employee Development Program. Special Onsite Program and In-house Training programme were conducted on safety. During the year, the 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.

Total number of employees as on 31<sup>st</sup> March 2022 was 530 in respect of sugar and allied operations.

On Behalf of the Board  
for Kothari Sugars and Chemicals Limited

Nina B. Kothari  
Chairperson

Place : Chennai  
Date : May 24, 2022

## 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 Board consists of seven directors as on the date of this Report. 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 2022

Name of the Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on Jul 30, 2021	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	4	Yes	15	01	-	26,83,498
Mr. Arjun B. Kothari	Promoter & Managing Director	4	Yes	14	01	01	54,467
Mr. M. Silvester Goldwin	Executive	4	Yes	-	-	-	Nil
Mr. P.S. Balasubramaniam	Independent	4	Yes	04	-	02	505
Mr. V.R. Deenadayalu	Independent	4	Yes	-	-	-	Nil
Mr. P.S. Gopalakrishnan	Independent	4	Yes	03	01	-	Nil
Mr. C.V. Krishnan	Independent	4	Yes	-	-	-	Nil

#### Note :

- Other directorships also include Private Limited Companies.
- Only membership in Audit Committee, Stakeholders' Relationship Committee have been reckoned for Committee Memberships.
- The time gap between the Board Meetings was within the prescribed time limits.
- Mr. Arjun B. Kothari, Managing Director of the Company is son of Mrs. Nina B. Kothari, Chairperson of

the Company. None of the other Directors are related inter se in any manner.

The Board of Directors met four times during the year on 25<sup>th</sup> May 2021, 30<sup>th</sup> Jul 2021, 09<sup>th</sup> Nov 2021 and 28<sup>th</sup> Jan 2022.

None of the Directors on the Board is a member of more than 10 committees or act as Chairman 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



### Familiarisation programme for Independent Directors

A Familiarisation programme for Independent Directors of the Company was being conducted on or before completion of Board Meetings and the details of such familiarisation 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 viewpoints with different perspectives. Ability to identify key risks to the organisation in a wide range 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.

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 Board of Directors at the meeting held on May 25, 2021 reconstituted the 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 2022 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	04
(ii)	Mr. P. S. Balasubramaniam	Member	04	04
(iii)	Mr. V. R. Deenadayalu	Member	04	04
(iv)	Mr. C. V. Krishnan (*)	Member	03	03

(\*) Mr. C. V. Krishnan, Independent Director was inducted as member of the Committee on May 25, 2021.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30<sup>th</sup> Jul 2021. The Audit Committee met four times during the year on 25<sup>th</sup> May 2021, 30<sup>th</sup> Jul 2021, 09<sup>th</sup> Nov 2021 and 28<sup>th</sup> Jan 2022.

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.

As on 31<sup>st</sup> March 2022, the Audit Committee comprised of four Independent Directors, all of whom 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 Non-Executive and Independent Directors. Mr. P. S. Gopalakrishnan is the Chairman of the Committee. Mr. V.R. Deenadayalu and Mr. P.S. Balasubramaniam are the other members. 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 30<sup>th</sup> Jul 2021. The Committee met once during the year on 17<sup>th</sup> May 2021.

The details are as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. P.S. Gopalakrishnan	Chairman	01	LOA
(ii)	Mr. P.S. Balasubramaniam	Member	01	01
(iii)	Mr. V.R. Deenadayalu	Member	01	01

### Remuneration Policy

#### Policy for selection and Appointment of Directors / KMP 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 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.

(b) The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- (i) Qualification, expertise and experience of the Directors in their respective fields;
- (ii) Personal, Professional or business standing;
- (iii) 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' Report.

Currently, the Non-executive Directors of the Company are not being paid any commission. 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 2021-2022

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	1,20,000	N.A	10,000	N.A	N.A	1,30,000
Mr. P. S. Balasubramaniam	1,20,000	80,000	10,000	10,000	10,000	2,30,000
Mr. V. R. Deenadayalu	1,20,000	80,000	N.A	10,000	10,000	2,20,000
Mr. P. S. Gopalakrishnan	1,20,000	80,000	LOA	LOA	10,000	2,10,000
Mr. C. V. Krishnan	1,20,000	60,000	N.A	N.A	10,000	1,90,000
<b>Total</b>	<b>6,00,000</b>	<b>3,00,000</b>	<b>20,000</b>	<b>20,000</b>	<b>40,000</b>	<b>9,80,000</b>

The other transactions with non-executive director's vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2022 are disclosed elsewhere in the annual report.

### Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee carries out the functions of transmissions, issue of 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.

The committee met once during the year 2021 - 2022. 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 2022 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
(iv)	Mr. P. S. Balasubramaniam (*)	Member	NA	NA

(\*) Mr. C. V. Krishnan, Independent Director was inducted as member of the Committee on May 25, 2021. Mr. P. S. Balasubramaniam, Independent Director Member of Stakeholders' Relationship Committee stepped down from the Committee Membership with effect from May 25, 2021.

The Chairperson of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the company held on July 30, 2021.

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 transfer / transmission of shares generally on a fortnight basis. The Committee also reviews the performance of the Registrar and Share Transfer Agents.

No Complaints were received from the Shareholder(s) /Department(s) during the financial year 2021-22.

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.

#### General Body Meetings:

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

Year / Date / Day / Time	Venue
2020 - 2021 Jul 30, 2021, Friday, 10.15 A.M.	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 shall be deemed to be venue of the meeting
2019 - 2020 Aug 11, 2020, Tuesday, 10.30 A.M.	
2018-2019 Aug 07, 2019 Wednesday 10.00 A.M.	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014.

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
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
Aug 11, 2020	No	-
Aug 07, 2019	Yes	Re-appointment of Mr. Arjun B. Kothari, as Managing Director of the Company.

No special resolution was passed by the shareholders of the company through postal ballot during the year 2021 - 2022.

**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>	Wednesday, 03 <sup>rd</sup> August 2022 @ 10.30 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, 2022	First fortnight of August, 2022
Results for Quarter ending 30 <sup>th</sup> September, 2022	First fortnight of November, 2022
Results for Quarter ending 31 <sup>st</sup> December, 2022	First fortnight of February, 2023
Results for Quarter ending 31 <sup>st</sup> March, 2023	Last Week of May, 2023

**(c) Date of Book Closure**

The period of Book Closure is fixed from Thursday, 28<sup>th</sup> July 2022 to Wednesday, 03<sup>rd</sup> August 2022 (both days inclusive).

**(d) 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 2022 - 2023 has been paid. (Stock Code: KOTARISUG). ISIN: INE419A01022.

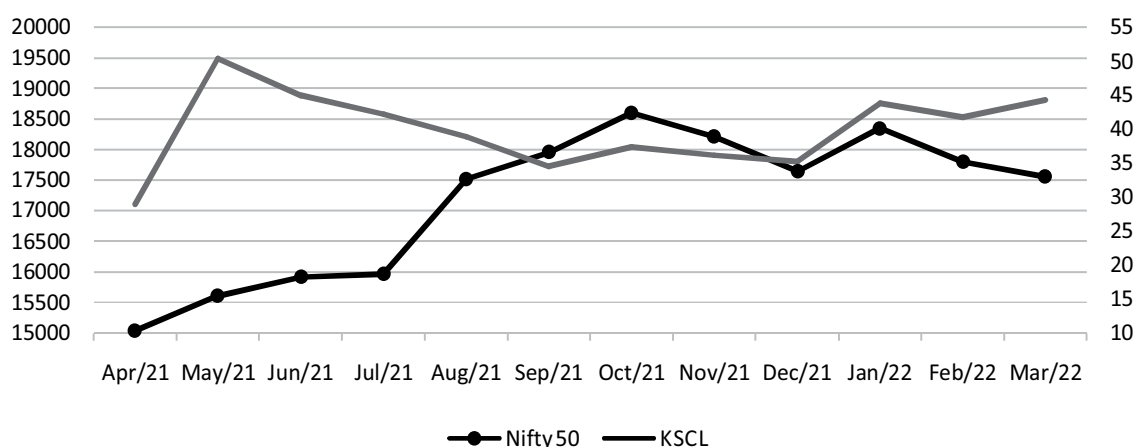
**(e) Details of the outstanding ADRs / GDRs / Warrants or Convertible Instruments: Nil**



## (f) Stock Market Data

FY 2021 - 22	Kothari Sugars and Chemicals Limited Share Price			Nifty 50		
Month	High	Low	Volume of shares traded	High	Low	Volume of shares traded
Apr 2021	28.90	23.30	1,15,60,621	15,044.35	14,151.40	9,64,01,29,394
May 2021	50.35	23.75	4,75,59,266	15,606.35	14,416.25	10,26,97,51,390
Jun 2021	45.00	35.60	1,74,30,625	15,915.65	15,450.90	8,07,90,93,816
Jul 2021	42.25	35.90	70,14,905	15,962.25	15,513.45	5,99,67,44,162
Aug 2021	38.85	30.90	37,66,444	17,513.50	15,834.65	6,34,98,67,214
Sep 2021	34.50	30.25	28,61,955	17,947.65	17,055.05	6,95,55,27,074
Oct 2021	37.40	30.65	68,01,249	18,604.45	17,452.90	7,65,10,78,812
Nov 2021	36.15	29.60	42,94,339	18,210.15	16,782.40	5,85,34,08,560
Dec 2021	35.20	29.20	50,50,947	17,639.50	16,410.20	5,49,92,73,903
Jan 2022	43.80	32.95	1,94,28,330	18,350.95	16,836.80	5,43,54,47,093
Feb 2022	41.70	29.80	78,52,460	17,794.60	16,203.25	5,62,02,92,631
Mar 2022	44.25	31.80	88,09,028	17,559.80	15,671.45	7,95,97,08,234

## Performance of the Company Share Price Vs Nifty 50

(g) Distribution of Shareholding as on 31<sup>st</sup> March 2022

(Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Paid up Capital
Upto 5000	31,483	3,70,41,480
5001-10000	2,877	2,47,01,250
10001-20000	1,411	2,22,69,310
20001-30000	519	1,35,61,490
30001-40000	206	74,50,590
40001-50000	262	1,27,10,980
50001-100000	273	2,09,64,830
100001 and above	188	69,01,85,870
<b>Total</b>	<b>37,219</b>	<b>82,88,85,800</b>

**(h) 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 2022 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 are reconciled. 8,28,40,696 equity shares representing 99.94% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2022.

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

M/s. Cameo Corporate Services Limited, having its registered office at Subramanian Building, 5<sup>th</sup> Floor 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.

**(j) 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 2021 - 2022.

**(k) 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 - Keezhapalur, Ariyalur Taluk, Ariyalur Dist - 621 707, Tamilnadu. Phone Nos.: 04329-320800, Fax No.: 04329 - 209730

**(l) Address for Correspondence**

Company's Registered Office	Company 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, 5 <sup>th</sup> Floor, No.1, Club House Road, Chennai - 600 002 Tel. No.: 044 - 28460390 (5 Lines) / 40020700 Fax No.: 044 - 28460129 Email :investor@cameoindia.com

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

ICRA Limited a credit rating agency has rated the following facilities which are availed from Bank as detailed below.

Sl. No.	Facility	Amount (₹ in Crores)	Previous Rating	Revised Rating	Remarks
(i)	Cash Credit	100.00	[ICRA] BBB-(Stable)	[ICRA] BBB (Stable)	Upgraded
(ii)	Term Loan	15.93	[pronounced as ICRA triple B minus]	[pronounced as ICRA triple B]	
(iii)	Non Fund based limits	5.00	[ICRA] A3 [pronounced as ICRA A three]	[ICRA] A2 [pronounced as ICRA A two]	Upgraded
<b>Total</b>		<b>120.93</b>			

**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 personnel have 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 56<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> September 2017 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 61<sup>st</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. M/s. P. Chandrasekar LLP, Chartered Accountants would be re-appointed for another period of 5 consecutive years as the Statutory Auditor of the Company from the conclusion of 61<sup>st</sup> AGM till the conclusion of 66<sup>th</sup> AGM, if approved by the Shareholders at this ensuing AGM.

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 2021 - 2022 to M/s. P. Chandrasekar LLP, Chartered Accountants is given below:

Sl. No.	Description of the Service	Fees (Amount in ₹)
(i)	Statutory Audit	4,00,000
(ii)	Limited Review Report	1,50,000
(iii)	Other Certification charges	10,000
	<b>Total</b>	<b>5,60,000</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 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 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 2021 - 2022.

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

Place : Chennai  
Date : May 24, 2022

**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, 2022.

**for Kothari Sugars and Chemicals Limited**

Place : Chennai  
Date : May 24, 2022

**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 2022 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 24, 2022

**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, 2022 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)

Place: Chennai  
Date : May 09, 2022

**M. Alagar**  
Managing Partner  
FCS No. 7488 / C P No. 8196  
UDIN: F007488D000290672



**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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In our opinion and to the best of our 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 on March 31, 2022 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.	DIN	Name of the Director	Date of Appointment / Re-appointment
1.	00020119	Ms. Nina Bhadrashyam Kothari	27.05.2014
2.	07117816	Mr. Arjun B. Kothari	08.04.2015 (Re-appointment 01.09.2019)
3.	08145634	Mr. M. Silvester Goldwin	01.08.2018 (Re-appointment 01.08.2021)
4.	00019843	Mr. P.S. Balasubramaniam	08.11.2013 (Re-appointment 01.04.2019)
5.	00020898	Mr. V.R. Deenadayalu	27.04.2009 (Re-appointment 01.04.2019)
6.	00001446	Mr. P.S. Gopalakrishnan	12.06.1995 (Re-appointment 01.04.2019)
7.	01606522	Mr. C.V. Krishnan	28.05.2018

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)

**M. Alagar**

Managing Partner

FCS No. 7488 / C P No. 8196

UDIN: F007488D000290705

Place: Chennai

Date : May 09, 2022

## INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

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, 2022, 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, 2022, 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.	<b>Quantity of raw materials</b> 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.	<b>Our audit procedures included:</b> <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.	<b>Contingent liabilities</b> The Company has material amounts of disputed statutory levies such as Goods and Service Tax, Excise Duty, Customs Duty and Electricity taxes, which have not been paid pending adjudication by the respective authority. Refer to Note 42 of the Financial Statements.	<b>Our audit procedures included:</b> <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 IndAS 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:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financials 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.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations in Note 42 to the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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.

Place: Chennai

Date : 24<sup>th</sup> May 2022

- v. The Company has not declared or paid any dividend during the year ending 31<sup>st</sup> March 2022. Hence reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

**S. Raghavendhar**  
Partner  
Membership No.: 244016  
UDIN : 22244016ALFGRJ7843



**Annexure - A to the Independent Auditor's Report for the year ended 31<sup>st</sup> March 2022**

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, 2022.

**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, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**S. Raghavendhar**  
Partner

Place : Chennai  
Date : 24<sup>th</sup> May 2022

Membership No.: 244016  
UDIN: 22244016ALFGRJ7843

**Annexure - B to the Independent Auditor's Report for the year ended 31<sup>st</sup> March 2022**

**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, 2022**

**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) 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.
  - 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.
  - 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.
  - The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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.
- (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 to the appropriate authorities. There were no undisputed amounts payable which were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they become payable.
- (b) Details of dues of various taxes and statutory dues not deposited on account of disputes as of 31<sup>st</sup> March 2022 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*	1.32	CESTAT	Mar 2011 to May 2011
Central Excise Act, 1944	Excise Duty*	80.76	CESTAT	April 1997 to December 1997

Name of the Statute	Nature of the Dues	Amount* (₹ in lakhs)	Forum where the dispute is pending	Period to which the dues belong to
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	786.59		

*\*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) In our opinion and according to the information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.  
 (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 withing one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts that are 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, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**S. Raghavendhar**  
Partner

Place : Chennai  
Date : 24<sup>th</sup> May 2022

Membership No.: 244016  
UDIN: 22244016ALFGRJ7843



**BALANCE SHEET AS AT MARCH 31, 2022**

(₹ in Lakhs)

S.No	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>A</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	15,063.63	16,096.85
	(b) Capital Work in Progress	2	50.75	3.60
	(c) Investment Property	3	107.93	110.30
	(d) Intangible Assets other than goodwill	4	10.24	15.17
	(e) Right-of-use of assets	4a	90.76	-
	(f) Financial Assets			
	(i) Other financial assets other than loans	7	588.77	99.69
	(g) Other Non-Current Assets	8	18.89	30.84
	<b>Total non-Current Assets</b>		<b>15,930.97</b>	<b>16,356.45</b>
	<b>Current Assets</b>			
	(a) Inventories	9	12,789.51	8,547.06
	(b) Financial Assets			
	(i) Investments	5	7,146.98	5,830.99
	(ii) Trade Receivables	6	2,483.04	2,108.76
	(iii) Cash and Cash Equivalents	10	24.60	27.19
	(iv) Bank balances other than (iii) above	11	9.43	14.04
	(v) Other Financial assets	7	271.39	357.14
	(c) Current tax assets (Net)	12	-	137.64
	(d) Other current Assets	8	774.08	639.61
	<b>Total Current Assets</b>		<b>23,499.03</b>	<b>17,662.43</b>
	<b>TOTAL ASSETS</b>		<b>39,430.00</b>	<b>34,018.88</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	13	8,288.86	8,288.86
	(b) Other Equity	14	13,711.98	10,336.11
	<b>Total Equity</b>		<b>22,000.84</b>	<b>18,624.97</b>
	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	45.13	745.13
	(ii) Lease Liabilities	4b	89.60	-
	(b) Deferred Tax Liabilities	34	2,725.85	2,921.92
	<b>Total Non-Current Liabilities</b>		<b>2,860.58</b>	<b>3,667.05</b>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	16	5,551.81	2,843.78
	(ii) Lease liabilities	4b	4.20	-
	(iii) Trade Payables			
	(a) Total Outstanding dues to Micro and Small Enterprises	17	-	-
	(b) Total Outstanding dues of creditors other than Micro and Small Enterprises	17	7,729.57	8,140.67
	(iv) Other Financial Liabilities	18	211.26	218.59
	(b) Short term Provisions	20	446.55	248.41
	(c) Current Tax Liabilities (Net)	19(a)	44.76	-
	(d) Other Current Liabilities	19	580.43	275.41
	<b>Total Current Liabilities</b>		<b>14,568.58</b>	<b>11,726.86</b>
	<b>Total Liabilities</b>		<b>17,429.16</b>	<b>15,393.91</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,430.00</b>	<b>34,018.88</b>

The accompanying notes are an 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 24, 2022

For and on behalf of the Board of Directors

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

**P.S.Gopalakrishnan**  
Director  
DIN: 00001446

**R. Prakash**  
Company Secretary

**R. Krishnan**  
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022** (₹ in Lakhs)

S.No	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	<b>Revenue from Operations</b>	21	<b>42,348.59</b>	<b>41,948.50</b>
II	<b>Other Income</b>	22	<b>679.41</b>	<b>472.07</b>
III	<b>Total Income (I+II)</b>		<b>43,028.00</b>	<b>42,420.57</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	23	32,473.10	27,262.29
	Changes in Inventories of finished goods, work-in-progress and stock in trade	24	(4,028.11)	3,903.60
	Employee benefit expenses	25	2,564.32	2,546.37
	Finance costs	26	409.80	509.87
	Depreciation and amortisation expense	27	1,409.73	1,379.35
	Other expenses	28	6,372.98	4,971.66
	<b>Total Expenses (IV)</b>		<b>39,201.82</b>	<b>40,573.15</b>
V	<b>Profit before exceptional items and Tax (III-IV)</b>		<b>3,826.18</b>	<b>1,847.43</b>
VI	<b>Exceptional items - (Expenses) / Income</b>	29	<b>109.93</b>	<b>497.08</b>
VII	<b>Profit before Tax (V - VI)</b>		<b>3,936.11</b>	<b>2,344.51</b>
VIII	<b>Tax Expense:</b>			
	1) Current tax		728.96	460.76
	2) Deferred tax		(196.07)	(18.09)
	<b>Total Tax expenses</b>		<b>532.89</b>	<b>442.67</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>3,403.22</b>	<b>1,901.84</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		(38.59)	105.42
	(ii) Income tax relating to items that will not be re-classified to profit or loss		11.24	(30.70)
	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>(27.35)</b>	<b>74.72</b>
XI	<b>Total Comprehensive Income (IX+X)</b>		<b>3,375.87</b>	<b>1,976.56</b>
XII	<b>Earnings Per Equity Share (Nominal value per share ₹10/-)</b>			
	(a) Basic (₹)	38	4.11	2.29
	(b) Diluted (₹)	38	4.11	2.29

The accompanying notes are an 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 24, 2022

For and on behalf of the Board of Directors

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

**P.S.Gopalakrishnan**  
Director  
DIN: 00001446

**R. Prakash**  
Company Secretary

**R. Krishnan**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY**

(₹ in Lakhs)

**A. Equity Share Capital as at 31.03.2022**

Balance as on a April 01, 2021	Changes in Equity share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during 2021-22	Balance as on March 31, 2022
8288.86	-	-	-	8,288.86

**A. Equity Share Capital as at 31.03.2021**

Balance as on a April 01, 2020	Changes in Equity share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during 2020-21	Balance as on March 31, 2021
8288.86	-	-	-	8,288.86

**B. Other Equity as at 31.03.2022**

(₹ in Lakhs)

Reserves and Surplus						
Particulars	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Other Items of other Comprehensive Income	Total
Balance at April 01, 2021	1,400.00	750.00	1,178.60	7,007.51	-	10,336.11
Changes in accounting policy of prior period errors	-	-	-	-	-	-
Restated Balance at April 01, 2021	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(27.35)	-	(27.35)
Transfer to retained earnings	-	-	-	3,403.22	-	3,403.22
<b>Balance at March 31, 2022</b>	<b>1,400.00</b>	<b>750.00</b>	<b>1,178.60</b>	<b>10,383.38</b>	<b>-</b>	<b>13,711.98</b>

**B. Other Equity as at 31.03.2021**

(₹ in Lakhs)

Reserves and Surplus						
Particulars	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Other Items of other comprehensive Income	Total
Balance at April 01, 2020	1,400.00	750.00	1,178.60	5,030.95	-	8,359.55
Changes in accounting policy of prior period errors	-	-	-	-	-	-
Restated Balance at April 01, 2020	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	74.72	-	74.72
Transfer to retained earnings	-	-	-	1,901.84	-	1,901.84
<b>Balance at March 31, 2021</b>	<b>1,400.00</b>	<b>750.00</b>	<b>1,178.60</b>	<b>7,007.51</b>	<b>-</b>	<b>10,336.11</b>

The accompanying notes are an integral part of these financial Statements

Vide our report of even date

For and on behalf of the Board of Directors

**For P.Chandrasekar LLP**

Chartered Accountants

FRN : 000580S/S200066

**Arjun B Kothari**

Managing Director

DIN: 07117816

**P.S.Gopalakrishnan**

Director

DIN: 00001446

**S. Raghavendhar**

Partner

Membership No. 244016

Place : Chennai

Date : May 24, 2022

**R.Prakash**

Company Secretary

**R.Krishnan**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>A.</b>	<b>Cash flow from operating activities</b>				
	<b>Profit before tax</b>		<b>3,936.11</b>		<b>2,344.51</b>
	<b>Adjustments for:</b>				
	Depreciation and Amortisation	1,409.73		1,379.35	
	Finance Costs (net)	409.80		509.87	
	Dividend Income	(0.87)		-	
	Rental Income from Investment Property	(21.66)		-	
	Profit on sale of Fixed Assets (net)	(0.73)		(22.49)	
	Bad Debts Written off	43.86		2.15	
	Interest Income	(121.68)		(39.67)	
	Liability no longer required written back	(22.30)		(58.58)	
	Net (Gain) / Loss arising on FVPTL Transactions	(241.98)		(243.79)	
	Loss / (gain) on sale of investments	(38.09)	1,416.09	(42.88)	1,483.97
			<b>5,352.20</b>		<b>3,828.48</b>
	<b>Operating profit before working capital changes</b>				
	<b>Changes in operating assets and liabilities</b>				
	Adjustments for (increase) / decrease in:				
	Trade and other receivables	(418.14)		622.36	
	Inventories	(4,242.45)		3,869.54	
	Other Assets	701.99		1,092.06	
	Other Financial Assets	(408.39)		(18.80)	
	Trade Payable	(411.10)		465.94	
	Other Liabilities	(155.93)		(1,478.26)	
	Other Financial Liabilities	(7.33)	(4,941.35)	194.76	4,747.60
	<b>Cash generated from operations</b>		<b>410.85</b>		<b>8,576.08</b>
	Less :Direct taxes paid net of refund		679.35		414.13
	<b>Net cash generated from operating activities</b>		<b>(268.50)</b>		<b>8,161.96</b>
<b>B.</b>	<b>Cash flow from investing activities</b>				
	Purchase of Property,Plant and Equipment including capital advances		(426.15)		(397.64)
	Proceeds from sale Investment property		-		23.50
	Advances to Capital Creditors		(18.89)		(30.84)
	Proceeds from sale Fixed Assets		1.09		-
	(Purchase) / Sale of investments(net)		(1,074.01)		(2,573.20)
	Gain on Investment		38.09		42.88
	Short Term Capital gains tax		(6.65)		-
	Rental Income from Investment Property		20.76		-
	Interest received		119.93		36.97
	Dividend received		0.87		-
	<b>Net cash used in investing activities</b>		<b>(1,344.96)</b>		<b>(2,898.33)</b>
<b>C.</b>	<b>Cash flow from Financing activities</b>				
	Term loan Borrowings		-		1,069.51
	Repayment Term loan Borrowings		(730.37)		(680.84)
	Bank balances other than cash and cash equivalents		4.61		4.69
	Lease Rent payment under Ind AS 116		(9.28)		-
	Finance Cost		(392.49)		(507.17)
	<b>Net cash used in financing activities</b>		<b>(1,127.53)</b>		<b>(113.81)</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		<b>(2,740.99)</b>		<b>5,149.81</b>
	<b>Reconciliation</b>				
	Cash and cash equivalents as at beginning of the year		(2,086.22)		(7,236.03)
	Cash and cash equivalents as at end of the year		(4,827.21)		(2,086.22)
	<b>Net (increase) / decrease in cash and cash equivalents</b>		<b>2,740.99</b>		<b>(5,149.81)</b>

The accompanying notes are an integral part of these financial Statements in terms of our report attached.

Vide our report of even date

For and on behalf of the Board of Directors

For P. Chandrasekar, LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No. 244016

Place : Chennai

Date : May 24, 2022

Arjun B. Kothari

Managing Director

DIN: 07117816

P.S.Gopalakrishnan

Director

DIN: 00001446

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.

#### SIGNIFICANT 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 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 the 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 case services rendered over a period of time revenue is recognized based on the progress measured in line with the receiver of service. In case of service rendered at a point in time, revenue is recognized on satisfaction of performance obligation.



**(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 on the basis of 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 recognise 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 recognise 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 recognises 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 amortised 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 asset 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.
- 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.

**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.

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 reasonable assurance that the Company will comply with the conditions attaching 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"

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

## 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. 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.

Gratuity for certain employees is covered under a Scheme of Reliance Nippon Life Insurance Co. Limited and contributions in respect of such scheme are recognized in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

## 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 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.

#### **MAT Credit**

Ideally 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.

#### **c. 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 to 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:

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 when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on 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 as follows software licenses 3 to 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 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) as a result 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, taking into account 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 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 in order 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 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 40.3.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss is included in the 'Other income' line item.

##### (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. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

##### (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.

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.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward looking information or case to case basis.

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

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company 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.

### **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 40.2.

#### **(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.

#### 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 notes 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 as a result of past events, and it is

probable that 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 37).

##### (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.

**1.23 Recent accounting pronouncements:**

On March 23, 2022, Ministry of Corporate Affairs "MCA" amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, the relevant key changes have been provided below:

Ind AS 16 - Property Plant and equipment: on directly attributable costs, the amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2022, the amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets: On Onerous contract, the amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.

Costs that relate directly to a contract consist of both -

- (a) the incremental costs of fulfilling that contract i.e., direct labour and materials; and
- (b) an allocation of other costs that relate directly to fulfilling contracts i.e., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

**Note - 2**
**PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amounts of</b>		
Freehold land	391.31	363.23
Building	1,887.30	2,009.57
Plant and Equipment	12,403.18	13,359.80
Furniture and Fixtures	63.77	25.75
Vehicles	318.07	338.50
<b>Total</b>	<b>15,063.63</b>	<b>16,096.85</b>
Capital work-in-progress	50.75	3.60
	<b>15,114.38</b>	<b>16,100.45</b>

**CWIP ageing Schedule**

(₹ in Lakhs)

CWIP	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	50.75				50.75
(ii) Projects temporarily Suspend					-
	<b>50.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.75</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Total
<b>Cost or Deemed cost</b>						
Balance at March 31, 2020	363.23	2,684.30	18,783.78	55.01	466.05	22,352.37
Additions	-	70.12	301.12	3.40	19.40	394.04
Disposals	-	-	-	-	-	-
Balance at March 31, 2021	363.23	2,754.42	19,084.90	58.41	485.45	22,746.41
Additions	28.07	-	274.57	42.85	33.51	379.00
Disposals	-	-	24.33	-	7.27	31.61
Balance at March 31, 2022	391.31	2,754.42	19,335.14	101.26	511.68	23,093.81

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Total
<b>Accumulated depreciation and impairment</b>						
Balance at March 31, 2020	-	631.06	4,531.81	27.62	87.03	5,277.52
Disposals	-	-	-	-	-	-
Depreciation expenses	-	113.79	1,193.29	5.04	59.92	1,372.03
Balance at March 31, 2021	-	744.85	5,725.10	32.66	146.95	6,649.56
Disposals	-	-	8.40	-	6.92	15.32
Depreciation expenses	-	122.27	1,215.27	4.82	53.58	1,395.94
Balance at March 31, 2022	-	867.12	6,931.96	37.48	193.61	8,030.18
Carrying amount as on March 31, 2021	363.23	2,009.57	13,359.80	25.75	338.50	16,096.85
Carrying amount as on March 31, 2022	391.31	1,887.30	12,403.18	63.77	318.07	15,063.63

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

## CWIP ageing Schedule as at 31.03.2022

CWIP	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	50.75	-	-	-	50.75

## CWIP ageing Schedule as at 31.03.2021

CWIP	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.60	-	-	-	3.60
	3.60	-	-	-	3.60

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 3**
**INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amounts of</b>		
Investment property	107.93	110.30
<b>Total</b>	<b>107.93</b>	<b>110.30</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	160.24	161.25
Disposal during the year	-	1.01
<b>Balance at end of the year</b>	<b>160.24</b>	<b>160.24</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	49.94	47.57
Depreciation expenses	2.37	2.37
<b>Balance at end of the year</b>	<b>52.31</b>	<b>49.94</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, 2022	As at March 31, 2021
Land and Building in Tamilnadu	1,491.02	1,173.73
Land and Building other than in Tamilnadu	1,240.72	1,415.76
<b>Total</b>	<b>2,731.74</b>	<b>2,589.49</b>

The fair value of the Company's investment properties as at March 31, 2022 and March 31, 2021 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, 2022	As at March 31, 2021
<b>Carrying amounts of</b>		
Software and licenses	10.24	15.17
<b>Total</b>	<b>10.24</b>	<b>15.17</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	65.10	65.10
Additions	-	-
<b>Balance at end of the year</b>	<b>65.10</b>	<b>65.10</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	49.93	45.00
Depreciation expenses	4.93	4.93
<b>Balance at end of the year</b>	<b>54.86</b>	<b>49.93</b>
<b>Carrying amount at the end of year</b>	<b>10.24</b>	<b>15.17</b>

## Note - 4a

## RIGHT-OF-USE OF ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amounts of</b>		
Asset under lease	90.76	-
<b>Total</b>	<b>90.76</b>	<b>-</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cost or Deemed cost</b>		
Balance at the beginning of the year	-	-
Additions	97.24	-
<b>Balance at end of the year</b>	<b>97.24</b>	<b>-</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Accumulated depreciation and impairment</b>		
Balance at the beginning of the year	-	-
Depreciation expenses	6.48	-
<b>Balance at end of the year</b>	<b>6.48</b>	<b>-</b>
<b>Carrying amount at the end of year</b>	<b>90.76</b>	<b>-</b>

## Note - 4b

## Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening net carrying balance</b>	<b>-</b>	<b>-</b>
Additions	97.24	-
Add: Accretion of interest	5.83	-
Less :Payments	9.28	-
<b>Total</b>	<b>93.79</b>	<b>-</b>
<b>Of which</b>		
Current	4.20	-
Non-Current	89.60	-
<b>Total</b>	<b>93.79</b>	<b>-</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 5 - INVESTMENTS**

(₹ in Lakhs)

Particulars	No. of Shares / Bonds/Units	As at March 31, 2022	No. of Shares / Bonds/Units	As at March 31, 2021
<b>I. Quoted Investments</b>				
<b>(a) Investments in Equity Instruments at FVTPL</b>				
KOTHARI PETROCHEMICALS LTD (₹10 EACH)	1,000	0.86	1,000	0.26
GUJARAT PETROSYNTHESIS LTD (₹ 10 EACH)	5,000	2.04	5,000	1.63
REC LTD	9,695	11.93	-	-
<b>Total</b>		<b>14.82</b>		<b>1.89</b>
<b>(b) Investments in Infrastructure Investment Funds (Invts)</b>				
INDIA GRID TRUST	96,765	142.45	-	-
POWERGRID INFRASTRUCTURE INVESTMENT TRUST	56,095	75.11	-	-
<b>Total</b>		<b>217.56</b>		<b>-</b>
<b>(c) Other Investments in Mutual Funds at FVTPL</b>				
ADITYA BIRLA SUNLIFE BANKING & PSU DEBT FUND	46,815	142.47	35,548	102.99
ADITYA BIRLA SUNLIFE CORPORATE BOND FUND	3,67,639	335.31	3,67,639	318.86
ADITYA BIRLA SUNLIFE FLOATING RATE FUND	77,889	220.85	77,889	210.83
ADITYA BIRLA SUNLIFE LIQUID FUND	26,391	90.56	1,03,920	344.53
ADITYA BIRLA SUNLIFE MONEY MANAGER FUND	33,566	100.33	-	-
ADITYA BIRLA SUNLIFE SHORT TERM FUND	7,92,794	321.39	7,92,794	304.87
ADITYA BIRLA SUNLIFE SAVINGS FUND	68,275	304.04	-	-
EDELWEISS BHARAT BOND FUND OF FUND	9,99,940	100.99	-	-
ETERNITY CAPITAL FUND - ALTERNATIVE INVESTMENT FUND	8,78,741	129.27	6,00,000	80.26
FRANKLIN INDIA ULTRA SHORT TERM BOND FUND	7,455	2.50	1,52,469	45.60
HDFC CORPORATE BOND FUND	3,98,928	105.64	3,98,928	100.46
HDFC FMP 1133 D - SERIES 44	20,00,000	252.37	20,00,000	242.36
HDFC MONEY MARKET FUND	8,937	416.02	8,937	399.86
HDFC SHORT TERM DEBT FUND	4,03,106	105.69	4,03,106	100.56
HDFC ULTRA SHORT TERM FUND	11,52,220	143.02	11,52,220	137.57
ICICI PRU CORPORATE BOND FUND	12,27,863	301.89	12,27,863	288.63
ICICI PRUDENTIAL SHORT TERM FUND	2,07,358	105.85	2,07,358	100.82
ICICI PRUDENTIAL ULTRA SHORT TERM FUND	21,55,503	515.40	8,84,321	202.31
IDFC BANKING AND PSU DEBT FUND	8,59,296	175.29	8,59,296	167.91
IDFC BOND FUND-SHORT TERM	5,40,831	264.99	5,40,831	253.45
IDFC CORPORATE BOND FUND	29,47,633	472.81	29,47,633	450.04
IDFC FIXED TERM PLAN SERIES 178	20,00,000	252.65	20,00,000	242.03
IDFC FLOATING RATE FUND	3,20,881	33.60	1,22,707	12.32
IDFC ULTRA SHORT TERM FUND	14,10,775	175.09	14,10,775	168.89
INVESCO INDIA MONEY MARKET FUND	3,950	100.36	-	-
KOTAK SAVINGS FUND	-	-	5,81,669	201.74
KOTAK CORPORATE BOND FUND	6,672	209.03	-	-
NIPPON INDIA FIXED HORIZON FUND-FMP	30,00,000	382.18	30,00,000	366.67
NIPPON INDIA BANKING & PSU DEBT FUND	6,12,373	105.66	6,12,373	100.56
NIPPON INDIA FLOATING RATE FUND	5,78,889	218.50	5,78,889	208.33
NIPPON INDIA LIQUID FUND	3,691	192.24	6,826	343.55
TATA BANKING & PSU DEBT FUND	8,60,139	102.17	-	-
TATA LIQUID FUND	3,008	101.10	-	-
UTI SHORT TERM INCOME FUND	3,82,014	102.22	-	-
Investments in Debentures carried at amortized cost				
11.03% NCD - TATA MOTORS FINANCE LIMITED	30	327.92	30	327.92
<b>Total</b>		<b>6,909.40</b>		<b>5,823.90</b>
<b>Total Quoted Investments</b>		<b>7,141.78</b>		<b>5,825.79</b>
<b>I. Un-quoted Investments</b>				
<b>a) Investments in Equity Instruments at FVTPL</b>				
BIO- TECH CONSORTIUM LTD (Rs..10 EACH)	50,000	5.00	50,000	5.00
KOTHARI SUGARS & CHEMICALS LTD - EMPLOYEES CO-OPERATIVE SOCIETY LTD OF Rs.10/- EACH.	2,086	0.20	2,086	0.20
<b>Total Un-quoted Investments</b>		<b>5.20</b>		<b>5.20</b>
<b>Total other Investments - Current</b>		<b>7,146.98</b>		<b>5,830.99</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 6

## TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Good - Secured	-	-
Considered Good - Unsecured	2,477.24	2,083.23
Significant Increase in credit risk	5.80	25.53
	<b>2,483.04</b>	<b>2,108.76</b>
<b>Current</b>	2,483.04	2,108.76
<b>Non-current</b>	-	-

## TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.22

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	303.64	938.45	-	1,235.14	-	-	2,477.24
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	5.80	-	-	5.80
(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>303.64</b>	<b>938.45</b>	<b>-</b>	<b>1,240.94</b>	<b>-</b>	<b>-</b>	<b>2,483.04</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**TRADE RECEIVABLES AGEING SCHEDULE AS AT 31.03.21**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	270.98	1,027.37	763.51	21.38	-	-	2,083.23
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	25.53	25.53
(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>270.98</b>	<b>1,027.37</b>	<b>763.51</b>	<b>21.38</b>	<b>-</b>	<b>25.53</b>	<b>2,108.76</b>

**Note - 7**
**OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>At Amortised Cost</b>				
<b>Unsecured, considered good</b>				
a) Security Deposit	88.77	99.69	78.00	153.98
b) Interest receivable	-	-	-	52.43
c) Deposits maturing after 12 months	500.00	-	-	-
<b>d) Advance recoverable in cash</b>				
(i) Unsecured and Considered good	-	-	193.39	150.74
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
<b>Total</b>	<b>588.77</b>	<b>99.69</b>	<b>271.39</b>	<b>357.14</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 8

## OTHER ASSETS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Balance with Customs and Central Excise / GST authorities	-	-	135.06	123.30
b) Capital advances to suppliers	18.89	30.84	-	-
c) Other advances to suppliers	-	-	168.11	286.23
<b>d) Advance recoverable in kind or for value to be received</b>				
(i) Unsecured and Considered good	-	-	470.91	230.08
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
<b>Total</b>	<b>18.89</b>	<b>30.84</b>	<b>774.08</b>	<b>639.61</b>

## Note - 9

## INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Raw Materials	380.94	227.73
b) Work-in-Process	470.46	364.25
c) Finished goods	11,325.62	7,403.74
d) Stores and spares	701.12	665.96
Less: Writedown of non-moving stores & spares	(88.63)	(114.62)
<b>Total</b>	<b>12,789.51</b>	<b>8,547.06</b>

The cost of inventories recognised as an expense during the year was ₹ 32473.10 Lakhs (2020-21 ₹ 27262.29 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, 2022	As at March 31, 2021
<b>a) Balances with Bank</b>		
(i) In Current account	10.75	15.24
(ii) In Deposit account	11.95	10.83
b) Cash on hand	1.90	1.12
<b>Total</b>	<b>24.60</b>	<b>27.19</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 11**
**OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Balances with banks in earmarked accounts</b>		
(i) In unclaimed Dividend account	8.81	13.94
(ii) In margin money accounts for Bank Guarantee issued	0.62	0.10
<b>Total</b>	<b>9.43</b>	<b>14.04</b>

**Note - 12**
**CURRENT TAX ASSET**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax refund receivable (net)	-	137.64
<b>Total</b>	<b>-</b>	<b>137.64</b>

**Note - 13**
**EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>AUTHORISED</b>		
Equity Shares :		
13,00,00,000 Equity shares of ₹ 10/- each (March 31, 2021 - 13,00,00,000)	13,000.00	13,000.00
12,00,000 Redeemable Preference shares of ₹ 100/- each (March 31, 2021 - 12,00,000)	1,200.00	1,200.00
20,00,000 Redeemable Preference shares of ₹ 10/- each (March 31, 2021 - 20,00,000)	200.00	200.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
8,28,88,580 (March 31, 2021) Equity Shares of ₹ 10/- each	8,288.86	8,288.86
<b>Total</b>	<b>8,288.86</b>	<b>8,288.86</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Shares held by Promoter at the end of the year	As at 31 <sup>st</sup> March 2022		
Promoter Name	No. of shares	% of the total shares	% Change during the year
(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	-	-	-

Shares held by Promoter at the end of the year	As at 31 <sup>st</sup> March 2021		
Promoter Name	No. of shares	% of the total shares	% Change during the year
(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	-	-	-

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

Reconciliation	2021-22		2020-21	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
<b>Equity Shares of Rs.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

**13.2 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, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Parvathi Trading and Finance Co Pvt.Ltd (Holding Company)	5,81,86,610	70.20	5,81,86,610	70.20

**13.3 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 14**
**OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve	1,400.00	1,400.00
Debenture Redemption Reserve	750.00	750.00
General Reserve	1,178.60	1,178.60
Retained earnings	10,383.38	7,007.51
<b>Total</b>	<b>13,711.98</b>	<b>10,336.11</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<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.

(₹ in Lakhs)

<b>b) Debenture Redemption Reserve</b>		
Opening balance	750.00	750.00
Add: Appropriation from statement of Profit and Loss	-	-
<b>Closing Balance</b>	<b>750.00</b>	<b>750.00</b>
<b>c) General Reserve</b>		
Opening balance	1,178.60	1,178.60
<b>Closing Balance</b>	<b>1,178.60</b>	<b>1,178.60</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	7,007.51	5,030.95
Less: Dividend on Equity Shares	-	-
Profit / (Loss) for the year	<b>3,375.87</b>	<b>1,976.56</b>
<b>Closing Balance</b>	<b>10,383.38</b>	<b>7,007.51</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>13,711.98</b>	<b>10,336.11</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note - 15****NON-CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Secured - at amortised cost</b>				
i) Term Loans from Banks	45.13	745.13	700.00	700.00
ii) Development Fund (Govt.of India)	-	-	-	30.38
<b>Sub-Total</b>	<b>45.13</b>	<b>745.13</b>	<b>700.00</b>	<b>730.37</b>
<b>Grand Total</b>	<b>45.13</b>	<b>745.13</b>	<b>700.00</b>	<b>730.37</b>

**SUMMARY OF BORROWING ARRANGEMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Rate of interest %	Amount of each installment	Security	Terms of Repayment
Sathamangalam unit Cane development (Tranche II)	-	30.38	7.00	30.38	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.	Loan fully settled
Kattur Distillery Plant Modernisation	311.80	611.80	8.75	25.00	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
COVID-19 Emergency line of Credit	433.33	833.33	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
<b>Total</b>	<b>745.13</b>	<b>1,475.51</b>				

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 16**
**SHORT TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured - at amortised cost</b>		
Loan repayable on demand (refer note a below)	<b>4,851.81</b>	<b>2,113.41</b>
Current maturities of long term borrowings	<b>700.00</b>	<b>730.37</b>
<b>Total</b>	<b>5,551.81</b>	<b>2,843.78</b>

a) Working capital facilities of Rs.4851.81 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

**Note - 17**
**TRADE PAYABLES AGEING SCHEDULE AS AT 31.03.22**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(i) Others	1,325.66	1,932.26	17.13	11.64	72.38	3,359.06
(iii) Disputed dues						
MSME	-	-	-	-	-	-
Others	-	595.05	183.82	988.28	2603.36	4,370.51
<b>Total</b>	<b>1,325.66</b>	<b>2,527.31</b>	<b>200.95</b>	<b>999.91</b>	<b>2,675.74</b>	<b>7,729.57</b>

During the course of the current financial year we have obtained details relating to MSME Vendors. Based on the available information we have identified the outstanding as at March 31, 2022.

**TRADE PAYABLES AGEING SCHEDULE AS AT 31.03.21**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(i) Others	1,185.88	3,024.03	12.81	15.59	56.55	4,294.86
(iii) Disputed dues						
MSME	-	-	-	-	-	-
Others	-	182.62	989.36	720.60	1,953.22	3,845.80
<b>Total</b>	<b>1,185.88</b>	<b>3,206.65</b>	<b>1,002.17</b>	<b>736.19</b>	<b>2,009.78</b>	<b>8,140.67</b>

During the course of the current financial year we have obtained details relating to MSME Vendors. Based on the available information we have identified the outstanding as at March 31, 2021.

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

(₹ in Lakhs)

Particulars	Current		Non-Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>At Amortised Cost</b>				
(a) Interest accrued but not due on borrowings	5.06	10.65	-	-
(b) Unclaimed dividends (refer note 18.1 & 18.2)	8.81	13.94	-	-
Advances and Deposits repayable in cash	38.00	16.75	-	-
Other Miscellaneous liabilities	31.72	36.38	-	-
(c) Employee related	127.67	140.87	-	-
<b>Total</b>	<b>211.26</b>	<b>218.59</b>	<b>-</b>	<b>-</b>

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

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

**Note - 19****OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc)	-	-	337.09	52.67
b) Advances and Deposits from Customers / others	-	-	106.38	20.14
c) Deferred revenue arising from Interest free deposit	-	-	21.07	12.41
d) Gratuity payable	-	-	115.89	190.19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>580.43</b>	<b>275.41</b>

**Note - 19(a)**

(₹ in Lakhs)

CURRENT TAX LIABILITY (Net)	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Income Tax Payable	-	-	44.76	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>44.76</b>	<b>-</b>

**Note - 20****PROVISIONS**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Compensated absences including Bonus	-	-	114.89	84.94
b) Related to expenses	-	-	331.66	163.47
<b>Total</b>	<b>-</b>	<b>-</b>	<b>446.55</b>	<b>248.41</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

**Note - 21**
**REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Sale of Products	41,941.23	41,584.24
	<b>41,941.23</b>	<b>41,584.24</b>
(b) Other operating revenues		
Technical service fee	351.38	319.44
Scrap sales	55.98	44.83
<b>Total</b>	<b>42,348.59</b>	<b>41,948.50</b>

Sale of products is net of commission on sales and discount of ₹ 47.30 lakhs (Previous year ₹ 92.94 lakhs)

**Note - 22**
**OTHER INCOME**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income		
On bank deposits and others	119.28	37.30
(b) Dividend Income		
From equity and Mutual Funds	0.87	-
(c) Other gains or losses		
Profit on sale of Fixed Assets (net)	0.73	22.49
Net gain arising on financial assets designated as at FVTPL	241.98	236.71
Profit on sale of investments	38.09	49.96
(d) Other non-operating income		
Operating lease rental from Investment property	28.85	27.39
Insurance claims received	12.87	15.00
Liability no longer required written back	22.30	58.58
Interest income others	2.40	2.70
Sale of Export License (Quota)	210.53	-
Other Miscellaneous income	1.52	21.94
<b>Total</b>	<b>679.41</b>	<b>472.07</b>

**Note - 23 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sugarcane	26,452.91	22,255.96
Coal	25.21	13.32
Others (Molasses etc)	5,097.89	4,369.68
Chemical and Others	476.71	328.77
Packing	420.38	294.57
<b>Total</b>	<b>32,473.10</b>	<b>27,262.29</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stock:</b>		
<b>Finished goods</b>		
Sugar	5,954.41	10,429.54
Molasses	548.68	226.27
Industrial Alcohol	900.65	888.27
<b>Work in progress</b>		
Sugar	353.85	121.83
Molasses	10.39	5.68
<b>Sub-total (A)</b>	<b>7,767.98</b>	<b>11,671.59</b>
<b>Closing Stock:</b>		
<b>Finished goods</b>		
Sugar	11,046.47	5,954.41
Molasses	193.91	548.68
Industrial Alcohol	85.25	900.65
<b>Work in progress</b>		
Sugar	457.64	353.85
Molasses	12.82	10.39
<b>Sub-total (B)</b>	<b>11,796.09</b>	<b>7,767.98</b>
<b>Net change (Increase) / Decrease (A-B)</b>	<b>(4,028.11)</b>	<b>3,903.60</b>

## Note - 25

## EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries, Wages and Bonus	2,198.67	1,984.43
(b) Contribution to Provident and other Funds	245.16	435.96
(c) Workmen and Staff welfare expenses	120.49	125.97
<b>Total</b>	<b>2,564.32</b>	<b>2,546.37</b>

## Note - 26

## FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Interest on Cash Credit and Term loans	367.35	470.41
(ii) Lease liabilities	5.83	-
(iii) Other borrowing costs	36.62	39.46
<b>Total</b>	<b>409.80</b>	<b>509.87</b>

**Note - 27**
**DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation/amortisation on		
a) Property, Plant and Equipment	1,395.95	1,372.05
b) Investment property	2.37	2.37
c) Right-of-use of Assets	6.48	-
d) Intangible assets	4.93	4.93
<b>Total</b>	<b>1,409.73</b>	<b>1,379.35</b>

**Note - 28**
**OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
a) Consumption of stores and spare parts	-	1,280.51	-	1,166.46
b) Power and Fuel	-	661.09	-	605.64
c) Rent	-	115.44	-	79.99
d) Repairs-Buildings	-	-	226.52	-
e) Repairs-Machinery	-	-	789.42	-
f) Repairs-Others	156.08	1,253.02	105.47	1,121.42
g) Biocompost	-	114.32	-	91.73
h) Insurance	-	136.25	-	120.97
i) Rates and Taxes	-	100.00	-	111.01
j) GST expunged (ineligible)	-	23.81	-	26.50
k) Freight & Clearing Expenses	-	1,522.98	-	759.99
l) Directors Sitting fees	-	9.80	-	9.70
m) Auditor's Remuneration (Ref.note 30)	-	5.50	-	5.50
n) Travelling Expenses	-	124.58	-	31.36
o) Professional Fees	-	205.76	-	132.70
p) State Excise duty	-	85.98	-	70.13
q) Research & Development Expenses	-	-	-	40.00
r) CSR expenditure	-	35.65	-	23.60
s) Bad Debts	-	43.86	-	2.15
t) Other Expenses	-	640.32	-	547.69
u) Miscellaneous Expenses	-	14.11	-	25.12
<b>Total</b>		<b>6,372.98</b>		<b>4,971.66</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 29 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Exceptional items</b>		
Electricity Related Matters (Refer note a)	(432.13)	-
Refund of VAT (Cane Cess -Refer note b)	-	47.86
Cane Transport Subsidy (Refer note c)	542.06	449.22
<b>Total</b>	<b>109.93</b>	<b>497.08</b>

## Notes

- (a) Relates to Interest demand on E - tax payment for the years 2002-03 till 2020-21 as per the Tamilnadu tax on consumption or sale of electricity Act 2003.
- (b) Relates to refund of VAT on cane cess paid for the year 2014-15.
- (c) Relates to cane transport subsidy given by Government of Tamilnadu for the sugar year 2019-20 and 2018-19 respectively for the current and previous year.

## Note - 30 PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Audit Fees - Statutory	4.00	4.00
b) Audit Fees - Limited audit review	1.50	1.50
<b>Total</b>	<b>5.50</b>	<b>5.50</b>

A sum of ₹ 0.10 lakhs was paid to Statutory auditors as certification fee (Previous year ₹ 0.10 lakhs).

## Note - 31

## DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Direct operating expenses arising from investment property that generated rental income during the year	2.31	2.88
Direct operating expenses arising from investment property that did not generate rental income during the year	1.50	1.52
<b>Total</b>	<b>3.81</b>	<b>4.40</b>

## Note - 32

## DIRECTORS REMUNERATION

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
b) Managing Director	61.60	61.52
b) Whole-time Director	83.56	74.00
c) Sitting Fees Non-executive directors	9.80	9.70
<b>Total</b>	<b>154.96</b>	<b>145.21</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 33**
**OPERATING LEASE ARRANGEMENTS (Company as Lessor)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income	28.85	27.39
<b>Total</b>	<b>28.85</b>	<b>27.39</b>

**Note - 34**
**DEFERRED TAX BALANCES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax assets	-	-
Deferred tax liabilities	(2,725.85)	(2,921.92)
<b>Total</b>	<b>(2,725.85)</b>	<b>(2,921.92)</b>

Year 2021-22	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	(2,817.80)	(263.75)	-	(2,554.06)
Provision compensated absences and others	30.67	(2.78)	-	33.46
Financial Assets at FVTPL	-134.79	70.46	-	(205.25)
Defined benefit obligation	-	-	-	-
<b>Total</b>	<b>(2,921.92)</b>	<b>(196.07)</b>	<b>-</b>	<b>(2,725.85)</b>
Tax losses	-	-	-	-
<b>Net Deferred tax Assets / (Liability)</b>	<b>(2,921.92)</b>	<b>(196.07)</b>	<b>-</b>	<b>(2,725.85)</b>
MAT credit entitlement	-	-	-	-
<b>Total</b>	<b>(2,921.92)</b>	<b>(196.07)</b>	<b>-</b>	<b>(2,725.85)</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Year 2020-21	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	(2,833.32)	(15.52)	-	(2,817.80)
Provision compensated absences and others	-29.23	(59.90)	-	30.67
Financial Assets at FVTPL	-79.47	55.32	-	(134.79)
Defined benefit obligation	2.01	2.01	-	-
<b>Total</b>	<b>(2,940.01)</b>	<b>(18.09)</b>	<b>-</b>	<b>(2,921.92)</b>
Tax losses		-	-	-
<b>Net Deferred tax (Assets) / Liability</b>	<b>(2,940.01)</b>	<b>(18.09)</b>	<b>-</b>	<b>(2,921.92)</b>
<b>Total</b>	<b>(2,940.01)</b>	<b>(18.09)</b>	<b>-</b>	<b>(2,921.92)</b>

## Note - 35

## INCOME TAXES RELATING TO CONTINUING OPERATIONS

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>Current tax</b>		
In respect of current year	728.96	460.76
In respect of Previous years	-	-
MAT credit availed	468.99	204.51
MAT Credit utilized	(468.99)	(204.51)
<b>Total</b>	<b>728.96</b>	<b>460.76</b>

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

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>Profit before tax from continuing operations</b>	<b>3,936.11</b>	<b>2,344.51</b>
Income tax expenses calculated at 29.12% (2020-21- 29.12%)	1,146.20	682.72
a) Tax effect on IT depreciaton and Book Depreciation	124.83	25.95
b) Fair value gains on Investments	(70.46)	(68.93)
c) MAT credit Utilized	(468.99)	(204.51)
d) Other Disallowances of income /Expenses	(2.61)	25.53
<b>Total</b>	<b>728.96</b>	<b>460.76</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 35 (Cont.)**

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>Deferred tax</b>		
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Re-measurement of defined benefit obligation	(38.59)	105.42
<b>Total income tax recognised in other comprehensive income</b>	<b>11.24</b>	<b>(30.70)</b>

**Note - 36**
**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.

**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.

## 36.1 Segment Reporting

## OPERATING SEGMENTS REVENUE AND RESULTS

(₹ in Lakhs)

Particulars	OPERATING SEGMENTS						Overall		
	Sugar		Co-generation		Distillery		Elimination		2020-21
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
<b>Revenue (Sales/Income)</b>									
External customers (Net of GST)	22,828.78	28,797.17	8,704.64	4,497.77	10,407.82	8,289.29	41,941.23	41,584.24	
Other operating revenue	407.36	364.27	-	-	-	-	407.36	364.27	
Excise duties on sales									
Inter-segment sales	2,968.40	2,462.84	2,159.30	1,835.49	168.98	160.70	(5,296.68)	(4,459.02)	
<b>Total</b>	<b>26,204.54</b>	<b>31,624.28</b>	<b>10,863.93</b>	<b>6,333.26</b>	<b>10,576.79</b>	<b>8,449.99</b>	<b>(5,296.68)</b>	<b>(4,459.02)</b>	
Operating Profit/ (Loss)	(1,411.05)	(510.99)	1,327.04	636.18	5,359.43	3,484.04			
Interest income									
Dividend income									
Other Unallocated income / (exp)									
Finance costs									
<b>Profit/(Loss) before tax</b>	<b>(1,411.05)</b>	<b>(510.99)</b>	<b>1,327.04</b>	<b>636.18</b>	<b>5,359.43</b>	<b>3,484.04</b>			
<b>Tax Expenses</b>									
Current tax	-	-	-	-	-	-			
Deferred tax	-	-	-	-	-	-			
<b>Total Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Net Profit after tax									
<b>Other information</b>									
Segment Assets	20,168.81	15,161.88	6,132.70	5,861.28	4,870.77	6,467.33			
Unallocated Corporate Assets									
<b>Total Assets</b>	<b>20,168.81</b>	<b>15,161.88</b>	<b>6,132.70</b>	<b>5,861.28</b>	<b>4,870.77</b>	<b>6,467.33</b>			
Segment Liabilities	6,429.64	6,632.95	2,032.64	1,903.54	453.53	788.00			
Unallocated Corporate Liabilities									
<b>Total Liabilities</b>	<b>6,429.64</b>	<b>6,632.95</b>	<b>2,032.64</b>	<b>1,903.54</b>	<b>453.53</b>	<b>788.00</b>			
Capital Expenditure	237.59	222.22	53.81	28.18	17.42	137.64			
Unallocated capital expenditure									
<b>Total Capital Expenditure</b>	<b>237.59</b>	<b>222.22</b>	<b>53.81</b>	<b>28.18</b>	<b>17.42</b>	<b>137.64</b>			
Depreciation	565.17	557.24	427.28	420.62	344.23	334.01			
Unallocated Depreciation									
<b>Total Depreciation</b>	<b>565.17</b>	<b>557.24</b>	<b>427.28</b>	<b>420.62</b>	<b>344.23</b>	<b>334.01</b>			
2021-22	41,941.23	41,584.24	41,941.23	41,584.24	41,941.23	41,584.24			
2020-21	407.36	364.27	407.36	364.27	407.36	364.27			
2021-22	42,348.59	41,948.50	42,348.59	41,948.50	42,348.59	41,948.50			
2020-21	5,275.41	3,609.23	5,275.41	3,609.23	5,275.41	3,609.23			
2021-22	119.28	37.30	119.28	37.30	119.28	37.30			
2020-21	0.87	-	0.87	-	0.87	-			
2021-22	(1,049.65)	(792.15)	(1,049.65)	(792.15)	(1,049.65)	(792.15)			
2020-21	(409.80)	(509.87)	(409.80)	(509.87)	(409.80)	(509.87)			
2021-22	3,936.11	2,344.51	3,936.11	2,344.51	3,936.11	2,344.51			
2020-21	728.96	460.76	728.96	460.76	728.96	460.76			
2021-22	(196.07)	(18.09)	(196.07)	(18.09)	(196.07)	(18.09)			
2020-21	532.89	442.66	532.89	442.66	532.89	442.66			
2021-22	3,403.22	1,901.84	3,403.22	1,901.84	3,403.22	1,901.84			
2020-21	31,172.28	27,490.48	31,172.28	27,490.48	31,172.28	27,490.48			
2021-22	8,257.72	6,528.40	8,257.72	6,528.40	8,257.72	6,528.40			
2020-21	39,430.00	34,018.88	39,430.00	34,018.88	39,430.00	34,018.88			
2021-22	8,915.81	9,324.48	8,915.81	9,324.48	8,915.81	9,324.48			
2020-21	8,513.35	6,069.43	8,513.35	6,069.43	8,513.35	6,069.43			
2021-22	17,429.16	15,393.91	17,429.16	15,393.91	17,429.16	15,393.91			
2020-21	308.82	388.04	308.82	388.04	308.82	388.04			
2021-22	70.18	6.00	70.18	6.00	70.18	6.00			
2020-21	379.00	394.04	379.00	394.04	379.00	394.04			
2021-22	1,336.68	1,311.87	1,336.68	1,311.87	1,336.68	1,311.87			
2020-21	73.04	67.48	73.04	67.48	73.04	67.48			
2021-22	1,409.73	1,379.35	1,409.73	1,379.35	1,409.73	1,379.35			

## 36.2 Geographical Information

(₹ in Lakhs)

Particulars	Rest of the world			India			Total	
	2021-22		2020-21	2021-22		2020-21	2021-22	
	2021-22	2020-21	2021-22	2021-22	2020-21	2021-22	2021-22	2020-21
Segment Revenue	-	-	-	42,348.59	41,948.50	42,348.59	42,348.59	41,948.50
Non-current asset \$	-	-	-	15,342.20	16,256.76	15,342.20	15,342.20	16,256.76

\$ Non-current assets exclude those relating to Investments, Deferred tax assets and Non-current assets.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note - 37**

**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 ₹ 152.88 Lakhs (2020-21 ₹ 138.11 Lakhs) for provident fund contribution and for superannuation fund contribution of ₹ 10.55 lakhs (2020-21 ₹ 8.41 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, 2022 by Mrs.V Subbulakshmi, 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 Comapny provided the gratuity benefit through annual contributions to a fund managed by the M/s. Reliance Nippon Life Insurance Company Limited and 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 occurance of losses relative to the expected retun on any particular investment which in 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**

During the year, Kothari Petrochemicals Limited which was hitherto participated in the common fund has created a separate trust for its employees, consequently an equitable interest transfer based on actuarial valuation were carried out.

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)	
	2021-22	2020-21
<b>Present value of obligations at the beginning of the year</b>	<b>835.36</b>	<b>577.54</b>
Less: Transfer to Kothari Petrochemicals Limited on policy split	(259.63)	-
Current service cost	53.47	429.79
Interest Cost	38.64	41.72
Re-measurement (gains) / losses:		
Actuarial gains and losses arising from change in financial assumption	(9.08)	-
Actuarial gains and losses arising from experience adjustment	36.35	(162.97)
<b>Benefits paid</b>	<b>(36.32)</b>	<b>(50.73)</b>
<b>Present value of obligations at the end of the year</b>	<b>658.79</b>	<b>835.36</b>
<b>Changes in the fair value of planned assets</b>		
Fair value of plan assets at the beginning of the year	551.54	471.41
Interest income	36.98	33.06
Return on plan assets	(11.32)	(5.66)
Funds Transfer to Kothari Petrochemicals	(280.34)	-
<b>Other (Taxes, Expenses)</b>	<b>(1.45)</b>	<b>-</b>
<b>Contributions by the employer</b>	<b>283.81</b>	<b>103.46</b>
Benefits paid	(36.32)	(50.73)
<b>Fair value of plan assets at the end of the year</b>	<b>542.91</b>	<b>551.54</b>
Amounts recognized in the Balance Sheet		
<b>Projected benefit obligation at the end of the year</b>	<b>658.79</b>	<b>835.36</b>
Fair value of plan assets at end of the year	542.91	551.54
Gross Liability	115.89	283.81
Less: share of obligation pertaining to Group Company under common Gratuity Trust	-	(93.62)
<b>Funded status of the plans - Liability recognized in the balance sheet</b>	<b>115.89</b>	<b>190.19</b>
<b>Components of defined benefit cost recognized in profit or loss</b>		
Current service cost	53.47	429.79
Net interest expenses	38.64	41.72
Net cost in Profit or Loss	<b>92.11</b>	<b>471.51</b>
Components of defined benefit cost recognized in Other Comprehensive income		
<b>Re-measurement on the net defined benefit liability:</b>		
-Actuarial gains and losses arising from change in financial assumption	(9.08)	-
-Actuarial gains and losses arising from experience adjustment	36.35	(162.97)
Return on plan assets	11.32	5.66
<b>Net Cost</b>	<b>38.59</b>	<b>(157.31)</b>
Less: Allocation to Group Company under common gratuity trust	-	(51.89)
<b>Net Cost in other Comprehensive Income</b>	<b>38.59</b>	<b>(105.42)</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>Assumptions</b>		
Discount rate	7.12%	6.93%
Interest Rate (Rate of return on assets)	-	7.00%
Expected rate of salary increase	5.50%	5.50%
Expected rate of attrition	2.00%	2.00%
Average age of members	41.27	40.50
Average remaining working Life	16.77	13.90
Mortality (IALM - 2006-08) Ultimate	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-22	31-Mar-21
(Gain) / Loss on Plan Liabilities	35.96	(162.97)
% of Opening Plan Liabilities	6.25	(28.22)
Gain / (Loss) on Plan Assets	11.32	(5.66)
% of Opening Plan Assets	2.05	(1.20)

**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 the M/s. Reliance Nippon Life Insurance Company Limited and ICICI Prudential Life insurance Co.Ltd. and therefore the composition of the fund assets is not presently ascertained.
- The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 115.89 lakhs (as on 31 March, 2021 ₹ 190.19 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, 2022	March 31, 2021
<b>Discount rate</b>			
Plus 100 basis points	8.12%	(44.17)	(33.25)
Minus 100 basis points	6.12%	50.53	35.59
<b>Salary Increase rate</b>			
Plus 100 basis points	6.50%	50.84	35.59
Minus 100 basis points	4.50%	(45.20)	(33.25)
<b>Attrition rate</b>			
Plus 100 basis points	3.00%	5.05	4.34
Minus 100 basis points	1.00%	(5.64)	(4.59)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE 38 EARNINGS PER SHARE

Particulars	2021-22	2020-21
Basic Earnings per share (₹)	4.11	2.29
Diluted Earnings per share (₹)	4.11	2.29

**38.1 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	2021-22	2020-21
<b>Profit after Taxation (₹ In Lakhs)</b>	<b>3,403.22</b>	<b>1,901.84</b>
Earnings used in the calculation of basic earnings per share (₹ lakh)	3,403.22	1,901.84
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 - 38.2****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	2021-22	2020-21
<b>Earnings used in the calculation of basic earnings per share</b>	<b>3,403.22</b>	<b>1,901.84</b>
Adjustments (if any)	-	-
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>3,403.22</b>	<b>1,901.84</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	2021-22	2020-21
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 - 39****39.1 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, 2022	As at March 31, 2021
<b>Equity</b>	<b>22,000.84</b>	<b>18,624.97</b>
Debt	5,551.81	2,843.78
Cash and cash equivalents	(24.60)	(27.19)
<b>Net debt</b>	<b>5,527.21</b>	<b>2,816.59</b>
<b>Total capital (Equity + Net debt)</b>	<b>27,528.05</b>	<b>21,441.56</b>
Net debt to capital ratio	0.20	0.13



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**39.2 Categories of financial instruments**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
a) Mandatorily measured:		
i) Equity instruments and Mutual Funds	<b>7,141.78</b>	<b>5,825.79</b>
<b>Measured at amortised cost</b>		
i) Cash and bank balances	34.03	41.23
ii) Other financial assets	-	-
<b>Measured at cost</b>		
i) Investments in equity instruments and others designated upon initial recognition	5.20	5.20
<b>Financial liabilities</b>		
Measured at amortised cost	45.13	745.13
Measured at FVTPL	38.00	16.75

**40.1 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 its 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.

**40.2 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 March 2022.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Non interest bearing	13,958.18	13,958.18	-	-	13,958.18
Fixed Interest rate instruments	745.13	700.00	45.13	-	745.13
<b>Total</b>	<b>14,703.31</b>	<b>14,658.18</b>	<b>45.13</b>	<b>-</b>	<b>14,703.31</b>

The table below provides details of financial assets as at 31, March 2022:

(₹ in Lakhs)

Particulars	Carrying amount
Trade receivables	2,483.04
Other Financial assets	8,041.17
<b>Total</b>	<b>10,524.21</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

The table below provides details regarding contractual maturities of financial liabilities as at 31<sup>st</sup> March 2021.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Total contracted cash flows
Non interest bearing	10,996.48	10,996.48	-	-	10,996.48
Fixed Interest rate instruments	1,475.51	730.37	745.13	300.00	1,475.51
<b>Total</b>	<b>12,471.99</b>	<b>11,726.85</b>	<b>745.13</b>	<b>300.00</b>	<b>12,471.99</b>

The table below provides details of financial assets as at 31<sup>st</sup> March 2021.

(₹ in Lakhs)

Particulars	Carrying amount
Trade receivables	2,108.76
Other Financial assets	6,329.05
<b>Total</b>	<b>8,437.81</b>

**40.3 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	Valuation techniques & Key inputs used
	As at March 31, 2022	As at March 31, 2021		
1) Investment in quoted instruments at FVTPL	7,141.78	5,825.79	Level 1	Refer Note 2
2) Financial liabilities	(38.00)	(16.75)	Level 2	Refer Note 2

\* Positive value denotes financial asset and negative value denotes financial liability

**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
a) Interest free rental deposit received	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 Lakhs)

Particulars	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 2	2,483.04	2,483.04	2,108.76	2,108.76
Cash and cash equivalents	Level 2	24.60	24.60	27.19	27.19
Bank balances other than cash and cash equivalents	Level 2	9.43	9.43	14.04	14.04
Other financial assets	Level 2	860.16	860.16	456.83	456.83

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	6,296.94	6,296.94	3,588.92	4,319.29
Trade payables	Level 2	-	-	-	-
Other financial liabilities	Level 2	211.26	211.26	218.59	218.59

1. 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.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**Note - 41**
**Related Party Transaction**

S. No.	Name of Related Party	Relationship
1	M/s. Parvathi Trading & Finance Company Private Limited	Holding Company
2	(i) M/s Kothari Petrochemicals Limited (ii) M/s Kothari Safe Deposit Limited	Under section 2(76)(v) of the Companies Act, 2013
3	(i) M/s Century Foods Private Limited (ii) M/s BHK Land holdings Private Limited (iii) M/s Kothari Biotech Private Limited	Under section 2(76)(iv) of the Companies Act, 2013
4	(i) M/s HCK Educational and Development Trust (ii) M/s Shyam Kothari Foundation	Under section 2(76)(vi) of the Companies Act, 2013
5	(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)
6	Mrs. Nina B Kothari - Chairperson	Non Independent Non-Executive Director (KMP)
7	Mrs. Anandita Arjun Kothari	Relative of Managing Director
8	Mrs. Nayantara B. Kothari	Relative of Chairperson and Managing Director
9	(i) Mr. P S Gopalakrishnan (ii) Mr. V R Deenadayalu (iii) Mr. P S Balasubramaniam (iv) Mr. C V Krishnan	Non Executive Independent Directors (KMP)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 41

## Transactions with Related Parties for the year ended March 31, 2022

(₹ in Lakhs)

Nature of Transactions	Under section 2(76) of the Companies Act, 2013														Key Management Personnel (KMP)				Non Independent Non Executive Director (KMP)	Non Executive Independent Directors (KMP)	
	BHK Land holdings Pvt. Ltd.		Kothari Petrochemicals Limited		Kothari Biotech Private Limited		Kothari Safe Deposit Limited		Shyam Kothari Foundation		HCK Educational and Development Trust		Arjun B Kothari Managing Director (KMP)		(WTD / CFO / CS) - KMP		Nina B. Kothari (Chairperson)	PS Gopalakrishnan VR Deenadayalu PS Balasubramaniam CV Krishnan			
	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021	2021- 2022	2020- 2021			
Lease Rent Paid	9.28	-	-	-	-	-	-	-	-	-	-	-	24.00	21.00	-	-	-	-	-		
Electricity charges	-	-	4.94	2.84	-	0.98	0.54	-	-	-	-	-	-	-	-	-	-	-	-		
Proceeds from sale of Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Travel and other reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rendering of Services (AMC and Techfee)	-	-	351.38	319.44	-	8.62	7.21	-	-	-	-	-	-	-	-	-	-	-	-		
Rent Received	-	-	7.20	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividend Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Sifting fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Management Consultancy service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.30	1.30	8.40		
Remuneration paid	-	-	-	-	-	-	-	-	-	-	-	-	61.60	61.52	156.59	139.67	30.00	30.00	-		
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Prepayment of Debentures and Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CSR expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Sale of Sanitizer	-	-	0.13	1.58	-	-	-	-	33.15	-	23.60	-	-	-	-	-	-	-	-		
Lease rent - Deposit	10.00	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Purchase of old equipment	-	-	-	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Closing Balance - Debit / (Credit)	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-		

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 42**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	242.67	82.03
<b>Other monies for which the Company is contingently liable</b>		
a) Bank Guarantees issue for Tenders.	5.01	43.61
b) Disputed Excise Duty and Customs demand (out of which ₹ 73.39 lakhs (2020-21 - ₹ 73.39 lakhs)) have been deposited under protest.	602.35	726.76
c) Disputed electricity matters.	1,228.12	1,579.77

Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

**Note - 43**

The Company has filed the monthly statement of current assets with the Bank and same are in agreement with the books of accounts.

**Note - 44**
**Corporate Social Responsibility (CSR)**

Particulars	2021 - 2022	2020 - 2021
(i) Amount required to be spent by the company during the year	35.65	23.60
(ii) Amount of expenditure incurred,	35.65	23.60
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Towards health care, creating health infrastructure including COVID Care, establishment of medical oxygen generation & storage plants etc.	Towards construction of additional class rooms / stair case for school located at Kattur, Lalgudi taluk, Tiruchirapalli.
(vii) Details of related party transactions.		
(a) Contribution to Shyam Kothari Foundation.	33.15	-
(b) Contribution to HCK Education and Development Trust.	-	23.60
(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.	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note - 45 Key Financial Ratios**

Description	Basis	U/M	2021-22	2020-21	Remarks / Explanation
Current Ratio	Current Assets / Current Liabilities	Times	1.61	1.51	Higher Inventory
Inventory turnover Ratio	Cost of sales / Average Inventory	Days	100	97	Lower sales / Higher inventory
Trade Payable Turnover Ratio	Net credit purchases / Average trade payables	Days	89	107	Higher short term borrowings
Trade Receivables Turnover Ratio	Net credit sales / Average trade receivables	Days	19	19	In line with the previous year.
Debt Equity Ratio	Total Liabilities / Equity	Times	0.79	0.83	Increase in networth due to higher PAT and repayment of Term Loans
Debt Service coverage Ratio	Net Profit + Depn.+ Interest (TL) / Interest +Term Loan paid	Times	6.12	4.15	Higher PAT and lower interest due to repayment of Term Loans
Net Capital Turnover Ratio	Revenue from operations / Average Working capital	Times	5.70	9.58	Increase in short term borrowings
Return on Investment	Investment Income / Average Investment	%	5.00	7.33	Lower due to mix of investment in short term and overall interest rate reduction due higher liquidity in the Market.
ROCE (Return on Capital employed)	Profit Before Tax / Total Equity+ Non Current Liabilities	%	15.83	10.52	Higher profit before tax and lower non current liabilities due to repayment of Term Loans
Return on Equity Ratio	Profit after Tax / Total Average Equity	%	16.75	10.78	Higher retained earnings due to product volume and margin mix
Net Profit [PAT]	Net Profit / Net sales	%	8.04	4.53	Higher due to product volume and margin mix

**Note - 46**

The financial statements were approved by the Board of Directors on May 24, 2022.

**Note - 47**

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 and on behalf of the Board of Directors**

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

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

**P.S.Gopalakrishnan**  
 Director  
 DIN: 00001446

**S. Raghavendhar**  
 Partner  
 Membership No. 244016

**R. Prakash**                      **R. Krishnan**  
 Company Secretary      Chief Financial Officer

Place : Chennai  
 Date : May 24, 2022



**KOTHARI SUGARS AND CHEMICALS LIMITED**

Regd. Office. "Kothari Buildings"

No. 115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034.