

Kothari

SUGARS AND CHEMICALS LTD

Kothari Sugars and Chemicals Ltd.

60th Annual Report 2020 - 21





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, 1st 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,
4th 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.

Legal Advisors

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

Registered Office

"Kothari Buildings"
No.115, Mahatma Gandhi Salai,
Nungambakkam, Chennai - 600 034.
Phone No. 044 - 30281595 / 30225507 / 43036464
e-mail : secdept@hckgroup.com
website : www.hckotharigroup.com/kscl

Registrar & Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building, 5th Floor,
No.1, Club House Road, Chennai - 600 002.
Phone No. 044 - 28460390 to 28460394
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,
Keezhalur, Ariyalur Taluk,
Ariyalur District, Tamil Nadu - 621 707.

Listing

The National Stock Exchange of India Limited (NSE)

Stock Code

KOTARISUG

ISIN

INE419A01022

CIN

L15421TN1960PLC004310

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FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
PROFITABILITY ITEMS					
Gross Revenue	42,472	35,720	34,956	29,218	32,195
Gross Profit (PBDIT)	3,737	3,266	4,732	3,320	4,153
Depreciation	1,379	1,297	1,281	1,386	1,463
Profit / (Loss) Before Interest & Tax	2,357	1,969	3,451	1,934	2,691
Finance Cost	510	702	704	650	811
Exceptional Items (Debit) / Credit	497	634	(465)	(1,018)	(622)
Profit/ (Loss) Before Tax	2,345	1,901	2,281	2,302	2,502
Income Tax	461	357	507	81	284
Deferred Tax	(18)	(397)	503	138	(75)
Profit/ (Loss) After Tax	1,902	1,942	1,271	2,084	2,293
BALANCE SHEET ITEMS					
Net Fixed Assets (incl. CWIP)	16,226	17,209	16,787	17,845	19,151
Investments	5,831	3,014	4,824	3,298	1,962
Other Current / Non current assets	11,962	17,105	17,808	16,482	17,698
Total Capital Employed	28,188	34,314	34,595	34,327	36,849
Shareholders Funds	18,625	16,648	15,206	13,937	13,212
OTHERS					
Book Value per share (₹)	22	20	18	17	16
EPS (₹)	2.29	2.34	1.53	0.06	1.26

NOTICE TO THE MEMBERS

Notice is hereby given that the 60th Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Friday, 30th July 2021 at 10.15 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

Ordinary Business:

- To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the Report of the Auditors thereon and Report of the Board of Directors.
- To appoint a Director in the place of Mr. M. Silvester Goldwin, (DIN: 08145634) who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

3. Ratification of Remuneration to Cost Auditor

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

"Resolved that subject to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, if any and Companies (Audit & Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus applicable taxes and re-imbursment of out of pocket expenses to Mr. K. Suryanarayanan, Cost Accountant in Practice for conducting the audit of cost records of the Sugar, Distillery & Co-gen units of the Company for the year 2021-2022, be and is hereby ratified and confirmed".

4. To consider and approve the Re-appointment of Mr. M. Silvester Goldwin as Whole Time Director of the Company

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

"Resolved that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. M. Silvester Goldwin, (DIN: 08145634) as the Whole Time Director of the Company for a period of three years with effect from 01st August 2021 upon the terms and conditions including remuneration as set out in this Resolution and sanctioned with authority to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment in such manner as the Board may deem fit but subject to complying applicable provisions of laws at that point of time and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose directorship is liable to retirement by rotation.

(a) Salary:

₹ 5,15,142/- (Rupees Five Lakhs Fifteen Thousand One Hundred and Fourty Two Only) per month.

(b) Perquisites:

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

(c) Contribution to funds:

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

(d) Annual Increment and Performance Bonus:

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

"Resolved further that in the event of there being inadequacy or absence of profits in any financial year during the currency of the tenure of the Whole Time Director, the above remuneration, and annual increment & performance bonus if any, excluding the perquisites mentioned under Section IV of Part II of Schedule V of Companies Act, 2013, shall be treated as minimum remuneration subject to limits mentioned under Section II of Part II of Schedule V of the Companies Act, 2013 or such other limit as may be prescribed by the Government from time to time shall be paid."

"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."

5. To adopt a new set of Articles of Association of the Company in line with Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to adopt new set of Articles of Association in the place of existing Articles of Association of the Company."

Resolved further that Mr. R. Prakash, Company Secretary, be and is hereby authorized to make any filings, disclosures and submissions as may be required under applicable laws and do all such acts, things and deeds as may be necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution."

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

Place : Chennai
Date : May 25, 2021

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 and Circular No.02/2021 dated January 13, 2021 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated January 15, 2021 and relevant Circulars of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. 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
- 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 and Attendance Slip 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 Saturday, the 24th July 2021 to Friday, 30th July 2021 (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.
- f) Members who have not encashed their dividend warrants / Demand Drafts are advised to write to the Company / RTA immediately claiming the dividends due

to them. 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

S. No.	Nature of Dividend	Date of Declaration of Dividend	Due Date for Transfer to IEPF on
(i)	Final Dividend	03.09.2014	08.10.2021
(ii)	Final Dividend	08.09.2017	14.10.2024
(iii)	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 declaration year 2014-15, 2017-18 and 2019-20, as on 31st March 2020 on the website of the IEPF viz. www.iepf.gov.in and also in the Company's Website www.hckotharigroup.com/kscl under "Investors Section".
- h) Members holding shares in Dematerialized form are requested to intimate immediately all changes pertaining to their Bank details NACH / NECS / ECS, mandates, nominations, power of attorney, change of address / name etc., to their Depository Participant only and not to the Company's Registrar and Share Transfer Agents (RTA). Changes intimated to the Depository Participant will be automatically reflected in the Company's records which will help the Company and the RTA to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice the above changes and Transmission of Shares to the Company's RTA viz. M/s. Cameo Corporate Services Limited.
- i) Shareholders are requested to update their Bank account details with their Depository Participant, if they are holding the shares in Demat and to RTA in case they are holding the shares in physical. In this connection, the Company has already issued three reminders to all shareholders, who have not updated their PAN and Bank account details of first and sole shareholders of

the Company. Once again, the members are advised to update the details with RTA.

- j) Further, the Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated December 03, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 01.04.2019. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company. Holding of shares in dematerialized form offers lots of benefits like enhanced security, ease of handling, faster transfers and eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the shares hassle-free, kindly take steps for dematerializing the shares at the earliest.
- k) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- l) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Deletion of Name, Transmission of Shares, Transposition of Shares, etc. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- m) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made thereunder, the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in form SH-14. The nomination form can be downloaded from the Company's website www.hckotharigroup.com/kscl
- n) 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 forthcoming Annual General Meeting is appended to this Notice.
- o) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only 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. 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. For any communication, the shareholders may also send requests to the Company's investor email id: secdept@hckgroup.com.
- p) 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 requesting for inspection of the Registers.
- q) 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.
- r) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

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 and January 13, 2021 the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency.

The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL.

The instructions to Shareholders for remote E-voting and E-voting during AGM and joining meeting through VC/OAVM are as under:

- (i) The remote e-voting period begins on Monday, 26th July 2021 at 9.00 A.M. and ends on Thursday, 29th July, 2021 at 5.00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 23rd July 2021 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.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This 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"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & 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.



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: https://eservices.nsdl.com 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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP received in registered mobile & 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.</p>
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
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 evoting@nsdl.co.in 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 shares in demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” 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 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 holding shares in demate form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>➤ 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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>➤ 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.</p>

- 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 & 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.
- 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 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.
 - 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) 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.

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

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

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 or contact at 022- 23058738 and 022-23058542/43.

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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General:

- a) The remote e-voting period commences on Monday, 26th July 2021 at 9.00 A.M. and ends on Thursday, 29th July 2021 at 5.00 P.M. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting. The remote e-voting module shall be blocked by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the

- Company as on the cut-off date i.e. Friday, 23rd July, 2021 may obtain the login ID and password by sending an email to investor@cameoindia.com or secdept@hckgroup.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID 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. Friday, 23rd July, 2021.
- d) Mr. M. Alagar of M/s. M. Alagar & Associates, (M.No.7488 / CP No.8196) Practising Company Secretary, Chennai, 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 and website of CDSL <http://www.evotingindia.com> and also forward the same to The National Stock Exchange of India Limited simultaneously, where the Company's shares are listed.

Explanatory statement in respect of the special business pursuant to section 102 of the Companies Act, 2013.

Item No. 3

The Audit Committee and the Board of Directors of the Company at their meetings held on 25th May 2021 appointed Mr. K. Suryanarayanan, Cost Accountant, as Cost Auditor for the Sugar, Distillery & Co-gen units of the Company for the year 2021-22.

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

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out in Item No. 3 of the Notice to ratify the remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five 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 2021-22 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 25th May 2021. None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested either financially or otherwise, in the Resolution set out at Item No. 3.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing

of the Resolution set out in Item No. 3 to the shareholders of the Company.

Item No. 4

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

Considering the profile of Mr. M. Silvester Goldwin and current trend of compensation package in Corporates, the remuneration proposed is in line with comparable remuneration levels in the industry and also in line with remuneration policy.

The Board of Directors at its Meeting held on 25th May, 2021, considered and accepted the recommendations of the NRC and proposed to the Shareholders for re-appointment of Mr. M. Silvester Goldwin as the Whole Time Director of the Company for a period of three years with effect from the 01st August 2021 on a remuneration as set out in Item No. 4 of this notice. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a member,

proposing the appointment of Mr. M Silvester Goldwin as the Whole Time Director of the Company.

Except Mr. M Silvester Goldwin, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

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

Item No.5

The existing Article of Association was in line with the provisions contained in the Companies Act, 1956. The provisions of company law have undergone various changes through the Companies Act, 2013 and further amendments thereon. Though it is not mandatory for a company to change its existing Article of Association pursuant to the new provisions, it is however considered appropriate now that our Company following the initiative taken by many

other companies to amend its Articles of Association to be compatible and in alignment with the new Act.

The Board of Directors vide Resolution passed on 25th May 2021 approved to adopt a new set of Articles in place of the existing Articles of Association of the Company and accordingly recommended this proposal for Shareholders' approval. In terms of Section 5 and 14 of the Companies Act, 2013, the consent of the Shareholders is required by way of a Special Resolution for amending the Articles of Association.

The new amended draft Articles of Association as approved by the Board in its meeting held on May 25, 2021 is hosted in the Website of the Company viz. www.hckotharigroup.com/kscl/ for inspection of the Member(s) and Members who are interested to get copy of the Articles of Association can send in their request to the Company e-mail address: secdept@hckgroup.com.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the aforesaid resolution.

The Board recommends the resolution for approval of the members as a Special Resolution.

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

R. Prakash
Company Secretary

Place : Chennai
Date : May 25, 2021

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO. 2 & 4 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 & 4
Name of the Director	M. Silvester Goldwin
Date of Birth	30.05.1968
Date of First Appointment on the Board	01.08.2018
Qualification	B. Tech - Mechanical Certified Energy Manager - by BEE, MOP.
Experience in specific functional areas	<p>He is a renowned professional in sugar industry having about 33 years of overall experience in various functions of sugar industry including operation & maintenance, design & engineering, project management, technical services, sales & marketing, business development etc. He is an expert in the field of sugar manufacture, cogeneration of power, modern distillery technologies and energy management.</p> <p>He is working with Kothari Sugars for the past 23 years and handled key functions of the company very efficiently. He is heading operations of the company as President from the year 2011 onwards.</p> <p>Prior to joining Kothari Group, he was the Managing partner of Miltech Engineers, Chennai and Dy. Chief Engineer of Balrampur Chini mills Ltd, UP.</p> <p>He is the life fellow member of Sugar Technologists Association of India, member of International society of sugar cane technologists, Life member of SISSTA besides being member of various committees of ISMA and SISMA.</p>
List of other Public Companies in which Directorship held	--
Chairman / Member of the Committee of the Board of Director of the Company	--
Chairman / Member of the Committee of the other companies in which he/she is a Director	--
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2021	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. M. Silvester Goldwin is not related to Promoters and Directors in the Company.
Number of meetings attended during the year.	Please refer Corporate Governance Section

BOARD'S REPORT

To the Members

Your Directors present the 60th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

Financial Summary & Highlights of the Company

(₹ in Lakhs)

Financial Performance	2020 - 2021	2019 - 2020
Net Revenue	42,472	35,720
Profit/(Loss) before Interest, Depreciation	3,737	3,266
Interest	510	702
Depreciation	1,379	1,297
Exceptional items (Debit) / Credit	497	634
Profit/(Loss) Before Tax	2,345	1,901
Tax Adjustments including Deferred Tax	443	(40)
Profit / (Loss) after Tax before comprehensive Income	1,902	1,942
Other Comprehensive Income Net of Tax	75	0.24
Total Comprehensive Income	1,977	1,942

Sugar Industry Overview

World Sugar:

The world sugar production during 2020 - 2021 is expected to be around 182.7 million metric tons as against previous year's 180 million metric tons. The sugar consumption during 2020 - 2021 is expected to be 185.2 million metric tons as against 185.6 million metric tons in the previous year. The sugar production in the forthcoming sugar year 2021 - 2022 is expected to be 186.8 million metric tons, to end up with a marginal deficit.

India's sugar production for the Sugar Year 2020 - 21 is expected to be around 30.2 million metric tons against previous year's 27.42 million metric tons. This increase in production is possible mainly on account of increased cane cultivation in Maharashtra and crushing. In 2020 - 21, the sugar consumption is expected to be around 26 million metric tons, almost same as last year.

Tamil Nadu sugar production for the sugar year 2020 - 21 is expected to be around 0.90 million metric tons against previous year's 0.75 million MT. Though last year's rainfall was normal, the sugarcane cultivation has not picked up to the expected level because of severe drought faced during the past eight years which led to reduction in water table in most part of the state. However we are confident we are able to sustain the operations given the challenges.

The Company's command area has received normal rainfall in about 60% of areas and below normal in the remaining area.

Performance of Business Segment

Sugar

Your Company has crushed 7,70,823 tons of cane and produced 7,11,130 quintals of sugar as against crushing of 6,68,906 tons and sugar production of 6,15,620 quintals in the previous year. In financial year 2020 - 2021, the average Sugar recovery was 9.33% as against 9.04% 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 140.26 Lakh litres of alcohol during the financial year 2020 - 2021 against 168.53 Lakh litres in the previous year. Due to nation-wide lockdown imposed on account of Covid-19, ENA sale got affected and hence the plant was forced to stop for around two months, resulted in lesser production than last year. Your Company has supplied 7 lakh litres of Ethanol to Oil Marketing Companies during the ethanol marketing year 2019 - 2020. For the marketing

year 2020 - 2021, against the order of 8 lakh litres, 3.48 lakh litres supplied so far, and the balance quantity will be supplied by October' 2021.

Co-generation of Power

During financial year 2020 - 2021, the total power generation was 64.427 million units against 57.963 million units for the corresponding period of 2019 - 2020. 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. 4.519/Kw-hr. For

Kattur unit, the PPA with TANGEDCO expired during Oct.' 20 and subsequently gone for third party sale, to open access consumers and the average realisation was Rs.4.10/Kw-hr.

Dividend

The Board of Directors met on 25th May 2021 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 2020 - 2021 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

(i) Replacement of 3 Nos. - 5.5 Kw Pug mill worm reduction drives with 3.7 Kw planetary drive

- Power consumed by 3 Nos. of worm reduction drives - before modification : 356 kwh per day
- Power consumed by 3 Nos. of planetary drives - after modification : 205 kwh per day
- Total Power saving : 151 kwh per day

(ii) Replacement of 4 Nos. of Massecuite pump worm reduction drives (3 Nos. of 15Kw and 1 No. of 22Kw) with planetary drives

- Power consumed by 4 Nos. of massecuite pumps - before modification : 1200 kwh per day
- Power consumed by 4 Nos. of planetary drive - after modification : 864 kwh per day
- Total Power saving : 336 kwh per day

Sathamangalam unit

(i) Installation of 7.5 kw - VFD drive for Rotary Screen

- Power consumed before modification : 174 kwh per day
- Power consumed after modification : 24 kwh per day
- Total Power saving : 150 kwh per day

(ii) Installation of 3.5 kw - VFD drive for Vacuum Filter

The existing dyno-drive replaced with VFD drive for Vacuum Filter

- Power consumed before modification : 89 kwh per day
- Power consumed after modification : 17 kwh per day
- Total Power saving : 72 kwh per day

(iii) Installation of 3.5 KW - Planetary drive for B-Pug mill

The existing worm reduction drive replaced with Planetary drive

- Power consumed before modification : 102 kwh per day
- Power consumed after modification : 42 kwh per day
- Total Power saving : 60 kwh per day

(iv) Up-gradation of VFD drive & motor from 37 KW to 45 KW for Clear Juice Pump

During higher rate of crushing both 37 KW Clear Juice pumps (one VFD & star/delta starter) are in operation. Up-graded one pump from 37 KW to 45 KW drive and only 45 KW of VFD drive in operation during higher rate of crushing and energy saved 13 KWH.

- Power consumed before modification : 1272 kwh per day
- Power consumed after modification : 960 kwh per day
- Total Power saving : 312 kwh per day

(v) Installation of 100 KW - VFD drive for Boiler SA Fan No. 2

The existing soft starter drive replaced with VFD drive for Boiler SA Fan No. 2 and energy saved 600 KWH per day.

- Power consumed before modification : 2040 kwh per day
- Power consumed after modification : 1440 kwh per day
- Total Power saving : 600 kwh per day

(vi) Installation of 55 KW - VFD drive for Cogen Cooling Tower Fan No. 2

The existing star/delta starter replaced with VFD drive for Cogen CT Fan No. 2 and energy saved 600 KWH per day.

- Power consumed before modification : 768 kwh per day
- Power consumed after modification : 168 kwh per day
- Total Power saving : 600 kwh per day

(vii) Installation of waste heat recovery system to recover heat from Evaporator condensate water

Turbine Condensate water temperature increased from 50°C to 63°C by using the waste heat of Evaporator condensate through plate type heat exchanger. Power saved 40.50 kwh

- Power saving : 973 kwh per day

(b) Technology absorption

- (i) Sugar colour at both Kattur and Sathamangalam plants has been improved to around 45 ICUMSA level as against the industry norm of below 100 ICUMSA. This has been achieved through in-house R & D efforts. This is one of the best sugar colours achieved through double-sulphitation process in the sugar industry and we enjoy a premium on our sugar as compared to the competition.
- (ii) 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.
- (iii) 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 22 sugarcane harvesters through entrepreneurs. We hope in the coming years automated sugar cultivation will play a large part for our Company.

(c) Foreign exchange earnings and Outgo

(₹ in Lakhs)

Sl. No.	Particulars	2020 - 2021	2019 - 2020
(i)	Total Foreign Exchange earned	-	-
(ii)	Total Foreign Exchange outflow	2.10	50.01

New Products:

Your Company has launched Liquid hand sanitizers in the brand name of "Sani-care" "Sani-Ko" and "Sani-clean" in March 2020 to cater to the sudden demand of sanitizers arose due to COVID19. This product was launched using available equipment inhouse.

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

Mr. M. Silvester Goldwin, (DIN: 08145634) was appointed as Whole time Director on 01st August 2018 and the Board proposes to re-appoint him for a further period of three years with effect from 01st August 2021 subject to approval of shareholders in this Annual General Meeting with the remuneration as set out in the Notice of the Company.

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 17, 2021 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

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

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 Directors and the 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 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, 2021 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 <https://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 61st Annual General Meeting.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. There are no qualifications or observations or any adverse remarks made by the Auditors in their Report on the Financial Statements for the year 2020-21.

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. 03 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 2020 - 2021.

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 periodically submits the Risk Management Review Report to the Board for its review and suggestions.

Corporate Social Responsibility Policy

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, Corporate Social Responsibility

(CSR) Committee was formed to recommend (a) the policy on 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

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes for promotion of education. 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.

Disclosure about Cost Audit

Filing of Cost Audit Report	2020-2021	2019-2020
Due Date	27.09.2021	27.09.2020
Actual Date	30.08.2021 (Tentatively)	02.09.2020
Cost Auditor Details	Mr. K. Suryanarayanan, M.No. 24946, Chennai	Mr. K. Suryanarayanan, M.No. 24946, Chennai
Audit Qualification in Report	Nil	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 2021 - 2022 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

The policy on Related Party Transactions as approved by the Board is posted on the Company's website 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.

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 17th Mar 2021 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.

and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. All applicable Secretarial Standards have been complied.

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	19.30:1
(ii)	Mr. M. Silvester Goldwin	Whole Time Director	23.82:1

- 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	12%

(iii)	Mr. R. Krishnan	Chief Financial Officer	8%
(iv)	Mr. R. Prakash	Company Secretary	8%

- c) 3.35% 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 31st Mar 2021: 513.
- e) Average percentile increase already made in the salaries of employee's other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration.
- Increase of remuneration for employees was in the varying range of 05% to 16% and for KMP the increase was in the varying range of 08% to 12% for the year.*
- f) We affirm that the remuneration paid during the period under review is as per the Remuneration Policy of the Company.

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**

Nina B. Kothari
Chairperson

Place : Chennai
Date : May 25, 2021

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	61.51	Permanent	08-04-2015	29	7	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)	73.99	Permanent	27-07-1998	53	33	Miltech Engineers	-	-
3	Krishnan Ranganathan	Chief Financial Officer	B.COM., ICWA (Inter)	34.96	Permanent	23-10-2009	56	35	TTK Ltd.	-	-
4	Sathyanarayanan. D	General Manager-Tech Services	B.E. (Mechanical) B.O.E., AVSI	32.79	Permanent	01-08-2016	51	29	Prudential Sugars	-	-
5	Prakash. R	Company Secretary	M.com., FCS, LLB	31.47	Permanent	01-05-2010	44	14	Kothari Petrochemicals Ltd.	-	-
6	Anthony John Bosco	General Manager - Cane	B.Sc. (Agri), MBA (Marketing)	31.07	Permanent	11-12-2019	56	33	CNH Industrial (India) Pvt. Ltd.	-	-
7	Ramachandran.V	General Manager	B.E. (Mech), B.O.E., M.Tech. (Enviro Engg)	26.82	Permanent	19-08-1994	55	31	Veesons Energy Systems	-	-
8	Karthikeyan P	Manager TLS	B.E. (Instrumentation)	21.68	Permanent	04-06-2007	39	18	Mawana Sugars	6,000 0.01%	-
9	Pushparaj. S	DGM Distillery	Fermentation & Alcohol Technology-est (IFAT)	20.91	Permanent	14-08-2000	52	29	Mohan Breweries	-	-
10	Ravichandran. R	AGM Process	B.Sc. Chemistry AVSI	17.21	Permanent	01-12-1995	51	25	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. The web-link on CSR policy: <https://hckotharigroup.com/kscl/sites/default/files/kscl-csr-policy.pdf>

For purposes of focusing its CSR efforts in a continued and effective manner, the following Eight Thrust Areas have been identified:

i) Education/Literacy Enhancement, ii) Environment Protection / Horticulture, iii) Infrastructure Development iv) Drinking water / Sanitation, v) Healthcare / Medical facility, vi) Community Development / Social Empowerment vii) Contribution to Social Welfare funds set up by Central / State Government, viii) Relief of victims on Natural Calamities

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	01

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/kscl-csr-policy.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)	2020 - 2021	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)	2019 - 2020	1,785.47
(ii)	2018 - 2019	1,527.37
(ii)	2017 - 2018	226.49
Total		3,539.33
Average Annual Net Profit		1,179.77

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

2% of Average Net Profit comes around ₹ 23.60 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) : ₹ 23.60 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
₹ 23,60,000	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 2020 - 2021												

(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	Construction of additional classrooms / staircase for the school at Kattur, Trichy	Promoting education	No	Tamil Nadu	Tiruchirappalli	₹ 23,60,000	No	HCK Educational & Development Trust	Not applicable for the year 2020 - 2021
Total						₹ 23,60,000			

- (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) : ₹ 23,60,000
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	23,60,000
(ii)	Total amount spent for the Financial Year	23,60,000
(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 preceding 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 preceding 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) : 31st March 2021
- (b) Amount of CSR spent for creation or acquisition of capital asset : ₹ 23,60,000
- (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 : HCK Educational & Development Trust
- Section 12A Registration No. : 368/2010-11
- Section 80G Registration No. : DIT(E). NO.2(341)/10-11
- Address of the Trust : No.18, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034.
- (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Capital asset(s) created : Constructed additional class rooms / staircase for the school at Kattur Village, Lalgudi Taluk, where the company's sugar factory is Located.

Address where capital assets located : HC Kothari Balavihar Matriculation School
M/s. Kothari Sugars & Chemicals Limited - Kattur Unit Campus
Lalgudi Taluk, Trichy - 621 706.

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 2020 - 2021.

Place: Chennai
Date : May 25, 2021

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, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Kothari Sugars and Chemicals Limited

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2021 ("**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, 2021 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, 2014; (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, 2009; (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, 1949
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.

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

M. Alagar

Managing Partner

FCS No: 7488

C P No: 8196

Place : Chennai

Date : May 08, 2021

UDIN : F007488C000259828

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 : F007488C000259828

Place : Chennai

Date : May 08, 2021



Management Discussion and Analysis

Industry Structure and Development

World Sugar

In 2020 - 21 sugar year the world sugar production is expected to be around 182.7 million metric tons against 180 million metric tons in the previous year. The consumption during 2020-21 is expected to be around 185.2 million metric tons which is almost same as previous year. Due to COVID19 pandemic, the sugar consumption has come down for few months during the year. There is a marginal reduction in revised estimated production during 2020-21 compared to the original estimates in Brazil and Thailand due to unfavourable climatic conditions. Europe’s output is also expected to reduce marginally due to reduced acreage and high incidence of viral disease. The expected sugar production during 2021-22 will be around 186.8 million metric tons and the consumption is projected to around 187.3 million metric tons.

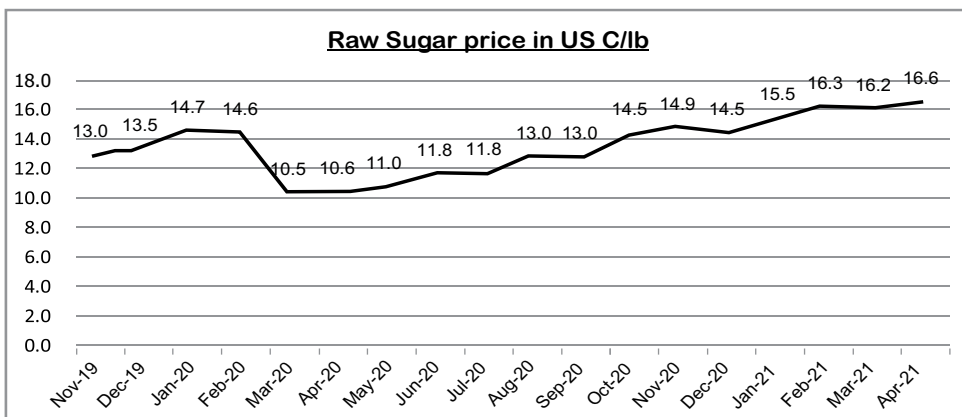
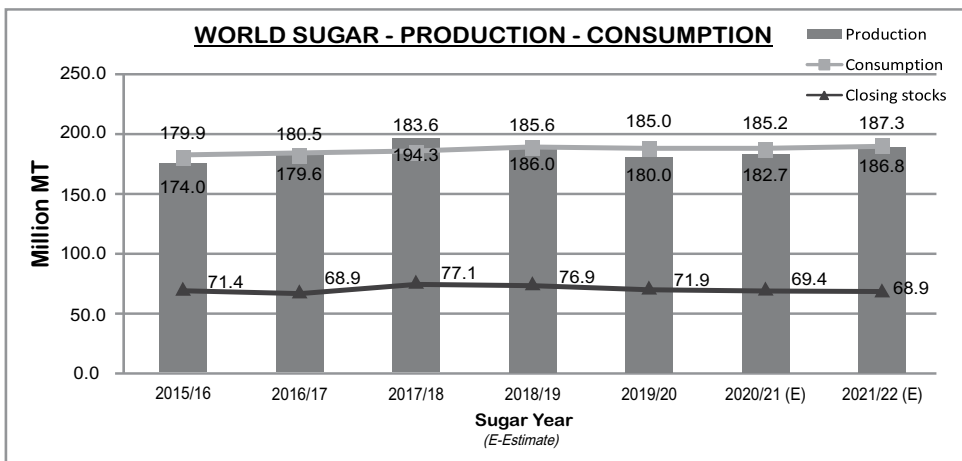
The quantum of sugar cane diversion to sugar production in Brazil, expected increase in production in India and Thailand during the year 2021-22 and changes in oil and energy prices will have significant impact on the final sugar production.

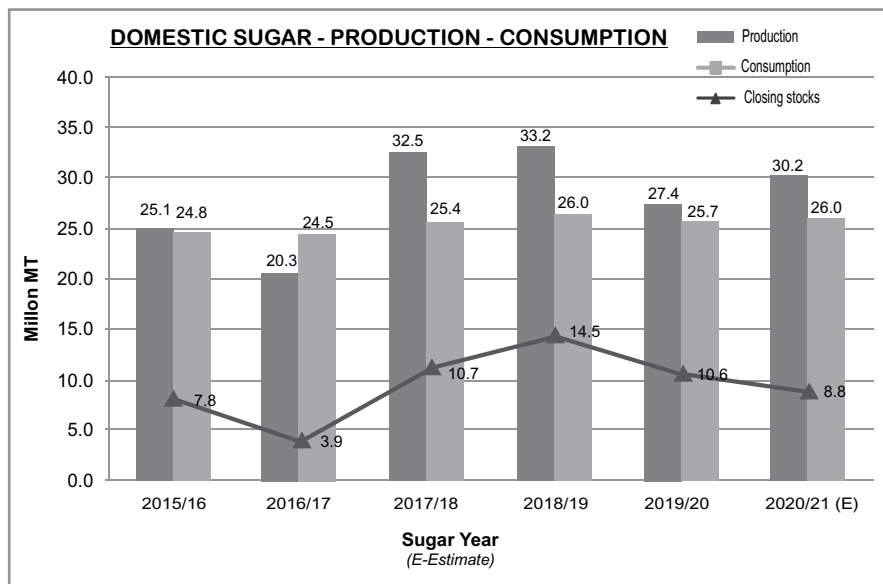
The sugar consumption has come down for few months during 2020-21 year due to Covid-19 and lock downs imposed for few months in most of the countries. Hence the sugar consumption has not grown as expected earlier. Now, the second wave of Covid-19 is impacting major countries like, U.S, Germany, France, U.K, India, Brazil, Australia etc., which may further reduce the consumption because of closure of business establishments.

Indian Sugar

India’s sugar production during 2020-21 sugar year is expected to be around 30.2 million metric tons against previous sugar year’s production of 27.42 million metric tons. The sugar consumption in 2020-21 is expected to be around 26 million metric tons against previous year’s 25.5 million metric tons. Maharashtra state is expected to bounce back with a production of 10.5 million MT which is attributable to the overall increase in the country.

It is pertinent to note that around 2 million metric tons of sugar (in the form of sugarcane juice or B-Heavy molasses) will be diverted to ethanol production, which is excluded in the current sugar year’s estimated production of 30.2 million metric tons.





In the beginning of 2020-21, the opening stock of sugar was 10.64 million metric tons as against previous year's 14.5 million metric tons. The expected closing stock at the end of 2020-21 sugar year would be around 8.84 million metric tons after considering the current sugar year's targeted export of 6 million metric tons.

For 2020-21 sugar season, the Fair and Remunerative Price (FRP) of Sugarcane, linked to 9.5% recovery was fixed at ₹ 2707.50 per ton by the Government of India. Though, the sugarcane procurement price was increased, the Minimum Selling Price (MSP) of Sugar, which was fixed at ₹ 31/Kg from February 2019, has not been increased. The Industry through the association has represented to the union Government and hopefully the increase in MSP can be expected very soon.

To liquidate surplus sugar from the country and to stabilise domestic price, the Government of India has announced various incentives for export of 6 million MT of sugar during the sugar year 2020-21. Mill wise allocation has been made through MAEQ (Maximum Admissible Export Quantity). The scheme is well accepted by the industry and with the prevailing market conditions, the targeted export will be achieved within the stipulated time frame.

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'19.
- For the marketing year 2020-21, the Ethanol

procurement price has been fixed as Rs. 45.69 per litre for the Ethanol produced from C-molasses, Rs. 57.61 per litre for the Ethanol produced from BH-molasses and Rs. 62.65 per litre for the Ethanol produced from 100% sugarcane juice.

Tamil Nadu Government has taken the following measures:

- In the sugar year 2020-21 also, Sugarcane procurement price will be followed based on the Revenue sharing formulae.
- The Government of Tamilnadu disbursed a transitional production incentive directly to the farmers, at the rate of ₹ 137.50 per ton of sugarcane, for the year 2019-20 as like 2018-19.

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, started to reflect in reduction of the 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 2021-22 will have impact on the financials of the company if the Minimum Selling

Price of sugar is not proportionately raised with the cost of sugar production.

Segment-wise or product-wise performance of the company

Sugar

In 2020-21 financial year, 7,70,823 tons of sugarcane was crushed as against previous year's 6,68,906 tons. This increase of 15.23% in crushing volume is possible due to marginal increase in the cane planting area and sugarcane yield improvement. Because of nation - wide lock down imposed on account of Covid-19 during April'20 to June'20, the cane planting activities got affected and may have an impact on the performance of 2021-22 financial year.

Your company has not done any export during 2019-20 sugar year, as the export was not viable in spite of various incentives. For the sugar year 2020-21, your company has been allotted 1,23,840 Quintals of sugar for export under MAEQ. The management is closely monitoring the international market and will take the decision at appropriate time based on the feasibility.

Power

Power generation was higher by 11% than previous year because of higher cane crushing. Long term PPA with TANGEDCO continues for Sathamangalam unit with a tariff of ₹ 4.519/Kw-hr. For Kattur unit, the PPA with TANGEDCO expired during Oct.'20 and subsequently gone for third party sale to open access consumers and the average realisation was ₹ 4.10/Kw-hr.

Alcohol

The distillery unit was operated with high efficiency. As the availability of own molasses and molasses within the state

was inadequate, the company has procured 35,740 metric tons of molasses from other factories in the state and from northern states and operated distillery for a maximum possible number of days. However, the total alcohol production was less by 16.7% than previous financial year as ENA sale got affected because of country wide lock down due to Covid-19, resulting in stopping of distillery for about 66 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 (Lakh Units)	Distillery (Lakh litre)
Production	71,113	644	140
Sales	86,483	334	135
	(₹ in Lakhs)		
Sales	28,623	4,498	8,275
Operating Profit	(511)	636	3,484

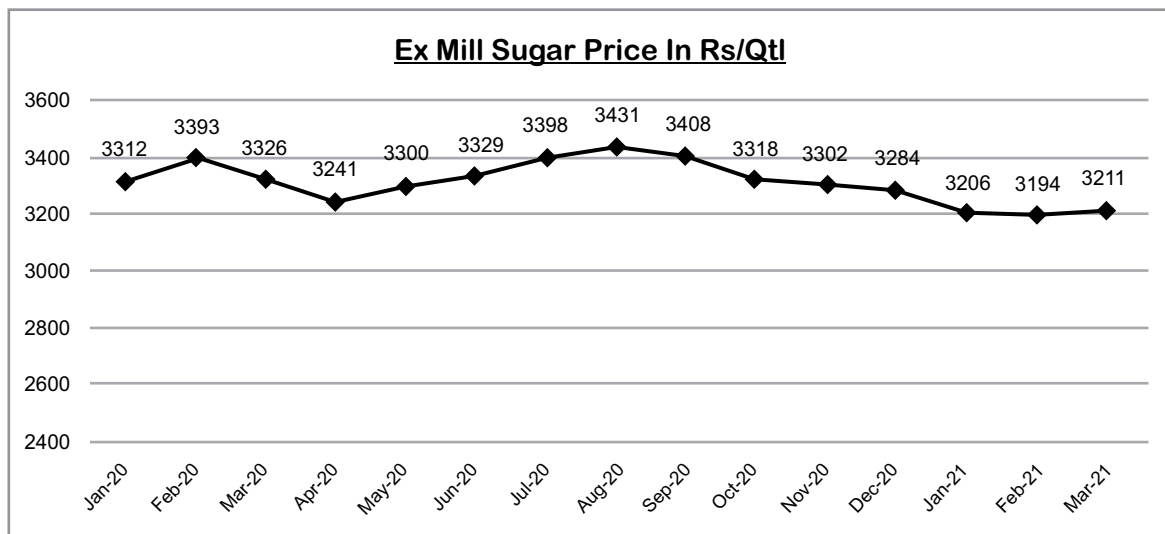
Outlook

During 2021-22 sugar year, India's sugar production is once again expected to be on surplus side despite more diversion of sugarcane juice / B-heavy molasses for ethanol production. However, the world sugar production is expected to end with marginal deficit. The monsoon forecast for the year 2021 is expected to be a normal and the sugarcane cultivation area is expected to be higher than previous year.

Risk and Concerns

Industry Risk

Whenever there is surplus sugar production in the country the selling price falls below 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 North East Monsoon (NEM) rainfall was reported as near 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 Co -11015 variety 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.

Discussion on Financial Performance with respect to Operational Performance

Operational Review and State of Affairs

Production Performance	2020 - 2021	2019 - 2020
No of crushing days: Kattur Unit	123	109
No of crushing days: Sathamangalam Unit	150	137
Cane Crushed (tons)	7,70,823	6,68,906
Sugar Recovery (%)	9.33	9.04
Sugar Produced from cane (Quintals)	7,11,130	6,15,620
Alcohol Produced (KL)	14,026	16,852
Power Produced (lakh kwh)	644	580

Key Financial Ratios

Description	U/M	2020-21	2019-20	Remarks
Debtors Turnover	Days	20	16	Marginal decrease in collection period due to credit extension in alcohol business.
Inventory Turnover	Days	97	139	Higher sugar sales.
Interest coverage ratio	Times	5.60	3.71	Higher earnings and lower interest rates and lower short term borrowings.
Debt Equity ratio	Ratio	1:0.83	1:1.124	Repayment of term Loans and improved profitability.
Operating Profit Margin	%	5.55	5.51	In line with previous year.
Net Profit Margin %	%	4.48	5.44	Higher tax provisioning compared to the previous year.
Return on Net worth	%	10.21	11.67	Reduced PAT due higher tax provisioning compared to previous year.

Due to increase in cane availability the sugarcane crushing has increased by over 15% compared to the previous year. Despite sustained sugar prices the sugar segment posted a lower loss due to higher recovery and higher sale of sugar compared to previous year. In the distillery segment the profitability decreased owing to lower output by 16% despite marginal increase in selling prices by around 3%. This is mainly due to lower offtake by IMFL units owing to COVID-19 lockdown.

The finance cost substantially decreased compared to the previous year which is mainly due to reduced short-term borrowings due to higher sugar sales and partial (50%) realization of power dues. The interest rate on short term and long-term loans also reduced due to COVID-19 impact by over 1%.

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 regularly 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 31st March 2021 was 513 in respect of sugar and allied operations.

On Behalf of the Board
for Kothari Sugars & Chemicals Limited

Place : Chennai
Date : May 25, 2021

Nina B. Kothari
Chairperson

CORPORATE GOVERNANCE

Corporate Governance Philosophy

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

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

BOARD OF DIRECTORS

The 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 31st March 2021

Name of the Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on Aug 11, 2020	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	1	-	26,83,498
Mr. Arjun B. Kothari	Promoter & Managing Director	4	Yes	16	1	1	54,467
Mr. M. Silvester Goldwin	Executive	4	Yes	-	-	-	Nil
Mr. P.S. Balasubramaniam	Independent	4	Yes	04	-	3	505
Mr. V.R. Deenadayalu	Independent	4	Yes	-	-	-	Nil
Mr. P.S. Gopalakrishnan	Independent	4	Yes	03	1	-	Nil
Mr. C.V. Krishnan	Independent	4	Yes	01	-	-	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 17th Jun 2020, 11th Aug 2020, 05th Nov 2020 and 28th Jan 2021.

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

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 have 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 Board of Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing/operations, risk management etc. The Board of 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 Non-mandatory Committee viz. Investment and Credit Approval Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

AUDIT COMMITTEE

The Audit Committee comprises of the following Independent Directors and attendance of each director for the year ended 31st March 2021 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

The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on 11th Aug 2020. The Audit Committee met four times during the year on 17th Jun 2020, 11th Aug 2020, 05th Nov 2020 and 28th Jan 2021.

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 31st March 2021, the Audit Committee comprised of three 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 11th Aug 2020. The Committee met two times during the year on 23rd Jul 2020 & 23rd October 2020.

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	02	02
(ii)	Mr. P.S. Balasubramaniam	Member	02	02
(iii)	Mr. V.R. Deenadayalu	Member	02	02

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.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;

- (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 nonexecutive 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

Details of Sitting Fees paid during the financial year 2020-2021

Name of the Directors	Sitting Fees Paid					
	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	20,000	10,000	2,40,000
Mr. V.R. Deenadayalu	1,20,000	80,000	N.A	20,000	10,000	2,30,000
Mr. P.S. Gopalakrishnan	1,20,000	80,000	10,000	20,000	10,000	2,40,000
Mr. C.V. Krishnan	1,20,000	N.A	N.A	N.A	10,000	1,30,000
Total	6,00,000	2,40,000	30,000	60,000	40,000	9,70,000

The other transactions with non-executive director's vis-à-vis the company during the Financial Year ended 31st March, 2021 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 2020 - 2021. 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 31st March 2021 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. P.S. Balasubramaniam	Member	01	LOA
(iii)	Mr. Arjun B. Kothari	Member	01	01

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 received from the Shareholder(s) / Department(s) during the financial year 2020-2021.

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
2019 - 2020 August 11, 2020, Tuesday, 10.00 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
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.
2017-2018 Jul 31, 2018 Tuesday 10.30 A.M.	

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

Date of AGM	Whether any Special Resolution was passed	Particulars
Aug 11, 2020	No	-
Aug 07, 2019	Yes	Re-appointment of Mr. Arjun B. Kothari, as Managing Director of the Company.
Jul 31, 2018	No	(i) Appointment of Mr. M. Silvester Goldwin as Whole time Director of the Company. (ii) Re-appointment of Mr. P.S. Balasubramaniam, Independent Director of the Company. (iii) Re-appointment of Mr. V.R. Deenadayalu, Independent Director of the Company. (iv) Re-appointment of Mr. P.S. Gopalakrishnan, Independent Director of the Company.

No special resolution was passed by the shareholders of the company through postal ballot during the year 2020 - 2021.

Means of Communication

- The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and Makkal Kural.
- The company's website address is: 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 and 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 within the time frame prescribed in this regard.
- d) No presentations have been made to institutional investors or to analysts.

b) Financial Calendar of the Company

The Financial year covers the period from 1st April to 31st March.

Results for Quarter ending 30 th June, 2021	First fortnight of August, 2021
Results for Quarter ending 30 th September, 2021	First fortnight of November, 2021
Results for Quarter ending 31 st December, 2021	First fortnight of February, 2022
Results for Quarter ending 31 st March, 2022	Last Week of May, 2022

GENERAL SHAREHOLDER INFORMATION
a) Annual General Meeting

Day, Date and Time	Friday, 30 th July, 2021 @ 10.15 A.M.
Venue	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.

c) Date of Book Closure

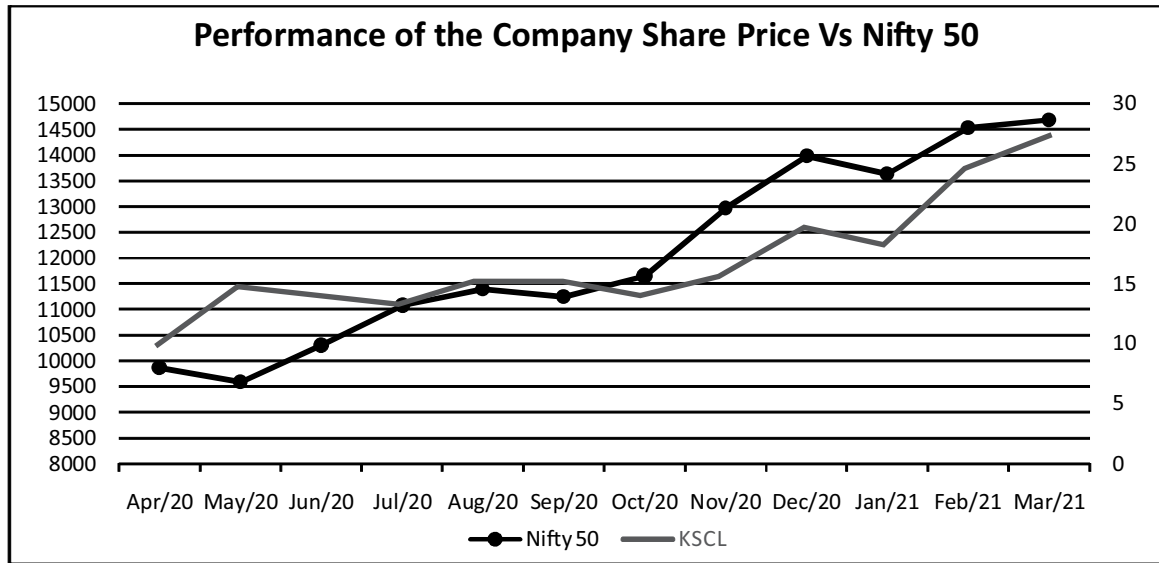
The period of Book Closure is fixed from Saturday, 24th July 2021 to Friday, 30th July 2021 (both days inclusive).

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 2021 - 2022 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 2020-21	Kothari Sugars and Chemicals Limited Share Price			Nifty 50		
	High	Low	Volume of shares traded	High	Low	Volume of shares traded
Apr 2020	11.00	7.55	8,62,639	9,889.05	8,055.80	12,74,42,65,079
May 2020	15.00	8.55	21,41,947	9,598.85	8,806.75	13,67,56,92,138
Jun 2020	16.00	13.00	75,03,469	10,553.15	9,544.35	16,77,87,38,081
Jul 2020	14.30	12.15	24,52,521	11,341.40	10,299.60	14,64,00,24,527
Aug 2020	17.00	12.30	49,42,893	11,794.25	10,882.25	14,03,55,10,557
Sep 2020	17.80	13.75	16,59,231	11,618.10	10,790.20	13,44,61,77,198
Oct 2020	15.70	13.40	4,39,894	12,025.45	11,347.05	11,60,24,72,612
Nov 2020	16.40	12.70	12,30,459	13,145.85	11,557.40	13,11,24,26,625
Dec 2020	21.80	15.05	29,11,808	14,024.85	12,962.80	12,07,74,86,299
Jan 2021	22.10	16.35	38,00,357	14,753.55	13,596.75	13,01,97,28,298
Feb 2021	29.00	18.00	1,37,17,531	15,431.75	13,661.75	14,31,39,21,415
Mar 2021	30.65	22.50	49,95,241	15,336.30	14,264.40	11,35,68,26,917



g) Distribution of Shareholding as on 31st March 2021 (Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Paid up Capital
Upto 5000	20,420	1,86,34,780
5001-10000	1,609	1,41,61,270
10001-20000	783	1,26,30,690
20001-30000	298	77,13,020
30001-40000	142	51,99,680
40001-50000	159	77,08,460
50001-100000	207	1,60,83,260
100001 and above	180	74,67,54,640
Total	23,798	82,88,85,800

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 31st March 2021 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. 8,28,00,526 equity shares representing 99.89% of the paid up equity capital have been dematerialized as on 31st March 2021.

i) Registrar and Share Transfer Agents

M/s. Cameo Corporate Services Limited, having its registered office at Subramanian Building, 5th 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 2020 - 2021.

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 District - 621 707, Tamilnadu. Phone Nos.: 04329-320800, Fax No.: 04329 - 209730

I) Address for Correspondence

Company's Registered Office
The Company Secretary Kothari Sugars & Chemicals Limited Kothari Buildings, 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Tel. No.: 044-30281595, 30225507. Fax No.: 044-28334560 E-mail : secdept@hckgroup.com
Company Share Transfer Agent
M/s. Cameo Corporate Services Limited Unit: Kothari Sugars & Chemicals Limited Subramanian Building, 5 th Floor, No.1, Club House Road, Chennai - 600 002. Tel. No.: 044 - 28460390 (5 Lines) Fax No.: 044 - 28460129 E-mail : 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)	Rating
(i)	Cash Credit	100.00	[ICRA] BBB-(Stable)
(ii)	Term Loan	15.93	[pronounced as ICRA triple B minus]
(iii)	Non Fund based limits	5.00	[ICRA] A3 [pronounced as ICRA A three]
Total		120.93	

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)

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

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 56th Annual General Meeting held on 08th 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 61st Annual General Meeting of the Company. The Company does not have any Subsidiaries. No fees were paid during the year to any entity in the network firm / network entity of which the Statutory Auditor is a part.

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit. The total fee paid for the year 2020 - 2021 to M/s. P. Chandrasekar LLP, Chartered Accountants is given below:

S. 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
	Total	5,60,000

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. 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 2020 - 2021.

On Behalf of the Board
for Kothari Sugars & Chemicals Limited

Place : Chennai
Date : May 25, 2021

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, 2021.

for Kothari Sugars & Chemicals Limited

Place : Chennai
Date : May 25, 2021

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 31st March 2021 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 25, 2021

Arjun B. Kothari
Managing Director

R. Krishnan
Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of Kothari Sugars & Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by Kothari Sugars & Chemicals Limited, for the year ended March 31, 2021 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)

M. Alagar

Managing Partner

FCS No. 7488 / C P No. 8196

UDIN: F007488C000259773

Place: Chennai
Date : May 08, 2021

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 & 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 Building, No. 115, Nungambakkam High Road, Chennai - 600 034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C, Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in/) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ending March 31, 2021, 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.

S. No.	DIN	Name of the Director	Date of Appointment in the Company
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
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: F007488C000259751

Place: Chennai

Date : May 08, 2021

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021

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

Opinion

1. 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, 2021, 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.
2. 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, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. 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

4. 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 Matter	Principal audit procedures
1.	Quantity of raw materials 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.	Our audit procedures included: <ul style="list-style-type: none"> ➤ Assessment of controls over ascertaining the quantity of purchase for which payment is made. ➤ Assessment of controls over calibration system of the weighing equipment.
2.	Contingent liabilities The Company has material amounts of disputed statutory levies such as 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.	Our audit procedures included: <ul style="list-style-type: none"> ➤ Evaluation of internal controls relating to assessment of ongoing litigations ➤ Discussion with the management on developments surrounding material ongoing litigations ➤ Examination of the calculations underlying the quantification of items of contingent liabilities disclosed in the financial statements. ➤ Evaluating the management's assessment of litigations and underlying assumptions.

Other Information

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

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

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Ind AS financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position,

financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of Ind AS financial statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("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 the 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 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 on its financial position in its financial statements in Note 42.
 - (ii) The Company does not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
 - (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

S. Raghavendhar
Partner

Membership No.: 244016
UDIN: 21244016AAAAACR1080

Place: Chennai
Date : 25th May 2021

Annexure - A to the Independent Auditor's Report for the year ended 31st March 2021

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, 2021

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, 2021 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 judgment, 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 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, 2021, 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 : 25th May 2021

Membership No.: 244016
UDIN: 21244016AAAACR1080

Annexure - B to the Independent Auditor's Report for the year ended 31st March 2021

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, 2021

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
b) As explained to us, the property, plant and equipment are physically verified by the Management at regular intervals; no material discrepancies were noticed on such verification.
c) According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in the Ind AS Financial Statements are held in the name of the Company as at the Balance Sheet date.
- (ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are 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 to any company 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.
- (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 in respect of statutory dues:
 - a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service 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 31st March 2021 for a period of more than six months from the date they become payable.

b) Details of dues of various taxes viz., Income Tax, Sales Tax, VAT, Service Tax, Customs Duty, Excise Duty not deposited as on 31st March 2021 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount* (₹ lakh)	Forum where the dispute is pending	Period to which the dues belong to
Central Excise Act, 1944	Excise Duty	80.76	Commissioner of Appeals	April 1997 to December 1997
Central Excise Act, 1944	Excise Duty	439.23	Supreme Court	June 2006 - March 2015
Central Excise Act, 1944	Excise Duty	3.87	High Court, Madras	Oct' 1999 to Mar' 2000
Central Excise Act, 1944	Excise Duty	128.19	Supreme Court	October ' 1995 to December ' 1999
Finance Act, 1994	Service Tax	1.32	CESTAT	Mar 2011 to May 2011
Tamilnadu Tax on Consumption or sale of electricity Act,2003	Electricity Tax	541.93	Secretary to Energy Department, Govt. of Tamil Nadu	April 2009 to May 2011

*excludes interest and amount paid under protest.

- (viii) 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 financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- (ix) In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).
- (x) 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.
- (xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (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) 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) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

S. Raghavendhar
 Partner

Place : Chennai
 Date : 25th May 2021

Membership No.: 244016
 UDIN: 21244016AAAACR1080

BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in Lakhs)

S.No	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A	ASSETS			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	16,096.85	17,074.85
	(b) Capital Work in Progress	2	3.60	-
	(c) Investment Property	3	110.30	113.68
	(d) Other Intangible Assets	4	15.17	20.10
	(e) Financial Assets			
	(i) Other financial assets	7	99.69	102.54
	(g) Other Non-Current Assets	8	30.84	1.44
	Total non-Current Assets		16,356.45	17,312.61
	Current Assets			
	(a) Inventories	9	8,547.06	12,416.60
	(b) Financial Assets			
	(i) Investments	5	5,830.99	3,014.00
	(ii) Trade Receivables	6	2,108.76	2,733.27
	(iii) Cash and Cash Equivalents	10	27.19	42.82
	(iv) Bank balances other than (iii) above	11	14.04	18.73
	(v) Other Financial assets	7	357.14	335.49
	(c) Current tax assets (Net)	12	137.64	214.10
	(d) Other current Assets	8	639.61	1,239.64
	Total Current Assets		17,662.43	20,014.65
	TOTAL ASSETS		34,018.88	37,327.26
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	13	8,288.86	8,288.86
	(b) Other Equity	14	10,336.11	8,359.55
	Total Equity		18,624.97	16,648.41
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	745.13	536.60
	(b) Deferred Tax Liabilities	34	2,921.92	2,940.01
	(c) Other Non-Current liabilities	19	-	14.59
	Total Non-Current Liabilities		3,667.05	3,491.20
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	2,113.41	7,278.85
	(ii) Trade Payables			
	(a) Total Outstanding dues to Micro and Small enterprises	17	-	10.80
	(b) Total Outstanding dues of creditors other than Micro and Small enterprises	17	8,140.67	7,663.93
	(iii) Other Financial Liabilities	18	948.96	754.20
	(b) Short term Provisions	20	248.41	269.82
	(c) Other Current Liabilities	19	275.41	1,210.05
	Total Current Liabilities		11,726.86	17,187.65
	Total Liabilities		15,393.91	20,678.85
	TOTAL EQUITY AND LIABILITIES		34,018.88	37,327.26

The accompanying notes are an integral part of these financial Statements

In terms of our report attached

For P. Chandrasekar, LLP

Chartered Accountants
FRN : 000580S/S200066

S. Raghavendhar

Partner
Membership No. 244016

Place : Chennai
Date : May 25, 2021

For and on behalf of the Board of Directors

Arjun B. Kothari
Managing Director

C. V. Krishnan
Director

R. Prakash
Company Secretary

R. Krishnan
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021 (₹ in Lakhs)

S.No	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from Operations	21	42,000.27	35,280.57
II	Other Income	22	472.07	439.86
III	Total Income (I+II)		42,472.34	35,720.43
IV	Expenses:			
	Cost of materials consumed	23	27,262.29	23,961.80
	Changes in Inventories of finished goods, work-in-progress and stock in trade	24	3,903.60	1,333.82
	Employee benefit expenses	25	2,546.37	2,223.17
	Finance costs	26	509.87	701.87
	Depreciation and amortisation expense	27	1,379.35	1,296.93
	Other expenses	28	5,023.43	4,935.25
	Total Expenses (IV)		40,624.91	34,452.84
V	Profit before exceptional items and Tax (III-IV)		1,847.43	1,267.59
VI	Exceptional items - (Expenses) / Income	29	497.08	633.89
VII	Profit before Tax (V - VI)		2,344.51	1,901.48
VIII	Tax Expense:			
	1) Current tax		460.76	356.67
	2) Deferred tax		(18.09)	(396.78)
	Total Tax expenses		442.67	(40.11)
IX	Profit for the year (VII-VIII)		1,901.84	1,941.59
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of the defined benefit plan		105.42	0.34
	ii) Income tax relating to items that will not be re-classified to profit or loss		(30.70)	(0.10)
	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	Total other comprehensive income (A(i+ii)+B(i+ii))		74.72	0.24
XI	Total Comprehensive Income (IX+X)		1,976.56	1,941.83
XII	Earnings Per Equity Share (Nominal value per share Rs.10/-)			
	(a) Basic (₹)	38	2.29	2.34
	(b) Diluted (₹)	38	2.29	2.34

The accompanying notes are an integral part of these financial Statements

In terms of our report attached

For P. Chandrasekar, LLP

Chartered Accountants

FRN : 000580S/S200066

S. Raghavendhar

Partner

Membership No. 244016

Place : Chennai

Date : May 25, 2021

For and on behalf of the Board of Directors

Arjun B. Kothari
Managing Director

C. V. Krishnan
Director

R. Prakash
Company Secretary

R. Krishnan
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL AND OTHER EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021 (₹ in Lakhs)

Particulars	Reserves and Surplus					Retained earnings	Total
	Share Capital	Capital redemption reserve	Debenture redemption reserve	General reserve			
Balance at March 31, 2019	8,288.86	1,400.00	750.00	1,178.60		3,588.75	15,206.21
Movement during 2019-20							
Profit for the year	-	-	-	-		1,941.59	1,941.59
Dividend paid	-	-	-	-		(499.63)	(499.63)
Other comprehensive income for the year, net of income tax	-	-	-	-		0.24	0.24
Balance at March 31, 2020	8,288.86	1,400.00	750.00	1,178.60		5,030.95	16,648.41
Movement during 20-21							
Profit for the year	-	-	-	-		1,901.84	1,901.84
Dividend paid	-	-	-	-		-	-
Other comprehensive income for the year, net of income tax	-	-	-	-		74.72	74.72
Balance at March 31, 2021	8,288.86	1,400.00	750.00	1,178.60		7,007.51	18,624.97

The accompanying notes are an integral part of these Financial Statements

In terms of our report attached

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

S. Raghavendhar
 Partner
 Membership No. 244016

Place : Chennai
 Date : May 25, 2021

For and on behalf of the Board of Directors

Arjun B Kothari
 Managing Director

C. V. Krishnan
 Director

R.Prakash
 Company Secretary

R.Krishnan
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A.	Cash flow from operating activities				
	Profit before tax		2,344.51		1,901.48
	Adjustments for :				
	Depreciation and Amortisation	1,379.35		1,296.93	
	Finance Costs (net)	509.87		699.91	
	Effect of interest free Rent Advances	(2.70)		(116.67)	
	Re-measurement of employee benefit plan	(105.42)		0.34	
	Dividend Income	-		(30.30)	
	Profit on sale of Fixed Assets (net)	(22.49)		(6.00)	
	Interest Income	(36.97)		(43.87)	
	Inventory writedown	-		125.19	
	Liability no longer required written back	(58.58)		(15.53)	
	Accretion in value of investments	(243.79)		(109.01)	
	Provision for employee benefits	84.94		79.91	
	Loss / (gain) on sale of investments	(42.88)	1,461.34	(5.71)	1,875.20
	Operating profit before working capital changes		3,805.85		3,776.68
	Changes in operating assets and liabilities				
	Adjustments for (increase) / decrease in:				
	Trade and other receivables	624.51		(1,002.06)	
	Inventories	3,869.54		1,306.42	
	Bank balances other than cash and cash equivalents	4.69		38.31	
	Other Assets	1,092.06		(238.18)	
	Other Financial Assets	(18.80)		(149.86)	
	Trade Payable	465.94		(307.16)	
	Other Liabilities	(1,457.78)		449.44	
	Other Financial Liabilities	194.76	4,774.92	(771.88)	(674.97)
	Cash generated from operations		8,580.77		3,101.71
	Less : Direct taxes paid net of refund		414.13		389.49
	Net cash generated from operating activities		8,166.65		2,712.22
B.	Cash flow from investing activities				
	Purchase of Property, Plant and Equipment including capital advances		(428.48)		(1,728.01)
	Proceeds from sale of investment property		23.50		15.86
	(Purchase) / Sale of investments (net)		(2,530.32)		1,925.06
	Interest received		36.97		43.87
	Dividend received		-		30.30
	Net cash used in investing activities		(2,898.33)		287.08
C.	Cash flow from Financing activities				
	Term loan Borrowings		1,069.51		730.39
	Repayment Term loan Borrowings		(680.84)		(2,607.16)
	Finance Cost		(507.17)		(583.24)
	Dividend paid		-		(414.44)
	Dividend Distribution tax paid		-		(85.19)
	Net cash used in financing activities		(118.50)		(2,959.65)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		5,149.81		39.65
	Reconciliation				
	Cash and cash equivalents as at beginning of the year		(7,236.03)		(7,275.68)
	Cash and cash equivalents as at end of the year		(2,086.22)		(7,236.03)
	Net (increase) / decrease in cash and cash equivalents		(5,149.81)		(39.65)

The accompanying notes are an integral part of these financial Statements

In terms of our report attached

For P. Chandrasekar, LLPChartered Accountants
FRN : 000580S/S200066**S. Raghavendhar**Partner
Membership No. 244016

Place : Chennai

Date : May 25, 2021

For and on behalf of the Board of Directors

Arjun B. Kothari
Managing Director**C. V. Krishnan**
Director**R. Prakash**
Company Secretary**R. Krishnan**
Chief Financial Officer

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 under notified under section 133 of the Companies Act 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on 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 when the goods are dispatched and titles have passed, at which time 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.

In barter transaction, revenue is recognized at fair value of the goods given up when the goods are dispatched.

b. Rendering of Services

Revenue from a contract to provide services is based on the agreements / arrangements with the concerned parties and when services are rendered.

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 and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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 01st 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 INDAS 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 the end of each annual reporting period.

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 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.

Assets on leased premises are depreciated on the remaining period of lease or as per the useful life prescribed in schedule II of the Companies Act 2013 whichever is earlier

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: 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 marketplace.

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 6). Fair value is determined in the manner described in note 40.2.

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 takes into account 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 also 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.

(i) 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.

(ii) 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.

(iii) 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

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 and 40.2.

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 Rounding off amounts

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 2

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of		
Freehold land	363.23	363.23
Building	2,009.57	2,053.24
Plant and Equipment	13,359.80	14,251.97
Furniture and Fixtures	25.75	27.39
Vehicles	338.51	379.03
Total	16,096.85	17,074.85
Capital work-in-progress	3.60	-
	16,100.45	17,074.85

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Total
Cost or Deemed cost						
Balance at April 01, 2019	363.23	2,663.03	17,230.16	52.56	310.11	20,619.10
Additions	-	21.27	1,553.61	2.45	260.94	1,838.28
Disposals	-	-	-	-	105.00	105.00
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

Particulars	Freehold land	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Total
Accumulated depreciation and impairment						
Balance at April 01, 2019	-	518.44	3,426.43	21.97	116.18	4,083.03
Disposals	-	-	-	-	95.14	95.14
Depreciation expenses	-	112.62	1,105.38	5.65	65.98	1,289.63
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
Carrying amount as on March 31, 2020	363.23	2,053.24	14,251.97	27.39	379.03	17,074.85
Carrying amount as on March 31, 2021	363.23	2,009.57	13,359.80	25.75	338.51	16,096.85

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 3

INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of		
Investment property	110.30	113.68
Total	110.30	113.68

Particulars	As at March 31, 2021	As at March 31, 2020
Cost or Deemed cost		
Balance at the beginning of the year	161.25	161.25
Disposal during the year	1.01	-
Balance at end of the year	160.24	161.25

Particulars	As at March 31, 2021	As at March 31, 2020
Accumulated depreciation and impairment		
Balance at the beginning of the year	47.57	45.20
Depreciation expenses	2.37	2.37
Balance at end of the year	49.94	47.57

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 as at March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021	As at March 31, 2020
Land and Building in Tamilnadu	1,173.73	1,109.98
Land and Building other than in Tamilnadu	1,415.76	1,427.32
Total	2,589.49	2,537.30

The fair value of the Company's investment properties as at March 31, 2021 and March 31, 2020 has been arrived at on the basis of a valuation carried out by an independent valuer not related to the Company.

Note - 4

OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of		
Software and licenses	15.17	20.10
Total	15.17	20.10

Particulars	As at March 31, 2021	As at March 31, 2020
Cost or Deemed cost		
Balance at the beginning of the year	65.10	65.10
Additions	-	-
Balance at end of the year	65.10	65.10

Particulars	As at March 31, 2021	As at March 31, 2020
Accumulated depreciation and impairment		
Balance at the beginning of the year	45.00	40.07
Depreciation expenses	4.93	4.93
Balance at end of the year	49.93	45.00
Carrying amount at the end of year	15.17	20.10

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)					
Particulars	No. Shares / Bonds/Units	As at March 31, 2021	No. Shares / Bonds/Units	As at March 31, 2020	
I. Quoted Investments					
a) Investments in Equity Instruments at FVTPL					
KOTHARI PETROCHEMICALS LIMITED (₹ 10 EACH)	1,000	0.26	1,000	0.11	
GUJARAT PETROSYNTHETIC LTD (₹ 10 EACH)	5,000	1.63	5,000	0.28	
Total		1.89		0.39	
b) Other Investments in Mutual Funds / Bonds/NCD at FVTPL					
ADITYA BIRLA SUNLIFE BANKING & PSU DEBT FUND	35,548	102.99	-	-	
ADITYA BIRLA SUNLIFE CORPORATE BOND FUND	3,67,639	318.86	1,93,586	152.71	
ADITYA BIRLA SUNLIFE FLOATING RATE FUND	77,889	210.83	-	-	
ADITYA BIRLA SUNLIFE LIQUID FUND	1,03,920	344.53	-	-	
ADITYA BIRLA SUNLIFE SHORT TERM FUND	7,92,794	304.87	-	-	
ADITYA BIRLA SUNLIFE SAVINGS FUND	-	-	1,25,476	502.94	
ETERNITY CAPITAL FUND - ALTERNATIVE INVESTMENT FUND	6,00,000	80.26	3,00,000	24.19	
FRANKLIN INDIA ULTRA SHORT TERM BOND FUND	1,52,469	45.60	3,02,081	83.54	
HDFC CORPORATE BOND FUND	3,98,928	100.46	-	-	
HDFC FMP 1133 D - SERIES 44	20,00,000	242.36	20,00,000	222.97	
HDFC FMP 1199D - SERIES 37	-	-	2,68,914	34.51	
HDFC MONEY MARKET FUND	8,937	399.86	8,937	377.15	
HDFC SHORT TERM DEBT FUND	4,03,106	100.56	-	-	
HDFC ULTRA SHORT TERM FUND	11,52,220	137.57	-	-	
ICICI PRU CORPORATE BOND FUND	12,27,863	288.63	7,98,734	171.81	
ICICI PRUDENTIAL SHORT TERM FUND	2,07,358	100.82	-	-	
ICICI PRUDENTIAL ULTRA SHORT TERM FUND	8,84,321	202.31	-	-	
IDFC BANKING AND PSU DEBT FUND	8,59,296	167.91	3,32,221	59.68	
IDFC BOND FUND-SHORT TERM	5,40,831	253.45	-	-	
IDFC CORPORATE BOND FUND	-	-	19,30,875	319.91	
IDFC CORPORATE BOND FUND DIRECT PLAN	29,47,633	450.04	-	-	
IDFC FIXED TERM PLAN SERIES 178	20,00,000	242.03	20,00,000	221.13	
IDFC FLOATING RATE FUND	1,22,707	12.32	-	-	
IDFC ULTRA SHORT TERM FUND	14,10,775	168.89	14,10,775	160.92	
IDFC YEARLY SERIES INTERVAL FUND (SERIES I)	-	-	66,259	11.66	
KOTAK SAVINGS FUND	5,81,669	201.74	-	-	
NIPPON INDIA FIXED HORIZON FUND-FMP	30,00,000	366.67	-	-	
NIPPON INDIA BANKING & PSU DEBT FUND	6,12,373	100.56	-	-	
NIPPON INDIA FLOATING RATE FUND	5,78,889	208.33	-	-	
NIPPON INDIA LIQUID FUND	6,826	343.55	-	-	
RELIANCE FIXED HORIZON FUND - SERIES 15	-	-	30,00,000	337.29	
RELIANCE ULTRA SHORT DURATION FUND	-	-	-	-	
Investments in Debentures carried at amortized cost					
11.03% NCD - TATA MOTORS FINANCE LIMITED	30	327.92	30	328.01	
Total		5,823.90		3,008.41	
Total Quoted Investments		5,825.79		3,008.80	
I. Un-quoted Investments					
a) Investments in Equity Instruments at FVTPL					
BIO-TECH CONSORTIUM LTD (₹ 10 EACH)	50,000	5.00	50,000	5.00	
KOTHARI SUGARS & CHEMICALS LTD - EMPLOYEES CO-OPERATIVE SOCIETY LTD OF ₹ 10/- EACH.	2,086	0.20	2,086	0.20	
Total Un-quoted Investments		5.20		5.20	
Total other Investments - Current		5,830.99		3,014.00	

Note - 6

NOTES FORMING PART OF FINANCIAL STATEMENTS

TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered Good - Secured	-	-
Considered Good - Unsecured	2,083.23	2,704.43
Significant Increase in credit risk	25.53	28.83
	2,108.76	2,733.27
Current	2,108.76	2,733.27
Non-current	-	-

The credit period on sale of goods ranges from 0 to 30 days. No interest is charged on trade receivables.

The Company uses available information in the public domain and on its own internal assessment and trading records before accepting any customer.

TRADE RECEIVABLES ARE FURTHER ANALYSED AS FOLLOWS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within Credit period	686.69	453.61
31-60 days	442.60	481.75
61-90 days	70.07	21.38
More than 90 days	909.40	1,776.53
Total	2,108.76	2,733.27

Note - 7

OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
At Amortised Cost				
a) Security Deposit	99.69	102.54	153.98	112.24
b) Interest receivable	-	-	52.43	72.50
c) Advance recoverable in cash				
(i) Unsecured and Considered good	-	-	150.74	150.76
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
Total	99.69	102.54	357.14	335.49

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 8
OTHER ASSETS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a) Balance with Customs and Central Excise / GST authorities	-	-	123.30	225.87
a) Capital Advances	30.84	-	-	-
c) Advance recoverable in kind or for value to be received				
(i) Unsecured and Considered good	-	1.44	516.31	1,013.77
(ii) Considered doubtful	-	-	-	-
Less: Provision for Doubtful advances	-	-	-	-
Total	30.84	1.44	639.61	1,239.64

Note - 9
INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Raw Materials	227.73	247.34
b) Work-in-Process	364.25	127.51
c) Finished goods	7,403.74	11,544.08
d) Stores and spares	665.96	622.86
Less: Writedown of non-moving stores & spares	(114.62)	(125.19)
Total	8,547.06	12,416.60

The cost of inventories recognised as an expense during the year was ₹ 27,262.29 Lakhs, (2019-20 ₹ 23,961.80 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, 2021	As at March 31, 2020
a) Balances with Bank		
(i) In Current account	15.24	30.82
(ii) In Deposit account	10.83	10.00
b) Cash on hand	1.12	2.00
Total	27.19	42.82

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 11

OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Balances with banks in earmarked accounts		
(i) In unpaid Dividend account	13.94	14.02
(ii) In margin money accounts for Bank Guarantee issued	0.10	4.71
Total	14.04	18.73

Note - 12

CURRENT TAX ASSET

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax refund receivable (net)	137.64	214.10
Total	137.64	214.10

Note - 13

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
Equity Shares :		
13,00,00,000 Equity shares of ₹ 10/- each (March 31, 2020 - 13,00,00,000)	13,000.00	13,000.00
12,00,000 Redeemable Preference shares of ₹ 100/- each (March 31, 2020 - 12,00,000)	1,200.00	1,200.00
20,00,000 Redeemable Preference shares of ₹ 10/- each (March 31, 2020 - 20,00,000)	200.00	200.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
8,28,88,580 (March 31, 2020) Equity Shares of ₹ 10/- each	8,288.86	8,288.86
Total	8,288.86	8,288.86

NOTES FORMING PART OF FINANCIAL STATEMENTS
13.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

Reconciliation	2020-21		2019-20	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
a) Equity Shares of ₹ 10/- each fully paid up				
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, 2021		March 31, 2020	
	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.

Note - 14
OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	7,007.51	5,030.94
Total	10,336.11	8,359.55

Particulars	As at March 31, 2021	As at March 31, 2020
a) Capital Redemption Reserve		
Opening balance	1,400.00	1,400.00
Add: Appropriation from statement of Profit and Loss	-	-
Closing Balance	1,400.00	1,400.00

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

b) Debenture Redemption Reserve		
Opening balance	750.00	750.00
Add: Appropriation from statement of Profit and Loss	-	-
Closing Balance	750.00	750.00
c) General Reserve		
Opening balance	1,178.60	1,178.60
Closing Balance	1,178.60	1,178.60

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.

d) Retained Earnings		
Opening balance	5,030.95	3,592.71
Less: Dividend on Equity Shares	-	499.63
Profit / (Loss) for the year	1,976.56	1,937.87
Closing Balance	7,007.51	5,030.95
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.		
Total Other Equity	10,336.11	8,359.55

Note - 15**NON-CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost				
i) Term Loans from Banks	745.13	506.22	700.00	403.36
ii) Term Loans from Sugar Development Fund (Govt. of India)	-	30.38	30.38	135.00
Sub-Total	745.13	536.60	730.37	538.36
Grand Total	745.13	536.60	730.37	538.36

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 15 (cont)

SUMMARY OF BORROWING ARRANGEMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	Rate of interest %	Amount of each installment	Security	Terms of Repayment
Indian Bank (Sathamangalam Modernisation)	-	179.19	10.65	17.86	Paripassu First charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit with Sugar Development Fund.	Loan Fully settled
Sathamangalam unit cane development (Tranche I)	-	74.25	7.00	37.12	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
Sathamangalam unit cane development (Tranche II)	30.38	91.13	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.	Repayment 8 half yearly installments starting from January 2018 to July 2021.
Kattur Distillery Plant Modernisation	611.80	730.39	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	833.33	-	7.80	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.
Total	1,475.51	1,074.96				

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Loan repayable on demand (refer note a below)	2,113.41	7,278.85

a) Working capital facilities of ₹ 2113.41 lakhs in the form of open cash credit has been availed from Indian Bank. The loans were secured by Parripassu first charge on land, buildings and Plant and equipment and all the movable properties (present and future) of Sathamangalam Sugar and Co-generation Unit with Sugar Development Fund and hypothecation of Finished Goods / Work-in-process/stores and spares and book debts.

Note - 17
TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total Outstanding dues to Micro and Small and Medium enterprises	-	10.80
(b) Total Outstanding dues of creditors other than Micro and Small and Medium enterprises	8,140.67	7,663.93
Total	8,140.67	7,674.72

Trade payables are non-interest bearing are normally settled between 30-45 days.

Dues to MSME

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Principal outstanding	-	-
(b) Interest thereon	-	-
(c) Interest Paid by the Company	-	-
(d) Amount of Interest due and payable	-	-
(e) Amount of Interest accrued and unpaid	-	-

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.

Note - 18
OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Current		Non-Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
At Amortised Cost				
a) Current maturities of long-term debt	730.37	538.36	-	-
b) Interest accrued but not due on borrowings	10.65	3.01	-	-
c) Unclaimed dividends (refer note 18.1 & 18.2)	13.94	14.02	-	-
- Advances and Deposits repayable in cash	16.75	20.52	-	-
- Other Miscellaneous liabilities	36.38	38.00	-	-
d) Employee related	140.87	140.30	-	-
Total	948.96	754.20	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

18.1 These amounts represent dividend warrants issued to the shareholders which remained un-presented at their respective year end.

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

Note - 19
OTHER LIABILITIES

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc)	-	-	52.67	68.62
b) Advances and Deposits from Customers / others	-	-	20.14	1,037.99
c) Deferred revenue arising from Interest free deposit	-	14.59	12.41	36.28
d) Gratuity payable	-	-	190.19	67.16
Total	-	14.59	275.41	1,210.05

Note - 20
PROVISIONS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a) Compensated absences including Bonus	-	-	84.94	79.91
b) Related to expenses	-	-	163.47	189.90
Total	-	-	248.41	269.82

Note - 21
REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of Products (*)	41,636.00	34,931.88
(b) Other operating revenues		
- Technical service fee	319.44	290.40
- Scrap sales	44.83	58.29
Total	42,000.27	35,280.57

(*) - Net of ₹ 40.97 Lakhs of discounts during the current year. Previous year Nil.

Note - 22
OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
On bank deposits and others	37.30	43.87
(b) Dividend Income		
From equity and Mutual Funds	-	30.30
(c) Other gains or losses		
Profit on sale of Fixed Assets (net)	22.49	6.00
Net gain arising on financial assets designated as at FVTPL	286.67	114.72
Net gain on foreign currency transaction	-	0.17

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(d) Other non-operating income		
Operating lease rental from Investment property	27.39	52.98
Insurance claims received	15.00	11.17
Liability no longer required written back	58.58	15.53
Interest income others	2.70	116.67
Other Miscellaneous income	21.94	48.46
Total	472.07	439.86

Note - 23 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sugarcane	22,255.96	19,115.71
Coal	13.32	260.31
Others (Molasses etc)	4,369.68	3,981.52
Chemical and Others	328.77	351.51
Packing	294.57	252.75
Total	27,262.29	23,961.80

Note - 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock :		
Finished goods		
Sugar	10,429.54	11,763.04
Molasses	226.27	458.93
Industrial Alcohol	888.27	325.98
Work in progress		
Sugar	121.83	444.60
Molasses	5.68	12.86
Sub-total (A)	11,671.59	13,005.41
Closing Stock :		
Finished goods		
Sugar	5,954.41	10,429.54
Molasses	548.68	226.27
Industrial Alcohol	900.65	888.27
Work in progress		
Sugar	353.85	121.83
Molasses	10.39	5.68
Sub-total (B)	7,767.98	11,671.59
Net change (Increase) / Decrease (A - B)	3,903.60	1,333.82

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 25

EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries, Wages and Bonus	1,984.43	1,818.55
(b) Contribution to Provident and other Funds	435.96	198.60
(c) Workmen and Staff welfare expenses	125.97	206.02
Total	2,546.37	2,223.17

Note - 26

FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Interest costs	470.41	679.06
(ii) Other borrowing costs	39.46	22.81
Total	509.87	701.87

Note - 27

DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation/amortisation on		
a) Property, Plant and Equipment	1,372.05	1,289.63
b) Investment property	2.37	2.37
c) Intangible assets	4.93	4.93
Total	1,379.35	1,296.93

Note - 28

OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
a) Consumption of stores and spare parts		1,166.46		962.50
b) Power and Fuel		605.64		657.27
c) Rent		79.99		51.79
d) Repairs-Buildings	226.52		131.34	
e) Repairs-Machinery	789.42		703.41	
f) Repairs-Others	105.47	1,121.42	129.09	963.85
g) Stores and Spares - write down		-		125.19
h) Biocompost		91.73		109.47
i) Insurance		120.97		95.53
j) Rates and Taxes		111.01		88.95

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
k) GST expunged (ineligible)	26.50	67.56
l) Freight & Clearing Expenses	759.99	673.15
m) Directors Sitting fees	9.70	8.70
n) Auditor's Remuneration	5.50	5.50
o) Travelling Expenses	31.36	230.50
p) Professional Fees	132.70	189.80
q) Commission	51.77	41.81
r) Research & Development Expenses	40.00	-
s) CSR expenditure	23.60	20.00
t) Administration Expenses	617.82	616.64
u) Miscellaneous Expenses	27.27	27.04
Total	5,023.43	4,935.25

Note - 29 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Exceptional items		
Electricity Related Matters	-	(48.52)
Refund of VAT (Cane Cess)	47.86	-
Cane Transport Subsidy	449.22	-
Excise Duty Refund of earlier years	-	66.69
Reversal on One Time Settlement of Long term loans	-	615.74
Total	497.08	633.89

Note - 30 PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Audit Fees - Statutory	4.00	4.00
b) Audit Fees - Limited audit review	1.50	1.50
c) Fee for Certification	0.10	-
Total	5.60	5.50

Note - 31

DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Direct operating expenses arising from investment property that generated rental income during the year.	2.88	8.24
Direct operating expenses arising from investment property that did not generate rental income during the year.	1.52	1.21
Total	4.40	9.46

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 32
DIRECTORS REMUNERATION

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Managing Director*	61.52	35.00
b) Whole-Time Director	74.00	67.86
c) Sitting Fees Non-executive directors	9.70	8.70
Total	145.21	111.56

 * Note: Managing Director's Salary during the Year ended 31st March 2020 was for part of the year.

Note - 33
OPERATING LEASE ARRANGEMENTS (Company as Lessor)

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income	27.39	52.98
Total	27.39	52.98

Note - 34
DEFERRED TAX BALANCES

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax assets	-	-
Deferred tax liabilities	(2,921.92)	(2,940.01)
Total	(2,921.92)	(2,940.01)

2020-21	Opening balance	Recognised in profit or loss account	Recognised in Other Comprehensive income	Closing balance
Deferred tax (Liabilities) / Asset in relation to				
Property, Plant and equipment	(2,833.32)	(15.52)	-	(2,817.81)
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	-	-
Total	(2,940.01)	-18.09	-	(2,921.92)
Tax losses	-	-	-	-
Net Deferred tax Assets / (Liability)	(2,940.01)	-18.09	-	(2,921.92)
MAT credit entitlement	204.51	-204.51	-	-
Total	(2,940.01)	(18.09)	-	(2,921.92)

NOTES FORMING PART OF FINANCIAL STATEMENTS

2019-20	Opening balance	Recognised in profit or loss account	Recognised in Other Comprehensive income	Closing balance
Deferred tax (Liabilities) / Asset in relation to				
Property, Plant and equipment	(3,419.07)	(585.75)		(2,833.32)
Provision compensated absences and others	-0.30	28.93	-	(29.23)
Financial Assets at FVTPL	-276.24	(196.77)	-	(79.47)
Defined benefit obligation	2.11	-	-0.10	2.01
Total	(3,693.50)	(753.59)	-0.10	(2,940.01)
Tax losses	356.80	356.80	-	-
Net Deferred tax Assets / (Liability)	(3,336.70)	-396.78	-0.10	(2,940.01)
MAT credit entitlement	322.91	-322.91	-	-
Total	(3,336.70)	(396.78)	(0.10)	(2,940.01)

Note - 35

INCOME TAXES RELATING TO CONTINUING OPERATIONS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current tax		
In respect of current year	665.27	679.58
In respect of Previous years	-	-
Deferred tax		
In respect of current year	(18.09)	(396.78)
In respect of unrecognized/unused tax losses	-	-
MAT credit availed	(204.51)	(322.91)
Total	442.67	(40.11)

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

(₹ in Lakhs)

Particulars	2020-21	2019-20
Profit before tax from continuing operations	2,344.51	1,901.48
Income tax expenses calculated at 29.12% (2019-20 : 29.12%)	682.72	553.71
Effect of Income exempt from tax	-	(8.82)
Effects of expenses not deductible in determining taxable profits	(17.45)	134.69
Total	665.27	679.58

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	2020-21	2019-20
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Re-measurement of defined benefit obligation	-	(0.10)
Total income tax recognised in other comprehensive income	-	(0.10)

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	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
Revenue (Sales/Income)									
External customers (Net of GST)	28,848.94	21,883.22	4,497.77	4,105.77	8,289.29	8,942.88	-	41,636.00	34,931.88
Other operating revenue	364.27	348.53	-	0.16	-	-	-	364.27	348.69
Excise duties on sales	2,462.84	2,237.21	1,835.49	1,711.39	160.70	146.46	(4,459.02)	-	-
Inter-segment sales	31,676.05	24,468.96	6,333.26	5,817.32	8,449.99	9,089.35	(4,095.07)	42,000.27	35,280.57
Total	(510.99)	(2,115.07)	636.18	229.82	3,484.04	4,623.05	-	3,609.23	2,737.80
Operating Profit / (Loss)								37.30	43.87
Interest income								-	30.30
Dividend income								(792.15)	(208.61)
Other Unallocated income / (exp)								(509.87)	(701.87)
Finance costs								-	-
Profit/(Loss) before tax	(510.99)	(2,115.07)	636.18	229.82	3,484.04	4,623.05	-	2,344.51	1,901.48
Tax Expenses									
Current tax	-	-	-	-	-	-	-	460.76	356.67
Deferred tax	-	-	-	-	-	-	-	(18.09)	(396.78)
Total Tax	-	-	-	-	-	-	-	442.66	(40.11)
Net Profit after tax								1,901.84	1,941.59
Other information									
Segment Assets	15,161.88	19,517.11	5,861.28	6,956.73	6,467.33	6,921.33	-	27,490.48	33,395.17
Unallocated Corporate Assets								6,528.40	3,932.09
Total Assets	6,632.95	7,584.59	1,903.54	1,765.10	788.00	988.59	-	34,018.88	37,327.26
Segment Liabilities								9,324.48	10,338.28
Unallocated Corporate Liabilities								6,069.43	10,340.57
Total Liabilities	222.22	179.09	28.18	47.89	137.64	1,343.67	-	15,393.91	20,678.85
Capital Expenditure								388.04	1,570.65
Unallocated capital expenditure								6.00	267.63
Total Capital Expenditure	557.24	546.78	420.62	418.67	334.01	258.27	-	394.04	1,838.28
Depreciation								1,311.87	1,223.72
Unallocated Depreciation								67.48	73.21
Total Depreciation	-	-	-	-	-	-	-	1,379.35	1,296.93

36.2 Geographical Information

(₹ in Lakhs)

Particulars	Rest of the world		India		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Segment Revenue	-	-	42,000.27	35,280.57	42,000.27
Non-current asset \$	-	-	16,256.76	17,210.07	16,256.76	17,210.07

\$ 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 ₹ 138.11 Lakhs (2019-20 ₹ 128.28 Lakhs) for provident fund contribution and for superannuation fund contribution of ₹ 8.41 lakh (2019-20 ₹ 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, 2021 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statment of Profit and Loss. The Company provided the gratuity benefit through annual contributions to a fund managed by the 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 occurrence of losses relative to the expected return on any particular investment which is inherent.

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

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

Gratuity

Liability to existing employees of the Company in respect of gratuity is covered under a common insurance policy administered by a Trust maintained for the participating enterprises viz. Kothari Sugars and Chemicals Limited (KSCL) and Kothari Petrochemicals Limited (KPL).

The actuarial 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)	
	2020-21	2019-20
Present value of obligations at the beginning of the year	577.54	488.89
Current service cost	429.79	98.27
Interest Cost	41.72	39.77
Re-measurement (gains) / losses:		
Actuarial gains and losses arising from change in financial assumption	-	-
Actuarial gains and losses arising from experience adjustment	(162.97)	5.53
Benefits paid	(50.73)	(54.91)
Present value of obligations at the end of the year	835.36	577.54
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	471.41	420.16
Interest income	33.06	32.46
Return on plan assets	(5.66)	4.99
Contributions by the employer	103.46	68.70
Benefits paid	(50.73)	(54.91)
Fair value of plan assets at the end of the year	551.54	471.41
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	835.36	577.54
Fair value of plan assets at end of the year	551.54	471.40
Gross Liability	283.81	106.14
Less: share of obligation pertaining to Group Company under common Gratuity Trust	(93.62)	(38.97)
Funded status of the plans - Liability recognized in the balance sheet	190.19	67.16
Components of defined benefit cost recognized in profit or loss		
Current service cost	429.79	98.27
Net interest expenses	41.72	39.77
Net cost in Profit or Loss	471.51	138.03
Components of defined benefit cost recognized in Other Comprehensive income		
Re-measurement on the net defined benefit liability:		
Actuarial gains and losses arising from change in financial assumption	-	-
Actuarial gains and losses arising from experience adjustment	(162.97)	5.53
Return on plan assets	5.66	(4.99)
Net Cost	(157.31)	0.54
Less: Allocation to Associate Company under common gratuity trust	(51.89)	0.20
Net Cost in other Comprehensive Income	(105.42)	0.34

Particulars	2020-21	2019-20
Assumptions		
Discount rate	6.93%	6.63%
Interest Rate (Rate of return on assets)	7.00%	6.63%
Expected rate of salary increase	5.50%	6.50%
Expected rate of attrition	2.00%	2.00%
Average age of members	40.50	40.50
Average remaining working Life	13.90	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.

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note (i) Experience Adjustments

(₹ in Lakhs)

Particulars	For the period ending	
	31-Mar-21	31-Mar-20
(Gain) / Loss on Plan Liabilities	(162.97)	5.53
% of Opening Plan Liabilities	(0.28)	1.13%
Gain / (Loss) on Plan Assets	(5.66)	4.99
% of Opening Plan Assets	(0.01)	1.19%

Notes :

- (a) Experience adjustment has been provided only to the extent of details available.
- (b) Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors.
- (c) 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.
- (d) The Company's gratuity funds are managed by the M/s. Reliance Nippon Life Insurance Company Limited and therefore the composition of the fund assets is not presently ascertained.
- (e) The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 190.19 lakhs (as on 31 March, 2020 ₹ 67.16 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	March 31, 2021	March 31, 2020
Discount rate		
- 0.50% increase	(33.25)	(23.16)
- 0.50% decrease	35.59	24.72
Salary growth rate		
- 0.50% increase	35.59	24.72
- 0.50% decrease	(33.25)	(23.16)
Attrition rate		
- 0.50% increase	4.34	0.69
- 0.50% decrease	(4.59)	(0.75)

NOTE 38 EARNINGS PER SHARE

Particulars	2020-21	2019-20
Basic Earnings per share (₹)	2.29	2.34
Diluted Earnings per share (₹)	2.29	2.34

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	2020-21	2019-20
Profit after Taxation (₹ in Lakh)	1,901.84	1,941.59
Earnings used in the calculation of basic earnings per share (₹ lakh)	1,901.84	1,941.59
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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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	2020-21	2019-20
Earnings used in the calculation of basic earnings per share	1,901.84	1,941.59
Adjustments (if any)	-	-
Earnings used in the calculation of diluted earnings per share	1,901.84	1,941.59

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:

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, 2021	As at March 31, 2020
Equity	18,624.97	16,648.41
Debt	3,588.92	8,353.81
Cash and cash equivalents	(27.19)	(42.82)
Net debt	3,561.73	8,310.98
Total capital (Equity + Net debt)	22,186.70	24,959.39
Net debt to capital ratio	0.16	0.33

39.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
a) Mandatorily measured:		
i) Equity instruments and Mutual Funds	5,825.79	3,008.80
Measured at amortised cost		
i) Cash and bank balances	41.23	61.55
ii) Other financial assets	-	-
Measured at cost		
i) Investments in equity instruments and others designated upon initial recognition	5.20	5.20
Financial liabilities		
Measured at amortised cost	745.13	536.60
Measured at FVTPL	16.75	35.11

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 this counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.

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 2021.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	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	-	1,475.51
Total	12,471.99	11,726.86	745.13	-	12,471.99

The table below provides details of financial assets as at 31, March 2021:

(₹ in Lakhs)

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

The table below provides details regarding contractual maturities of financial liabilities as at 31, March 2020.

(₹ in Lakhs)

Particulars	Carrying amount	Upto 1 year	Between 1-3 years	More than 3 years	Contracted cash flows
Non interest bearing	16,663.87	16,663.87	-	-	16,663.87
Fixed Interest rate instruments	1,074.96	730.37	236.60	300.00	1,266.97
Total	17,738.83	17,394.25	236.60	300.00	17,930.84

The table below provides details of financial assets as at 31 March 2020.

(₹ in Lakhs)

Particulars	Carrying amount
Trade receivables	2,733.27
Other Financial assets	3,513.58
Total	6,246.85

NOTES FORMING PART OF FINANCIAL STATEMENTS**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* (Rs. Lakh)		Fair value hierarchy	Valuation techniques & Key inputs used
	As at March 31, 2021	As at March 31, 2020		
1) Investment in quoted equity instruments at FVTPL	5,825.79	3,008.80	Level 1	Refer Note 2 below
2) Financial liabilities	(16.75)	(35.11)	Level 2	Refer Note 2 below

* 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, 2021		As at March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 2	2,108.76	2,108.76	2,733.27	2,733.27
Cash and cash equivalents	Level 2	27.19	27.19	42.82	42.82
Bank balances other than cash and cash equivalents	Level 2	14.04	14.04	18.74	18.74
Other financial assets	Level 2	456.83	456.83	438.05	438.05

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	3,588.92	3,588.92	8,754.36	8,353.82
Trade payables	Level 2	8,140.67	8,140.67	7,674.73	7,674.73
Other financial liabilities	Level 2	948.96	948.96	754.20	754.20

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 Disclosure for the year ended March 31, 2021**

- Related Party Disclosure for the year ended March 31, 2021**
- Parvathi Trading & Finance Co. Pvt. Ltd
 - (i) M/s. Century Foods Private Limited
 - (ii) M/s. BHK Trading LLP
 - (iii) M/s. Kothari Petrochemicals Limited
 - (iv) M/s. HCK Educational & Development Trust
 - (v) M/s. HCK Educational & Development Trust
 - (vi) Mr. Arjun B. Kothari - MD
 - (vii) Mr. R. Krishnan - CFO
 - (viii) Mrs. Nina B Kothari - Chairperson
 - (ix) Mrs. Nayantara B. Kothari
 - (x) Mr. P.S. Gopalakrishnan
 - (xi) Mr. P.S. Balasubramaniam

Key Managerial Personnel (KMP)

- (i) M/s. Century Foods Private Limited
- (ii) M/s. BHK Trading LLP
- (iii) Kothari Biotech Private Limited
- (iv) Mr. M Silvester Goldwin - WTD
- (v) Mr. R. Prakash - CS

Non Independent Non Executive Director (KMP)

- (i) Mr. V.R. Deenadayalu
- (ii) Mr. C.V. Krishnan

Relative of Chairperson and Managing Director

- (i) Mr. V.R. Deenadayalu
- (ii) Mr. C.V. Krishnan

Non Executive Independent Directors (KMP)

- (i) Mr. V.R. Deenadayalu
- (ii) Mr. C.V. Krishnan

Transactions with Related Parties for the year ended March 31, 2021

(₹ in Lakhs)

Nature of Transactions	Under section 2(76) of the Companies Act, 2013										Key Management Personnel (KMP)		Non Independent Non Executive Director (KMP)		Relative of Chairperson & Managing Director		Non Executive Independent Directors (KMP)					
	Holding Company		BHK Trading LLP		Kothari Petro chemicals Limited		Century Foods Pvt. Limited		Kothari Safe Deposit Limited		HCK Educational and Development Trust		Kothari Biotech Pvt. Ltd.		Arjun B. Kothari Managing Director (KMP)		Nina B. Kothari (Chairperson)		Nayantara B Kothari		PS Gopalakrishnan PS Baasubramaniam CV Krishnan	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	
Lease Rent Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and other reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of Services (AMC and Techfee)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Consultancy service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayment of Debentures and Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Sanitizer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease rent - Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of old equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance - Debit / (Credit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Note - 42

Particulars	2020-21	2019-20
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	82.03	67.69
Other monies for which the Company is contingently liable		
a) Bank Guarantees issue for Tenders.	-	43.61
b) Disputed Excise Duty and Customs demand (out of which ₹ 73.39 lakhs (2019-20 - ₹ 73.39 lakhs) have been deposited under protest.	726.76	726.76
c) Disputed electricity matters	1,579.77	1,395.47
d) Disputed Urban land tax	-	19.25

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

43 Approval of financial statements

The financial statements were approved by the Board of Directors on May 25, 2021.

44 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

C. V. Krishnan
 Director

S. Raghavendhar
 Partner
 Membership No. 244016

R. Prakash
 Company Secretary

R. Krishnan
 Chief Financial Officer

Place : Chennai

Date : May 25, 2021

KOTHARI SUGARS AND CHEMICALS LIMITED

Regd. Office. "Kothari Buildings"
No. 115, Mahatma Gandhi Salai,
Nungambakkam, Chennai - 600 034.