

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Regd.Office & Flour Mill  
75/8, Benares cape Road  
Gangaikondan – 627352

Tirunelveli District  
Tamil Nadu

CIN : L15314TN1961PLC004674

Phone: +91 462 248 6532 (4 Lines)

Mobile: +91 944 337 5445

Fax :+91 462 248 6132

E-Mail: [ho@klrf.in](mailto:ho@klrf.in)

Web : [www.klrf.in](http://www.klrf.in)

GSTN : 33AAACK6029N1ZF

FN/SEC/BSE/2024 -25

16<sup>th</sup> August, 2024

BSE Limited  
BSE's Corporate Relationship Department  
First Floor, New Trading Ring  
Rotunda Building, P. J.Towers  
Dalal Street, Mumbai – 400001.

Dear Sir, **Script Code : 507598 Script ID "KLRFM"**

Sub: Submission of Annual Report -2024

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit herewith the Annual Report of the Company for the financial year 2023-24.

The Annual Report – 2024 is being dispatched/sent to the shareholders by the permitted mode(s) and is also available on the Company's website.

We request you to kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,  
For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu  
Company Secretary and Compliance Officer  
Membership No. FCS 9142

# ANNUAL REPORT

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2024



KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED



# Kuthuvilakku

Cook with Confidence

## MAIDA



Kuthuvilakku

Cook with Confidence



REFINED WHEAT FLOUR  
(MAIDA)

maida | مaida | مaida

# Kuthuvilakku

Cook with Confidence



## Atta | Maida | Sooji | Vermicelli | Ada

Kuthuvilakku is a household name in South India, renowned for high-quality wheat flour and wheat products such as Chakki Atta, Maida, Roasted Sooji and Vermicelli.

Our customers include both commercial establishments and households.

Over the past 60 years, we have built a strong foundation as a market leader in Tamil Nadu, Kerala and set to build a strong presence in Puducherry. We have a strong distribution network among wholesale and retail outlets, and are set to grow beyond our traditional market. Kuthuvilakku is now focussed on national expansion through retail channels.



# Kuthuvilakku

Cook with Confidence



## CHAKKI ATTA



Kuthuvilakku

KV PLUS



PREMIUM MAIDA | PREMIUM CHAKKI ATTA



# Kuthuvilakku

Cook with Confidence



## ROASTED SOOJI



# Kuthuvilakku

Cook with Confidence



## ROASTED VERMICELLI





A large, glowing funnel pouring molten metal, with the KLRF logo overlaid.

**KLRF** 

**ENGINEERING EXCELLENCE**



## Eltex Super Castings

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Eltex Super Castings is a prominent manufacturer in the casting industry, renowned for its high-quality products and state-of-the-art foundry operations.

The foundry division is a one of the key components of the company, specializing in the production of various types of castings that serves multiple industries, including Automotive, Engineering, Infrastructure, Agriculture, Textile, etc.,

Ensuring precision and consistency in the products, a rigorous quality control process is in place, this commitment to Quality has earned reputation and reliability for the products.



Kovilpatti Lakshmi Roller Flour Mills Limited has been harnessing wind energy through its dedicated windmill since 1995. A pioneering step that highlights the company's long-standing commitment to sustainable energy practices. The company has enjoyed greater energy security and independence. This long-term energy strategy has shielded the company from fluctuations in electricity prices and supply disruptions.

As an early adopter of renewable energy, our company has positioned itself as a leader in environmental responsibility within the industry. The windmill has helped the company reduce its carbon footprint and set an example for others in the manufacturing sector.

This initiative has not only provided substantial benefits to the company itself but has also contributed to national renewable energy goals and environmental protection

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**WORKING GREEN**

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# **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

CIN : L15314TN1961PLC004674

Board of Directors

**Sudarsan Varadaraj**

**K.Gnanasekaran**

**Kalyani Jagannathan**

**R.Kannan**

**Ashwin Chandran**

**Sharath Jagannathan**

Managing Director

**Suresh Jagannathan**

Executive Chairman

Chief Financial Officer

**R. Nagarajan**

Company Secretary

**S. Piramuthu**

Statutory Auditor

**M/s Marimuthu & Associates**

Chartered Accountants, Tirunelveli

Branch Auditors

**M/s VKS Aiyer & Co**

Chartered Accountants, Coimbatore

Secretarial Auditors

**M/s MDS & Associates LLP**

Company Secretaries

Coimbatore

Bankers

HDFC Bank Ltd

Registered Office

75/8, Benares Cape Road

Gangaikondan

Tirunelveli -627352

Administrative Office

8<sup>th</sup> Floor, Time Square,

62, Balasundaram Road,

Coimbatore-641018

Food Division

Gangaikondan Tirunelveli - 627352,

Puducherry - 605102

Engineering Division

Periyanaickenpalayam, Coimbatore-641020

Registrar and Share Transfer Agent

Link Intime India Private Limited

"Surya" 35, Mayflower Avenue

Senthil Nagar, Sowripalayam Road

Coimbatore – 641028, Tamil Nadu

Telephone : +91 422 231 4792

E-mail : coimbatore@linkintime.co.in

**NOTICE OF 62<sup>nd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Sixty Second (62<sup>nd</sup>) Annual General Meeting of the members of Kovilpatti Lakshmi Roller Flour Mills Limited will be held on Monday the 09<sup>th</sup> September, 2024 at 09:15 a.m., Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the in-person presence of the members at a common venue to transact the following business;

**AGENDA**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31<sup>st</sup> March, 2024 including audited Balance Sheet as at 31<sup>st</sup> March, 2024, Statement of Profit and Loss and Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of ₹ 1.25 per equity share for the financial year ended 31<sup>st</sup> March 2024.
3. To appoint a director in the place of Sri. Sharath Jagannathan (DIN: 07298941) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

**4. To ratify the remuneration payable to the Cost Auditor for the financial year 2024-25.**

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

"RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) , the re-appointment of M/s P. Mohankumar & Co., (FRN 100490), Cost Accountants, Coimbatore, as Cost Auditor made by the Board of Directors to audit the cost records of the Engineering Division of the company for the financial year 2024-25, on a remuneration of ₹ 90,000 (Rupees Ninety Thousand only) plus applicable tax and out of pocket expenses that may be incurred during the course of audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013**

**Item No.4**

The Board of Directors, based on the recommendation of the Audit Committee, has approved the re-appointment of M/s P. Mohankumar & Co.,(Firm Registration No: 100490), Cost Accountants, Coimbatore as Cost Auditor to conduct the audit of the cost records of the Engineering Division of the Company for the financial year 2024-25 and the remuneration payable to the Cost Auditor, as set out under Item No.4 of this Notice. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the company. Accordingly, the approval of the members is sought by way of an ordinary resolution as set out under Item No.4 of this Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2024 - 25. Your directors recommend the passing of this resolution.

None of the Directors and Key Managerial Personnel of the company or their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out in Item No.4 of the Notice.

**Notes:**

1. Members are informed that the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") vide their relevant circulars issued from time to time (collectively referred to as "MCA and SEBI Circulars") has permitted the conduct of the 62<sup>nd</sup> Annual General Meeting ("AGM") through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the in-person presence of the members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars, the 62<sup>nd</sup> AGM of the Company is being held through VC/ OAVM. Members desirous of participating in the 62<sup>nd</sup> AGM through VC/ OAVM, may refer to the procedures mentioned below. The deemed venue for the 62<sup>nd</sup> AGM shall be the Registered Office of the company situated at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli, Tamil Nadu.

2. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his /her behalf and the proxy need not be a member of the company. Since this 62<sup>nd</sup> AGM is being held through VC / OAVM pursuant to the MCA and SEBI Circulars, the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 62<sup>nd</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.**



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3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email to his registered email address to mds@mdsassociates.in with a copy marked to the company to cosec@klrf.in.
4. The Register of Members and share transfer books of the company will remain closed from 3<sup>rd</sup> September 2024 to 9<sup>th</sup> September 2024 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
5. Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within 30 days from the date of declaration to those members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in demat form as per the details received from the depositories for this purpose as at the close of the business hours on 2<sup>nd</sup> September, 2024 (Record Date)
6. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the company for payment of dividend, if any. The company or its registrar and share transfer agent, M/s. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant by the members. Members holding shares in physical form and desirous of registering bank particulars against their respective folios for payment of dividend, are requested to write to the registrar and share transfer agent of the company.
7. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participants for availing NECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz., [www.klrf.in](http://www.klrf.in) and the same, duly filled and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent.
8. Details of the Directors seeking re-appointment at the 62<sup>nd</sup> Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS- 2) is annexed and forms part of this notice.
9. The company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such

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as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

10. Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the details on the dividend warrants as furnished by these depositories to the company and the company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, members should contact their depository participants (DP) and furnish particulars of any changes desired by them.
11. In accordance with SEBI's Master Circular dated 17<sup>th</sup> May 2023 and amendment circular dated 17<sup>th</sup> November 2023, Members holding shares in physical form, whose folio(s) are updated with PAN, nomination details, contact details, Bank Account details or updated specimen signature, will only be eligible for payment of dividend, through electronic mode effective from 1<sup>st</sup> April 2024. Therefore, Members holding shares in physical form are requested to update the above mentioned details by providing the appropriate requests through ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend.
12. The relevant formats for Nomination and Updating of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of Link Intime India Private Limited the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.
13. Securities and Exchange Board of India ("SEBI") has mandated that the transfer of securities held in physical form shall not be processed by the Company / its Registrars and Share Transfer Agents with effect from 1<sup>st</sup> April 2019. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 has mandated that the Company or its Registrars and Share Transfer Agents shall issue the securities in dematerialized form only while dealing the requests for issue of duplicate share certificate, sub-division or consolidation of certificates/folios, transmission or transposition, with effect from 25<sup>th</sup> January 2022. As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline. The shareholders/claimants shall submit duly filled up Form ISR-4 (hosted on the website of the Company and the RTA) along with

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the documents / details specified therein in order to process such requests. Therefore, the members, who are holding share(s) in physical form, are requested to immediately dematerialize their shareholding in the company. Necessary prior intimation in this regard has already been provided to the shareholders. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation. Members can contact the Company or RTA, for assistance in this regard.

14. a) Members are requested to notify immediately any change of address including bank particulars:
  - i. to their Depository Participants ("DPs") in respect of the shares held in electronic form, and
  - ii. to the company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b) In case the registered mailing address is without the Postal Identification Number Code ("PINCODE"), members are requested to kindly inform their PINCODE immediately to the Company / RTA/DPs.
15. Non-Resident Indian("NRI") Members are requested to inform the company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a. The change in the residential status on return to India for permanent settlement;(or)
  - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
16. Members are requested to update their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and 16<sup>th</sup> March 2023.
17. In case of transmission / transposition, the members are requested to forward their requests and other communications directly to the Registrar and Share Transfer Agent (RTA) of the company, M/s. Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, 2<sup>nd</sup> Floor, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
18. As per the provisions of Section 72 of the Act, members may file nomination forms in respect of their physical shareholdings. Any member wishing to avail this facility may submit to the company's Registrar & Share Transfer Agent in the prescribed Form SH-13 (hosted

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on the website of the Company and RTA). Should any assistance be desired, members shall get in touch with the company's Registrar & Share Transfer Agent. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.

19. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the company or its RTA, namely, M/s. Link Intime India Private Limited (LIPL), 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028, Tamil Nadu, by quoting the Folio number or the Client ID number with DP ID number.
20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote at the AGM.
21. Members desirous of receiving any information on the accounts or operations of the company are requested to write to the Company Secretary so as to reach him at least 7 working days before the date of the Annual General Meeting. The same will be replied by the company suitably.
22. Members who have not encashed their dividend warrant(s) are requested to send their claim with a cancelled cheque containing name of the shareholder (for their Bank details) immediately to the Company/ Registrar and Transfer Agent (RTA) for receiving the amounts through electronic channels such as RTGS/ NEFT in lieu thereof. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unclaimed dividend can be viewed on the company's website [www.klrf.in](http://www.klrf.in). As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the company will be transferring the share(s), in respect of which the beneficial owner has not encashed any dividend during the last seven years, to the IEPF demat account of the IEPF Authority at the appropriate timeline. Details of shareholders whose shares has already been transferred / are liable to be transferred to IEPF are available at the company's website: [www.klrf.in](http://www.klrf.in). The shareholders whose unclaimed dividend/share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Sri. S Piramuthu, Company Secretary, is the Nodal Officer (IEPF) of the Company for the purpose of verification of such claims.
23. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 62<sup>nd</sup> AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members

may note that the Notice and Annual Report 2023-24 will also be made available on the company's website [www.klrf.in](http://www.klrf.in), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

24. Pursuant to Finance Act, 2020, dividend is taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid (if any) to the Members at the prescribed rates in the Income Tax Act, 1961. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Shareholders are therefore immediately requested to furnish the necessary documents / declarations to the Company's Registrar and Share Transfer Agent (RTA), Link Intime India Private Limited to enable the Company in applying appropriate TDS percentage on dividend payment. Shareholders are requested to note that in case their PAN is not registered or having invalid PAN, or "specified person" as defined under Section 206AB of the Income Tax Act, 1961, the tax will be deducted at higher rates prescribed under Section 206AA or 206AB, as applicable.
25. Members are requested to note that the 62<sup>nd</sup> Annual General Meeting is scheduled to be held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) and hence, the route map of the venue is not annexed to this Notice.

**26. Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, login details for e-voting are being sent to the registered email address. In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and / or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) In case of Shares held in physical form, kindly submit your updation request in the prescribed form ISR - 1(hosted on the website of the Company / RTA) to our Registrar and Transfer Agent, Link Intime India Private Limited. OR
- (ii) In case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
27. Members holding shares in electronic form may please note that as per the regulations of Securities Exchange Board of India (SEBI), National Security Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the company and the company cannot entertain any request for deletion/change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.

28. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the company to serve documents in electronic mode.
29. Soft copies of the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.

**30. Voting through electronic means:**

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide its members the facility to exercise their right to vote at the 62<sup>nd</sup> Annual General Meeting (AGM) by electronic means and all the business as set out in the said notice may be transacted through e-voting services provided by Link Intime India Private Limited(LIPL).
- b) Any person, who acquires shares of the company and becomes Member of the company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. 2<sup>nd</sup> September, 2024, may refer to this Notice of the Annual General Meeting, posted on company's website [www.klrf.in](http://www.klrf.in) for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- c) The Members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The instructions for members for voting electronically (remote e-voting) are as under: -
- a. The remote e-voting period begins on Friday, 6<sup>th</sup> September 2024 at 9:00 AM (IST) and ends on Sunday, 8<sup>th</sup> September 2024, at 5:00 PM (IST).
- b. During this period, the shareholders of the company, holding shares either in physical form or in dematerialized form, as on 2<sup>nd</sup> September 2024 (the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

**Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

**Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - If registered with NSDL IDeAS facility**

**Users who has registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

**User who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> "
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL:**

**METHOD 1 – If registered with CDSL Easi/Easiest facility**

**Users who have registered for CDSL Easi/Easiest facility.**

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- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users who have not registered for CDSL Easi/Easiest facility.

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **METHOD 2 - By directly visiting the e-voting website of CDSL.**

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.



**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
  2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:
    - A. User ID: Enter your User ID
      - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company
    - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
    - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
      - Shareholders/ members holding shares in NSDL demat account shall provide 'D', above
      - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- ⇒ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ⇒ Click "confirm" (Your password is now generated).
3. Click on 'Login' under 'SHARE HOLDER' tab.
  4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):**

**STEP 1 – Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

**STEP 2 –Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - a. 'Investor ID' -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. 'Investor's Name - Enter full name of the entity.
  - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
  - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

**STEP 3 – Voting through remote e-voting.**

The corporate shareholder can vote by two methods, once remote e-voting is activated:

**METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

**VOTES UPLOAD:**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: +91 22 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at : +91 22 4886 7000 and +91 22 2499 7000.

<b>Login type</b>	<b>Helpdesk details</b>
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 toll free no. 1800 22 55 33.

**Forgot Password:**

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

**Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'

o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants

website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### **InstaVote Support Desk**

**Link Intime India Private Limited**

### **Process and manner for attending the General Meeting through InstaMeet:**

1 Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

⇒ Click "Go to Meeting" (You are now registered for InstaMeet, and your attendance is marked for the meeting).

### **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register themselves as speaker on or before Monday, 2nd September, 2024, 5.00 PM (IST) with the Company by sending email cosec@klrf.in.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: +91 22 4918 6175.

**InstaMeet Support Desk**  
**Link Intime India Private Limited**

**Other Information:**

- a) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date i.e. Monday, 02<sup>nd</sup> September, 2024.
- b) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- c) Sri. M.D Selvaraj, FCS, Managing Partner of M/s. MDS & Associates LLP, Company Secretaries, Coimbatore has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.
- d) The Chairman shall, at the 62<sup>nd</sup> Annual General Meeting, at the end of discussion on all the resolutions on which voting is to be cast, allow e-voting for all those members who are present at the 62<sup>nd</sup> Annual General Meeting but who have not cast their votes by availing the remote e-voting facility.
- e) The Scrutinizer shall after the conclusion of the e-voting at the Annual General Meeting, will first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within the prescribed time to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- f) The results shall be declared within the time stipulated under the applicable laws. The results declared along with the consolidated scrutinizer's report shall be placed on the company's website [www.klrf.in](http://www.klrf.in) and on the website of LIPL and communicated to the Stock Exchange where the company's shares are listed.

By order of the Board  
For Kovilpatti Lakshmi Roller Flour Mills Limited

**S. Piramuthu**  
Company Secretary  
Membership No. FCS 9142

Place : Coimbatore  
Date : May 22, 2024

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**ANNEXURE – DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 62ND ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) ARE MENTIONED BELOW:**

Name	Sri. Sharath Jagannathan
Director Identification Number	07298941
Date of Birth / Age	22-04-1992 / 32 years
Nationality	Indian
Date of first appointment on the Board	25-01-2021
Board Position held	Managing Director
Educational Qualification	Bachelor of Science in Business Administration, Bryant University, Smithfield, RI (USA)
Brief profile including experience & areas of expertise	Over 9 years of experience in food and engineering industry and in the field of marketing and general business.
Number of Board meetings attended during the year	7 of 7
Remuneration sought to be paid (per annum)	Not applicable
Remuneration last drawn per annum	FY 31.03.2024 – Rs 79.74 lakhs per annum
Terms and conditions of appointment/re-appointment	Liable to retire by rotation
Details of inter-se relationship with other Directors, Manager and Key Managerial Personnel of the Company	Sri Sharath Jagannathan (DIN: 07298941), Managing Director (Promoter) is the son of Sri Suresh Jagannathan (DIN:00011326), Executive chairman (Promoter).
Details of shares held in the Company (on a fully diluted basis) (including shareholding as a beneficial owner) (as on 31st March, 2024)	21,47,129 equity shares (23.75%)
List of other companies in which Directorship held	1. Cape Flour Mills Private Limited, Managing Director 2. Wm Mckinnon India Private Limited, Director
Name of the listed entities from which the Director has resigned in the past three years	Nil
Membership / Chairmanship of Committees of other Boards	Nil

By order of the Board  
For Kovilpatti Lakshmi Roller Flour Mills Limited

**S. Piramuthu**  
Company Secretary  
Membership No. FCS 9142

Place : Coimbatore  
Date : May 22, 2024



**DIRECTOR'S REPORT****Dear Shareholders,**

The Directors present their Sixty Second Annual Report together with the audited statements of accounts for the year ended 31<sup>st</sup> March 2024

**(₹ in Lakhs)****FINANCIAL HIGHLIGHTS**

	<b>31.03.2024</b>	31.03.2023
Total Income	<b>41,365.90</b>	41,116.30
Profit before finance cost and depreciation	<b>2,653.19</b>	2,825.11
Less: Finance cost	<b>959.46</b>	775.33
Profit before depreciation and amortization	<b>1,693.73</b>	2,049.78
Less: Depreciation	<b>642.96</b>	630.92
Profit/ (Loss) before tax	<b>1,050.77</b>	1,418.86
Add/Less: Income tax expense - Current tax	<b>228.87</b>	247.90
- Deferred tax charge / (credit)	<b>41.46</b>	161.32
Profit / (Loss) for the year from operations	<b>780.44</b>	1,009.64
Other comprehensive Income net of tax	<b>0.84</b>	4.76
Total comprehensive income for the year	<b>781.28</b>	1,014.40

**REVIEW OF BUSINESS OPERATIONS**

During the year ended 31<sup>st</sup> March 2024, the Company has recorded a total income of ₹ 41,365.90 lakhs as against ₹ 41,116.30 lakhs achieved during the previous year. The profit after tax amounted to ₹ 780.44 lakhs as against profit of ₹ 1009.64 lakhs in the previous year. The Profit before interest, Depreciation, Taxes and Amortization (EBIDTA) amounted to ₹ 2,653.19 lakhs as against ₹ 2,825.11 lakhs in the previous year.

There was no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March 2024.

The performance of each business segment of the Company has been comprehensively discussed in the management Discussion and Analysis Report (forming part of this Directors' Report).

**FINANCE**

Your Company has continued to avail need based working capital and other credit facilities from HDFC Bank Ltd.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The report on Corporate Governance and Management Discussion & Analysis Report, which forms an integral part of this Report, is annexed to this report. The Company has complied

with the conditions relating to Corporate Governance as stipulated in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate obtained from the Practicing Company Secretary relating to the above is annexed and forms a part of this report.

### **SCHEME OF AMALGAMATION AND ALTERATION OF MEMORANDUM OF ASSOCIATION**

The Scheme of Amalgamation of Raya Foods Private Limited ("Transferor Company") with the Company ("Scheme") with effect from 1<sup>st</sup> April, 2022 ("Appointed Date") has been sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench vide its Order dated 5<sup>th</sup> January 2024 and 18<sup>th</sup> January 2024 respectively. The Company has also filed the certified copy of the said order with the Registrar of Companies, Chennai on 1<sup>st</sup> February, 2024 ("Effective Date") in the prescribed form. Consequently, the entire undertakings of the Transferor Company has been transferred and vested into the Company with effect from the Appointed Date.

### **SHARE CAPITAL AND ALTERATION OF MOA**

Pursuant to the Scheme of Amalgamation of Raya Foods Private Limited ("Transferor Company") with the Company ("Scheme") with effect from 1<sup>st</sup> April, 2022 ("Appointed Date") vide Order of the Hon'ble National Company Law Tribunal, Chennai Bench dated 5<sup>th</sup> January 2024 and 18<sup>th</sup> January 2024 respectively, the Authorized Share Capital of the Company has been increased from ₹ 1,500 lakhs divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of ₹ 10/- each and 30,00,000 (Thirty Lakhs) Preference Shares of ₹ 10/- each to ₹ 1,750 lakhs divided into 1,45,00,000 (One Crore and Forty-Five Lakhs) Equity Shares of ₹ 10/- (Rupee Ten only) each and 30,00,000 (Thirty Lakhs) Preference Shares of ₹ 10/- (Rupee Ten only) each. Consequently, the Clause V (Share Capital) of the Memorandum of Association of the Company has been altered to reflect the increased capital and complied with the provisions of the Act.

Further, pursuant to the Scheme of Amalgamation of Raya Foods Private Limited ("Transferor Company") with the Company ("Scheme") with effect from 1<sup>st</sup> April, 2022 ("Appointed Date") vide Order of the Hon'ble National Company Law Tribunal, Chennai Bench dated 5<sup>th</sup> January 2024 and 18<sup>th</sup> January 2024 respectively, the Company has allotted 35,00,000 equity shares of ₹ 10/- each in dematerialized form to the shareholders, whose names appeared on the Register of Members of Raya Foods Private Limited (Transferor Company) as on 1<sup>st</sup> February 2024, being the record date fixed for the said purpose and has complied with the provisions of the Act. The new shares allotted ranks pari-passu in all respects with the existing equity shares of the Company.

Consequently, the paid-up equity share capital of the company increased from ₹ 554.15 lakhs divided into 55,41,476 equity shares of ₹ 10/- each to ₹ 904.15 lakhs divided into 90,41,476 equity shares of ₹ 10/- each.

Other than the Company, the Company has not issued any securities during the year under review.

### **TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to its General Reserves. However, the current year's net profit of ₹ 781.28 lakhs available after appropriation has been carried forward under the head Surplus in Profit and Loss Account.

### **DIVIDEND**

Your Directors recommend a dividend of ₹ 1.25/- per equity share of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2024, which if approved at the ensuing 62<sup>nd</sup> Annual General Meeting, will be paid to those equity shareholders whose names appear in the Register of Members as on 2<sup>nd</sup> September, 2024 (Record Date) in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on the basis of the beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 2<sup>nd</sup> September, 2024 (Record Date), subject to deduction of Tax at Source.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year under review, the Company had transferred the amount of ₹ 1.10 lakhs, being the dividend declared at the 61<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> December, 2023 in relation to the financial year 2022-23, pertaining to the shares already transferred to the designated demat account of the Investor Education and Protection Fund Authority (IEPFA) to the Investor Education and Protection Fund pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 within the stipulated time and complied with the provisions of the Act.

Further, pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("the Rules"), all amount of dividends which remains unpaid or unclaimed for a period of 7 years are required to be transferred by the Company to the IEPF Authority. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years shall also be transferred to the demat account of the IEPF Authority. Accordingly, the amount of dividend relating to the financial year 2016-17, which remains unclaimed after the expiry of seven years, would be transferred to the Investor Education and Protection Fund along with underlying equity shares within the stipulated time in accordance with the provisions of the Act and its Rules. The details are also made available on the website of the Company [www.klrf.in](http://www.klrf.in)

### **COPY OF ANNUAL RETURN**

As per the requirements of Section 92(3) and rule 12(1) of the Companies (Management and Administration) Rules, 2014 the copy of the annual return in the prescribed Form MGT-7 for FY 2023-24 is placed on the website of the Company [www.klrf.in](http://www.klrf.in).

## **BOARD AND COMMITTEE MEETINGS**

Details of the composition of the Board of Directors and its Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and of the Board and Committee Meetings held during the year under review and the attendance of the Directors at such Board/ Committee Meetings are provided in the Corporate Governance Report under relevant heads which forms part of this Report.

## **STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on the meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that;

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures from those standards;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year under review;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2024 on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, there were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of The Companies Act, 2013.

## **DECLARATION OF INDEPENDENT DIRECTORS**

All the Independent directors have given declarations to the effect that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with applicable Schedule and Rules issued thereunder and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended) and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

## **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO THE INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Board of Directors has evaluated the Independent Directors during the year 2023-24 based on the criteria and framework adopted by the Board and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

## **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board, based on the recommendation of the Nomination and Remuneration Committee, has framed a policy which inter alia provides the criteria for selection and appointment of Directors, Key Managerial Personnel, Senior Management and the criteria for evaluation of the performance of the Directors / Key Managerial Personnel / Senior Management, the remuneration payable to them and other matters provided under Section 178(3) of the Act and SEBI Listing Regulations. The salient features of the said policy have been outlined in the Corporate Governance Report annexed to this Report, which forms part of this report. The Remuneration Policy is placed on the Company's website at [www.klrf.in](http://www.klrf.in) and the salient features of which is furnished as "**Annexure - C**" and forms part of this report.

## **STATUTORY AUDITORS AND BRANCH AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013 read with its relevant Rules made thereunder M/s. Marimuthu and Associates (Firm Registration Number 014572S), Chartered Accountants, Tirunelveli, was appointed as the Statutory Auditor of the company at the 60<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> September, 2022 to hold such office till the conclusion of 65<sup>th</sup> Annual General Meeting ought to be held in the year 2027. Accordingly, no resolution for appointment of statutory auditor is included in the Notice convening the 62<sup>nd</sup> Annual General Meeting.

The Company has also obtained necessary consent under Section 139 and eligibility certificate under Section 141 from M/s. Marimuthu and Associates (Firm Registration Number 014572S), Chartered Accountants, Tirunelveli to the effect that their appointment would be in conformity with the provisions of the Companies Act, 2013. Further, the Statutory Auditor has confirmed that he is holding a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

Further, in accordance with the provisions of Section 139 of the Companies Act, 2013 read with its relevant rules made thereunder, M/s VKS Aiyer & Co., (Firm Registration No.000066S), Chartered Accountants, Coimbatore, were re-appointed as the Branch Auditors of the Engineering Division of the Company to hold such office for a period of five consecutive years from the conclusion of the 61<sup>st</sup> Annual General Meeting till the conclusion of the 66<sup>th</sup> Annual General Meeting ought to be held during the year 2028. The Company has also obtained necessary consent under Section 139 and eligibility certificate under Section 141 from M/s VKS Aiyer & Co., (Firm Registration No.000066S), Chartered Accountants, Coimbatore, to the effect that their appointment would be in conformity with the provisions of the Companies Act, 2013. Further, the Branch Auditor has confirmed that they are holding a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

### **COST AUDITOR AND MAINTENANCE OF COST RECORDS**

The Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013. Pursuant to the said provision, the Company is required to appoint a Cost Auditor to audit the cost records pertaining to the Engineering products of the Company. Accordingly, based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on 22<sup>nd</sup> May, 2024, has approved the re-appointment of M/s. P. Mohankumar & Co., Cost Accountants (Firm Registration Number: 100490), Coimbatore as Cost Auditor to audit the cost records pertaining to the Engineering products of the Company for the financial year 2024-25 and the remuneration payable to the Cost Auditor for the said period, subject to ratification by the members by means of passing an Ordinary Resolution.

As required under the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, necessary ordinary resolution seeking members' ratification for the remuneration payable to M/s P. Mohankumar & Co. (Firm Registration Number: 100490), Cost Accountants is included in the Notice convening the 62<sup>nd</sup> Annual General Meeting of the Company.

Further, the Cost Audit Report for the financial year ended 31<sup>st</sup> March 2024 will be submitted with the Central Government in the prescribed form and manner within the time stipulated under the Act.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company had re-appointed M/s. MDS & Associates LLP, (ICSI Firm Unique Code: L2023TN013500 / Peer Review No.3030/2023), Company Secretaries, Coimbatore as Secretarial Auditors to conduct the Secretarial Audit on the records of the Company for the financial year ended 31<sup>st</sup> March 2024. Accordingly, the Secretarial Audit Report in the prescribed Form MR-3 for the financial year ended 31<sup>st</sup> March 2024 is annexed as "**Annexure-A**" to this Report.

Further, the Secretarial Auditors have also confirmed that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India (ICSI) and hold a valid certificate issued by the Peer Review Board of the ICSI.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS**

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor and the Secretarial Auditors in their respective report(s).

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans / guarantees / securities provided or investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 during the year under review and hence the disclosure relating to such transactions does not arise. In respect of the investments made in earlier years, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 and the details of the investments are given in the relevant notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All transactions entered into by the Company during the financial year ended 31<sup>st</sup> March 2024 with its related parties, as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, and 2015, were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any transaction with related parties which could be considered material under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of material related party transactions as required under Section 134(3) of the Companies Act in Form AOC-2 does not arise. Attention of members is drawn to the disclosures of transactions with related parties set out in Notes on Accounts forming part of the financial statements.

Further, the Company has formulated a policy on related party transactions for identification and monitoring of such transactions. The policy on related party transactions, as recommended by the Audit Committee and approved by the Board, is available on the company's website [www.klrf.in](http://www.klrf.in)

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments, which affect the financial position of the Company, having occurred since the end of the year and till the date of Report.

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY**

The Company has a structured risk management policy. The risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventories and integrated with the management process such that they receive the necessary consideration during decision making. Further, the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to constitution of the Risk Management Committee are not applicable to the Company.

**DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Pursuant to the amended provisions of Section 135 of the Companies Act, 2013 read with the Companies (Amendment) Act, 2020 (effective from 22<sup>nd</sup> January, 2021) the Corporate Social Responsibility Committee ("CSR Committee") was dissolved with effect from 12<sup>th</sup> November, 2021 and all the roles, responsibilities and functions of the Corporate Social Responsibility Committee, as provided under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) are being discharged by the Board of Directors of the Company in terms of the said provisions of the Act and its Rules with effect from the said date.

The requisite information has also been provided in the Corporate Governance Report forming part of this Directors' Report. Further, based on the approval of the Board of Directors, the Company has also adopted a Corporate Social Responsibility Policy which is available on the website of the Company viz [https://www.klrf.in/uploads/Policies/KLRF\\_Amended%20CSR%20Policy-111122.pdf](https://www.klrf.in/uploads/Policies/KLRF_Amended%20CSR%20Policy-111122.pdf)

As part of its initiatives under its Corporate Social Responsibility Policy ("CSR Policy"), the company has undertaken various projects towards CSR initiatives and the said projects are by and large in accordance with Schedule VII of the Companies Act, 2013 and the CSR Policy of the Company. The Annual Report on CSR Activities as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure – D** and forms part of this Report.

**ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS**

The Board has made a formal annual evaluation of its own performance and its committees and of every Individual Directors including the Independent Directors of the Company based on a structured questionnaire, formulated in accordance with the performance evaluation criteria approved by the Nomination and Remuneration Committee.



## **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

The Board's own performance was evaluated based on the criteria like structure, governance, dynamics and functioning and review of operations, financials, internal controls etc.

The performance of the Individual Directors including Independent Directors were evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and the Code of Conduct as laid down by the Board. Further, the Independent Directors, at their separate meeting held during the year 2023-24, has evaluated the performance of the Board as a whole, its Chairman and Non-Executive Non-Independent Directors and other items as stipulated under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees of the Board were evaluated based on the terms of reference specified by the Board to the said Committee, frequency and effectiveness of Committee meetings, quality of Committee and the management's relationship etc. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Individual Directors including Independent Directors adhere to their applicable criteria.

The criteria for evaluation of the performance of the Non-Executive Directors and Independent Directors have also been explained in the Corporate Governance Report annexed to this Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As per the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Sri. Sharath Jagannathan (DIN: 07298941), Managing Director, retires by rotation at the ensuing 62<sup>nd</sup> Annual General Meeting and being eligible, he has offered himself for re-appointment. Your directors recommend his re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee and the Board of Directors, the re-appointment of Sri. Sharath Jagannathan (DIN: 07298941), whose tenure as Managing Director expired on 24<sup>th</sup> January, 2024 and who is also the Managing Director of M/s. Cape Flour Mills Private Limited (CIN: U51101TN1992PTC045579), as Managing Director of the Company for a further period of 3 (three) years effective from 25<sup>th</sup> January, 2024 and the remuneration payable to him has been approved by the members of the company by means of a special resolution passed through postal ballot on 22<sup>nd</sup> June, 2023 and the Company has complied with the applicable provisions of the Act.

Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Sri. Ashwin Chandran (DIN: 00001884) as an Independent Director of the Company for a second term of five consecutive years commencing from 1<sup>st</sup> September, 2023 to 31<sup>st</sup> August, 2028 has been approved by the members of the company by means of a special resolution passed through postal ballot on 22<sup>nd</sup> June, 2023 and the Company has complied with the applicable provisions of the Act.

## **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee and the Board of Directors, the re-appointment of Sri. Suresh Jagannathan (DIN: 00011326), whose tenure as Executive Chairman expired on 11<sup>th</sup> March, 2024 and who will attain the age of 70 (seventy) years on 1<sup>st</sup> May, 2026, as Executive Chairman of the Company for a further period of 5 (five) years effective from 12<sup>th</sup> March, 2024 has been approved by the members of the company by means of a special resolution passed at the 61<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> December, 2023 and the Company has complied with the applicable provisions of the Act.

Other than the above, there was no change in the composition of the Board of Directors of the Company.

Further, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on 15<sup>th</sup> May, 2023, has appointed Sri.R.Nagarajan as Chief Financial Officer of the Company with effect from 15<sup>th</sup> May, 2023.

The following are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2024;

Sri. Suresh Jagannathan – Executive Chairman

Sri. Sharath Jagannathan – Managing Director

Sri. R. Nagarajan – Chief Financial Officer

Sri. S. Piramuthu – Company Secretary

### **AUDIT COMMITTEE**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has constituted an Audit Committee comprising of four members namely Sri. Sudarsan Varadaraj, Sri. K. Gnanasekaran, Mrs. Kalyani Jagannathan and Sri. Ashwin Chandran, all of them being Independent Directors. Sri. K. Gnanasekaran, an Independent Director, is the Chairman of the Audit Committee.

The Board had accepted all the recommendations of the Audit Committee, whenever made by the Committee, during the year under review.

The details of composition of the Audit Committee including the terms of reference, the number of meetings held during the year under review and the attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Directors' Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY**

**(i) The steps taken or impact on conservation of energy.**

Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

**(ii) The steps taken by the Company for utilizing alternate source of energy.**

The Company has installed 7.00 MW capacity wind energy and 6.9 MW (DC capacity) / 5 MW (AC capacity) Solar energy plant for captive consumption.

**(iii) The capital investment on energy conservation equipment.**

As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

**B. TECHNOLOGY ABSORPTION**

i) Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore, no technology absorption is required.

**ii) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT**

No specific expenditure of recurring or capital nature is involved in research and development directly.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, your Company has earned foreign exchange of ₹ NIL and ₹ 17.18 Lakhs outflow.

**SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES**

The company does not have any subsidiaries, associate companies, or joint ventures.

**FIXED DEPOSITS**

Your company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, there are no unclaimed or unpaid deposits as on 31<sup>st</sup> March 2024.

Further, the details of the unsecured loans accepted by the Company from its Directors including those carried forwarded in the books of the Company consequent upon the sanctioning of the Scheme of Amalgamation of Raya Foods Private Limited with the Company with effect from 1<sup>st</sup> April, 2022 have been disclosed under the relevant notes to the financial statements.

**DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc., as stipulated under section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure-B to this Report.

In terms of provisions of section 197(12) and rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing the names of the top ten employees in terms of remuneration drawn forms part of this report. Pursuant to the second proviso to section 136(1) of the Act, the Annual Report excluding the said information is being sent to the members of the company. Any member interested in obtaining such information may send an email to [cosec@klrf.in](mailto:cosec@klrf.in)

Further, the details of employees who are in receipt of remuneration in the aggregate not less than ₹ 1.02 crores if employed throughout the financial year or not less than ₹ 8.50 lakhs per month if employed for a part of the financial year is disclosed in **"Annexure-B"**.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has established a vigil mechanism and adopted a Whistle Blower Policy in accordance with provisions of the Companies Act, 2013 and SEBI Listing Regulations, to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. During the year under review, no concerns were received by the Company. The details of the said policy have been given in the Corporate Governance Report forming part of this Directors' Report and also, it has been placed on the Company's website viz., [www.klrf.in](http://www.klrf.in).

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Internal Audit Reports were reviewed by the Audit Committee. Further, the Audit Committee periodically reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate and effective with respect to the operations of the Company. A report of Statutory Auditor pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditor's report.

**LISTING**

The equity shares of the Company continue to be listed on BSE Limited and details of listing have been given in the Corporate Governance Report forming part of this Directors' Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has put in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been setup to redress the complaints received regarding sexual harassment of women at workplace. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint under the said Act during the year 2023-24 and there are no unresolved complaints as on 31<sup>st</sup> March, 2024.

**ACKNOWLEDGEMENTS**

Your directors acknowledge with gratitude, the co-operation and assistance from its bankers. Your Directors would like to thank all Shareholders, Bankers, Customers and Employees in appreciation of their continued support.

May the Almighty Goddess Lakshmi continue to shower HER choicest blessings and Continue to grant us prosperity in the years to come.

For and on behalf of the Board

**Sharath Jagannathan**

**Suresh Jagannathan**

Managing Director

Executive Chairman

DIN : 07298941

DIN : 00011326

Place : Coimbatore  
Date : May 22, 2024

**FORM NO.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

[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 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,  
Kovilpatti Lakshmi Roller Flour Mills Limited  
CIN: L15314TN1961PLC004674  
75/8, Benares Cape Road  
Gangaikondan, Tirunelveli – 627352

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Kovilpatti Lakshmi Roller Flour Mills 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 my opinion thereon.

Based on our verification of **M/s. Kovilpatti Lakshmi Roller Flour Mills Limited'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 **31<sup>st</sup> March, 2024**, 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 on 31<sup>st</sup> March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

The following laws, as identified by the management, are specifically applicable to the industry to which the Company belongs;

- a. Food Safety and Standards Act, 2006 and its Rules / Regulations made thereon;
- b. Legal Metrology Act, 2009 and its Rules made thereon;
- c. Standards, Weights and Measures Act, 1976 and its Rules made thereon;
- d. The Prevention of Food Adulteration Act, 1954;

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- b. The Listing Agreement entered into by the Company with BSE Limited;

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

We further report that, during the year under review, there were no actions/ events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company:

- a. 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;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- f. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

We further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable to the Company.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

**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 a Woman Director. The change(s) 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 at least seven days in advance (except in respect of one Board meeting, one Audit Committee meeting and one Nomination and Remuneration Committee Meeting which were convened at shorter notice and conducted in the presence of requisite number of Independent Directors) 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.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board or Committee of Independent Directors, as the case may be.

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 all applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has sanctioned the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) ("Scheme") with effect from 1st April, 2022 (Appointed Date) pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 vide its Orders dated 5th January 2024 and 18th January 2024. The said order(s) were filed with the Registrar of Companies, Chennai on 1st February, 2024 (Effective Date) upon which the Scheme came into effect.

We further report that, during the audit period, the Company has allotted 35,00,000 (Thirty Five Lakh) Equity Shares of ₹ 10/- each on 2nd February, 2024 pursuant to the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) ("Scheme") to the shareholders of the Transferor Company and complied with the applicable provisions of the Act.



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Other than the above, there were no instances of:

- Public / Rights / Preferential issue of shares / debentures / sweat equity
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to section 180 of the Companies Act, 2013
- Reconstruction
- Foreign technical collaborations

**For MDS & Associates LLP  
Company Secretaries**

**M D SELVARAJ  
Managing Partner**

**FCS No.: 960 / C P No.: 411**

**Peer Review No. 3030/2023**

**UDIN: F000960F000412461**

Place : Coimbatore

Date : May 22, 2024

*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 the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2024**

To  
The Members,  
Kovilpatti Lakshmi Roller Flour Mills Limited  
CIN: L15314TN1961PLC004674  
75/8, Benares Cape Road  
Gangaikondan  
Tirunelveli – 627352

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records 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 and regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on random 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 MDS & Associates LLP  
Company Secretaries**

**M D SELVARAJ  
Managing Partner**

**FCS No.: 960 / C P No.: 411  
Peer Review No. 3030/2023  
UDIN: F000960F000412461**

Place : Coimbatore  
Date : May 22, 2024

**Particulars of Remuneration of Directors and employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The ratio of the remuneration of each Director to the median remuneration of the employee of the company for the financial year.

Sl.No	Name of the director	Ratio
1	Sri.Suresh Jagannathan – Executive Chairman	39:1
2	Sri.Sharath Jagannathan – Managing Director	22:1

Sitting fees paid to the non-executive directors have not been considered as remuneration

- ii. The percentage increase in remuneration of each director, Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary in the financial year

Sl.No	Name of the director	Percentage
1	Sri.Suresh Jagannathan, Executive Chairman	2.75 %
2	Sri.Sharath Jagannathan, Managing Director	12.00 %
3	Sri.R.Nagarajan, Chief Financial Officer	NA
4	Sri.S.Piramuthu, Company Secretary	13.38 %

- iii. The percentage increase in the median remuneration of employees in the financial year is 9%

- iv. Number of permanent employees on the rolls of the Company –208

- v. Average percentile increase already made in the salaries of employees 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 exceptional circumstances, if any, for increase in the managerial remuneration.

The average percentile increase granted to employees other than managerial personnel is 10.68 %. The increase granted to managerial personnel is 9.37 %.

- vi. We affirm that the remuneration paid to the Directors and Key Managerial Personnel are as per the remuneration policy of the Company.

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

vii. Particulars of employees ; Rule 5 (2) and 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows;

Name and Age	Nature of employment, whether contractual or otherwise	Qualification and experience	Date of commencement of employment	Remuneration (Rs.in lakhs)	Last employment	Relationship with any director or manager of the company
Sri.Suresh Jagannathan (66 years)	Executive Chairman	Bachelor of Science from Rensselaer Polytechnic Institute, New York	06-04-1979	138.00	--	Relative of Mr Sharath Jagannathan (Managing Director)

For and on behalf of the Board

**Sharath Jagannathan**

Managing Director

DIN : 07298941

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

Place : Coimbatore

Date : May 22, 2024

**EXTRACT OF REMUNERATION POLICY**

**1. Criteria for appointment/re-appointment and removal of director including independent director, key managerial personnel and senior management:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise, and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall obtain the approval of its shareholders for appointment of a person on the Board of Directors or as a Manager at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier;
- d) The appointment, re-appointment or removal of an Independent Director of the Company, shall be subject to the approval of shareholders by way of a special resolution.
- e) The Company shall ensure that the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders. The statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Nomination and Remuneration Committee and the Board of directors for recommending such a person for appointment or re-appointment;
- f) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- g) The Company shall not appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person;

## **2. TERM / TENURE**

### **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole-time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **3. Independent Director:**

- a) An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- c) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- d) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- e) The Independent Director, who resigns from the Company, shall be appointed as an Executive / Whole Time Director on the Board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

### **4. Remuneration to Managing Director / Executive Director / Whole-time Director:**

- a) The Remuneration / Commission etc. payable to Managing Director / Executive Director / Whole-time Director, etc. including the income components, perquisite, benefits, etc., shall be governed as per the provisions of the Companies Act, 2013 and its rules made there under or any other enactment and the Listing Regulations, including amendments or modifications or re-enactments for the time being in force.
- b) All form of remuneration including its components, perquisites, benefits etc. payable to Managing Director / Executive Director / Whole-time Director, etc. shall be determined and recommended by the Nomination and Remuneration Committee and the same

shall be approved by the Audit Committee, Board of Directors and Shareholders with or without modifications as may be deemed appropriate subject to the provisions of the Companies Act, 2013 and its rules made there under or any other enactment and the Listing Regulations, including amendments or modifications or re-enactments for the time being in force.

- c) The fees or compensation payable to Managing Director / Executive Director / Whole-time Director, who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
- i. the annual remuneration payable to such Managing Director / Executive Director / Whole-time Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
  - ii. where there is more than one such Director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company;

Provided that the approval of the shareholders, as mentioned above, shall be valid only till the expiry of the term of such director.

**5. Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- d) All fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors shall require approval of the shareholders. The approval of shareholders shall specify the limits for the maximum number of stock options that may be granted to Non-Executive Directors, in any financial year and in aggregate. The requirement of obtaining approval of shareholders shall not apply to payment of sitting fees to Non-Executive Directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government;
- e) The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

**6. Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay/ commission/ incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund etc. as decided from to time.
- c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)**

**1. Brief outline on CSR Policy of the Company.**

Through Kovilpatti Lakshmi Roller Flour Mills Limited (hereinafter referred to as "KLRF" or "the Company") long standing commitment to service the society, KLRF will strive to attain leadership in business through a socially and environmentally responsible way, while taking care of the interests of the stakeholders.

The Company will work with the primary objective of contributing to the sustainable development of the society and creating a greener and cleaner environment.

The main objective of Company's Corporate Social Responsibility policy is to lay down guidelines for the community centric activities taken up by the Company for the sustainable development of the society and the environment around it. In alignment with vision of the company, KLRF, through its CSR initiatives, will strive to enhance value to the society and the environment through continuous initiatives.

The Company will directly or indirectly take up CSR projects in and around its operational locations in keeping with the laid-out guidelines.

**2. Composition of CSR Committee:**

The Company had earlier constituted a Corporate Social Responsibility Committee in compliance with Section 135(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, Pursuant to Section 135(9) read with the Companies (Amendment) 2020 (effective from 22nd January, 2021), the requirement under sub-section (a) for constitution of the Corporate Social Responsibility Committee shall not be applicable to the Company and the functions of the Corporate Social Responsibility Committee provided under the said Section shall, in such cases, be discharged by the Board of Directors of the Company. Hence Board of Directors, at their meeting held on 12th November, 2021, had approved and dissolved the Corporate Social Responsibility Committee with effect from 12th November, 2021. All the roles, responsibilities and functions of the Corporate Social Responsibility Committee, as provided under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) are being discharged by the Board of Directors of the Company in terms of the said provisions of the Act and its Rules with effect from the said date

**3. The web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The web-link where the Composition of the CSR Committee is disclosed on the website of the Company – Not Applicable

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

The web-link where the CSR policy is disclosed on the website of the Company is [https://www.klrf.in/uploads/Policies/KLRF\\_Amended%20CSR%20Policy-111122.pdf](https://www.klrf.in/uploads/Policies/KLRF_Amended%20CSR%20Policy-111122.pdf)

The web-link where the CSR projects approved by the board are disclosed on the website of the Company is

[https://www.klrf.in/uploads/Policies/KLRF\\_Amended%20CSR%20Policy-111122.pdf](https://www.klrf.in/uploads/Policies/KLRF_Amended%20CSR%20Policy-111122.pdf)

**4. Executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.**

The Company has not carried out Impact assessment of CSR projects in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

- 5. (a) Average net profit of the company as per section 135(5) :** ₹ 911.27 lakhs  
**(b) Two percent of average net profit of the company as per section 135(5) :** ₹ 18.23 lakhs  
**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

**(d) Amount required to be set off for the financial year, if any:** ₹ 12.15 lakhs

**(e) Total CSR obligation for the financial year (5b+5c-5d):** ₹ 6.08 lakhs

**6. (a) Amount spent on CSR Projects:**

**(i) On going Project:** Nil

**(ii) Other than On going Project:** ₹ 20.00 lakhs

**(b) Amount spent in Administrative Overheads:** Nil

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

**(d) Total amount spent for the Financial Year [ (a)+(b)+(c) ]:** ₹ 20.00 lakhs

**(e) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. ( ₹ in lakhs )	Amount Unspent ( ₹ in lakhs )				
	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
₹ 20.00	NIL	NA	NA	NIL	NA

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

Sl. No.	Particular	Amount in lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 6.08 *
(ii)	Total amount spent for the Financial Year	₹ 20.00
(iii)	Excess amount spent for the financial year ((ii)-(i))	₹ 13.92
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	₹ 13.92

\*Amount of CSR obligation after set-off of excess amount spent in the previous financial year

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

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance amount in unspent CSR amount under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	Nil	Nil	2.19	Nil	NA	NA	NA
2	2021-22	Nil	Nil	7.46	Nil	NA	NA	NA
3	2022-23	Nil	Nil	21.73	Nil	NA	NA	NA
	Total	Nil	Nil	31.38	Nil	NA	NA	NA

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

No

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

The Company has spent the required amount on CSR activities as per section 135(5) and hence reporting under this clause does not arise.

For and on behalf of the Board

**Sharath Jagannathan**

Managing Director

DIN : 07298941

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

Place : Coimbatore

Date : May 22, 2024

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE, DEVELOPMENTS AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

#### **Results**

The Company's Total income stood at ₹ 41,365 lakhs in contrast to ₹ 41,116 lakhs achieved during the previous year 2022-23.

The EBIDTA of the Company for FY 2023-24 was ₹ 2,653 lakhs compared to ₹ 2,825 lakhs in FY 2022-23.

The PAT reported for FY 2023-24 is ₹ 781 Lakhs compared to ₹ 1,014 lakhs in FY 2022-23.

#### **Capital Investment**

Our Company has made a total capital investment of ₹ 708 lakhs.

### **OPPORTUNITIES, THREATS, RISKS & CONCERNS**

#### **Food Division**

The demand for wheat-based products such as bread, biscuits, pasta, and ready-to-eat meals is increasing, driven by urbanization, changing dietary habits, and an expanding middle class in India. This presents an opportunity for product diversification and market expansion. The government's support through stable MSP (Minimum Support Price) ensures a reliable raw material supply at predictable costs, helping in long-term planning and pricing strategies.

Wheat production in India for FY 2023-24 was estimated to be around 110-112 million metric tons. This was slightly lower than the initial projections due to weather-related disruptions, but still within a stable range compared to previous years. The OMSS (Open Market Sales Scheme) program implemented by the FCI (Food Corporation of India) for the FY 2023-24 was continued till December 2023, to facilitate the sale of surplus food grains, primary wheat, and rice, from the central pool in the open market at pre-determined prices through e-auction in the open market time to time. Which enhances the supply of wheat during the lean season.

#### **Engineering Division**

The Indian foundry industry, which is one of the largest globally, continued to be a critical part of the manufacturing sector, supporting industries like automotive, engineering, infrastructure, agriculture, and defense. Despite global economic uncertainties, the demand for castings in India remained strong, driven by robust growth in end-user industries, particularly automotive and infrastructure development.

India's foundry industry operates over 4,500 foundries with a production capacity of around 12 million metric tons per annum. The sector is diverse, comprising large-scale manufacturers and numerous small and medium enterprises (SMEs).

The industry's focus on technological advancements, sustainability, and government support initiatives contributed to its overall positive outlook. However, managing raw material costs, energy prices, and compliance with environmental regulations remained critical to sustaining profitability and growth.

The industry has the potential for continuous growth and innovation with increasing demand from various sectors and the adoption of new technologies.

### **SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE**

Segment-wise and product-wise results are stated separately under the relevant notes on accounts to the financial statements.

### **ECONOMIC OUTLOOK FOR THE YEAR**

India registered a GDP growth of 8.2% for FY24 (7.2% in FY 2022-23). Government capex registered 25%+ Y-o-Y growth. Inflation moderated to 4.9% Y-o-Y by Mar-24 from an average of 6.7% in FY 2022-23. Core CPI inflation fell to 3.2% (all time low). While India's economy remains steady, the government's response to global economic shifts and focus on strengthening domestic production and enhancing infrastructure.

The wheat market in India for FY 2024-25 is expected to be influenced by several key factors, including domestic production, government policies, global market dynamics, and climate conditions. Wheat production in FY 2024-25 is expected to be stable, with a projected output of around 110-115 million metric tons, assuming favorable weather conditions. Wheat prices in FY 2024-25 are expected to remain firm, supported by steady demand and the government's Minimum Support Price (MSP) policy. The MSP for wheat is likely to be revised upwards to account for inflationary pressures on input costs, ensuring a remunerative price for farmers. However, price volatility may occur depending on production levels and market supply.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Planned periodic reviews are carried out resulting in identification of deficiencies and formulation of time bound action plans to improve efficiency. The adequacy of the internal control systems is periodically reviewed by the Audit Committee. This, supplemented with existing periodical management reviews, will enable the Company to improve its monitoring system at all levels.

The Company has internal control procedures commensurate with its size and the nature of its business for purchase of raw materials, plant and machinery, components, other items and sale of goods.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the company during the financial year 2023-2024 has been discussed in the Directors' Report and the audited financial statements, which has been prepared in accordance with the requirement of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, discloses a true and fair view of the performance of the company during the said period.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and a global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management are corner stones for the success of any organization. The Company is giving direct employment to 208 employees as in the past, the industrial relations continued to remain cordial in all the divisions of the Company.

**DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS INCLUDING DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

Sl. No	Description	31-03-2024	31-03-2023	% change	Explanations, if any
1	Current Ratio	1.53	1.65	-7.27%	NA
2	Debt Equity Ratio	1.34	1.45	-7.58%	NA
3	Debt Service Coverage Ratio	2.77	3.64	-23.90%	NA
4	Return on Equity Ratio	11.70%	17.00 %	-31.17%	Due to merger, there is a change in shareholding pattern and due to decrease in profit compared to the last financial year, which impacted the return on equity.
5	Inventory Turnover Ratio	5.96	7.25	-17.80%	NA

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Sl. No	Description	31-03-2024	31-03-2023	% change	Explanations, if any
6	Trade Receivables turnover ratio	24.98	23.84	4.78%	NA
7	Trade payables turnover ratio	39.36	34.20	15.09%	NA
8	Working capital turnover ratio	12.82	11.77	8.92%	NA
9	Net profit ratio	1.90%	2.50%	-24.00%	NA
10	Return on Capital Employed	17.00%	18.60%	-8.60%	NA
11	Return on Investment	16.60%	26.20%	-36.64%	Due to merger, there is a change in shareholding pattern and due to decrease in profit compared to the last financial year, which impacted the return on investment.

**CAUTIONARY STATEMENT**

Management Discussion and Analysis forming part of the Directors Report is in Compliance with Corporate Governance Standards incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange and such statements may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board

**Sharath Jagannathan**

Managing Director

DIN : 07298941

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

Place : Coimbatore

Date : May 22, 2024

**REPORT ON CORPORATE GOVERNANCE**

In compliance with Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations")

**1. Company's Philosophy on code of Corporate Governance**

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The Company will endeavour to improve on these aspects on an ongoing basis.

**2. Board of Directors**

The Board comprises of an Executive Chairman, Managing Director, One Non-Executive Non-Independent Director and four Non-Executive Independent Directors including a Woman Director. There are four independent directors who bring independent judgement in the board's deliberations and decisions. Accordingly, the composition of the Board of Directors meets the requirement of Section 149 of the Companies Act, 2013 read with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The composition of the Board of Directors and their attendance at the board meetings held during the year and at the last Annual General Meeting held on 29<sup>th</sup> December 2023 and also the number of the other directorships/membership(s) or chairmanships in Committee(s) of other companies as on 31<sup>st</sup> March, 2024 are as follows;

Name, DIN and Designation of the Director	Category	Attendance Particulars during the year			No. of Directorship held in other Public Limited Companies (*)	No. of Committee positions in all Companies (@)	
		No. of Board meetings held	No. of Board meetings attended	AGM		Chairman	Member
Sri. Suresh Jagannathan (DIN: 00011326) Executive Chairman#	Executive - Promoter	7	7	Yes	NIL	NIL	1
Sri.Sudarsan Varadaraj (DIN:00133533)	Non Executive-Independent	7	6	No	NIL	NIL	4



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Name, DIN and Designation of the Director	Category	Attendance Particulars during the year			No. of Directorship held in other Public Limited Companies (*)	No. of Committee positions in all Companies (@)	
		No. of Board meetings held	No. of Board meetings attended	AGM		Chairman	Member
Sri. Karuppuswamy Gnanasekaran (DIN: 00133645)	Non Executive Independent	7	7	Yes	1	3	4
Sri. Ramasamy Kannan (DIN:00951451)	Non-Executive-Non Independent	7	7	Yes	NIL	NIL	1
Mrs Kalyani Jagannathan (DIN:02371318)	Non Executive-Independent	7	3	Yes	NIL	NIL	1
Sri. Ashwin Chandran (DIN: 00001884)\$	Non Executive - Independent	7	6	No	1	NIL	3
Sri. Sharath Jagannathan (DIN: 07298941) &	Promoter Executive - Managing Director	7	7	Yes	NIL	NIL	NIL

\* Exclude directorships in private companies and companies incorporated outside India, if any

# Re-appointed as Executive Chairman for a further period of 5 years effective from 12<sup>th</sup> March, 2024

\$ Re-appointed as an Independent Director for a second term of 5 consecutive years effective from 1<sup>st</sup> September, 2023

& Re-appointed as Managing Director for further period of 3 years effective from 25<sup>th</sup> January, 2024

@ only Audit Committee and Stakeholders Relationship Committee has been considered

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**Disclosure of Directorships in other Listed Entities as on 31<sup>st</sup> March, 2024:**

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the Listed Entity	Designation
Sri. Sudarsan Varadaraj (DIN: 00133533)	Elgi Rubber Company Limited	Promoter Chairman and Managing Director
	Super Spinning Mills Limited	Non Executive Independent Director
	Elgi Equipments Limited	Promoter Non Executive Director
Sri. Suresh Jagannathan (DIN: 00011326)	Nil	NA
Sri. Karuppuswamy Gnanasekaran (DIN:00133645)	Magna Electro Castings Limited	Non Executive Independent Director
Sri. Ashwin Chandran (DIN: 00001884)	Precot Limited	Promoter Chairman and Managing Director
Sri. Ramasamy Kannan (DIN: 00951451)	NIL	NA
Mrs. Kalyani Jagannathan (DIN: 02371318)	NIL	NA
Sri. Sharath Jagannathan (DIN: 07298941)	NIL	NA

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor they hold Chairmanship in more than 5 committees, as per the requirements of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company activities and performances are periodically placed before the Board for effective decision making.

The Company has held at least one Board meeting in every quarter and the Board has met seven times during the year on 15.05.2023, 26.05.2023, 10.08.2023, 09.11.2023,

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23.11.2023, 14.12.2023 and 02.02.2024. The gap between two consecutive meetings has not exceeded one hundred and twenty days. The necessary quorum was present in all the meetings. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

<b>Sl No</b>	<b>Date of board meeting</b>	<b>No of directors attended</b>
1	15.05.2023	6
2	26.05.2023	6
3	10.08.2023	6
4	09.11.2023	6
5	23.11.2023	6
6	14.12.2023	6
7	02.02.2024	7

**Shareholdings of Non-Executive Directors**

<b>Name of the Director</b>	<b>No. of shares held (as on March 31, 2024)</b>
Sri. Ramasamy Kannan	1,450

Other than the above, none of the other non-executive directors hold any share in the company.

The Company has not issued any type of Convertible instruments to Non-Executive Directors.

None of the Directors were issued any stock options during the year under review.

**Directors Inter se relationship**

Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman (Promoter) is the father of Sri. Sharath Jagannathan (DIN: 07298941), Managing Director (Promoter). Other than the above, none of the other Directors of the company are related to each other.

**Key Board qualifications, expertise and attributes:**

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's business vertical(s) and those already available with the Board are as follows:

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Core Skill/Expertise/ Competencies	DESCRIPTION
Industry Skills	Knowledge/experience in the manufacturing of Engineering and Food products
	Knowledge of the flour milling industry, foundry products, business model and the market
	Board range of commercial / business experience
Governance Skills	In-depth knowledge/experience in the field of finance administration and the ability to analyze and assess the key financial statements
	Knowledge/experience in the governance, legal compliances and the ability to identify key risks in a wide range of areas
	Knowledge/experience of the capital market and its developments
	Ability to constructively manage crisis, provide leadership
Personal Attributes / Qualities	Ability to understand the role and fulfilment of the duties and responsibilities of a director while being transparent in disclosing potential conflict of interest, continue to self-educate on legal responsibility and ability to maintain board confidentiality.
	Ability to constructively contribute to board discussions and communicate effectively with management and other directors

In the table below, the primary/dominant area(s) of expertise of individual Board members have been highlighted. However, the absence of a mark against a Board member's name does not mean that the member does not possess the corresponding qualification or skill.

Name of the Director	Industry skills	Governance skills	Personal attributes / Qualities
Sri. Suresh Jagannathan DIN: 00011326	✓	✓	✓
Sri. Sudarsan Varadaraj DIN:00133533	✓	✓	✓
Sri. Karuppuswamy Gnanasekaran DIN:00133645	✓	✓	✓
Sri. Ramasamy Kannan DIN00951451	✓	✓	✓
Mrs.Kalyani Jagannathan DIN: 02371318	✓	✓	✓

Sri. Ashwin Chandran DIN:00001884	✓	✓	✓
Sri. Sharath Jagannathan DIN:07298941	✓	✓	✓

### **Familiarization Programme for Independent Directors**

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time ("Listing Regulations"), the Company familiarizes its Independent Directors of the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. These include orientation programmes as well as other initiatives to update the Independent Directors on a continuing basis.

The details of the familiarization programmes for Independent Directors conducted during the financial year 2023-24 is available on the Company's website at <https://www.klrf.in/uploads/General/Familiarisation-programme-Independent%20Directors-2023-24.pdf>

### **Independent Directors' Meeting**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 02.02.2024, without the presence of Non-Executive Directors, Executive Directors and the management team inter alia to consider the following:

- a. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- b. Evaluation of the performance of the Executive Chairman of the company, taking into account the views of executive directors and non-executive directors; and
- c. Evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board of Directors.

All Independent Directors, except Sri.K. Gnanasekaran (DIN: 00133645), had attended the meeting.

### **Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Section 149(6) of the Act read with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and are independent of the management.

**Resignation of Independent Directors before expiry of tenure:**

None of the Independent Directors have resigned before the expiry of his / her tenure during the year under review.

**3. Audit Committee**

The Company has constituted an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. This Committee comprises of four Non-Executive Independent Directors as on 31<sup>st</sup> March 2024. All the members of the Committee possess experience and expertise in financial and corporate laws and the Chairman of the Committee possess financial management expertise.

The terms of reference, powers and role of this Committee are as prescribed under Section 177 of the Companies Act, 2013 and under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditor, Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditor, Branch Auditors, Internal Auditors and Cost Auditor of the Company.

The Committee met 7 times during the financial year under review on 15.05.2023, 26.05.2023, 10.08.2023, 09.11.2023, 23.11.2023, 14.12.2023 and 02.02.2024. The necessary quorum was present at these meetings. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Member	Category	Attendance	
		Held	Attended
Sri. K. Gnanasekaran (Chairman)	Non Executive - Independent	7	7
Sri. Sudarsan Varadaraj	Non Executive - Independent	7	6
Sri. Ashwin Chandran	Non Executive - Independent	7	6
Mrs.Kalyani Jagannathan	Non Executive - Independent	7	3

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Branch Auditors, Internal Auditors, and the Statutory Auditor of the Company were also invited to attend the meetings to provide inputs on issues relating to accounts, taxation, internal audit findings, internal financial controls etc. The constitution of the Audit Committee also meets with the requirements under Section 177 of the Companies Act,

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2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee considered and reviewed the Annual Financial Statements for the financial year 2023-24, before it was placed before the Board of Directors for their approval.

The Chairman of the Audit Committee, Sri. K. Gnanasekaran, was present at the last Annual General Meeting of the Company held on 29<sup>th</sup> December 2023.

#### **4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role, powers and functions of the Nomination and Remuneration Committee are as prescribed under Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The terms of reference of this Committee are as prescribed under Regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of 3 Non-Executive Independent Directors. During the year under review, the Committee has met four times on 15.05.2023, 23.11.2023, 14.12.2023 and 02.02.2024. The composition of the Nomination and Remuneration Committee and the attendance of the members are as given hereunder:

Name of the Member	Category	Attendance	
		Held	Attended
Sri. Ashwin Chandran (Chairman)	Non Executive - Independent	4	3
Sri. Sudarsan Varadaraj	Non Executive - Independent	4	3
Sri. K. Gnanasekaran	Non Executive - Independent	4	4

This Committee would basically look into and determine the Company's Policy on Remuneration packages to the Executive Directors and Senior Management. This Committee shall identify the persons, who are qualified to become Directors of the Company/who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. The Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other senior management employees.

While recommending the appointment of the directors, key managerial personnel and senior management personnel, the nomination and remuneration committee considers criteria / attributes like qualification, expertise, skills and experience of them in their respective fields. The nomination and remuneration committee has the discretion to decide whether qualification, skills, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The board of directors have adopted a nomination and remuneration policy based on the recommendation of the Nomination and Remuneration Committee, which, inter alia, deals with the criteria for appointment of the directors, key managerial personnel and senior management personnel and their remuneration. The brief of the remuneration policy of the company is annexed to this Board's Report and the full policy can be accessed on company's website at <https://www.klrf.in/uploads/Policies/Policy%20on%20Nomination%20&%20Remuneration-2022.pdf>

Due to inability, Sri. Ashwin Chandran, Chairman of Nomination and Remuneration Committee was not able to join the last Annual General Meeting and accordingly, Sri. K. Gnanasekaran, the Authorized Member of the Nomination and Remuneration Committee, was present at the last Annual General Meeting held on 29<sup>th</sup> December 2023.

#### **Performance evaluation criteria for Independent Directors**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the evaluation of the performance of Independent Directors and Non-Independent Directors. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgement. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance of the Board as a whole was evaluated by the Board after seeking input from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking input from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee ("NRC") has evaluated the performance of the individual directors on the basis of the criteria approved by the Board.



**5. Stakeholders' Relationship Committee**

The Board has constituted a Stakeholders Relationship Committee (SRC) pursuant to the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Committee deals in the matters as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 including the matters relating to transfer and transmission of shares, issue of duplicate shares certificates and looks into the shareholders/ Investor complaints, if any, on non-receipt of dividend, annual report etc., In addition, the Committee looks into other issues including status of dematerialization/ re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The role of the Stakeholders' Relationship Committee covers all the areas specified in Part D of Schedule II of the Listing Regulations.

During the year under review, the Committee has met three times on 21-04-2023, 09-06-2023 and 23-11-2023 to deliberate the above matters. The necessary quorum was present at all the committee meetings.

The Stakeholders Relationship Committee comprises of the following Directors

Name of the Member	Category	Status	Attendance	
			Held	Attended
Sri. K. Gnanasekaran DIN:00133645	Non Executive Independent	Chairman	3	2
Sri. Suresh Jagannathan DIN: 00011326	Executive - Promoter	Member	3	2
Sri. Sudarsan Varadaraj DIN:00133533	Non Executive - Independent	Member	3	1
Sri. Ramasamy Kannan DIN: 00951451	Non Executive Non Independent	Member	3	3
Sri. Ashwin Chandran DIN:00001884	Non Executive Independent	Member	3	3

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on 29<sup>th</sup> December, 2023.

The Compliance Officer is Sri. S. Piramuthu, Company Secretary and he acts as the secretary of the stakeholders relationship committee.

The minutes of the Stakeholders Relationship Committee meetings were placed at the subsequent Board Meetings.

The Committee ensures that the investors' grievances and correspondence are attended and resolved expeditiously within the time frames laid down under the Listing Regulations. During the year, no complaint was received from the shareholders.

The constitution of the Stakeholders Relationship Committee meets with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended).

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on yearly basis confirming due compliance of share transfer formalities by the company from a Practicing Company Secretary has been submitted to the Stock Exchange within the stipulated time.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Investor complaints:**

The company has attended to the investors' grievances and correspondences within a maximum period of 15 days from the date of receipt of the same and there were no investor complaints received during the year 2023-24. Further, there were no pending complaints as on March 31, 2024.

**6. Risk Management Committee**

The provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to constitution of the Risk Management Committee are not applicable to the Company.

**Senior Management and Changes therein since the close of previous year**

Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on 15<sup>th</sup> May 2023, has appointed Sri. R. Nagarajan as Chief Financial Officer of the Company with effect from 15<sup>th</sup> May 2023.

**Other than the above, there was no change in the Senior Management during the year under review.**

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The following are the Senior Management of the Company as on 31<sup>st</sup> March, 2024.

1. Sri. R. Nagarajan - Chief Financial Officer
2. Sri. S. Piramuthu - Company Secretary and Compliance officer
3. Sri. S. Velraj - Senior Vice President
4. Sri. K. Padmakumar - Associate Vice President
5. Sri. A. Jegan - Head Procurement
6. Sri. K. M. Vasanth - Head IR & HR
7. Sri. N. Balakrishnan - Chief Operating Officer

**7. Corporate Social Responsibility (CSR) Committee**

The Company had earlier constituted a Corporate Social Responsibility Committee in compliance with Section 135(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, Pursuant to Section 135(9) read with the Companies (Amendment) 2020 (effective from 22<sup>nd</sup> January 2021), the requirement under sub-section (a) for constitution of the Corporate Social Responsibility Committee shall not be applicable to the Company and the functions of the Corporate Social Responsibility Committee provided under the said Section shall, in such cases, be discharged by the Board of Directors of the Company.

**8. Remuneration of Directors**

The remuneration and sitting fees paid to the Directors during the year under review are as given hereunder; (₹ in lakhs)

Name	Service Term	Salary & Perquisites	Sitting Fees	Total
Sri. Suresh Jagannathan DIN: 00011326	12.03.2024 to 11.03.2029	138.00	NA	138.00
Sri. Sudarsan Varadaraj DIN: 00133533	NA	NA	1.28	1.28
Sri. Karuppuswamy Gnanasekaran DIN: 00133645	NA	NA	1.52	1.52
Sri. R. Kannan DIN: 00951451	NA	NA	0.76	0.76
Mrs. Kalyani Jagannathan DIN: 02371318	NA	NA	0.60	0.60
Sri. Ashwin Chandran DIN: 00001884	NA	NA	1.32	1.32
Sri. Sharath Jagannathan DIN: 07298941	25.01.2024 to 24.01.2027	79.74	NA	79.74

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All elements of the remuneration package for individual directors have been summarized under major groups viz., salary & perquisites and there are no other benefits, bonuses, stock options, pension etc. other than the details disclosed in the above table.

The remuneration of the Key Managerial Personnel comprises of fixed components viz., salary and other perquisites and there are no performance-linked incentives.

There are no pecuniary relationships or transactions with Non-Executive Directors vis-à-vis the Company.

The Company does not have any Employee Stock Option Scheme and hence, the disclosure of the details of stock option, if any and whether issued at a discount as well as the period over which accrued and over which exercisable does not arise.

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board meetings / Committee meetings (as applicable) thereof.

No commission has been paid to any Non-Executive Directors for the year 2023-24.

The Remuneration policy of the company along with the criteria of making payments to Non-Executive Directors can be accessed on the Company's website <https://www.klrf.in/uploads/Policies/Policy%20on%20Nomination%20&%20Remuneration-2022.pdf>

### **9. Management Discussion and Analysis Report**

Management Discussion and Analysis Report is given in a separate section forming part of the Directors' Report in this Annual Report.

### **10. General Body Meetings**

#### **Annual General Meeting:**

Location and time where last three AGMs were held and the details of the special resolutions, if any, passed thereat, are as given below:

Financial Year	Date of Meeting	Time of Meeting	Location	Special Resolutions, if any
2020 - 21	27.08.2021	09:15 A.M., (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Nil
2021-22	14.09.2022	09:15 A.M., (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Approval for increasing borrowing powers of the company pursuant to Section 180 (1) (c) of the Companies Act, 2013.

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Financial Year	Date of Meeting	Time of Meeting	Location	Special Resolutions, if any
2021-22	14.09.2022	09:15 A.M, (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Approval for increasing the limits for creation of charge on the assets to secure the borrowings of the company pursuant to Section 180(1) (a) of the Companies Act, 2013.
				Approval for variation in the terms of re-appointment of Sri.Suresh Jagannathan (DIN:00011326), Executive Chairman, for the remaining period of his current tenure.
				Approval for alteration of object clause of the Memorandum of Association of the Company in line with the Companies Act, 2013
				Approval for reclassification of the existing authorised share capital and consequent alteration of Clause V (Capital Clause) of the Memorandum of Association of the Company.
2022-23	29.12.2023	9.00 AM (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Approval for re-appointment of Sri Suresh Jagannathan (DIN: 00011326) as Executive Chairman of the Company for a further period of 5 years with effect from 12 <sup>th</sup> March 2024 and the remuneration payable to him.

**Extra Ordinary General Meeting & Postal Ballots**

No Extra-Ordinary General Meeting was held during the financial year 2023-2024.

**Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT):**

In Pursuance to the directions of Hon'ble National Company Law Tribunal, Division Bench-I, Chennai vide their order dated 10<sup>th</sup> May 2023, a meeting of the equity the shareholders of the Company was convened on 22<sup>nd</sup> June, 2023 at 12:00 PM (IST) (adjourned and held at 01:00 PM (IST)) vide notice dated 17<sup>th</sup> May, 2023 through video conferencing/other audio visual means to obtain the approval of the members for the resolution set out herein

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below by means of voting through electronic means. The Company had engaged the services of Link Intime India Private Limited for providing e-voting facilities to the members. The remote e-voting period commenced on Monday, 19<sup>th</sup> June 2023 at 9:00 AM (IST) and ended on Wednesday, 21<sup>st</sup> June 2023 at 5:00PM (IST).

Ms. Deepa Mariappan, Advocate, Chennai was appointed by the Hon'ble National Company Law Tribunal, Chennai Bench as the Scrutinizer to conduct the e-voting process for the meeting of equity shareholders in a fair and transparent manner and to ascertain the requisite majority. The Scrutinizer had submitted her report on 23<sup>rd</sup> June 2023 to Sri V Nallasenapathy, Chairman for the meeting of the Equity Shareholders appointed by the Hon'ble National Company Law Tribunal, and the results of the e-voting process were declared on 23<sup>rd</sup> June 2023.

The details of the special resolution passed at the meeting and the voting pattern for such resolution is disclosed as under:

Particulars of Resolution	Type of resolution	No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
Approval for the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) under Sections 230 to 232 of the Companies Act, 2013	Special Resolution	32,64,001	32,64,001	100.00	Nil	Nil	Nil

Further, Pursuant to the Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November 2021, the scheme of amalgamation shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. Based on the report of the scrutinizer, all the public shareholders have unanimously voted in favour of the above resolution.

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Further, during the year under review, the company had also obtained the consent of the secured creditors for the scheme of amalgamation of Raya Foods Private limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company). Further, Pursuant to the directions of the Hon'ble National Company law Tribunal, Chennai Bench vide their order dated 10<sup>th</sup> May 2023, a meeting of the unsecured creditors of the Company was convened on 22<sup>nd</sup> June 2023 at 02:00 PM (IST) vide notice dated 17<sup>th</sup> May, 2023 through video conferencing/other audio visual means and has obtained their unanimous approval for the scheme of amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company).

**Postal Ballots**

The Company has conducted a Postal Ballot through remote e-voting process vide Notice dated 15<sup>th</sup> May, 2023 for obtaining the approval of the members for certain matters and the Postal Ballot process was concluded on 22<sup>nd</sup> June, 2023, being the last date for receipt of votes under the Postal Ballot process. The details of the resolution(s) passed through Postal Ballot and the voting pattern for the said resolution are disclosed as under:

Particulars of Resolution	Type of resolution	No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
Approval for re-appointment of Sri. Ashwin Chandran (DIN: 00001884) as an Independent Director of the Company for the second term of five years with effect from 1 <sup>st</sup> September, 2023	Special Resolution	32,70,463	32,60,362	99.69	10,101	0.31	Nil
Approval for re-appointment of Sri. Sharath Jagannathan (DIN: 07298941) as Managing Director of the Company for a further period of 3 years with effect from 25 <sup>th</sup> January, 2024 and the remuneration payable to him.	Special resolution	32,75,539	32,75,438	100.00	101	Negligible	Nil

Sri. M. D. Selvaraj, FCS, Managing Partner of M/s. MDS & Associates LLP, Company Secretaries, Coimbatore was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner.

**Procedure for postal ballot**

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant MCA Circulars, the special resolution(s) as specified in the Notice of the Postal Ballot dated March 15<sup>th</sup> May 2023 (as specified above) were transacted through Postal Ballot process by means of remote e-voting means.

The Company had engaged the services of Link Intime India Private Limited (LIPL) for providing e-voting facility to the members.

The members holding shares (either in physical form or dematerialized form) as on the cut-off date of Friday, 19<sup>th</sup> May, 2023, were provided the option of exercising their right to vote on the said resolution through remote e-voting process only during the period commencing from 09:00 AM (IST) on Wednesday, the 24<sup>th</sup> May, 2023 to 05:00 PM (IST) on Thursday, the 22<sup>nd</sup> June, 2023. Upon completion of the voting period, the Scrutinizer completed the scrutiny of postal ballot (remote e-voting) process and submitted his report to the Director, authorized by the Executive Chairman of the Company, on 23<sup>rd</sup> June, 2023 and the results of the remote e-voting were declared on 23<sup>rd</sup> June, 2023. The voting results along with the report of the scrutinizer were submitted to the National Stock Exchange of India Limited (NSE) and placed the same on the website Company and Link Intime India Private Limited (e-voting agency) within the stipulated time.

**Postal Ballot proposed to be conducted:**

As on date of this report, the Company does not foresee the need for conducting postal ballot to pass any resolution. However, if required, the same shall be conducted in compliance with the procedure stipulated under Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and its relevant Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant MCA and SEBI Circulars.

**11. Means of Communication**

- The quarterly/ half yearly unaudited financial results and the annual audited financial results are normally published in Business Standard (National Daily) and Dina Malar (Regional Newspaper). The financial results are regularly and promptly updated on the website of the company at <https://www.klrf.in/investorcentre>
- The copies of the results are forwarded to the concerned Stock Exchange (BSE Limited) immediately after they are approved by the Board for dissemination on their website. The Company has a dedicated e-mail ID cosec@klrf.in for registering complaint from the Investors.



- There were no specific presentations made to Institutional Investors or to the analysts during the year.

## **12. General Shareholder information**

### **a. Annual General Meeting**

Date : 9<sup>th</sup> September 2024

Time : 09.15 A.M., (IST)

Venue : The 62<sup>nd</sup> Annual general Meeting will be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 75/8, Benares Cape Road, Gangiakondan-627352 shall be deemed as the venue for the Meeting.

**b. Financial Year :** 1<sup>st</sup> April to 31<sup>st</sup> March

**c. Dividend payment date :** on or before 8<sup>th</sup> October, 2024

### **d. Listing on Stock Exchange**

The shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Annual listing fees for the year 2023- 24 was paid to BSE Limited.

Type of security : Equity  
Trading group in stock exchange : BSE Limited - X group  
Stock Code : Scrip ID : KLRFM  
Scrip Code : 507598  
ISIN number allotted for equity shares : INE014E01015

The shares of the company are regularly traded and in no point of time the shares were suspended for trading in any of the stock exchange.

### **e. Market Price Data**

(in ₹)

Month	Apr' 23	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan' 24	Feb	Mar
High	129.00	157.80	144.70	139.45	160.00	237.80	214.80	209.50	219.95	260.25	299.00	231.70
Low	90.70	118.55	126.00	122.05	132.00	144.05	176.95	176.25	196.00	185.10	191.00	179.00

### **f. Registrars & Share Transfer Agents**

#### **Head Office**

M/s Link Intime India Private Limited, C/101, 247 Park, L.B.S.Marg Vikroli (West)  
Mumbai-400083

Ph.: +91 22 4918 6270, E-mail : rnt.helpdesk@linkintime.co.in

**Branch**

M/s Link Intime India Private Limited "Surya" No.35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028

Ph. : +91 422 231 4792 E mail : coimbatore@linkintime.co.in

**g. Reconciliation of share capital audit**

A qualified Company Secretary in practice has carried out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**h. Share Transfer System**

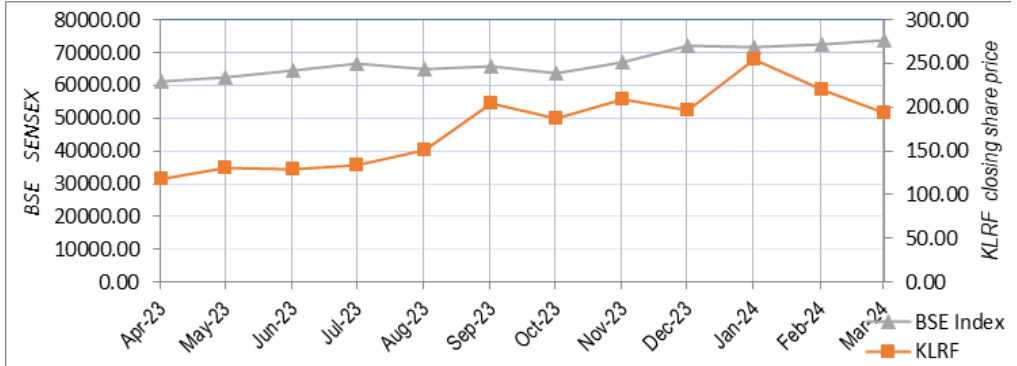
The company's shares are transferable through the depository system in dematerialized form. With effect from 1<sup>st</sup> April, 2019, the transfer of shares held in physical form by the listed entity / Registrar and Share Transfer Agent are not permitted in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate share certificate, Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, our Registrar and Share Transfer Agents, Link Intime India Private Limited has processed the applications / requests received within a period of 15 days from the date of receipt of the requisite documents, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL within 15 days. The Stakeholders Relationship Committee generally meets as and when necessary to review investor grievances and other related matters as per their terms of reference.

Legal proceedings / disputes on share transfer against the company : Nil

Shares under lock-in period : Nil

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**Performance comparison to BSE Sensex**



**i. Shareholding Pattern as on 31<sup>st</sup> March, 2024**

Particulars	No.of shares held	Percentage of shareholding
Promoters and Promoter Group	66,68,685	73.76
Directors and their Relatives	8,350	0.09
Banks / FIs / Mutual Funds	660	0.01
Bodies Corporate / Clearing Member	48,178	0.53
NRI / OCBs / Foreign nationals	45,855	0.51
IEPF	59,869	0.66
Unclaimed shares	715	0.01
Public	22,09,164	24.43
Total	90,41,476	100.00

**j. Distribution of Shareholding as on 31<sup>st</sup> March, 2024**

Shareholding range	No.of Holders	% of share holders	No.of shares	% of shareholding
1 - 500	5,324	88.63	5,62,485	6.22
501 - 1000	337	5.61	2,62,876	2.91
1001 - 2000	171	2.85	2,57,524	2.85
2001 - 3000	48	0.80	1,21,895	1.35
3001 - 4000	26	0.43	93,197	1.03
4001 - 5000	36	0.60	1,71,171	1.90
5001 - 10000	29	0.48	2,25,302	2.49
10001 and above	36	0.60	73,47,026	81.25
Total	6,007	100.00	90,41,476	100.00

**k. Dematerialisation of shares and liquidity as on 31<sup>st</sup> March, 2024**

Your Company obtained necessary approvals from the NSDL and CDSL for providing demat facilities to our shareholders. The equity shares of the Company are compulsory traded in dematerialized form.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

**Extent of Dematerialisation**

Name of the Depository	No.of shares	% to total paid-up capital
Central Depository Services (India) Limited	12,52,054	13.85
National Securities Depository Limited	76,84,486	84.99
Physical	1,04,936	1.16
Total	90,41,476	100.00

Note: Pursuant to the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with the Company sanctioned by the National Company Law Tribunal, Chennai Bench (NCLT) vide its order dated 5<sup>th</sup> January, 2024 & 18<sup>th</sup> January, 2024 coming into effect, the Board of Directors of the Company, at their meeting held on 2<sup>nd</sup> February, 2024, had allotted 35,00,000 equity shares of ₹ 10/- each to those shareholders whose name appeared in the Register of Members of Raya Foods Private Limited as on 1<sup>st</sup> February, 2024, being the record date fixed by the Transferor Company for the said purpose, in dematerialized form. Consequent to the said allotment, the issued and paid-up equity share capital of the Company stands increased from ₹ 554.15 lakhs comprising of 55,41,476 equity shares of ₹ 10/- each to ₹ 904.15 lakhs comprising of 90,41,476 equity shares of ₹ 10/- each. Further, the corporate action application in respect of above newly allotted equity shares were pending for approval of NSDL as on 31<sup>st</sup> March 2024 and the same was subsequently approved and the corporate action is executed as on the date of filing this shareholding pattern. The entire promoter and promoter group shareholding are in dematerialized form. Further, the Company has obtained listing approval and trading approval from BSE Limited on 15<sup>th</sup> March 2024 and 16<sup>th</sup> April 2024 respectively.

**l. Outstanding GDRs/ ADR/ Warrants, Convertible Bonds, conversion date and likely impact on equity : NIL****m. Commodity price risk or foreign exchange risk & hedging activities : NIL**

**n. Plant locations**

Food Division	: Gangaikondan, Tirunelveli District Thiruvandarkoil, Puducherry
Wind Farms	: Aralvaimozhi Village, Kanyakumari District, Pazhavor Village, Radhapuram Taluk, Tirunelveli District Dhanakarkulam Village, Radhapuram Taluk, Tirunelveli District Parameswarapuram Village, Radhapuram Taluk Tirunelveli District
Engineering Division	: Periyanaickenpalayam, Coimbatore
Solar plant	: Gangaikondan, Tirunelveli District

**o. Address for correspondence**

For annual report, transfer of physical /demat shares, change of address & other query relating to shares of the company and investors correspondence may be addressed to	Link Intime India Private Limited (Unit : Kovilpatti Lakshmi Roller Flour Mills Limited) "Surya" 35, Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 Phone : +91 422 231 4792 E-mail : coimbatore@linkintime.co.in Contact Person Mrs. S. Dhanalakshmi
Contact address for Investors	Sri. S. Piramuthu Company Secretary Regd Office : 75/8, Benares Cape Road, Gangaikondan - 627352, Tirunelveli Dt. Phone : +91 462 248 6532 Fax : +91 462 248 6132 E-mail : cosec@klrf.in

**p. Credit Rating:**

During the year under review, CRISIL Limited (CRISIL) has reaffirmed its rating on the long-term loan and Cash credit/Overdraft facility as CRISIL BBB/Stable and Pledge Loan as CRISIL A3+.

**13. Other Disclosures**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

There are no materially significant related party transactions that would have potential conflict with the interests of the company at large. Details of related party transactions are given elsewhere in the annual report.

All the related party transactions are presented to the Audit Committee and the Board of Directors. Prior omnibus approval has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction.

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange, SEBI or any Statutory Authorities on any matter related to capital markets during the last three years**

The company has complied with all the requirements of the listing agreement of the Stock Exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets in the last three years.

**c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee**

The company has adopted a Whistle Blower Policy, to provide a formal mechanism for the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the company have been denied access to the Audit Committee. Your company hereby affirms that no complaints were received during the year under review.

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The company has complied with all the mandatory requirements of corporate governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has adopted the non-mandatory requirement of Reporting of internal auditors to Audit Committee as recommended under Regulation 27 (1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The company has not adopted any other non-mandatory requirements.

**e. Policy for determining material subsidiaries**

As the company does not have any subsidiaries under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement for adopting the Policy for determining "material subsidiaries" does not apply to the company.

**f. Material unlisted subsidiary**

During the year, the Company did not have any material unlisted subsidiary companies which are subject to special governance norms in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**g. Policy on dealing with related party transactions**

The Company has adopted a Policy on dealing with Related Party Transactions and the same has been disclosed on the website of the company at <https://www.klrf.in/uploads/Policies/Policy%20on%20Related%20Party%20Transactions-2022.pdf>

**h. Commodity price risk and commodity hedging activities**

The company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

**i. Disclosure of accounting treatment**

The company has followed the Accounting Standards laid down by the Companies (Indian Accounting Standards) Rules, 2015 in the preparation of its financial statements.

**j. Disclosure on risk management**

Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the Board.

**k. Disclosure of certain types of agreements binding the Company**

The Company does not have entered into any agreements specified under Regulation 30A read with Clause 5A of Para A of Part A of Schedule III of the listing regulations.

**Unclaimed shares demat suspense account**

In terms of Regulation 39(4) of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style "Kovilpatti Lakshmi Roller Flour Mills Limited-Unclaimed Shares Suspense Account". The disclosures with respect to demat suspense account are as follows:

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Sl.No	Particulars	No.of cases	No.of equity shares
1	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year	17	715
2	Number of shareholders who approached the company for transfer of equity shares from suspense account during the year	NIL	NIL
3	Number of shareholders to whom equity shares were transferred from suspense account during the year	NIL	NIL
4	Transferred to IEPF Authorities	NIL	NIL
5	Aggregate number of shareholders and outstanding equity shares in the suspense account lying at the end of the year	17	715

Voting rights in respect of these shares have been frozen till the rightful owner claims the same. All corporate benefits, if any, on such shares shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

**14. General disclosures**

- The company does not have any debt instruments or fixed deposits programme or any scheme involving mobilization of funds either in India or abroad that requires credit rating as on 31.03.2024.
- The company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.
- A certificate from a Company Secretary in practice 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 Security Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The company has paid a sum of ₹ 10.50 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm/entity of which the Statutory auditor is a part for the statutory audit and other services rendered by them.



- The company has paid a sum of ₹ 8.35 lakhs as fees on consolidated basis to the Branch auditors and all entities in the network firm/ entity of which the Branch auditor is a part for the branch audit and other services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has constituted an Internal Complaints Committee. During the year 2023-24, no complaint was received by the committee. As such, there are no complaints pending as at the end of the said financial year.

15. There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above in sub-par as 2 to 11 above.
16. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not applicable.
17. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not applicable
18. Apart from the above, the Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations.
19. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Certificate from CEO and CFO**

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, at its meeting held on 22<sup>nd</sup> May 2024 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **20. Code of conduct for prevention of insider trading**

The company has framed a 'Code of conduct to regulate, monitor and report trading by designated persons' based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having accessed to unpublished price sensitive information.

The company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

The company has also adopted structured database system to monitor and control the Prohibition of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**21. Code of Conduct**

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. The Company's Managing Director's declaration to this effect forms a part of this report.

For and on behalf of the Board

**Sharath Jagannathan**

Managing Director

DIN : 07298941

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

Place : Coimbatore

Date : May 22, 2024

**DECLARATION ON CODE OF CONDUCT**

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, I hereby affirm and state that all the board members and senior management personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2024.

**Sharath Jagannathan**

Managing Director

DIN : 07298941

Place : Coimbatore

Date : May 22, 2024

**CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2024**

To

The Members of **Kovilpatti Lakshmi Roller Flour Mills Limited**

We have examined the compliance conditions of Corporate Governance by M/s. Kovilpatti Lakshmi Roller Flour Mills Limited ("the Company") for the financial year ended March 31, 2024 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2024.

We further state that such compliance 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 MDS & Associates LLP  
Company Secretaries**

**M D Selvaraj**

**Managing Partner**

**FCS No.: 960; C P No.: 411**

**Peer Review No. 3030/2023**

**UDIN: F000960F000412525**

Place : Coimbatore

Date : May 22, 2024

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**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,  
Kovilpatti Lakshmi Roller Flour Mills Limited  
CIN: L15314TN1961PLC004674  
75/8, Benares Cape Road  
Gangaikondan, Tirunelveli – 627352

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Kovilpatti Lakshmi Roller Flour Mills Limited having CIN: L15314TN1961PLC004674** and having registered office at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli - 627352, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl.No.	Name of the Director	DIN	Date of Appointment in Company
1.	Sri. Suresh Jagannathan, Executive Chairman*	00011326	12-03-1981
2.	Sri. Sudarsan Varadaraj	00133533	18-11-2020
3.	Sri. Ramasamy Kannan	00951451	01-07-2014
4.	Sri. Karuppuswamy Gnanasekaran	00133645	06-05-2004
5.	Sri. Ashwin Chandran#	00001884	01-09-2018
6.	Mrs. Kalyani Jagannathan	02371318	19-03-2015
7.	Sri. Sharath Jagannathan, Managing Director@	07298941	25-01-2021

\*Re-appointed as Executive Chairman effective from 12<sup>th</sup> March, 2024

#Re-appointed as Independent Director for a second term effective from 1<sup>st</sup> September, 2023

@Re-appointed as Managing Director effective from 25<sup>th</sup> January, 2024

Ensuring the eligibility for the appointment / re-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 MDS & Associates LLP**  
**Company Secretaries**  
**M D Selvaraj**  
**Managing Partner**

**FCS No.: 960; C P No.: 411**  
**Peer Review No. 3030/2023**  
**UDIN: F000960F000412547**

Place : Coimbatore  
Date : May 22, 2024

**Independent Auditor's Report**

**To The Members of Kovilpatti Lakshmi Roller Flour Mills Limited.**

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the financial statements of Kovilpatti Lakshmi Roller Flour Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information in which are included the financial statements/ information for the year ended on that date, audited by the branch auditors of the Company's Engineering division located at Coimbatore, Tamilnadu.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

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

I have determined that there are no key audit matters to be communicated in my report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the Board's report and the corporate governance report but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, read with relevant rules issued thereunder.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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

I give in "Annexure A" a detailed description of Auditors; responsibilities for the Audit of the Financial Statements.

#### **Other Matter**

I did not audit the financial statements/ information of 1 (One) branch/division included in the financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 5,365.78 lakhs as at 31st March 2024 and the total revenue of ₹ 9,706.96 lakhs for the year ended on that date, as considered in the financial statements/ information of this branch/division have been audited by the branch auditors whose reports have been furnished to me, and my opinion in so far as it relates to the amounts and disclosures included in respect of branch is based solely on the report of such branch auditors.

My opinion is not modified with respect to these matters.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books and proper returns adequate for the purposes of my audit have been received from the branches not visited by me.
- (c) The reports on the accounts of the branch/division offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to me and have been properly dealt with by me in preparing this report.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by me.
- (e) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (f) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure C".
- (h) 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 my opinion, and to the best of my information and according to the explanations given to me:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (i) (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- (B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security, or the like from or on behalf of the Ultimate Beneficiaries; and
- (C) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under subclause (i) (A) and (i) (B) contain any material misstatement.
- (j) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

(k) Based on my examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, during the course of my audit, I did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

(l) 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.

**For Marimuthu and Associates  
Chartered Accountants**

**CA. P. Marimuthu**

Membership No. 005770

FRN: 014572S

UDIN: 24005770BKFCJZ9239

Place : Tirunelveli

Date : May 22, 2024

**Annexure "A" to the Independent Auditor's Report**

(Referred to in Auditor's Responsibilities for the Audit of the Financial Statements section of my report to the members of Kovilpatti Lakshmi Roller Flour Mills Company Limited of even date)

**Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- II. 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 Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

### **Annexure "B" to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of Kovilpatti Lakshmi Roller Flour Mills Company Limited of even date)

1. (a) In my opinion and according to the information and explanations given to me, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.

(b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.

(c) In my opinion and according to the information and explanations given to me and based on the examination of the conveyance deeds provided to me, I report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks / financial institutions and based on the declaration from the Company that the title deeds are in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.

- (e) In my opinion and according to the information and explanations given to me, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
2. (a) The inventories have been physically verified by the management during the year. In my opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, except the disclosure made in Note 51 to the Financial statements.
3. In my opinion and according to information and explanation given to me, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. In my opinion and according to information and explanation given to me, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
6. The Central Government of India has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for the activities of the Engineering division of the company and based on the report of the branch auditors I am of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, I have not carried out a detailed examination of the same.
7. In my opinion and according to the information and explanations given to me:
- (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess, and other material statutory dues have been in general, regularly deposited by the Company with the appropriate authorities.
- (b) No undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (c) There are no disputed dues / liabilities of Income Tax, Excise Duty and Goods and Services Tax as at March 31, 2024.
8. In my opinion and according to the information and explanations given to me, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. (a) In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) In my opinion and according to the information and explanations given to me, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In my opinion and according to the information and explanations given to me, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In my opinion and according to the information and explanations given to me, funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
10. (a) In my opinion and according to the information and explanations given to me, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) In my opinion and according to the information and explanations given to me, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
11. (a) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.

- (b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.
- (c) To the best of my knowledge and according to the information and explanations given to me, no whistle-blower complaints, have been received by the Company during the year.
12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
13. In my opinion and according to the information and explanations given to me, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In my opinion and according to the information and explanations given to me, the Company has an internal audit system, commensurate with the size and nature of its business.
- (b) The reports of the internal auditors for the year under audit were considered by me, as part of my audit procedures.
15. In my opinion and according to the information and explanations given to me, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. (a) In my opinion and according to the information and explanations given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) In my opinion and according to the information and explanations given to my, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In my opinion and according to the information and explanations given to me, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) In my opinion and according to the information and explanations given to me, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.

17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
19. In my opinion and according to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
20. In my opinion and according to the information and explanations given to me, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
21. In my opinion and according to the information and explanations given to me, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

**For Marimuthu and Associates  
Chartered Accountants**

**CA. P. Marimuthu**

Membership No. 005770

FRN: 014572S

UDIN: 24005770BKFCJZ9239

Place : Tirunelveli

Date : May 22, 2024

**Annexure “C” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of my report to the Members of Kovilpatti Lakshmi Roller Flour Mills Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

I have audited the internal financial controls over financial reporting of Kovilpatti Lakshmi Roller Flour Mills Limited (“the Company”) as of March 31, 2024, in conjunction with my audit of the financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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. 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, 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 Companies Act, 2013.

**Auditors’ Responsibility**

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In my opinion and according to the information and explanations given to me and based on the branch auditor's report of Engineering division, furnished to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Marimuthu and Associates  
Chartered Accountants**

**CA. P. Marimuthu**

Membership No. 005770

FRN: 014572S

UDIN : 24005770BKFCJZ9239

Place : Tirunelveli

Date : May 22, 2024

## Balance Sheet as at March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment	4	<b>7,769.56</b>	7,704.38
Capital work in progress		<b>257.59</b>	61.61
Investment Property			
Goodwill			
Intangible assets	4	<b>6.33</b>	8.77
Intangible assets under development		<b>6.63</b>	8.99
Biological assets other than bearer plants			
Financial assets			
i. Investments	5	<b>0.18</b>	45.18
ii. Trade Receivables			
iii. Loans			
iv. Other financial assets	6	<b>288.51</b>	355.43
v. Deferred Tax Assets (net)			
Other non-current assets	7	<b>257.45</b>	136.90
Total non-current assets		<b>8,586.25</b>	8,321.26
<b>Current assets</b>			
Inventories	8	<b>7,324.90</b>	6,466.38
Financial assets			
i. Investments			
ii. Trade receivables	9	<b>1,519.28</b>	1,770.87
iii. Cash and cash equivalents	10	<b>11.03</b>	13.67
iv. Bank balances other than above	11	<b>5.67</b>	4.08
v. Loans			
vi. Other Financial Assets			
Current tax Assets (Net)			
Other current assets	12	<b>414.53</b>	457.34
Total current assets		<b>9,275.41</b>	8,712.34
Total Assets		<b>17,861.66</b>	17,033.60
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	<b>904.15</b>	904.15
Other equity	14	<b>5,763.22</b>	5,095.31
Total equity		<b>6,667.37</b>	5,999.46
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	15	<b>4,628.04</b>	5,312.07

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ii. Lease Liabilities			
iii. Trade Payables			
a. Total outstanding dues of micro enterprises and small enterprises			
b. Total outstanding dues of creditors other than micro enterprises and small enterprises			
iv. Other Financial Liabilities			
v. Provisions			
Deferred Tax Liabilities (net)	16	<b>496.48</b>	454.70
Other Non current Liabilities			
Total non-current liabilities		<b>5,124.52</b>	5,766.77
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	17	<b>4,321.43</b>	3,399.28
ii. Lease Liabilities			
iii. Trade payables	18		
a. Total outstanding dues of micro enterprises and small enterprises		<b>315.13</b>	293.16
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>692.24</b>	787.33
Provisions	19	<b>228.87</b>	247.90
Other current liabilities	20	<b>512.10</b>	539.70
Current Tax Liabilities (Net)			
Total current liabilities		<b>6,069.77</b>	5,267.37
Total liabilities		<b>11,194.29</b>	11,034.14
Total Equity and Liabilities		<b>17,861.66</b>	17,033.60

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

**For Marimuthu and Associates**

Chartered Accountants

(FRN No. 014572S)

**P.Marimuthu**

Chartered Accountant

M.No.005770

Place : Coimbatore

Date : May 22, 2024

**Sharath Jagannathan**

Managing Director

DIN : 07298941

For and on behalf of the Board

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

**R.Nagarajan**

Chief Financial Officer

**S. Piramuthu**

Company Secretary

Membership No. FCS 9142

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**Statement of profit and loss for the year ended March 31, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	21	<b>41,090.57</b>	40,541.05
Other income	22	<b>275.33</b>	575.25
Total income		<b>41,365.90</b>	41,116.30
<b>B Expenses</b>			
Cost of materials consumed	23	<b>29,565.36</b>	29,271.69
Purchase of Stock in Trade		<b>1,069.66</b>	524.79
Changes in inventories of finished goods	24	<b>(2.09)</b>	151.61
Employee Benefits Expense	25	<b>1,864.90</b>	1,916.25
Depreciation and amortisation expense	26	<b>642.96</b>	630.92
Other expenses	27	<b>6,214.88</b>	6,426.85
Finance costs	28	<b>959.46</b>	775.33
Total expenses		<b>40,315.13</b>	39,697.44
<b>C Profit before exceptional items and tax</b>			
Exceptional items		<b>1,050.77</b>	1,418.86
<b>D Profit / (Loss) before tax from continuing operations</b>			
Income tax expense	29	<b>1,050.77</b>	1,418.86
Current tax		<b>-</b>	-
Deferred tax charge/ (credit)		<b>228.87</b>	247.90
		<b>41.46</b>	161.32
<b>E Profit for the year from continuing operations</b>			
Profit/ (loss) from discontinued operations before tax expense		<b>780.44</b>	1,009.64
Tax charge/ (credit) from discontinued operations		<b>-</b>	-
<b>F Profit/(loss) from discontinued operations</b>			
		<b>-</b>	-
<b>G Profit for the year</b>			
		<b>780.44</b>	1,009.64
<b>H Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		<b>1.16</b>	6.60
Income tax relating to these items		<b>(0.32)</b>	(1.84)
<b>Other comprehensive income for the year, net of tax</b>			
		<b>0.84</b>	4.76
<b>Total comprehensive income for the year</b>			
		<b>781.28</b>	1,014.40
Earnings per share	30		
Basic earnings per share		<b>8.63</b>	11.17
Diluted earnings per share		<b>8.63</b>	11.17
The accompanying notes form an integral part of the financial statements			

In accordance with my report of date attached

**For Marimuthu and Associates**

Chartered Accountants  
(FRN No. 014572S)

**P. Marimuthu**

Chartered Accountant  
M.No.005770

Place : Coimbatore

Date : May 22, 2024

**Sharath Jagannathan**

Managing Director

DIN : 07298941

**R. Nagarajan**

Chief Financial Officer

For and on behalf of the Board

**Suresh Jagannathan**

Executive Chairman

DIN : 00011326

**S. Piramuthu**

Company Secretary

Membership No. FCS 9142

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2024**

₹ in lakhs

Particulars	31.03.2024	31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before income tax	1,050.77	1,418.86
Adjustments for		
Depreciation and amortisation expense	642.96	630.93
(Profit)/ Loss on sale of fixed asset	(4.21)	(365.20)
Interest received	(17.10)	(8.55)
Dividend income	(0.04)	(0.05)
Finance costs	959.46	775.33
	<u>2,631.84</u>	<u>2,451.32</u>
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	66.92	(149.03)
(Increase)/ decrease in inventories	(858.52)	(593.97)
(Increase)/ decrease in trade receivables	251.59	(21.52)
(Increase)/ decrease in other assets	41.22	281.38
(Increase)/ decrease in other non-current assets	(120.54)	(122.68)
Increase/ (decrease) in provisions and other liabilities	(46.64)	(745.25)
Increase/ (decrease) in trade payables	(73.12)	(240.23)
Cash generated from operations	1,892.75	860.02
Less : Income taxes paid (net of refunds)	(231.88)	(117.76)
Net cash from / (used in) operating activities (A)	<u>1,660.87</u>	<u>742.26</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE (including changes in CWIP)	(901.41)	(297.40)
Sale proceeds of PPE	6.30	479.40
(Purchase)/ disposal proceeds of investments	45.00	0.15
(Investments in)/ Maturity of fixed deposits with banks	-	-
Dividend received	0.04	0.05
Interest income	17.10	8.55
Net cash used in investing activities (B)	<u>(832.97)</u>	<u>190.75</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of shares (including premium)	-	-
Proceeds from/ (repayment of) long term borrowings (net)	(684.03)	(207.67)
Proceeds from/ (repayment of) short term borrowings (net)	922.15	132.82
Dividends paid (including dividend distribution tax)	(109.20)	(90.12)
Finance costs	(959.46)	(775.33)
Net cash from/ (used in) financing activities (C)	<u>(830.54)</u>	<u>(940.30)</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(2.64)</u>	<u>(7.29)</u>
Net cash flows from discontinued operations	-	-
Cash and cash equivalents at the beginning of the financial year	13.67	20.96
Cash and cash equivalents at end of the period	11.03	13.67
<b>Notes:</b>		
1. The above cash flow statements have been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements"		
2. Components of cash and cash equivalents		
Balance with banks		
- in current accounts	2.30	8.42
Cash on Hand	8.73	5.25
	11.03	13.67

In accordance with my report of date attached

**For Marimuthu and Associates**

Chartered Accountants  
(FRN No. 014572S)

**PMarimuthu**

Chartered Accountant  
Membership No.005770  
Place : Coimbatore  
Date : May 22, 2024

**Sharath Jagannathan**

Managing Director  
DIN : 07298941

**R.Nagarajan**

Chief Financial Officer

For and on behalf of the Board

**Suresh Jagannathan**

Executive Chairman  
DIN : 00011326

**S. Piramuthu**

Company Secretary  
Membership No. FCS 9142

**Statement of Changes in Equity for the year ended March 31, 2024**

**(1) Current reporting period**

(in Lakhs)

Balance at 1 <sup>st</sup> April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year pending for allotment	Balance at 31 <sup>st</sup> March 2024
904.15	Nil	Nil	Nil	904.15

**(2) Previous reporting period**

(in Lakhs)

Balance at 1 <sup>st</sup> April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year pending for allotment	Balance at 31 <sup>st</sup> March 2023
554.15	Nil	Nil	350.00	904.15

**(B) Other Equity**

Particulars	General Reserve	Securities Premium	Other Comprehensive Income	Retained Earnings	Capital Reserve	Total
<b>Balance at the March 31,2022</b>	<b>994.97</b>	<b>2,090.07</b>	<b>13.85</b>	<b>1,157.74</b>	<b>20.71</b>	<b>4,277.34</b>
Additions / (Deductions) during the year (Net)	-	-	4.76	989.47	-	994.23
Net impact of merger (please refer Note 3 (s))	-	-	-	(155.55)	(20.71)	(176.26)
<b>Balance at the March 31,2023</b>	<b>994.97</b>	<b>2,090.07</b>	<b>18.61</b>	<b>1,991.66</b>	<b>-</b>	<b>5,095.31</b>
Additions / (Deductions) during the year (Net)	-	-	0.84	667.07	-	667.91
<b>Balance at the March 31,2024</b>	<b>994.97</b>	<b>2,090.07</b>	<b>19.45</b>	<b>2,658.73</b>	<b>-</b>	<b>5,763.22</b>

In accordance with my report of date attached

**For Marimuthu and Associates**

Chartered Accountants  
(FRN No. 014572S)

**P.Marimuthu**

Chartered Accountant  
Membership No.005770  
Place : Coimbatore  
Date : May 22, 2024

**Sharath Jagannathan**

Managing Director  
DIN : 07298941

**R.Nagarajan**

Chief Financial Officer

For and on behalf of the Board

**Suresh Jagannathan**

Executive Chairman  
DIN : 00011326

**S. Piramuthu**

Company Secretary  
Membership No. FCS 9142

## **Notes to Financial Statements for the year ended March 31, 2024**

### **1 Corporate Information**

Kovilpatti Lakshmi Roller Flour Mills Limited was established in 1964 with an initial milling capacity of 15,600 MT per annum and has since expanded to 74,900 MT per annum. The Scheme of Amalgamation of Raya Foods Private limited (Transferor Company) with the Company sanctioned vide the order of the Hon'ble National company law Tribunal, Chennai Bench, dated 5th January 2024 and 18th January 2024 came into effect on 1st February, 2024 (Effective Date). The Appointed Date of the said Scheme is 1st April, 2022. On account of this amalgamation, the production capacity has been additionally increased by 96,300 MT. The wheat products are marketed in varied SKUs across Tamil Nadu and Kerala. The engineering division producing ferrous castings with an installed capacity of 12,000 MT per annum caters to a range of clients in the automotive, capital equipment, pumps & valves and general engineering sectors. In pursuance of the Scheme of Amalgamation, the Board of Directors, on 2nd February, 2024, has allotted 35,00,000 equity shares of ₹ 10/- each to the shareholders of Raya Foods Private Limited (Transferor Company) and complied with the provisions of the Act. Consequently, the paid-up equity share capital of the company increased to ₹ 904.15 lakhs comprising of 90,41,476 equity shares of ₹ 10/- each. The Earning Per Share (EPS) presented for the previous year / preceding and corresponding previous quarter(s) / current quarter and year have been restated after recognising the effect of the Scheme.

### **2 Basis of preparation of financial statements**

#### **Basis of preparation and presentation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### **Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.



### **Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2024

### **2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### **Property, Plant and Equipment and Intangible Assets**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

#### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

#### **Deferred Tax Assets (including MAT Credit Entitlement)**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates

and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

#### **Impairment of Non-financial assets (PPE/ Intangible Assets)**

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

#### **Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

#### **Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

## **2B Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

## **3 Material Accounting Policies**

### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified approximately 5 months as its average operating cycle.

**b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the

hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of goods**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### **Sale of services**

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### **Export entitlements**

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross

carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

## **d) Property, plant and equipment and capital work in progress**

### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### **Component Cost**

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing ₹ 5000 each or less are fully depreciated.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Intangible assets**

##### **Intangible assets acquired separately**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

##### **Useful life and amortisation of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### **Subsequent cost and measurement**

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### **g) Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and stores & consumables are valued at weighted average rate.

#### **h) Financial Instruments**

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

##### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.



Financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Debt instrument at FVTOCI**

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and related parties, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiary and associate, if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

### **Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises

an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) 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 follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 entity expects to

receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.

Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.
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### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement

of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### **Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

### **Derivatives fair valued through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

S.No	Original classification	Revised classification	Accounting treatment
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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

#### **i) Foreign currency transactions and translations**

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.



**j) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying assets are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**k) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic

benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

### **Deferred tax liabilities are recognised for all taxable temporary differences.**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

## **1) Retirement and other employee benefits**

### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

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

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

As per the policy of the Company, compensated absences are not entitled to be carried forward to the subsequent financial year and paid within the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

### **Other long term employee benefits**

Liabilities recognised 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 the employees up to the reporting date.

## **m) Leases**

### **(a) As a lessee:**

At inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Initially, as a lessee, the company recognises a right-of-use asset and a lease liability and measure the right-of-use asset at cost. The company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company shall use the lessee's incremental borrowing rate. After the commencement date, the company measures the right-of-use asset applying a cost model.

Subsequently, the company measures the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company elects not to apply the requirements to either short-term leases or leases for which the underlying asset is of low value, the company recognises the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The Company applies another systematic basis if that basis is more representative of the pattern of the lessee's benefit. Short term leases are leases with a lease term of 12 months or less.

**(b) As a Lessor**

As a lessor, the company classifies 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.

In case of a financial lease, at the commencement date, the company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Subsequently, the company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. Any modification to a finance lease shall be accounted as a separate lease if the modification increases both the scope of the lease and the consideration for the lease.

In case of an operating lease, the company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis or the company applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset

is diminished. In case of any modification to an operating lease, the company accounts for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The respective leased assets are included in their balance sheet based on their nature.

**n) Impairment of non financial assets**

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

**o) Provisions, Contingent liabilities and Contingent assets**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

**Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

**p) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**q) Cash Flow Statement**

Cash flows are presented using 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.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**s) Scheme of Amalgamation**

Based on the recommendation and approval of the Audit Committee, the Committee of Independent Directors and the Board of Directors, at their respective meeting(s) held on 22nd August, 2022 and in pursuance of the letter received from BSE Limited stating that they do not have any adverse observation on the scheme, the consent received

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from the secured creditors and the approval received from the equity shareholders and the unsecured creditors of the Company, at their respective meeting(s) held on 22nd June, 2023, the Company had filed necessary Petition under Sections 230 to 232 of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") seeking the sanction of the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) ("Scheme") with effect from April 1, 2022 (Appointed Date).

Further, the audited financial statements of the Company for the year ended 31 March 2023 was approved by the Audit Committee and the Board of Directors, at their respective meetings held on May 26, 2023 without giving effect to the Scheme since the requisite approval of the NCLT was awaited.

Subsequently, the Scheme was approved by the NCLT vide its order dated 5th January 2024 & 18th January 2024 and said Scheme has become effective upon filing the certified copy of the said order with the Registrar of Companies, Chennai on 1st February 2024 (Effective Date). Accordingly, the Company has given effect to the said Scheme with effect from April 1, 2022 (Appointed Date) and accordingly, the restated financial statements for the year ended 31st March 2023 was approved by the Audit Committee and the Board of Directors on 2nd February, 2024. Pursuant to the said Scheme, all the assets, liabilities, reserves and surplus of the Transferor Company has been transferred to and vested in the Company with effect from the Appointed Date at their carrying values. As per the requirements of Appendix C to Ind AS 103 "Business Combination", the said combination has been accounted for as if it had occurred from the beginning of the preceding period in the financial statements. Accordingly, the amounts relating to the year 2022-2023 includes the impact of the business combination and the figures of the financial year 2022-23 presented have been restated by the Company after recognizing the effect of the amalgamation. Further, in terms of the aforesaid approved Scheme of Amalgamation, Raya Foods Private Limited stands amalgamated with the Company from the Appointed Date April 01, 2022, which is also acquisition date.

In terms of the accounting treatment as approved by NCLT, the Company has partially adjusted difference arising between the consideration paid and aggregate of fair value of net assets taken over against balance of the Retained earnings and capital reserve stood in the books of the Company pursuant to the Scheme. There is no deviation in accounting treatment prescribed under the Ind AS 103, which is in conformity with the accounting principles generally accepted in India, as the same has been approved by the NCLT.

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Name of the transferor company	Raya Foods Private Limited
General nature of business	Flour Milling business and selling of flour produced from wheat and all other food products.
Appointed Date of the Scheme	1 <sup>st</sup> April 2022
Description and number of shares issued	In consideration of the transfer and vesting of assets and liabilities of the transferor company in the transferee company in terms of clause 3 of the Scheme of amalgamation, the transferee company issued and allotted 35,00,000 fully paid equity shares of ₹ 10/- each held by the shareholders of the Transferor Company whose names are found in the Register of Members of the Transferor Company on the Record date.(ie. 02/02/2024)
% of the Company's equity shares exchanged	14 (Fourteen) equity shares of ₹ 10/- each credited as fully paid in Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) for every 10(Ten) equity shares of ₹ 10/- each in Raya Foods Private Limited (Transferor Company). The above ratio in which the shares of the Transferee Company are allotted to the equity shareholders of the Transferor Company is herein referred to as the Fair Equity Share Exchange Ratio ("Swap Ratio").

Pursuant to the approved Scheme of Amalgamation, the Transferee Company has accounted for amalgamation in its books as per the applicable accounting principles prescribed under relevant Indian Accounting Standards.

**a) Accounting treatment**

- i. The Transferee Company has recorded all the assets, liabilities, and reserves of the Transferor Company vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Company as on the Appointed Date, by applying "**Pooling of interest method**" as prescribed in the Indian Accounting Standards 103 -Accounting for Business Combinations as per the provisions of Section 133 of the Companies Act, 2013.
- ii. The Financial Statement of the Transferee Company shall, upon the Scheme coming into effect, recorded the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at the respective carrying amount thereof and in the same



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form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. (ie. 01/04/2022)

- iii. The Deficit in the Statement of Profit and Loss as they appear in the financial statements of the Transferor Company is adjusted against the Retained Earnings of the Transferee Company at the same values at the close of business of the day immediately preceding the Appointed Date.
- iv. The differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation is quantified and adjusted in the General reserve of the Transferee Company. The Financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- v. The inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligation in respect thereof is discharged and the same is eliminated. A corresponding effect is given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

The book value of assets and liabilities taken over in accordance with the terms of the scheme at the following summarised values:

<b>Particulars</b>	<b>Amount in Lakhs</b>
<b>Assets</b>	
Non - current assets:	
Property, Plant and Equipment	3044.21
Intangible assets under development	6.63
Deferred tax assets (net)	26.90
Long-term loans and advances	0.84
<b>Total non-current assets</b>	<b>3078.58</b>
<b>Current assets:</b>	
Inventories	1154.43
Trade receivables	119.78
Cash and cash equivalents	0.20
Other current assets	208.54
<b>Total Current assets</b>	<b>1482.95</b>
<b>Total Asset (A)</b>	<b>4561.53</b>
<b>Non - Current liabilities:</b>	
Long-term borrowings	3167.99
<b>Total Non -current Liabilities</b>	<b>3167.99</b>

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<b>Particulars</b>	<b>Amount in Lakhs</b>
<b>Current Liabilities:</b>	
Short-term borrowings	1125.49
Trade payables	
i) Total outstanding dues of micro enterprises and small enterprises	18.93
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	11.80
Other current liabilities	17.80
Short - term provisions	45.78
<b>Total current Liabilities</b>	<b>1219.80</b>
<b>Total Liabilities (B)</b>	<b>4387.79</b>
<b>Total Net identifiable assets acquired (A) - (B)</b>	<b>173.74</b>
<b>Cost of investment in the Merged Undertaking</b>	<b>350.00</b>
<b>Net impact transferred to other equity</b>	<b>(176.26)</b>

- a) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the Company is ₹ 176.26 lakhs has been debited to the other equity of the Transferee Company.
- b) As the appointed date of the Scheme is 1<sup>st</sup> April 2022, the previous year's numbers for the year ended 31<sup>st</sup> March 2023 have been restated to include the financial information of the Transferor Company.
- c) The authorised share capital of the Transferee Company automatically stands increased, by clubbing the authorised share capital of the Transferor Company, which is ₹ 904.15 lakhs divided into 90,41,476 equity shares of ₹ 10/- each.

#### 4 Property, Plant and Equipment and Intangible Assets

PARTICULARS	Tangible Assets								Intangible Assets	
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Office Equipment	Electrical Equipment	Total	Intangible	Total
<b>Cost as at March 31, 2023</b>	<b>709.80</b>	<b>2,510.75</b>	<b>5,747.49</b>	<b>36.53</b>	<b>143.80</b>	<b>85.16</b>	<b>296.13</b>	<b>9,529.66</b>	<b>46.95</b>	<b>46.95</b>
Additions for 2023-24	-	297.91	146.91	1.86	200.55	23.86	34.33	705.42	2.36	2.36
Transfer from other Divisions	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	15.55	26.18	-	-	-	-	41.73	-	-
<b>Cost as at March 31, 2024</b>	<b>709.80</b>	<b>2,793.11</b>	<b>5,868.22</b>	<b>38.39</b>	<b>344.34</b>	<b>109.02</b>	<b>330.47</b>	<b>10,193.35</b>	<b>49.31</b>	<b>49.31</b>
<b>Depreciation/ Amortisation</b>										
<b>As at March 31, 2023</b>	<b>-</b>	<b>188.44</b>	<b>1,480.66</b>	<b>17.07</b>	<b>40.86</b>	<b>27.19</b>	<b>71.05</b>	<b>1,825.27</b>	<b>38.18</b>	<b>38.18</b>
Charge for the year 23-24	-	134.54	427.45	2.82	32.87	13.02	27.46	638.16	4.80	4.80
Ind AS Adjustments	-	-	-	-	-	-	-	-	-	-
Transfer from other Divisions	-	-	-	-	-	-	-	-	-	-
Disposals	-	14.77	24.87	-	-	-	-	39.64	-	-
<b>As at March 31, 2024</b>	<b>-</b>	<b>308.21</b>	<b>1,883.24</b>	<b>19.89</b>	<b>73.73</b>	<b>40.21</b>	<b>98.51</b>	<b>2,423.79</b>	<b>42.98</b>	<b>42.98</b>
<b>As at March 31, 2024</b>	<b>709.80</b>	<b>2,484.90</b>	<b>3,984.98</b>	<b>18.50</b>	<b>270.61</b>	<b>68.81</b>	<b>231.96</b>	<b>7,769.56</b>	<b>6.33</b>	<b>6.33</b>
As at March 31, 2023	709.80	2,322.31	4,266.83	19.46	102.94	57.97	225.08	7,704.38	8.77	8.77

**Note:**

- All immovable properties of the company are held in the name of the company only. Hence, additional information to be provided for immovable properties not held in the name of the company does not arise.

**Note 4 - Capital Work-in Progress**

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work-in Progress	257.59	61.61
Total	257.59	61.61

1. There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

**Capital Work in Progress ageing schedule for the year ended March 31,2024 are as follows:**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	215.96	41.63	-	-	257.59
-Projects temporarily suspended	-	-	-	-	-

**Capital Work in Progress ageing schedule for the year ended March 31,2023 are as follows:**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	61.61	-	-	-	61.61
-Projects temporarily suspended	-	-	-	-	-

**Note 4 - Intangible assets under development**

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	6.63	8.99
Total	6.63	8.99

**Intangible assets under development ageing schedule for the year ended March 31,2024 are as follows:**

Particulars	Amount for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	-	-	6.63	-	6.63
-Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development ageing schedule for the year ended March 31,2023 are as follows:**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
-Projects in progress	2.36	6.63	-	-	8.99
-Projects temporarily suspended	-	-	-	-	-

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024**

	31.03.2024	31.03.2023
<b>5 Non-current investments</b>		
Investment in equity instruments at FVTPL		
Trade - Unquoted		
M/s Cape Power Private Limited	0.18	0.18
[1,800 (previous year : 1,800) fully paid equity shares of ₹ 10/-]		
M/s Suryadev Alloys and Power Private Limited		
(2) [1,50,000 (previous year : 1,50,000) fully paid equity (Class -B) equity shares of ₹ 10/- each with a premium of ₹ 20 per share]	-	45.00
<b>Total non-current investments</b>	<b>0.18</b>	<b>45.18</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	<b>0.18</b>	<b>45.18</b>
Aggregate amount of impairment in value of investments	-	-
* In respect investments made pursuant to power purchase agreements, the exit price is equivalent to the initial investment. Accordingly, the fair value of those investments have been considered at the original investment value as per Ind AS 113		
<b>6 Other non-current financial assets</b>		
(Unsecured, considered good unless otherwise stated)		
Deposits with government authorities and others	288.51	355.43
Unamortised interest expense	-	-
	<b>288.51</b>	<b>355.43</b>
<b>7 Other non-current assets</b>		
(Unsecured, considered good unless otherwise stated)		
Capital advances	31.68	7.77
Amalgamation Expenses	40.89	27.08
Balances with statutory agencies	184.88	102.05
	<b>257.45</b>	<b>136.90</b>
<b>8 Inventories</b>		
Raw Materials and components	6,530.58	5,649.64
Work-in-progress	212.85	248.53
Finished products (Other than acquired for trading)	355.92	336.30
Stores and spares	194.60	217.40
Impurities, Runner, Riser and used packing material	30.95	14.51
	<b>7,324.90</b>	<b>6,466.38</b>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**31.03.2024**

31.03.2023

**9 Trade receivables**

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	<b>1,550.50</b>	1,800.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	<b>4.07</b>	4.07
Less: Allowance for expected credit loss	<b>(35.29)</b>	(33.81)
	<b><u>1,519.28</u></b>	<u>1,770.87</u>

The Movement in allowance for expected credit loss and credit impairment is as follows:

Opening Balance	<b>(33.81)</b>	(53.07)
Change in allowance for expected credit loss written back during the year	<b>9.62</b>	19.26
Change in allowance for expected credit loss during the year	<b>(11.10)</b>	-
	<b>(35.29)</b>	(33.81)

**Trade Receivables as on 31.03.2024**

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More than 3Years	
(i) Undisputed Trade Receivables - considered good	-	1,539.31	0.14	11.05	-	-	1,550.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	4.07	4.07
(vii) Unbilled Revenue	-	-	-	-	-	-	-
Sub Total	-	1,539.31	0.14	11.05	-	4.07	1,554.57
Less : Allowance for Expected Credit Loss							(35.29)
Total							1,519.28

**31.03.2024**

31.03.2023

**Trade Receivables as on 31.03.2023**

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1 -2 years	2 -3 years	More than 3Years	
(i) Undisputed Trade Receivables - considered good	-	1,789.34	11.27	-	-	-	1,800.61
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	4.07	4.07
(vii) Unbilled Revenue							
Sub Total	-	1,789.34	11.27	-	-	4.07	1,804.68
Less : Allowance for Expected Credit Loss							(33.81)
Total							1,770.87

**10 Cash and cash equivalents**

Cash on hand	<b>8.73</b>	5.25
Balances with banks		
In current accounts	<b>2.30</b>	8.42
In deposit account (margin money deposits)	-	-
	<u><b>11.03</b></u>	<u>13.67</u>

**11 Other Bank Balances**

Earmarked balances	<b>5.67</b>	4.08
	<u><b>5.67</b></u>	<u>4.08</u>

**12 Other current assets**

(Unsecured, considered good)

Advance to suppliers	<b>29.43</b>	65.26
Prepaid expenses	<b>86.93</b>	78.52
Balances with statutory agencies	<b>191.62</b>	211.16
Others	<b>31.38</b>	27.23
MAT Credit Entitlement	<b>75.17</b>	75.17
	<u><b>414.53</b></u>	<u>457.34</u>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED****31.03.2024**

31.03.2023

**13 Capital****Authorised Share Capital**

1,45,00,000 Equity shares of ₹ 10 each	<b>1,450.00</b>	1,450.00
30,00,000 Preference shares of ₹ 10/- each	<b>300.00</b>	300.00
	<b>1,750.00</b>	1,750.00

**Issued Share Capital**

56,40,430 equity shares of ₹ 10 each	<b>564.04</b>	564.04
35,00,000 equity shares of ₹ 10 each pending for allotment	-	350.00
35,00,000 equity shares of ₹ 10 each	<b>350.00</b>	-
	<b>914.04</b>	914.04

**Subscribed and fully paid-up share capital**

55,41,476 equity shares of ₹ 10 each	<b>554.15</b>	554.15
35,00,000 equity shares of ₹ 10 each pending for allotment		350.00
35,00,000 equity shares of ₹ 10 each	<b>350.00</b>	
	<b>904.15</b>	904.15

\* 98,954 partly paid shares were forfeited on March 25, 1998  
vide board resolution dated March 25, 1998

**Notes:**

- 1) Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year	<b>90,41,476</b>	55,41,476
Add: Issued during the year	-	35,00,000
Balance at the end of the year	<b>90,41,476</b>	90,41,476
- 2) The Company has no Holding or Subsidiary Companies.
- 3) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
- 4) In pursuance of the Scheme of Amalgamation, The company has allotted 35,00,000 equity shares of ₹ 10/- each to the shareholders of Raya Foods Private Limited (Transferor Company). Consequently, the issued, subscribed and paid-up equity share capital of the company increased to ₹ 904.15 lakhs comprising of 90,41,476 equity shares of ₹ 10/- each.
- 5) Rights, preferences and restrictions in respect of equity shares issued by the Company
  - a. The company has issued only one class of equity shares having a par value of ₹ 10 each. The equity shares of the company having par value of ₹ 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
  - b. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

**31.03.2024**      31.03.2023

6) Shareholders holding more than 5% of the total share capital

Name of the shareholder	31.03.2024		31.03.2023*	
	No of shares	% of Holding	No of shares	% of Holding
Sri. Suresh Jagannathan	<b>11,69,426</b>	<b>12.93%</b>	11,69,286	21.10%
M/s Cape Flour Mills Private Limited	<b>11,07,089</b>	<b>12.24%</b>	11,07,089	19.98%
Sri. Sharath Jagannathan	<b>21,47,129</b>	<b>23.75%</b>	3,97,129	7.17%
Mrs.Kaavya Sharath Jagannathan	<b>17,49,860</b>	<b>19.35%</b>	-	-
Sri. Suresh Jagannathan jointly with Mrs.J.Chandranthi	<b>4,23,681</b>	<b>4.69%</b>	4,23,681	7.65%

\*35,00,000 Equity Shares pending for allotment not considered

(1) Current reporting period

(in lakhs)

Balance at 1 <sup>st</sup> April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year pending for allotment	Balance at 31 <sup>st</sup> March 2024
904.15	Nil	Nil	Nil	904.15

(2) Previous reporting period

(in lakhs)

Balance at 1 <sup>st</sup> April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year pending for allotment	Balance at 31 <sup>st</sup> March 2023
554.15	Nil	Nil	350.00	904.15

**14 Other Equity**

Capital reserve	-	-
Securities premium reserve	<b>2,090.07</b>	2,090.07
General reserve	<b>994.97</b>	994.97
Other comprehensive income	<b>19.45</b>	18.61
Retained earnings	<b>2,658.73</b>	1,991.66
Total	<b>5,763.22</b>	5,095.31
a) Capital Reserve		
Balance at the beginning of the year	-	20.71
Net impact on merger	-	(20.71)
Balance at the end of the year	-	-
b) Securities Premium Reserve		
Balance at the beginning of the year	<b>2,090.07</b>	2,090.07
Additions/ (deductions) during the year	-	-
Balance at the end of the year	<b>2,090.07</b>	2,090.07

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023
c) General reserve		
Balance at the beginning of the year	994.97	994.97
Additions/ (deductions) during the year	-	-
Balance at the end of the year	<u>994.97</u>	<u>994.97</u>
d) Other comprehensive income		
Balance at the beginning of the year	18.61	13.85
Transfer from profit and loss account	0.84	4.76
Balance at the end of the year	<u>19.45</u>	<u>18.61</u>
e) Retained earnings		
Balance at the beginning of the year	1,991.66	1,157.74
Net impact on merger	-	(155.55)
IND AS Adjustment on merger	-	13.69
Dividend and others	(113.37)	(109.03)
Net profit for the period	1,050.77	1,418.86
Current tax	(228.87)	(247.90)
Deferred tax	(41.46)	(161.32)
MAT credit entitlement	-	75.17
Balance at the end of the year	<u>2,658.73</u>	<u>1,991.66</u>
<b>15 Long Term Borrowings</b>		
Term loans (secured)		
From Banks	4,171.65	4,750.21
From NBFC's	126.84	43.76
Loan from Directors (unsecured)	1,412.00	1,453.00
	<u>5,710.49</u>	<u>6,246.97</u>
Less : Current maturities due within 1 year (refer note 17 below)	<u>1,082.45</u>	<u>934.90</u>
	<u>4,628.04</u>	<u>5,312.07</u>
<b>16 Deferred Tax Liability / (Asset) - Net</b>		
Deferred Tax Liability		
On fixed assets	42.84	275.47
On expenses allowed under income tax on payment basis	0.32	(3.80)
Others	0.32	3.72
Opening Balance	454.70	291.54
Net deferred tax liability / (asset)	<u>498.18</u>	<u>566.93</u>
Deferred Tax Asset		
Carried forward losses	-	63.71
Others	(1.70)	-
	<u>(1.70)</u>	<u>63.71</u>
Net deferred tax liability/ (asset)	<u>496.48</u>	<u>630.64</u>
MAT credit entitlement	-	(175.94)
	<u>496.48</u>	<u>454.70</u>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

31.03.2024                      31.03.2023

**17 Current liabilities - Financial Liabilities: Borrowings**

**Secured**

Loans repayable on demand

From Banks **2,839.26** 2,114.38

Current maturities of long-term debt (refer note 15 above) **1,082.45** 934.90

**Unsecured**

Loans from directors **334.72** 285.00

Inter corporate loans **65.00** 65.00

**4,321.43** 3,399.28

Also refer note 42 for terms and conditions and security details

**18 Trade payables**

Due to Micro, Small and Medium enterprises \* **315.13** 293.16

Due to others **692.24** 787.33

**1,007.37** 1,080.49

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Also refer note 35.

**Trade Payables as on 31.03.2024**

Particulars	Outstanding for the following period from due date of payments*				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
(i) MSME	315.13	-	-	-	315.13
(ii) Others	687.20	5.04	-	-	692.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables as on 31.03.2023**

Particulars	Outstanding for the following period from due date of payments*				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
(i) MSME	293.16	-	-	-	293.16
(ii) Others	778.74	-	-	8.59	787.33
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**19 Provisions (Current)**

Provision for tax (net of advance tax) **228.87** 247.90

**228.87** 247.90

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023
<b>20 Other current liabilities</b>		
Statutory dues payable	122.84	104.87
Employee benefits payable	119.46	117.26
Other expenses payable	245.02	269.99
Advance and deposits from customers etc.,	24.78	47.58
	<u>512.10</u>	<u>539.70</u>
<b>21 Revenue from operations</b>		
(a) Sale of products		
Wheat, wheat products and impurities	31,325.50	28,290.26
Castings	9,560.00	12,081.82
(b) Other operating revenues – sale of scrap and gunnies	205.07	168.97
	<u>41,090.57</u>	<u>40,541.05</u>
<b>22 Other income</b>		
Dividend Income	0.04	0.05
Interest Income	17.10	8.64
Profit on sale of fixed assets (net)	4.99	388.77
Other non operating income	99.39	126.00
Rental Income	31.86	29.96
Provision no longer required	112.12	1.10
Liabilities no more payable	0.21	1.47
Excess provision for ECL written back	9.62	19.26
	<u>275.33</u>	<u>575.25</u>
<b>23 Cost of materials consumed</b>		
Wheat	25,333.14	23,265.06
Purchase of stock in trade	1,069.66	524.79
Iron materials	4,232.22	6,006.63
	<u>30,635.02</u>	<u>29,796.48</u>
<b>24 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Work-in-progress	248.53	300.50
Finished goods	346.54	446.18
	<u>595.07</u>	<u>746.68</u>
<b>Closing Balance</b>		
Work-in-progress	212.86	248.53
Finished goods	384.30	346.54
	<u>597.16</u>	<u>595.07</u>
Total changes in inventories - (Increase) / Decrease	<b>(2.09)</b>	151.61

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023
<b>25 Employee benefits expense</b>		
Director's remuneration and fees	223.22	185.52
Salaries, wages and bonus	1,351.16	1,203.24
Contribution to provident and other funds	85.92	332.75
Staff welfare expenses	176.65	171.02
Contribution to gratuity fund	27.95	23.72
	<u>1,864.90</u>	<u>1,916.25</u>
<b>26 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	638.16	627.16
Amortisation of intangible assets	4.80	3.76
	<u>642.96</u>	<u>630.92</u>
<b>27 Other expenses</b>		
Fabrication Charges	1,149.18	1,493.86
Power and Fuel	825.59	925.54
Stores, spares and packing material	1,773.09	1,941.85
Repairs to machineries	394.07	404.12
Repairs to others	496.40	554.45
Commission and discount	132.13	59.94
Freight	328.90	246.13
Auditors' fees and expenses [refer note 27 (a)]	11.95	8.55
Rent and office maintenance	100.25	84.31
Rates and taxes	34.13	27.98
Advertisement and Sales promotion expenses	143.08	84.12
CSR expenditure [refer note 27 (b)]	20.00	21.73
Printing and stationery	16.97	18.52
Postage and telephone	9.10	10.03
Travelling	212.92	145.64
Legal and professional charges	356.11	223.61
Data processing	51.75	61.25
Bank charges	16.68	14.19
Loss on sale of fixed assets / Fixed assets discarded & Written off	0.78	23.04
Loss on sale of Investment	-	0.53
Miscellaneous expenses	130.66	76.59
Foreign exchange loss	0.04	0.87
Provision for expected credit loss	11.10	-
	<u>6,214.88</u>	<u>6,426.85</u>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023
<b>27 (a) Auditors' fees and expenses</b>		
Statutory Audit fees	10.50	8.32
Fees for other services	1.45	0.23
	<u>11.95</u>	<u>8.55</u>
<b>27 (b) Expenditure on Corporate Social Responsibility</b>		
Surplus Spent Carried forward from previous financial year	(12.15)	(2.25)
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	18.23	11.83
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above]	20.00	21.73
	<u>20.00</u>	<u>21.73</u>
(iii) (Excess) Amount spent during the year	(1.77)	(9.90)
(iv) Amount available for setoff in succeeding financial years	(13.92)	(12.15)
<b>28 Finance Cost</b>		
Interest - Banks and financial institutions	777.97	726.06
Interest - Others	181.49	49.27
	<u>959.46</u>	<u>775.33</u>
<b>29 Income tax expense</b>		
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	228.87	247.90
Total current tax expense	<u>228.87</u>	<u>247.90</u>
Deferred tax		
Deferred tax adjustments	41.46	161.32
Total deferred tax expense/(benefit)	<u>41.46</u>	<u>161.32</u>
Income tax expense	<u>270.33</u>	<u>409.22</u>
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	1,050.77	1,418.86
Income tax expense calculated at effective rates	228.87	247.90
Effect of expenses that are not deductible in determining taxable profit	41.46	161.32
Income tax expense	<u>270.33</u>	<u>409.22</u>
<b>c) Income tax recognised in other comprehensive income</b>		
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation	(0.32)	(1.84)
Total income tax recognised in other comprehensive income	<u>(0.32)</u>	<u>(1.84)</u>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED****d) Movement of deferred tax expense during the year ended March 31, 2024 (₹ in lakhs)**

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(942.21)	(42.84)	-	(985.05)
Expenses allowable on payment basis under the Income Tax Act	191.25	(0.32)	-	190.93
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	45.15	1.70	(0.32)	46.53
<b>Total</b>	<b>(705.81)</b>	<b>(41.46)</b>	<b>(0.32)</b>	<b>(747.59)</b>
MAT Credit entitlement	251.11	-	-	251.11
<b>Total</b>	<b>(454.70)</b>	<b>(41.46)</b>	<b>(0.32)</b>	<b>(496.48)</b>

**e) Movement of deferred tax expense during the year ended March 31, 2023 (₹ in lakhs)**

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(666.74)	(275.47)	-	(942.21)
Expenses allowable on payment basis under the Income Tax Act	187.45	3.80	-	191.25
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	109.99	(63.00)	(1.84)	45.15
<b>Total</b>	<b>(369.30)</b>	<b>(334.67)</b>	<b>(1.84)</b>	<b>(705.81)</b>
MAT Credit entitlement	75.17	175.94	-	251.11
<b>Total</b>	<b>(294.13)</b>	<b>(158.73)</b>	<b>(1.84)</b>	<b>(454.70)</b>

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023		
<b>30 Earnings per share</b>				
Profit / (loss) for the year attributable to owners of the Company	<b>780.44</b>	1,009.64		
Number of ordinary shares outstanding (previous year weighted average)	<b>90,41,476</b>	90,41,476		
Basic earnings per share (₹)	<b>8.63</b>	11.17		
Diluted earnings per share (₹)	<b>8.63</b>	11.17		
Nominal Value of equity shares (₹)	<b>10.00</b>	10.00		
<b>31 Earnings in foreign currency</b>				
FOB value of exports	-	88.26		
	<u>-</u>	<u>88.26</u>		
<b>32 Expenditure in foreign currency</b>				
Travel expenses	<b>17.18</b>	23.99		
Other expenses	-	11.48		
	<u>17.18</u>	<u>35.47</u>		
<b>33 Value of Imports (on C.I.F basis)</b>				
Raw Materials	-	-		
Machinery	-	-		
	<u>-</u>	<u>-</u>		
<b>34 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption</b>				
Particulars	<b>For the year ended March 31, 2024</b>		<b>For the year ended March 31, 2023</b>	
	<b>Value</b>	<b>Percentage (%)</b>	<b>Value</b>	<b>Percentage (%)</b>
Imported	-	-	-	-
Indigenous	<b>30,635.02</b>	<b>100.00</b>	29,796.48	100.00
	<u>30,635.02</u>	<u>100.00</u>	<u>29,796.48</u>	<u>100.00</u>
<b>35 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under</b>				
(a) The principal amount remaining unpaid at the end of the year			315.13	293.16
(b) The delayed payments of principal amount paid beyond the appointed date during the year			-	-
(c) Interest actually paid under Section 16 of MSMED Act			-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms			-	-
(e) Total interest accrued during the year and remaining unpaid			-	-
* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.				



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

	31.03.2024	31.03.2023
<b>36 Commitments and Contingent Liability</b>		
<b>Contingent Liability - Disputed Liabilities</b>		
Income Tax	-	-
Sales Tax	-	25.05
Service Tax	-	-
PF dues and damages	-	-
Guarantees by banks	<b>78.00</b>	78.00
<b>37 Operating Segments</b>		
The company is engaged in the business of "Food Processing and Engineering" and therefore has two reportable segments as per Ind AS 108 "Operating Segments" namely 'Foods Division' and 'Engineering Division'.		
<b>Segment Revenue</b>		
a) Foods division	<b>31,658.94</b>	28,918.51
b) Engineering division	<b>9,706.96</b>	12,197.79
<b>Revenue from operations (Net)</b>	<b>41,365.90</b>	41,116.30
<b>Segment Results</b>		
<b>Profit (+) / Loss (-) before tax and finance cost</b>		
a) Foods division	<b>1,193.17</b>	1,515.18
b) Engineering division	<b>817.06</b>	679.01
<b>Total</b>	<b>2,010.23</b>	2,194.19
Less : Finance Cost	<b>959.46</b>	775.33
Profit /(Loss) from continuing operations	<b>1,050.77</b>	1,418.86
Profit/(Loss) from discontinuing operations	-	-
<b>Profit Before Tax</b>	<b>1,050.77</b>	1,418.86
<b>Segment Assets</b>		
a) Foods division	<b>12,054.28</b>	10,683.30
b) Engineering division	<b>5,365.78</b>	5,976.34
b) Other unallocable corporate assets	<b>441.60</b>	373.96
<b>Total assets</b>	<b>17,861.66</b>	17,033.60
<b>Segment Liabilities</b>		
a) Foods division	<b>6,603.15</b>	6,373.80
b) Engineering division	<b>3,860.12</b>	3,924.75
b) Other unallocable corporate liabilities	<b>731.02</b>	735.60
<b>Total liabilities</b>	<b>11,194.29</b>	11,034.15
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
a) Foods division	<b>5,451.13</b>	4,309.51
b) Engineering division	<b>1,505.66</b>	2,051.58
<b>Total capital employed in segments</b>	<b>6,956.79</b>	6,361.09
Unallocable corporate assets less corporate liabilities	<b>(289.42)</b>	(361.64)
<b>Total Capital Employed</b>	<b>6,667.37</b>	5,999.45

## **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

### **Disclosure relating to geographical area of operation**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India. The exports of the company are less than 10% of the total turnover and accordingly, no disclosure in respect of revenue from external customers based on geographical location is provided.

**31.03.2024**      31.03.2023

### **38 Lease arrangements**

#### **As Lessee**

The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.

Lease payments recognised in the Statement of Profit and Loss **69.87**      69.06

### **39 Duty Drawback Received**

The details of Government Grants received by the Company are as follows :

Duty drawback on exports -      0.75

There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements.

### **40 Disclosure of shareholding of promoters**

Shares held by promoters at the end of the year		As at March 31, 2024		As at March 31, 2023 *		% Change During the year
S. No	Promoter name	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
1	Sri. Suresh Jagannathan	<b>11,69,426</b>	<b>12.93%</b>	11,69,286	21.10%	-8.17%
2	M/s Cape Flour Mills Private Limited	<b>11,07,089</b>	<b>12.24%</b>	11,07,089	19.98%	-7.74%
3	Mrs.Kaavya Sharath Jagannathan	<b>17,49,860</b>	<b>19.35%</b>	-	-	NA
4	Sri.Sharath Jagannathan	<b>21,47,129</b>	<b>23.75%</b>	3,97,129	7.17%	16.58%
5	Sri.Suresh Jagannathan jointly with Mrs.J.Chandranthi	<b>4,23,681</b>	<b>4.69%</b>	4,23,681	7.65%	-2.96%
6	M/s Mckinnon India Private Limited	<b>71,500</b>	<b>0.79%</b>	71,500	1.28%	-0.49%

\* 35,00,000 Equity Shares pending for allotment not considered.

### **41 Details of Long Term Borrowings**

Terms and conditions of long term loans taken from banks

- i) Rupee term loan availed from HDFC Bank Ltd.,
  - a) Term Loan from HDFC Limited carrying Interest rate @ 10.70% (Base Rate + 1.40 %) is secured by a charge on the fixed assets purchased out of term loan, being Plant & Machinery and Collateral security of Land and Building of Eltex super castings to the extent of 12.27 acres situated at SF No.133,134/2,137 and Personal guarantee by Executive Chairman.

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

- The outstanding loan is repayable in balance 13 monthly installments of ₹14,63,562 & last one installment of ₹ 5,00,045/-. Date of commencement of repayment started from 15th June, 2019.
- b) Term Loan from HDFC Limited Carrying Interest rate @ 9.45% is secured by way of exclusive charge on specific assets created out of term loan being solar power plant at Gangaikondan and Collateral security of vacant land admeasuring to the extent of 25.42 acres situated in S.no 1472/2A1A, 1472/2A1B, 1472/2A1c, 1472/1B2F at Gangaikondan village at Tirunelveli-627352 owned by M/s.Blue Mountain Plantations Pvt Ltd, M/s.Florentine Agro Pvt Ltd and M/s. Super Plantations Pvt Ltd and Personal guarantee by Executive Chairman. The outstanding loan is repayable in 65 monthly installments of ₹ 33,79,402/- and last one installment of ₹ 24,73,851/- .Date of commencement of repayment started from 7th Nov, 2022.
- c) Term Loan from HDFC Limited Carrying Interest rate @ 11.10% (Base Rate + 1.60 %) is secured by a charge on the fixed assets purchased out of term loan, being plant & Machinery (Pollution Control Equipments) and Collateral security of Land & Building to the extent of 12.27 acres situated at SF No.133,134/2,137 and Personal guarantee by Executive Chairman. The outstanding loan is repayable in 40 monthly installments of ₹ 3,16,575 & last one installment of ₹ 18,747/- Date of commencement of repayment started from 7th July, 2021.
- d) Term Loan from HDFC Limited Carrying Interest rate @ 8.66% (Base Rate + 1.90 %) is secured primarily by a charge on the moveable assets created out of term loan, being Plant & Machinery and Collateral security of exclusive charge on assets created out of term loan and Personal guarantee by Executive Chairman. The outstanding loan is repayable in 67 monthly installments of ₹ 2,92,066 & last one installment of ₹ 87,335/-. Date of commencement of repayment started from 7th Nov, 2023.
- e) Working Capital Term loan under ECGLS from HDFC Limited carrying interest rate at 9.25% (1year MCLR+1.05%). The loan is repayable on 49 instalments. The loan matures in July 2025. The loan is secured by second charge on the existing primary & collateral security provided to the bank.
- f) Working Capital Term Loan from HDFC bank limited Carries interest @ 9.33 % pa., (1year MCLR+1.40%) The loan is repayable on 72 monthly instalments. The loan matures in May, 2028. The loan is primary secured by Plant and machinery , stock and receivables and collateral security of factory land and building situated at RS NO 162/4,126/4,and 162/3 situated at Thiruvandar Koil Village Thirukanoor Taluk, Pondicherry
- g) Term Loan from HDFC Limited Carrying Interest rate @ 8.71% (Base Rate + 1.90 %) is secured primarily by a charge on the assets created out of term loan. The outstanding loan is repayable in 79 monthly installments of ₹ 1,01,422 & last one installment of ₹ 90,168/-. Date of commencement of repayment started from 7th Nov, 2023.
- ii) Vehicle loan availed from Sundaram Finance Ltd. The loan is repayable on monthly basis and are secured by the respective vehicles.

**42 Details of Short Term Borrowings**

Terms and conditions of short term loans taken from banks and financial institutions

- i) i) Working capital loans from HDFC Bank Ltd. carries an interest rate @ 8.90% p.a. (3M T.Bill+ 2.40 %) and secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge to the extent mortgaged.

All loans are guaranteed by Executive Chairman of the Company, except vehicle loans.

**43 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

<b>Gearing Ratio:</b>	<b>31.03.2024</b>	31.03.2023
Debt	<b>5,710.49</b>	6,246.97
Less: Cash and bank balances	<b>11.03</b>	13.67
Net debt	<b>5,699.46</b>	6,233.30
Total equity	<b>6,667.37</b>	5,999.46
Net debt to equity ratio (%)	<b>85.48%</b>	103.90%

**Financial assets**

**a. Measured at amortised cost**

Other non-current financial assets	<b>288.51</b>	355.43
Trade receivables	<b>1,519.28</b>	1,770.87
Cash and cash equivalents	<b>11.03</b>	13.67
Bank balances other than above	<b>5.67</b>	4.08

**b. Mandatorily measured at fair value through profit or loss (FVTPL)**

Investments	<b>0.18</b>	45.18
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**Financial liabilities**

**a. Measured at amortised cost**

Borrowings (Long term)	<b>5,710.49</b>	6,246.97
Borrowings (short term)	<b>4,321.43</b>	3,399.28
Trade payables	<b>1,007.37</b>	1,080.49
Other financial liabilities	-	-

**b. Mandatorily measured at fair value through profit or loss (FVTPL)**

Derivative instruments	-	-
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**Financial risk management objectives**

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

## **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### **Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

### **Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2024 (all amounts are in lakhs)							
EUR	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-
As on March 31, 2023 (all amounts are in lakhs)							
EUR	-	-	-	-	-	-	-
in INR	-	-	-	-	-	-	-

### **Foreign currency sensitivity analysis**

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity

is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### **Interest rate risk management**

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

#### **Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability approximately by INR 21.80 Lakhs for the year (Previous INR 20.12 Lakhs).

#### **Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

#### **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### **(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**(b) Investments, Cash and Cash Equivalents and Bank deposits**

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved banks as fixed deposits. Investments primarily represent investments pursuant to power purchase agreement with power generation companies. These investments do not have any market risk as the Company will get back the face value when terminating the agreement.

**Offsetting related disclosures**

Offsetting of cash and cash equivalents to borrowings is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
<b>March 31, 2024</b>				
Trade payables	1,002.33	5.04	-	1,007.37
Borrowings (including interest accrued thereon upto the reporting date)	1,082.45	3,216.04	-	4,298.49
	<b>2,089.82</b>	<b>3,216.04</b>	<b>-</b>	<b>5,305.86</b>
<b>March 31, 2023</b>				
Trade payables	1,071.90	8.59	-	1,080.49
Borrowings (including interest accrued thereon upto the reporting date)	934.90	2,961.98	897.09	4,793.97
	<b>2,015.39</b>	<b>2,961.98</b>	<b>897.09</b>	<b>5,874.46</b>
			<b>31.03.2024</b>	31.03.2023
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):			Nil	Nil

**44 Related party disclosure**

**a) List of parties having significant influence**

Holding company	The Company does not have any holding company
Subsidiaries	The Company does not have any subsidiaries and joint ventures
Associate Companies	The Company does not have any associate companies
Entities in which directors or their relatives are interested	The Lakshmi Textile Suppliers Cape Flour Mills Private Limited Cape Power Private Limited Mckinnon India Private Limited Wm Mckinnon India Private Limited (Formerly known as "Prokop Eltex India Private Limited") Kaapi Machines (India) Private Limited Probat Kaapi (India) Private Limited Eltex Marketing LLP Effectual Precision Dies and Tools Private Limited Elgi Ultra Private Limited Elgi Equipments Limited East Deccan Marketing Private Limited GDN Farms Private Limited Nutriment Retail Private Limited Elgi Rubber Company Limited

**Key management personnel and their relatives**

Sri. Suresh Jagannathan	Executive Chairman
Sri. Sharath Jagannathan	Managing Director
Sri. R. Nagarajan	Chief Financial Officer
Sri. S. Piramuthu	Company Secretary
Sri. R. Kannan	Director
Mrs. Kaavya Sharath Jagannathan	Relative to the Managing Director

**b) Transactions during the year**

S. No.	Particulars	Amount in lakhs	
		March 31, 2024	March 31, 2023
1	Purchase of goods		
	The Lakshmi Textile Suppliers	<b>13.31</b>	16.76
	Cape Flour Mills Private Limited	<b>885.97</b>	1,017.11
	Mckinnon India Private Limited		0.51
	Wm Mckinnon India Private Limited (Formerly known as "Prokop Eltex India Private Limited")	<b>830.92</b>	20.47
	East Deccan Marketing Private Limited	<b>295.91</b>	-
	GDN Farms Private Limited	<b>36.82</b>	-
	Eltex Marketing LLP	<b>428.06</b>	100.60



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

S. No.	Particulars	Amount in lakhs	
		March 31, 2024	March 31, 2023
2	Sale of goods		
	Cape Flour Mills Private Limited	<b>183.68</b>	161.15
	Mckinnon India Private Limited	<b>47.72</b>	84.96
	Wm Mckinnon India Private Limited (Formerly known as "Prokop Eltex India Private Limited")	<b>3.91</b>	2.64
3	Services availed/ rendered		
	Super Springs Private Limited	-	-
	Mckinnon India Private Limited	<b>2.94</b>	2.74
	Wm Mckinnon India Private Limited (Formerly known as "Prokop Eltex India Private Limited")	<b>61.53</b>	163.78
	Cape Flour Mills Private Limited	<b>3.48</b>	2.50
	Eltex Marketing LLP	-	-
	Elgi Ultra Private Limited	-	-
	Elgi Equipments Limited	-	-
	Sri.Suresh Jagannathan	<b>20.87</b>	28.29
	Effectual Precision Dies and Tools Private Limited	<b>2.17</b>	1.15
4	Purchase of power		
	Cape Power Private Limited	<b>30.04</b>	28.60
5	Remuneration to Key Managerial Personnel & their relatives		
	Sri. Suresh Jagannathan	<b>138.00</b>	103.80
	Sri. Sharath Jagannathan	<b>79.74</b>	79.86
	Sri. R Nagarajan (from 15-05-2023)	<b>53.81</b>	-
	Sri. S Piramuthu	<b>19.49</b>	17.19
	Sri. J Kanna (till 31-01-2023)	-	30.99
7	Loans Taken		
	Sri. Suresh Jagannathan	<b>512.70</b>	
	Sri. Sharath Jagannathan	-	35.00
	Mrs. Kaavya Sharath Jagannathan	<b>27.00</b>	1,453.00
	Cape Power Private Limited	<b>65.00</b>	65.00
8	Interest Paid		
	Sri. Suresh Jagannathan	<b>21.52</b>	-
	Mrs. Kaavya Sharath Jagannathan	<b>128.61</b>	-
	Sri. R Kannan	<b>25.41</b>	27.47
	Cape Power Private Limited	<b>5.69</b>	2.79
	Mckinnon India Private Limited	-	2.01

**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

S. No.	Particulars	Amount in lakhs	
		March 31, 2024	March 31, 2023
9	Loan Repaid		
	Sri. Suresh Jagannathan	<b>447.98</b>	-
	Sri. Sharath Jagannathan	-	35.00
	Smt. Kaavya Sharath Jagannathan	<b>68.00</b>	135.00
	Sri. R Kannan	<b>15.00</b>	15.00
	Cape Power Private Limited	-	40.00
	Mckinnon India Private Limited	-	45.00
<b>(c)</b>	<b>Loans outstanding at the end of the year</b>		
	Sri. Suresh Jagannathan	<b>64.72</b>	-
	Mrs. Kaavya Sharath Jagannathan	<b>1,412.00</b>	1,453.00
	Sri. R Kannan	<b>270.00</b>	285.00
	Cape Power Private Limited	<b>65.00</b>	65.00

**45 Retirement benefit plans**

**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in statement of profit or loss of ₹ 85.92 Lakhs (previous year ₹ 332.75 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**(a) Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

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Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	<b>7.24% p.a.</b>	7.58% p.a.
Salary Escalation	<b>6.50% p.a.</b>	6.50% p.a.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
Current service cost	<b>26.38</b>	23.52
Net interest expense	<b>17.35</b>	17.03
Return on plan assets (excluding amounts included in net interest expense)	<b>13.61</b>	13.98
Components of defined benefit costs recognised in profit or loss	<b>57.34</b>	54.53
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	<b>(4.23)</b>	(8.46)
Components of defined benefit costs recognised in other comprehensive income	<b>(4.23)</b>	(8.46)
Total	<b>53.11</b>	46.07

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- i. The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss and the remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

Particulars	March 31, 2024	March 31, 2023
Present value of defined benefit obligation	<b>246.87</b>	250.40
Fair value of plan assets	<b>(219.66)</b>	(234.06)
Net liability/ (asset) arising from defined benefit obligation	<b>27.21</b>	16.34
Funded	<u><b>27.21</b></u>	<u>16.34</u>
Unfunded	<u>-</u>	<u>-</u>
	<u><b>27.21</b></u>	<u>16.34</u>

The above provisions are reflected under 'Provision for employee benefits' (short-term provisions) [Refer note 20]

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Opening defined benefit obligation	<b>250.40</b>	238.32
Current service cost	<b>26.38</b>	23.52
Interest cost	<b>17.35</b>	17.03
Actuarial (gains)/losses	<b>(4.23)</b>	(8.46)
Benefits paid	<b>(43.03)</b>	(20.01)
Closing defined benefit obligation	<u><b>246.87</b></u>	<u>250.40</u>

**Movements in the fair value of the plan assets in the current year were as follows:**

Opening fair value of plan assets	<b>234.06</b>	204.36
Return on plan assets	<b>16.68</b>	15.83
Contributions	<b>15.02</b>	35.74
Benefits paid	<b>(43.03)</b>	(20.01)
Actuarial gains/(loss)	<b>(3.07)</b>	(1.86)
Closing fair value of plan assets	<u><b>219.66</b></u>	<u>234.06</u>

**Sensitivity analysis**

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**(b) Compensated absences**

As per the policy of the Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and are paid at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

The accompanying notes form an integral part of the financial statement.

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- 46** The title deeds of immovable properties which are freehold, based on the registered sale deeds/transfer deed/conveyance deed/scheme of arrangements approved by Hon'ble High Courts & appropriate authorities and property tax receipts, are held in the name of the Company as at Balance Sheet date.

In respect of immovable properties of Land that have been taken on lease and disclosed as fixed assets in the financial statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from the banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement

- 47** The company has no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**48. Ratios**

Sl. No	Description	31-03-2024	31-03-2023	% change	Explanations, if any
1	Current Ratio	<b>1.53</b>	1.65	-7.27%	NA
2	Debt Equity Ratio	<b>1.34</b>	1.45	-7.58%	NA
3	Debt Service Coverage Ratio	<b>2.77</b>	3.64	-23.90%	NA
4	Return on Equity Ratio	<b>11.70%</b>	17%	-31.17%	Due to merger, there is a change in shareholding pattern and due to decrease in profit compared to the last financial year, which impacted the return on equity.
5	Inventory Turnover Ratio	<b>5.96</b>	7.25	-17.80%	NA
6	Trade Receivables Turnover Ratio	<b>24.98</b>	23.84	4.78%	NA
7	Trade Payables Turnover Ratio	<b>39.36</b>	34.20	15.09%	NA

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Sl. No	Description	31-03-2024	31-03-2023	% change	Explanations, if any
8	Working Capital Turnover Ratio	<b>12.82</b>	11.77	8.92%	NA
9	Net Profit Ratio	<b>1.90%</b>	2.50%	-24.00%	NA
10	Return on Capital Employed	<b>17.00%</b>	18.60%	-8.60%	NA
11	Return on Investment	<b>16.60%</b>	26.20%	-36.64%	Due to merger, there is a change in shareholding pattern and due to decrease in profit compared to the last financial year, which impacted the return on investment.

**49** The Scheme of Amalgamation of Raya Foods Private limited (Transferor Company) with the Company sanctioned vide the order of the Hon'ble National company law Tribunal, Chennai Bench, dated 5th January 2024 and 18th January 2024 came into effect on 1st February, 2024 (Effective Date). The Appointed Date of the said Scheme is 1st April, 2022. The above audited financial results have been prepared by giving effect to the said Scheme. Accordingly, the previous year / preceding and corresponding previous quarter(s) / current quarter and year's figures presented have been restated after recognising the effect of the Scheme in accordance with the applicable Indian Accounting Standard (Ind AS).

**50 Expenditure Incurred on Corporate Social Responsibility (CSR) Activities:** ₹ in Lakhs

<b>Profit Before Tax as per Section 198 of the Act:</b>	
Financial Year - 2020 - 21	663.34
Financial Year - 2021 - 22	787.61
Financial Year - 2022 - 23	1282.87
<b>Total</b>	<b>2733.82</b>
<b>Average Profit Before Tax as per Section 135(5) of the Act</b>	<b>911.27</b>

₹ in Lakhs

a) 2% of Average Profit to be Spent for CSR Activities	18.23
b) CSR Expenditure Incurred	20.00
c) Excess amount spent for the financial year	1.77

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d) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
e) Amount available for set off in succeeding financial years	1.77
f) Nature of CSR activities	Protection of Environment
	Promotion of rural development
g) Details of related party transactions	Nil
h) Movement in provision with respect to a liability incurred	Nil

**51** The Company's borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreements with the books of accounts.

For the Qtr	Nature of Current Assets	As per Qtrly Statements (₹ in lakhs)	As per the Books of account (₹ in lakhs)	Difference (₹ in lakhs)	Remarks
Jun-23	Inventory	7,586	7,542	44	The difference is due to adoption of market value / revaluation for finished goods in occ stock statement.
Jun-23	Debtors	465	545	-80	Exclusion of more than one year outstanding receivables in occ stock statement
Sep-23	Inventory	8,656	8,598	58	The difference is due to adoption of market value / revaluation for finished goods in occ stock statement.
Sep -23	Debtors	1,943	2,096	-153	Exclusion of more than one year outstanding receivables in occ stock statement and accounting of TDS accounting which was corrected subsequently
Dec - 23	Debtors	1,732	1,744	-13	Exclusion of more than one year outstanding receivables in occ stock statement & due to volume discount provided to the customer which was accounted subsequently

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For the Qtr	Nature of Current Assets	As per Qtrly Statements (₹ in lakhs)	As per the Books of account (₹ in lakhs)	Difference (₹ in lakhs)	Remarks
Mar - 24	Debtors	558	576	-18	Exclusion of more than one year outstanding and inter division receivables in occ stock statement

- 52** The company is not declared as a wilful defaulter by any bank or financial institution.
- 53** The company has no relationship with struck-off companies.
- 54** The company does not have any subsidiary and hence, the compliance under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 does not arise.
- 55** The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 56** The company has not been received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- 57** The company has no income which has been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.
- 58** The company has not traded/invested in crypto currency/virtual currency during the financial year.
- 59** Loans and Advances in the nature of loan granted to Promoter, KMP and related parties:  
Nil
- 60** There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.



**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

- 61** The company has not issued any securities for a specific purpose.
- 62** The company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.
- 63** There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in "Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report" in the Board's report.

In accordance with my report of date attached

**For Marimuthu and Associates**

Chartered Accountants  
(FRN No. 014572S)

**P.Marimuthu**

Chartered Accountant  
M.No.005770

Place : Coimbatore

Date : May 22, 2024

**Sharath Jagannathan**

Managing Director  
DIN : 07298941

For and on behalf of the Board

**Suresh Jagannathan**

Executive Chairman  
DIN : 00011326

**R.Nagarajan**

Chief Financial Officer

**S. Piramuthu**

Company Secretary  
Membership No. FCS 9142



# SOLAR ENERGY

Paving the Way to a Greener Future



Kovilpatti Lakshmi Roller Flour Mills Limited has furthered its commitment to sustainable energy by establishing a Solar power plant with a capacity of 5 MW-AC/ 6.9 MW-DC. This green initiative strengthens the company's brand image and attracts eco-conscious clients and partners.



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# Kovilpatti Lakshmi Roller Flour Mills Limited

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