



September 3, 2024

<b>Dept. of Corporate Services, Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, India. <b>Scrip Code: 542852</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051, Maharashtra, India. <b>Scrip Code: VISHWARAJ</b>
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**Sub: “Annual General Meeting” of the Members of the Company and submission of Annual Report for the financial year 2023-24.**

The 29<sup>th</sup> Annual General Meeting (AGM) of the members of Vishwaraj Sugar Industries Limited will be held on Wednesday, the 25<sup>th</sup> day of September, 2024 at 11:30 A.M. at the Registered Office of the Company situated at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka, India. The Company will provide to its members the facility to cast their vote(s) on all resolutions, set out in the Notice, by way of Remote e-Voting and through Ballot Paper at the AGM. The Annual Report is sent the persons who are Members of the Company as on Friday, August 30, 2024.

Further, a person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 18, 2024, only, shall be entitled to avail the facility of Remote e-Voting.

With reference to the captioned subject the Annual Report for the financial year 2023-24 is submitted herewith.

We request you to please take the same on records.

Thanking you.

Yours faithfully,

**For Vishwaraj Sugar Industries Limited**

**Mukesh Kumar**  
Executive Director  
DIN: 02827073

CIN: L85110KA1995PLC017730

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District: Belagavi - 591305, Karnataka, India.  
Tel: +91 8333 251251 | Fax: +91 8333 267211 | E-mail: info@vsil.co.in | Website: www.vsil.co.in



**Annual Report**  
**2023-24**



## CORPORATE INFORMATION

### Registered Office

#### **Vishwaraj Sugar Industries Limited**

Bellad-Bagewadi, Taluka-Hukkeri,  
District-Belgaum-591305, Karnataka, India.  
Telephone No.: +91 8333 251251  
Fax No.: +91 8333 251322  
Website: [www.vsil.co.in](http://www.vsil.co.in)  
Email: [info@vsil.co.in](mailto:info@vsil.co.in)

### Auditors

#### **M/s. P. G. Ghali & Co.**

Chartered Accountants  
F-01, DRK Empire, Khanapur Road, Tilakwadi  
Belagavi - 590 008, Karnataka, India.

### Cost Auditor

#### **M/s. S. K. Tikare & Co.**

Cost Accountants, Belgaum

### Secretarial Auditor

#### **Vinita D. Modak**

Practicing Company Secretary  
Nashik

### Bankers & Financial Institutions

State Bank of India  
Bank of India  
Belagavi District Central Co-Operative Bank  
SVC Co-Operative Bank Limited

### Registrar & Share Transfer Agent

#### **Bigshare Services Private Limited**

(Unit: Vishwaraj Sugar Industries Limited)  
E-2 Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai 400072,  
Maharashtra, India.

## BOARD OF DIRECTORS

### Chairman

Mr. Nikhil Katti #  
Mr. Ramesh Katti \*

### Managing Director

Mr. Nikhil Katti

### Whole-Time Directors

Mr. Mukesh Kumar  
Mrs. Sneha Nitin Dev  
Mr. Kush Katti

### Independent Directors

Mr. Shivanand Tubachi  
Mr. Basavaraj Hagargi  
Mr. Surendra Khot \*  
Mrs. Pratibha Munnolli  
Mr. Vishnukumar Kulkarni

## KEY MANAGERIAL PERSONNEL

### Chief Financial Officer

Mr. Sheshagiri Kulkarni

### Company Secretary & Compliance Officer

Ms. Priya Dedhia

## COMMITTEES OF THE BOARD

### Audit Committee

Mr. Shivanand Tubachi (Chairman)  
Mr. Kush Katti #  
Mr. Vishnukumar Kulkarni  
Mr. Ramesh Katti \*

### Nomination and Remuneration Committee

Mr. Basavaraj Hagargi (Chairman)  
Mrs. Pratibha Munnolli  
Mr. Vishnukumar Kulkarni #  
Mr. Surendra Khot \*

### Stakeholders Relationship Committee

Mr. Shivanand Tubachi (Chairman)  
Mrs. Sneha Nitin Dev  
Mr. Nikhil Katti

### Corporate Social Responsibility

Mr. Vishnukumar Kulkarni (Chairman) #  
Mr. Kush Katti  
Mrs. Pratibha Munnolli  
Mr. Ramesh Katti \*

### Risk Management Committee

Mr. Vishnukumar Kulkarni (Chairman)  
Mrs. Sneha Nitin Dev  
Mr. Mukesh Kumar  
Mrs. Pratibha Munnolli

\* Resigned w.e.f. 10-06-2024. # Appointed w.e.f. 22-06-2024.

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## NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of Vishwaraj Sugar Industries Limited will be held on Wednesday, the 25<sup>th</sup> day of September, 2024 at 11.30 A.M. at the Registered Office of the Company situated at Bellad-Bagewadi, Taluka-Hukkeri, District-Belagavi-591305, Karnataka, India, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at March 31, 2024 and the reports of the Board of Directors and Auditors thereon.
2. To declare the final dividend of Rs. 0.20 per equity share of the face value of Rs. 2/- each i.e. 10%, aggregating to Rs. 3,75,56,000/- out of profits of the company, for the financial year ended March 31, 2024.
3. To appoint a Director in place of Mrs. Sneha Nitin Dev (DIN: 07852512) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Kush Ramesh Katti (DIN: 02777189) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 5. Ratification of remuneration payable to Cost Auditors of the Company

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

RESOLVED THAT, pursuant to Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, as approved by the Board of Directors of the Company ("the Board") to be paid to M/s. S. K. Tikare & Co. Cost Accountants, on its appointment made by the Board, pursuant to Section 148 of the Companies Act, 2013 read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014 on the recommendation of the Audit Committee, as Cost Auditors, to conduct the audit of cost records of the Company for the financial year ended March 31, 2025, be and is hereby ratified.

#### 6. Re-Appointment of Mr. Nikhil Katti as Chairman & Managing Director of the Company.

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

RESOLVED THAT, in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Nikhil Umesh Katti (DIN 02505734) as the Chairman & Managing Director of the Company, made by the Board of Directors of the Company ("the Board"), for a period of three years with effect from April 1, 2024, on the terms and conditions, as set out in the Agreement executed between the Company and Mr. Nikhil Umesh Katti, with liberty to the Board, to alter and vary the terms and conditions of re-appointment and/or remuneration, subject to the same, in terms of the provisions of Schedule V to the Companies Act, 2013 or any re-enactment(s) or modification(s) thereof.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution.

#### 7. Re-appointment of Mr. Kush Katti as Whole-Time Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded for the re-appointment of Mr. Kush Katti (DIN: 02777189) as Whole-Time Director of the Company made by the Board of Directors of the Company for a period of three years with effect from June 30, 2024 on the terms and conditions, as set out in the Agreement executed between the Company and Mr. Kush Katti, with liberty to the Board, to alter and vary the terms and conditions of re-appointment and/or remuneration, subject to the same, in terms of the provisions of Schedule V to the Companies Act, 2013 or any re-enactment(s) or modification(s) thereof.

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

## 8. Increase in the Authorized Share Capital of the Company

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

RESOLVED THAT, pursuant to the provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 6 of the Articles of Association of the Company, the authorized share capital of the Company be and is hereby increased from Rs. 60,00,00,000 (Rupees Sixty Crores only) divided in to 30,00,00,000 (Thirty Crore) equity shares of the face value of Rs. 2.00 (Rupees Two only) each to Rs. 1,250,000,000 (Rupees One Hundred Twenty Five Crores only) divided in to 62,50,00,000 (Rupees Sixty Two Crores

and Fifty Lakhs only) equity shares of the face value of Rs. 2.00 (Rupees Two only) each and that Clause V of the Memorandum of Association shall stand substituted as follows.

- V. The Authorized Share Capital of the Company is Rs. 1,250,000,000 (Rupees One Hundred Twenty Five Crores only) divided in to 62,50,00,000 (Rupees Sixty Two Crores and Fifty Lakhs only) equity shares of the face value of Rs. 2.00 (Rupees Two only) each.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to file the necessary documents/form(s) with the jurisdictional Registrar of the Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

By Order of the Board of Directors

**For Vishwaraj Sugar Industries Limited**

**Sd/-**

**Nikhil Umesh Katti**

Chairman & Managing Director

DIN: 02505734

Bellad-Bagewadi, Taluka-Hukkeri,

District-Belagavi-591305,

Karnataka, India.

Place: Bellad-Bagewadi

Date: August 20, 2024





## NOTES

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 and extant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the special business set out in the notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IF ANY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY’S REGISTERED OFFICE NOT LATER THAN 48 (FORTY-EIGHT) HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.**
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of advance notice in writing is given to the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to the voting that will take place at the AGM through ballot paper.
6. The Register of Members and Share Transfer Books shall be closed from Saturday, September 21, 2024 to Wednesday, September 25, 2024 (both days inclusive).
7. As per Regulation 40 of SEBI Listing Regulations, securities of of the listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider their holding to be dematerialized to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Bigshare Services Private Limited, Registrar and Transfer Agents (“Bigshare”), for assistance in this regard.
8. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolutions/authority, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
9. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
10. The Register of Directors’ and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and Arrangements in which Directors are Interested, maintained under section 189 of the Act will be available for inspection by the members at the AGM.
11. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Relevant documents referred to in the accompanying Notice, are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the meeting.  
  
Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with the Company’s Registrar and Transfer Agent, Bigshare in respect of shares held in physical form.
15. **The Members are requested to:**
  - (a) Intimate change in their registered address, if any, to the Company’s Registrar and Share Transfer Agents, Bigshare in respect of their holdings in physical form.
  - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - (c) Non-Resident Indian Members are requested to inform Bigshare immediately of the change in residential status on return to India for permanent settlement.
  - (d) Register their email address and changes therein from time to time with Bigshare for shares held in physical form and with their respective Depository Participants for shares held in demat form.
  - (e) Quote their DP ID & Client ID or Folio details respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, Bigshare Services

Private Limited. (Unit: Vishwaraj Sugar Industries Limited), 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra, India.

- (f) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., September 18, 2024 may obtain the login id and password by sending a request at [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com).
16. Members may also note that the Notice of the 29<sup>th</sup> Annual General Meeting and the Annual Report for 2023-24 will be available on the Company's website [www.vsil.co.in](http://www.vsil.co.in) for download.
  17. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to specify nominations in respect of the Equity Shares held by them, in physical form. Members desirous of specifying nominations may procure the prescribed form from the Registrar & Share Transfer Agents, Bigshare Services Private Limited and have it duly filled and sent back to them.
  18. In support of the Green initiative by Ministry of Corporate Affairs and pursuant to section 101 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 electronic copy of the Annual Report is being sent to all Members whose email ID's are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same.
  19. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.
  20. Pursuant to the Articles of Association of the Company and the provisions of the Act, Mrs. Sneha Nitin Dev and Mr. Kush Katti, Directors, retire by rotation and being eligible, offer themselves for re-appointment.
  21. Information required under Regulation 36 of SEBI Listing Regulations in respect of Directors seeking Appointment/Re-appointment at the AGM is furnished as Annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Act and the rules made thereunder.
  22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they maintain their demat account(s). Members holding shares in physical form can submit their PAN to the Company/Bigshare.
  23. The Board of Directors of the Company has appointed Mr. Ramnath Sadekar, Advocate as the Scrutinizer to scrutinize the remote e-voting process and poll at the Annual General Meeting in a fair and transparent manner.
  24. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 18, 2024.
  25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or poll at the AGM.
  26. The remote e-voting facility will be available during the following period:
 

**Commencement of remote e-voting:** From 9:00 a.m. (IST) on Sunday, September 22, 2024.

**End of remote e-voting:** At 5:00 p.m. (IST) on Tuesday, September 24, 2024.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.

The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

The facility of voting through ballot paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right of voting at the meeting.
  27. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting will, within the prescribed time, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.vsil.co.in](http://www.vsil.co.in). The results shall simultaneously be communicated to the Stock Exchanges.

**General:**

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make within the prescribed time, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

Members who do not have access to remote e-voting facility have been additionally provided with the facility of voting by way of Ballot Form during the meeting. The facility for physical voting shall be made available at the Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the



meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot will be treated as invalid.

28. The Company has appointed Bigshare Services Private Limited, Mumbai, to provide the remote E-Voting facility for the AGM.
29. Route map and prominent land mark for easy location of the venue of the Meeting are attached herewith in terms of Secretarial Standards 2 (SS-2).
30. Members are requested to take note that, in compliance with the relevant circulars, the Notice of the AGM and Annual Report for the financial year 2023-24, are being sent to all the Members of the Company only in electronic mode to those members whose email address is registered with the Company/ Depository Participant(s)/Registrar and Transfer agents. The requirements of sending physical copy of aforesaid documents has been dispensed with vide MCA & SEBI Circulars. The aforesaid documents will also be available on the Company's website at [www.vsil.co.in](http://www.vsil.co.in) under section Investors, on the website of BSE at [www.bseindia.com](http://www.bseindia.com), on the website of NSE at [www.nseindia.com](http://www.nseindia.com) and on the website of Company's Registrar and Transfer Agent, [www.bigshareonline.com](http://www.bigshareonline.com).

#### INSTRUCTIONS FOR REMOTE E-VOTING

- (i) The voting period begins on Sunday, September 22, 2024 at 9:00 AM and ends on Tuesday, September 24, 2024 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 18, 2024 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/ 242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/

websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/ 242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for Remote e-Voting for individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

#### LOGIN METHOD

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

##### Individual Shareholders holding securities in Demat mode with CDSL

- 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is <https://web.cdslindia.com/myeasitoken/home/login> or visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password.
- 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>.
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <https://evoting.cdslindia.com/Evoting/EvotingLogin> The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-

directed to i-Vote website for casting your vote during the remote e-voting period.

### Individual Shareholders holding securities in demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

### Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

#### Helpdesk details for Individual Shareholders holding securities in Demat mode with CDSL & NSDL :

**CDSL:** Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 22-23058542-43.

**NSDL:** Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

#### 2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “LOGIN” button under the ‘INVESTOR LOGIN’ section to Login on E-Voting Platform.
- Please enter you ‘USER ID’ (User id description is given below) and ‘PASSWORD’ which is shared separately on you register email id.
  - Shareholders holding shares in CDSL demat account should enter 16 Digit Beneficiary ID as user id.
  - Shareholders holding shares in NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
  - Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

**NOTE:** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’.
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).



#### Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on **“VIEW EVENT DETAILS (CURRENT)”** under **‘EVENTS’** option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **“VOTE NOW”** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option **“IN FAVOUR”, “NOT IN FAVOUR”** or **“ABSTAIN”** and click on **“SUBMIT VOTE”**. A confirmation box will be displayed. Click **“OK”** to confirm, else **“CANCEL”** to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can **“CHANGE PASSWORD”** or **“VIEW/UPDATE PROFILE”** under **“PROFILE”** option on investor portal.

#### 3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on **“REGISTER”** under **“CUSTODIAN LOGIN”**, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with **“User id and password will be sent via email on your registered email id”**.

**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on **‘LOGIN’** under **‘CUSTODIAN LOGIN’** tab and further Click on **‘Forgot your password?’**.
- Enter **“User ID”** and **“Registered email ID”** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **‘RESET**.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

#### Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

#### Investor Mapping:

- First you need to map the investor with your user ID under **“DOCUMENTS”** option on custodian portal.
    - Click on **“DOCUMENT TYPE”** dropdown option and select document type power of attorney (POA).
    - Click on upload document **“CHOOSE FILE”** and upload power of attorney (POA) or board resolution for respective investor and click on **“UPLOAD”**.
- Note:** The power of attorney (POA) or board resolution has to be named as the **“InvestorID.pdf”** (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

#### Investor vote File Upload:

- To cast your vote select **“VOTE FILE UPLOAD”** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **“UPLOAD”**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **“CHANGE PASSWORD”** or **“VIEW/UPDATE PROFILE”** under **“PROFILE”** option on custodian portal.

#### Helpdesk for queries regarding e-voting:

##### Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode, helpdesk details are as under:

In case shareholders/investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22.

## EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

The following Explanatory Statement sets out all material facts relating to the business under items 5 to 8 mentioned in the accompanying notice of the Annual General Meeting.

### **Item No. 5: Ratification of remuneration payable to Cost Auditors.**

The Company has been maintaining cost records, as required by Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), since the Company is engaged in the production of the goods covered by the said Rules.

Pursuant to Rule 4 of the Rules, the cost records maintained by the Company shall be audited by a Cost Accountant, who shall be appointed by the Board of Directors, on the recommendation of the Audit Committee of the Board of Directors of the Company.

Accordingly, the Board of Directors of the Company appointed M/s. S. K. Tikare & Co. Cost Accountants as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending March 31, 2025 and approved remuneration of Rs. 180,000/- (Rupees One Lakh Eighty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, requires the shareholders to ratify the remuneration payable to the Cost Auditors, as approved by the Board of Directors.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the Notice.

### **Item No. 6: Re-appointment of Mr. Nikhil Umesh Katti as Chairman & Managing Director of the Company**

Mr. Nikhil Umesh katti, was appointed as Managing Director of the Company for a period of three years with effect from April 1, 2021 and the period of his office came to an end on March 31, 2024.

As recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company, re-appointed Mr. Nikhil Umesh Katti as the Managing Director of the Company, by passing unanimous resolution, for a further period of three years with effect from April 1, 2024, subject to the approval of the shareholders in general meeting, taking in to consideration his high qualification, varied experience in the industry, rich knowledge, past performance and the benefit that can be derived by the Company. The Board also took in to consideration the fact of his hard work, long, meritorious and unblemished association with the Company and continuity of decision-making process. Specific notice of the meeting of the Board and the resolution for the re-appointment of the Managing Director to be moved thereat, had been given to all the Directors on the Board.

The Board of Directors appointed Mr. Nikhil Katti as Chairman of the Board w.e.f. June 22, 2024, until otherwise resolved further, as Mr. Ramesh Katti, the previous Chairman, tendered his resignation from the office of director.

Mr. Nikhil Katti has confirmed that he is not disqualified from being re-appointed, in terms of Section 164 of the Companies Act, 2013. He has given his consent to act as the Managing Director of the Company. He satisfies all the conditions as set out in Section 196 (3) of the Companies Act, 2013 and Part I of Schedule V thereof. He is therefore eligible for re-appointment.

The re-appointment of Mr. Nikhil Katti as Managing Director of the Company has been made subject to the provisions of Section 197 and Schedule V of the Companies Act, 2013.

A brief profile of Mr. Nikhil Katti, is provided in the Annexure to the notice pursuant to the provisions of Secretarial Standard on General Meetings (SS2), issued by the Institute of Company Secretaries of India.

Mr. Nikhil Katti has consented to continue to occupy the position of Managing Director of the Company.

The Company has entered in to an Agreement with Mr. Nikhil Katti, containing the terms and conditions of appointment, which inter-alia provides as under

#### **Term of Office**

Three years commencing on and from April 1, 2024.

#### **Remuneration**

No remuneration, perquisites and other monetary benefits shall be paid to Mr. Nikhil Katti for rendering services as Managing Director of the Company and his re-appointment as Managing Director shall be without remuneration.

#### **Other Terms**

1. Subject to the superintendence, control and direction of the Board of Directors of the Company, the Managing Director shall be in charge of Operations of Company with substantial powers of management of the affairs of the Company and general conduct, except in the matters which may be specifically required to be done by the Board either under the Companies Act, 2013 or by the Articles of Association of the Company and the Managing Director shall also exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called the "Board") may from time to time determine and shall subject to such restrictions and limits as may be stipulated by the Board from time to time also do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.
2. The Managing Director shall unless prevented by ill-health or disability throughout the said term devote, adequate time, attention and abilities to the business of the Company and in all respects conform to and comply with the directions given and regulations made by the Board and he shall well and faithfully serve the Company and use his best endeavors to promote the interest of the Company.
3. The Managing Director shall be reimbursed all expenses including traveling, communication and entertainment, incurred by him in connection with the Company's business.
4. The Managing Director re-appointed as a Director immediately on expiry of his term on retirement by rotation



shall continue to hold his office of Managing Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director, notwithstanding anything to the contrary contained herein or in any offer, deed, documents or writings the Managing Director shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause and in that event he shall not be entitled to any compensation for loss of office.

A statement of information pursuant to Part II of Section II of Schedule V to the Companies Act, 2013 is not applicable as the re-appointment of Managing Director is without remuneration.

The Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of re-appointment of Mr. Nikhil Katti.

The copy of the Agreement is open for inspection by any member of the Company without payment of fee, at the registered office of the Company, on all working days, during business hours.

Mr. Nikhil Katti is not the relative of any other Director on the Board, within the meaning of Section 2 (77) of the Companies Act, 2017 and Rule 4 of the Companies (specifications of Definitions Details) Rules 2014, except Mrs. Sneha Nitin Dev.

Save and except Mr. Nikhil Katti, Mrs. Sneha Nitin Dev and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board commends the Special Resolution set out at item No. 6 for the approval of the members, in the interest of the Company.

#### **Item No. 7: Re-appointment of Mr. Kush Katti as Whole Time Director of the Company.**

Mr. Kush Katti was appointed as Whole-Time Director with effect from June 30, 2021 to hold office for a period of three years. His term of office ended on June 29, 2024. The Board of Directors in its meeting held on June 22, 2024 approved his re-appointment as the Whole-Time Director of the Company for a further period of three years with effect from June 30, 2024 taking in to consideration his qualification, vast experience in the industry, past performance and rich knowledge and benefit derived by the Company due to his occupation of office. His re-appointment is subject to the approval of the shareholders in the general meeting, by special resolution. The agreement executed between the Company and Mr. Kush Katti inter alia contains following terms and conditions.

**Term of Office:** Three years with effect from June 30, 2024.

#### **Remuneration:**

a) Mr. Kush Katti shall be paid a remuneration of Rs. 36.00 lakhs per annum w.e.f. June 30, 2024 with such further revisions as may be decided from time to time by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee. However, his remuneration that may be revised, during the currency of his term of office shall not exceed Rs. 50.00 lakhs per annum. He shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

#### **b) Perquisites:**

Apart from the salary she is not entitled to any perquisites or allowances.

#### **c) Minimum Remuneration:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013.

It is at the sole discretion of the Board of Directors or Committee thereof to exercise the powers to alter and vary the terms and conditions and/or remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, in case of loss or inadequate profit.

Other terms and conditions of re-appointment shall be as per the agreement entered into between the Company and the appointee.

Mr. Kush Katti has been associated with the Company since 2013 and remained with the Company during its ups and downs. He has contributed a great value in the present growth and success of the Company with his rich expertise in the industry where the Company operates. It would be in the interest of the Company to continue to avail of his considerable expertise. His re-appointment as Whole-Time Director is of immense benefit to the Company and therefore justifiable.

Mr. Kush Katti has confirmed that he is not disqualified from being re-appointed, in terms of Section 164 of the Companies Act, 2013. He has given his consent to act as the Whole-Time Director of the Company.

He satisfies all the conditions as set out in Section 196 (3) of the Companies Act, 2013 and Part I of Schedule V thereof. He is therefore eligible for re-appointment.

A brief profile of Mr. Kush Katti is provided in the Annexure to the notice pursuant to the provisions of Secretarial Standard on General Meetings (SS2), issued by the Institute of Company Secretaries of India.

It is proposed to seek members approval for the re-appointment and remuneration payable to Mr. Kush Katti as Whole-Time Director of the Company in terms of the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder.

Mr. Kush Katti is not the relative of any other Director on the Board, within the meaning of Section 2 (77) of the Companies Act, 2017 and Rule 4 of the Companies (Specifications of Definitions Details) Rules, 2014.

Save and except Mr. Kush Katti and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board commends the Special Resolution set out at item No. 7 for the approval of the members.

As per section 197, the total managerial remuneration payable by a public company in respect of any financial year shall not exceed eleven percent of the net profits of the company for that financial year. The Company earned adequate profit to pay managerial remuneration, for the year ended March 31, 2024. However, in the event of inadequate profit in any financial year in future during his term Mr. Kush Katti shall be paid remuneration within the limits of schedule V.

A statement therefore, of information pursuant to Part II of Section II of Schedule V to the Companies Act, 2013 is given as under:

### I General Information

- (1) **Nature of Industry:** Manufacture of sugar, ethanol and generation of power.
- (2) **Date or expected date of commencement of commercial production:** Not Applicable
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
- (4) **Financial performance based on given indicators:** The Company received total income of Rs. 55,220.51 Lakhs for the year ended March 31, 2024 as against Rs. 61,935.49 Lakhs for the previous year. The EBITDA for the year under review stood at Rs. 6,868.51 Lakhs as compared to Rs. 6,906.05 Lakhs for the previous year. The Company has earned a Net profit of Rs. 1,456.95 lakhs after tax expenses as compared to loss of Rs. 2,323.36 Lakhs for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.
- (5) **Foreign Investments or collaboration, if any:** There is no foreign investment or collaboration.

### II Information about the appointee

- (1) **Background details:** Mr. Kush Katti, aged 38 years, is one of the Promoters of the Company. He is Master of Business Administration from ESC Pau Business School, France. He is on the Board of the Company since June 30, 2013 and currently he is occupying the office of Whole-Time Director of the Company.
- (2) **Past Remuneration:** The same as the remuneration last drawn. There is no increase in the remuneration.
- (3) **Recognition or awards:** Nil
- (4) **Job profile and suitability:** Subject to the superintendence, control and direction of the Board of Directors of the Company, the Whole-Time Director shall be in charge of general administration of Company with substantial powers of management of the affairs of the Company and general conduct. Being qualified as Masters of Business Administration and having experience since June 30, 2018 he is suitable for the job
- (5) **Remuneration proposed:** As stated hereinabove
- (6) **Comparative remuneration profile with respect to industry, size of the Company profile of the position and person:** The remuneration is paid taking in to consideration trend in the industry. Considering vast experience in management and experience of handling various areas of business of Mr. Kush Katti, the proposed remuneration is below the line with the industry level. Comparatively the trend in the industry is on higher side.
- (7) **Pecuniary Relationship directly or indirectly with the Company or relationship with the Managerial Personnel:** There is no pecuniary relationship directly or indirectly with the Company. He is not related to the other Managerial Personnel of the Company.

### III Other Information

- (1) **Reasons for the inadequate profit:** Not Applicable as the Company has earned adequate profit for the financial year ended March 31, 2024.
- (2) **Steps taken or proposed to be taken for improvement:** Not applicable.
- (3) **Expected increase in productivity and profits in measurable terms:** The company is expected to continue to earn profit taking in to consideration its expansion plans.

The Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Kush Katti.

The copy of the Agreement is open to inspection by any member of the Company without payment of fee, at the registered office of the Company, on all working days, during business hours.

### Item No. 8: Increase in Authorized Share Capital of the Company and consequential alteration of Memorandum of Association

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase the Authorised Share Capital of the Company from Rs. 60,00,00,000 (Rupees Sixty Crores only) divided in to 30,00,00,000 (Thirty Crore) equity shares of the face value of Rs. 2.00 (Rupees Two only) each to Rs. 1,250,000,000 (Rupees One Hundred Twenty Five Crores only) divided in to 62,50,00,000 Rupees Sixty Two Crores and Fifty Lakhs only) equity shares of the face value of Rs. 2.00 (Rupees Two only) each ranking *pari passu* in all respects with the existing Equity Shares of the Company.

As a consequence of increase of Authorised Share Capital of the Company, the existing Authorised Share Capital Clause in the Memorandum of Association of the Company be altered accordingly.

The proposed increase of Authorised Share Capital requires the approval of members in general meeting u/s 13 and 61 of the Companies Act, 2013. The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours. The Board of Directors recommends the above special resolutions for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

By Order of the Board of Directors  
For Vishwaraj Sugar Industries Limited

Sd/-

**Nikhil Umesh Katti**

Chairman & Managing Director

DIN: 02505734

Bellad-Bagewadi, Taluka-Hukkeri,

District-Belagavi-591305,

Karnataka, India.

Place: Bellad-Bagewadi

Date: August 20, 2024





## Annexure

### Details of Directors seeking appointment/re-appointment at this Annual General Meeting of the Company

[Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.5.2 of Secretarial Standard 2 (SS 2)]

Particulars	Mr. Nikhil Katti	Mrs. Sneha Nitin Dev	Mr. Kush Katti
Date of Birth	22-03-1983	02-12-1985	14-11-1986
Date of Appointment	16-01-2009	15-10-2022	30-06-2013
Qualifications	Bachelors Degree of Business Administration from Karnataka University Dharwad, Masters in Business Administration from University of Whales in International Marketing.	Bachelor of Business Administration	Master's Degree in Business Administration from ESC Pau Business School, France.
Expertise in specific functional areas	Administration of distillery, sugar industry, co-generation units and hospitality and infrastructure industry.	Actively associated with social activities of the community. She has gained expertise in the field of finance, accounts, agriculture and business administration.	Business administration and maintaining cordial relations with farmers and ensuring sugar cane supply by the farmers
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	UK27 Hospitality Services (India) Limited UR Sugar Industries Limited	Nil	UR Sugar Industries Limited
Memberships/Chairmans hips of committees of other public companies	Two	Nil	Nil
Number of shares held in the Company	25557195 equity shares of the face value of Rs. 2/- each.	2246250 equity shares of the face value of Rs. 2/- each.	5725375 equity shares of the face value of Rs. 2/- each.
Terms and conditions & details of remuneration	No remuneration from the Company as he is member of Karnataka Legislative Assembly. He is liable to retire by rotation.	Being Whole Time Director, she is paid remuneration of Rs. 30.00 Lakhs per annum. She is liable to retire by rotation.	Re-appointed by the Board as Whole-Time Director, for a period of three years with effect from 30 <sup>th</sup> June, 2024 at a remuneration of Rs. 36 lakhs and may be revised during the currency of his office subject to a maximum of Rs. 50 lakhs per annum. Not entitled for sitting fees for attending the meetings of the Board/ Committees thereof. Liable to retire by rotation.
No. of meetings of the Board attended	8	5	7
Relationship between Directors inter-se	Relative of Mrs. Sneha Dev Whole Time Director and cousin of Mr. Kush Katti	Relative of Mr. Nikhil Katti Managing Director and cousin of Mr. Kush Katti	Cousin of Mr. Nikhil Katti and Neha Dev

## MANAGEMENT DISCUSSION & ANALYSIS

### Global Economic Scenario

The sugar industry in the year 2024 continues to show signs of expansion, despite severe drought. Influencing factors include an upward-trending price. However, there is also a need to monitor the risks arising from the fragile global economy and export control policies of India.

This increase in production for this season is mainly due to weather conditions in Centre-South Brazil, allowing mills to continue crushing cane. However, despite CS Brazil's record sugar output, the sugar market remains stressed and highly vulnerable to any adverse events. Relying on a single source of supply is unhealthy, and CS Brazil cannot save the market alone – other regions must also play a role. Without growth in India, global sugar production in 2024/25 is likely to fall. Despite high world market prices, global sugar consumption continues to remain strong and it is anticipated that this trend will continue as we enter the 2024/25 season, with global consumption reaching 180.3 million tonnes.

### Indian economic scenario

The gross production of sugar during the 2024-25 season without diversion for ethanol is estimated at 333 lakh tonnes (LT). The total availability during the year would be 423.50 LT with domestic consumption estimated at 290.00 LT. The closing stock, as on September 30, 2025, is projected at 133.50 LT.

The Indian Sugar Mills and Bio-Energy Manufacturers Association (ISMA), the apex trade body for the sector, has projected sugar output for the 2024-25 season starting October at 331.10 LT. The estimates are a tad lower than the previous year's output of 339.95 LT on a decline in production in States such as Maharashtra and Karnataka, where the sugarcane acreage is seen lower than last year.

The private sugar millers of the country have demanded that the government should allow export of two million tonnes of sugar in the upcoming sugar season 2024-25 as the industry expects the carry forward sugar stocks to be 55-60% higher than the norm.

ISMA and WISMA have demanded upward revision of the minimum selling price (MSP) of sugar, which was fixed at Rs. 31/kg in February, 2019.

"MSP of sugar should be revised upwards and a formula needs to be worked out to align MSP with the FRP of sugar," the release stated.

WISMA has said that the ethanol supplies were severely affected due to the central governments' restrictions on sourcing of ethanol from the sugarcane juice and B heavy molasses for ethanol production.

### Industry Structure and development

India is the world's largest producer of sugar, and is also the second-largest exporter and the world's largest consumer. In the 2023/2024 market year, India is expected to produce about 34 million metric tons of sugar. Some 50 million farmers and millions of more workers, are involved in sugarcane farming. India is the world's largest consumer of sugar.

The sugarcane and sugar sector in India ranks second in terms of agro-based industries, after cotton. India ranks first globally in sugar production. It produced about 34 million metric tons of sugar in 2023/2024. It is not only responsible for the livelihood of sugarcane farmers in rural areas but also provides employment to about 500 thousand workers in the sugar mills. Additionally, the gross value added from the sugar crop was about 806 billion Indian rupees. Apart from being the leading sugar producer, India was also the third-largest exporter of sugar in the world.

India has a rich history of sugarcane and sugar production since time immemorial and the industry has gradually evolved to find a place among the top sugar producing countries of the world. The innovative technological interventions for sugarcane improvement, production and management have helped the industry to progress towards a diversified and bio-based productive, sustainable and profitable one, thereby gradually becoming self-reliant. This self-reliant industry with the right mix of linkages and collaborations, has been successful in tackling the various unforeseen challenges including those that cropped up during COVID-19 pandemic. The industry also fulfils its Corporate Social Responsibilities leading to the overall betterment of its stakeholders. This has enabled the Indian sugar industry to align itself with the 2030 Agenda for Sustainable Development Goals.

The Ethanol Blending Programme (EBP) is an initiative by the Government of India to promote the use of ethanol, a renewable and environment-friendly fuel, in petrol.

The program aims to reduce the import of fuels from other countries, conserve foreign exchange and increase value addition in the sugar industry. The target of 10% ethanol blending set in the 'Roadmap for Ethanol Blending in India 2020-25' for Ethanol Supply Year (ESY) 2021-22 has already been achieved and Public Sector Oil Marketing Companies (OMCs) have started selling E20 (20% ethanol blended) petrol across the country. Further, the National Policy on Biofuels – 2018 targets 20% blending of ethanol in petrol by ESY 2025-26.

Ethanol is mainly produced from a by-product of the sugar industry, namely molasses, but other raw materials like sugarcane juice, sugar, sugar syrup and damaged food grains can also be used. The Government has taken various steps to facilitate the procurement and supply of ethanol under the EBP, such as fixing remunerative prices, simplifying the procedure, waiving excise duty and extending financial assistance. Due to effective Government policies, the supply of ethanol to OMCs has increased by more than 13 times in ESY 2022-23 from ESY 2013-14. The blending percentage has also increased from 1.53% in ESY 2013-14 to targeted 12% in ESY 2022-23.



## Risks and Concerns

Allocation of sugarcane farm sufficiently for production capacity, is the most important factor affecting the operations and the performance of the Company. The risk from changes of the amount of planting areas which may cause by the decrease of the sugarcane price affecting to the farmers to grow other agricultural plants that gain the higher price instead or the government supporting policy to appropriately allocate the planting zone, also known as zoning.

The risk from Climate change, rainfall, irrigation, soil fertility, sugarcane varieties and other sugarcane diseases affects to the crop yield of sugarcane. The changes of each factor can cause agricultural output diminution.

**The risk from soil fertility:** The Company has the policies which focus on soil improvement to recover the soil fertility in sugarcane plantation areas, for example, harvesting freshly sugarcane, preserving organic matter, adjusting pH for fertilizer efficiency and using filter cake-based fertilizer which is a byproduct of the Company's sugar production. Since the policy implementation, the agricultural output of sugarcane has been increased gradually.

**The risk from sugarcane varieties:** The Company has carefully chosen sugarcane varieties which are appropriate for the plantation areas and also provide the sugarcane varieties testing area for the selection of new sugarcane variety in order to replace deteriorated ones to provide higher crop yield and sugar per ton as well as the higher returns for farmers.

**The risk from the purchasing competition of local sugarcane:** If other sugar factories in local areas offer higher price of sugarcane than the Company, the farmer may trade their sugarcane to those factories instead therefore the amount of cane crushing will be decreased respectively.

**Risk from Fluctuation in Global Sugar Market Prices:** Regarding to sugar trading in global market, sugar is one of the agricultural products which have the highly price fluctuation compared to other agricultural products.

**Risk from Non-Performing Loans on Sugarcane Advance Payment Loans:** The Company supports the sugarcane farmers by providing the sugarcane advance payment loans in individual planting areas according to each step of crop-growth period. This kind of advance payment loan is similar to the reservation of sugarcane in advance which is that the farmers who are provided the advance payment loans have to sell the sugarcanes only to the Company after harvesting, in the period of cane crushing season. Those farmers shall harvest and send to the Company accordingly, after that the Company will pay the returns to the farmers by deducting from the sugarcane advance payment loan. As the result, the Company has the risk from this kind of non-performing loan if the farmers cannot send the crops as engaged which may be caused by the drought or plant diseases and so on.

**Risk from Governmental Control:** The sugar industry is highly controlled by the Government policies and is sensitive to Government policy.

## Outlook

According to the report, India's centrifugal sugar production in marketing year (MY) 2024-2025 (October-September) is forecast to reach 34.5 million metric tons (MMT), equivalent to 33 MMT of crystal white sugar. The current year's sugar production estimate is lowered to 34 MMT, equivalent to 32 MMT of crystal white sugar, due to the late onset of rain in Maharashtra and Karnataka as well as red rot infestation in central Uttar Pradesh. India's sugar exports in MY 2024-2025 are estimated to be 3.7 MMT as the Indian government is likely to maintain the export cap to meet domestic food consumption and sugar to ethanol diversion for the Ethanol Blending Program. Sugar consumption in the forecast year is expected to reach 32 MMT to meet sugar requirement during festivals, rise in pre-packed food market, sugar and confectioneries, and organized and unorganized catering services.

The report further says that it forecasts India's sugar planted area for the marketing year (MY) 2024-25 at 5.42 million hectares (MHa) and total sugarcane production at 416 MMT. For the current MY 2023-24, it has revised the planted area to 5.45 MHa, almost three percent lower than the previous estimate, and sugarcane production to 415.5 MMT. The drop in acreage is related to the El Nino weather pattern that included comparatively less rainfall in the onset of the season than in previous years. The late onset stunts the vegetative growth of the canes in Maharashtra, Uttar Pradesh, and Karnataka, three states that account for 80 percent of sugar production in India. According to industry sources, the limited rainfall in Maharashtra favored pulling up the state's production number considerably to 1 MMT. There was also a red-rot infestation in Uttar Pradesh which is detrimental to cane growth and resulted in a marginal production drop.

Further, it is anticipated that fewer ratoon crops will be available for MY 2024-25 due to the red-rot infestations in central Uttar Pradesh and water shortages in Karnataka that compelled farmers to uproot the canes for the current MY. However, ratoon crops in Maharashtra and the planting of early-maturing varieties in January 2024 during the limited rainfall should contribute to slightly increasing the sugar output for MY 2024-25.

## Opportunities and Threats

Being a second largest sugar producer in the world, Indian sugar industry plays a significant role in the global sugar supply and agro-based Indian economy. Although a homeland of sugar, Indian sugar industry was late to adopt mechanized techniques for sugar production. The production technologies and processes have remained stable for quite some time now. Also, inclusion of sugar as an essential commodity has limited the scope for product innovation. Consequently, in coming years, sugar mills will look to tap into the opportunities presented by ICT enabled productivity improvement measures.

In India, Sugar is predominantly produced from Sugarcane, the crop yield of which is highly dependent on seasonal variations and is impacted by climate changes. This induces cyclicity in sugar production. This cyclicity, not just on the business of mills but on associated farmers, workers and end consumers as well.

On the financial front, sugar mills depend a lot on banking system for working capital. Along with working capital risks, mills need to manage pricing risks induced by demand and supply imbalance. Data analytics hasn't made much head way into Indian sugar industry yet, but it will surely make its progress as the industry is gearing up for its next wave of transformation after mechanization.

Indian Government has been encouraging ethanol capacity expansion to cut its dependency on imported crude oil and channelize the excess sugar inventories in to ethanol production. Those factors will further propel the growth of the ethanol market in India. India currently aims to achieve an E20 blend by 2030.

### Discussion on financial performance with respect to operational performance

The Company has a cane crushing capacity of 11000 TCD, ethanol production capacity of 100 Kilo Liters and power generation capacity of 36.40 kWh.

During the year under review, the Company crushed 9,57,644.59 MT of sugarcane and produced 8,70,975 quintals of sugar, produced 29,440.10 kilo liters of ethanol and generated 11,53,87,600 KWh of power. Out of the power generated 7,51,63,350 KWh was exported and the balance was consumed by the Company.

The Company received total income of Rs. 55,220.51 Lakhs for the year ended March 31, 2024 as against Rs. 61,935.49 Lakhs for the previous year. The EBITDA for the year under review stood at Rs. 6,868.51 Lakhs as compared to Rs. 6,906.05 Lakhs for the previous year. The Company has earned a Net profit of Rs. 1,456.95 lakhs after tax expenses as compared to loss of Rs. 2,323.36 Lakhs for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

### Risk Management

VSIL considers timely identification and effective mitigation of risks as the utmost pre-requisite for maintaining stable and genuine returns, besides ensuring consistent increase in shareholder value. The major risks in this industry include impact on sugarcane production due to seasonal uncertainties.

### Internal Control system and their Adequacy

The compliance certificate from the Whole Time Director and the Chief Financial Officer provided in the Annual Report confirms the adequacy of our internal control system and procedure. The Audit Committee in every meeting evaluates Internal Financial control and Risk Management Systems.

### Material Development in Human Resources/Industrial Relations Front including number of people employed

Our strategic objective is to build a sustainable organization while creating growth opportunities for our employees and generating profitable returns to our investors. The total work force of the

Company is 880. Number will be increased with the growth of business of the Company. The Company is aware that satisfied highly motivated and loyal employees contribute to the growth of the Company. The employee relations remained cordial throughout the year.

### Disclosure of Accounting Treatment

In the preparation of financial statement for the year ended March 31, 2024, no treatment different from that prescribed in the Accounting Standards has been followed by the Company.

### Segment-wise or product-wise performance

(Rs. In lakhs)

Particulars	31.03.2024	31.03.2023
<b>1. Segment Revenue</b>		
-- <b>Income from Operations</b>		
(a) Sugar	30,847.68	37,865.02
(b) Co-generation	4,269.07	4,366.90
(c) Distillery	17,844.45	17,901.03
(d) Vinegar Unit	1,995.23	1,389.37
-- <b>Other operating income</b>		
(a) Others	13.87	127.18
(b) Unallocable revenue	-	-
<b>Income from operations (net)</b>	<b>54,970.30</b>	<b>61,649.50</b>
<b>2. Segment Results</b>		
(a) Sugar	-9,941.40	-13,007.61
(b) Co-generation	2,095.14	2,298.73
(c) Distillery	12,445.14	15,844.51
(d) IML	112.35	97.52
(e) Vinegar Unit	1,569.50	900.73
(a) Finance Costs	3,049.61	2,753.65
(b) Other expenditure (net of other income)	1,002.75	825.52
<b>Profit before tax</b>	<b>2,228.37</b>	<b>2,554.71</b>
<b>3. Segment Assets</b>		
(a) Sugar	37,397.20	39,891.71
(b) Co-generation	7,550.28	7,564.92
(c) Distillery	28,931.02	19,853.72
(d) IML	323.56	358.19
(e) Vinegar Unit	2,589.42	2,465.59
(f) Un-allocable	3,125.22	2,482.91
<b>Total Assets</b>	<b>79,916.70</b>	<b>72,617.05</b>
<b>4. Segment Liabilities</b>		
(a) Sugar	40,845.43	37,032.29
(b) Co-generation	-	-
(c) Distillery	1,500.00	-
(d) IML	-	-
(e) Vinegar Unit	-	-
(f) Un-allocable	37,571.27	35,584.76
<b>Total Liabilities</b>	<b>79,916.70</b>	<b>72,617.05</b>



### Details of Significant Changes in Key Financial Ratios

Ratio	Formula	Values	2023-24	Values	2022-23	% of Change
			Ratio		Ratio	
<b>1. Current Ratio</b>	Current Assets	38,319.68	0.92	41,831.29	1.20	-23%
	Current Liabilities	41,624.75		35,003.78		less than 25% change
<b>2. Debt Equity</b>	Short Term Debt + Long Term Debt + Other Fixed Payments	53,087.59	1.98	47,057.12	1.84	7%
	Share Holders Equity	26,829.11		25,559.93		less than 25% change
<b>3. Debt Service Coverage Ratio</b>	Earnings available for debt service	9,593.76	1.66	9,631.30	1.76	-5%
	Debt Service	5,774.86		5,478.90		
<b>4. Return on Equity (ROE)</b>	Net Profits after taxes – Preference Dividend (if any)	1,456.95	0.05	-2,323.36	-0.09	-160%
	Average Shareholder's Equity	26,829.11		25,559.93		
Explanation: There has been an Increase in profitability of the company due to the increase in profit of the company due to increase in price of sugar and distillery products. Hence, resulted in ROE as positive.						
<b>5. Inventory to Ratio</b>	Sales	54,970.30	1.90	61,649.49	1.84	3%
	Avg. Inventory	28,979.30		33,492.55		
<b>6. Trade Receivables to Ratio</b>	Net Credit Sales	4,063.85	0.97	4,330.24	1.15	-16%
	Avg. Trade Receivables	4,197.05		3,777.37		less than 25% change
<b>7. Trade Payables to Ratio</b>	Net Credit Purchases	9,790.85	1.23	6,137.12	0.79	55%
	Avg. Trade Payables	7,963.99		7,756.40		
Explanation: Due to expansion work of Distillery unit, there is increase in due payable to trade creditors. Hence the Trade payable TO has increased.						
<b>8. Net Capital Turnover Ratio</b>	Net Sales	54,970.30	31.21	61,649.49	9.95	214%
	Average Working Capital	1,761.22		6,195.27		
<b>9. Net Profit Margin</b>	PAT	1,449.77	2.63	-2,344.59	-3.79	-169%
<b>(in %)</b>	Total Revenue	55,220.51		61,935.96		
Explanation: There has been increase in the Net profit margin due to increase in profits of the company during the year 2023-24. Due to increase in price of sugar and distillery products and controlled cost, the Net profit has increased.						
<b>10. Return on capital employed (ROCE)</b>	Earnings before interest and taxes	5,277.97	13.78	5,308.36	14.11	-2%
	Capital Employed	38,291.95		37,613.27		
Explanation: There has been a Decrease in profitability of the company due to the increase in cost of Raw material and other input cost. Further the government policies in respect to sugar also have resulted in stable prices and not increasing in consistency to Input cost. Hence, resulted in reduction in earnings.						

Ratio	Formula	Values	2023-24	Values	2022-23	% of Change
			Ratio		Ratio	
<b>11. Return on investment</b>	{MV(T1) – MV(T0) – Sum [C(t)]}	-0.11	-0.01	-5.72	-0.28	-97%
	{MV(T0) + Sum [W(t) * C(t)]}	14.3		20.2		
T1 = End of time period	31-03-2023			31-03-2022		
T0 = Beginning of time period	01-04-2022			01-04-2021		
t = Specific date falling between T1 and T0	1			1		
MV(T1) = Market Value at T1	14.19			14.48		
MV(T0) = Market Value at T0	14.3			20.2		
C(t) = Cash inflow, cash outflow on specific date						
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1						
<p>Explanation: There has been an Increase in profitability of the company due to due to increase in profits of the company during the year 2023-24. Due to increase in price of sugar and distillery products and controlled cost, the Net profit has increased. Further, Market price of share is driven by the industry standards and external factors not within control of the company has resulted in market value of shares as on T1. Hence, ROI has reduced.</p>						



## DIRECTOR'S REPORT

### Dear Members,

Your Directors are pleased to present the Twenty-Ninth Annual Report of your Company together with the Audited Financial Statements for the financial year ended March 31, 2024.

### Results of Operation and the State of Company's Affairs

The Company has a cane crushing capacity of 11000 TCD, ethanol production capacity of 100 Kilo Liters and power generation capacity of 36.40 kWh.

During the year under review, the Company crushed 9,57,644.59 MT of sugarcane and produced 8,70,975 quintals of sugar, produced 29,440.10 kilo liters of ethanol and generated 11,53,87,600 KWh of power. Out of the power generated 7,51,63,350 KWh was exported and the balance was consumed by the Company.

The Company received total income of Rs. 55,220.51 Lakhs for the year ended March 31, 2024 as against Rs. 61,935.49 Lakhs for the previous year. The EBITDA for the year under review stood at Rs. 6,868.51 Lakhs as compared to Rs. 6,906.05 Lakhs for the previous year. The Company has earned a Net profit of Rs. 1,456.95 lakhs after tax expenses as compared to loss of Rs. 2,323.36 Lakhs for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

### Financial Summary and Highlights

The Company's Financial Performance for the financial year ended on March 31, 2024 under review along with previous year figures are given hereunder:

(Rs. In lakhs)

Particulars	2023-24	2022-23
Revenue from operations	54,970.30	61,649.49
Other Income	250.21	286.47
<b>Total</b>	<b>55,220.51</b>	<b>61,935.96</b>
Profit/(Loss) before Finance Cost, Depreciation & Amortization	6,868.51	6,906.05
Depreciation & Amortization expense	1,590.54	1,597.69
Finance cost	3,049.61	2,753.65
Profit Before Exceptional and Extraordinary items	2,228.36	2,554.71
Exceptional and Extraordinary items	0.00	0.00
Profit/(Loss) before tax	2,228.36	2,554.71
Provision for Current Tax	630.08	376.93
Deferred Tax	148.51	4,869.81
Short and excess provisions for earlier year	0.00	-347.44
<b>Net Profit/(Loss) After Tax</b>	<b>1,449.78</b>	<b>(2,344.59)</b>
Profit/(Loss) brought forward	18,911.94	21,444.31
Profit Available for appropriation	20,361.72	19,099.72
Transferred to General Reserve	0.00	0.00
Interim Dividend Paid	0.00	187.78
Dividend Recommended @ of Re 0.20 per equity share of Rs. 2/- each	375.56	0.00
Profit/(Loss) retained in Profit & Loss Account	19,986.16	18,911.94
Basic & diluted Earnings per Share (Rs.)	0.78	-1.24

### Transfer to Reserves

The Company has not transferred any amount to the reserves separately but retained the profit in the profit and loss account.

### Dividend

The Board of Directors of the Company recommended final dividend of Rs 0.20 per equity share of the face value of Rs. 2/- each, i.e. 10%, involving cash outflow, aggregating to Rs. 3,75,56,000/- (Rupees Three Crore Seventy Five Lakhs Fifty Six Thousand only) out of profits of the Company, for the financial year ended March 31, 2024, if approved by the members.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented separately and forms part of this Annual Report.

### Corporate Governance

Your Company is committed to maintain highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by the Securities and Exchange Board of India.

The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

### **Business Responsibility Report**

SEBI, vide its Circular dated May 10, 2021, made Business Responsibility and Sustainability Report mandatory for the top 1,000 listed companies (by market capitalization) from fiscal 2023. Since the provision of the Regulation 34 (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are not applicable for the year ended March 31, 2024, based on market capitalization, the Business Responsibility and Sustainability Report is therefore not given.

### **Credit Rating**

During the year under review ICRA Limited has given credit ratings for the financial facilities as (1) Fund Based [ICRA] BB+ (Stable).

### **Contracts and Arrangements with Related Parties**

All contracts and arrangements with related parties that were entered in to during the financial year 2023-24 were on an arm's length basis and were in the ordinary course of business.

All related party transactions were placed before the Audit Committee for approval/omnibus approval as per the Company's policy on related party transactions. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature on yearly basis. A statement giving details of all related party transactions is placed before the Audit Committee for their approval.

During the year under review, there are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

Since the Company has not entered in to any contracts or arrangements or transactions which are not at arm's length basis with related parties so also material contracts, arrangement or transactions with related parties, the disclosure of particulars pursuant to section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is therefore not made.

However, the details of the related party transactions entered in to during the year are given under Note No. 32 of the Financial Statements forming part of this Annual Report.

### **Internal Financial Control**

The internal control systems are commensurate with the nature of business and the size and complexity of operations of the Company. The Audit Committee periodically evaluates the adequacy and effectiveness of the Company's internal financial control systems and monitors the implementation of recommendations made by the Committee.

The Auditors of the Company have also opined that "the Company has in all material respects an adequate internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024". Further certificate of compliance from the Executive Director and Chief Financial Officer annexed to this report confirms the adequacy of the internal control systems and procedures of the Company.

### **Directors and Key Managerial Personnel**

In accordance with the provisions of the Companies Act, 2013, Mrs. Sneha Nitin Dev and Mr. Kush Katti, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Both the Directors have confirmed that, they are not disqualified under sub-section (2) of Section 164 and are eligible for re-appointment as Directors of the Company, by filing Form DIR 8 with the Company.

Mr. Ramesh Katti and Mr. Surendra Khot tendered their resignations from the office of Directors of the Company with effect from June 10, 2024 and the Board of Directors of the Company took note of the same.

The term of office of Mr. Nikhil Katti as Managing Director and Mr. Kush Katti as Whole-Time Director ended on March 31, 2024 and June 29, 2024, respectively. The Board of Directors, on the recommendation of Nomination and Remuneration Committee re-appointed Mr. Nikhil Katti as Managing Director and Mr. Kush Katti as Whole Time Director with effect from April 1, 2024 and June 30, 2024, respectively for a further period of three years, taking in to consideration their high qualification, varied experience in the industry, rich knowledge, past performance and the benefit that can be derived by the Company. Their appointments is subject to the approval of the members in the ensuing Annual General Meeting of the Company.

The Board of Directors appointed Mr. Nikhil Katti as Chairman of the Board w.e.f. June 22, 2024, until otherwise resolved, as Mr. Ramesh Katti, the previous Chairman, tendered his resignation from the office of director.

The Independent Directors of the Company Mr. Shivanand Tubachi, Mr. Basavaraj Hagargi, Mr. Surendra Khot, Mrs. Pratibha Munnoli and Mr. Vishnukumar Kulkarni, have given declaration to the Company, that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. They have complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

Other than Executive Directors, Mr. Sheshagiri Kulkarni – Chief Financial Officer and Ms. Priya Dedhia – Company Secretary, are the Key Managerial Personnel of the Company.

### **Directors' Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:





- (i) In the preparation of the annual accounts, the applicable accounting standards (Ind AS) have been followed along with proper explanation relating to material departures.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for that period.
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) 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.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

### Board Evaluation

Pursuant to Section 178(2) of the Companies Act, 2013, Nomination and Remuneration Committee of the Board carried out an annual evaluation of every director's performance. Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board evaluated the performance of Independent Directors. The Independent Directors in a separate meeting reviewed the performance of Non- Independent Directors, performance of Board as a whole and performance of the Chairman.

### Statutory Auditors & Auditors Report

M/s P. G. Ghali & Co., Chartered Accountants, is appointed as Statutory Auditors of the Company, in the 27<sup>th</sup> Annual General Meeting, to hold office till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2027.

The Auditors Report to the shareholder for the year ended March 31, 2024 does not contain any qualification, reservation or adverse remark and therefore does not call for any explanation or comments.

The Auditors have reported in the Annexure to their Report that, "Some of the properties are being held by way of general power of attorney in the name of Mr. Mallikarjun Kadayya Pujar".

It is hereby clarified that the Company has authorized Mr. Mallikarjun Kadayya Pujar to execute the deeds of sale in respect of the said properties, on behalf of the Company. The deeds of sale are in the process of completion.

The Auditors have commented that the Audit Trail implemented by the Company is not effective and satisfactory. The Board of Directors explain that the Company is in the process of strengthening the Audit Trail.

### Secretarial Auditors and their Report

The Board of Directors appointed Mrs. Vinita D. Modak, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2023-24.

Pursuant to SEBI Circular dated February 8, 2019, in addition to the Secretarial Audit Report as mentioned above, the Company has obtained Secretarial Compliance Report from Mrs. Vinita D. Modak, Practicing Company Secretary, for the year ended March 31, 2024. A copy of the Secretarial Compliance Report so obtained, is filed with the BSE Limited and National Stock Exchange of India Limited.

The Secretarial Audit Report and the Secretarial Compliance Report do not contain any qualification, reservation and adverse remark and therefore do not call for any explanation/comments.

The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed and forms part of this Report as **ANNEXURE - I**.

### Cost Records and Cost Audit

Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013, the Company has included cost records in its books of accounts as required by Rule 3 of the Companies (Cost Records and Audit) Rules, 2014. Since Cost Audit is applicable, the Board of Directors of the Company appointed M/s. S. K. Tikare & Co. Cost Accountants, Belagavi to audit the cost records maintained for the year ended March 31, 2024.

The Board of Directors of the Company further appointed M/s. S. K. Tikare & Co. Cost Accountants, Belagavi as Cost Auditor, to audit the cost records of the Company for the year ended March 31, 2025, on the recommendation of the Audit Committee and approved remuneration as recommended by the Audit Committee, which is subject to ratification by the shareholders.

### DISCLOSURES

#### Audit Committee

The Audit Committee was reconstituted by the Board of Directors of the Company on June 22, 2024, in view of resignation of Mr. Ramesh Katti from the office of Director. The reconstituted Audit Committee comprises of two Independent Directors namely Mr. Shivanand Tubachi and Mr. Vishnukumar Kulkarni and one Whole-Time Director Mr. Kush Katti. Mr. Shivanand Tubachi is the Chairman of the Committee. Terms of reference and powers of the Committee is provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee were accepted by the Board.

The number and dates of the meetings held during the financial year 2023-24 are provided in the Corporate Governance Report.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by the Board of Directors of the Company on June 22, 2024, in view of resignation of Mr. Surendra Khot from the office of Director. The reconstituted Committee comprises of three Independent Directors namely Mr. Basavaraj Hagargi, Mrs. Pratibha Munnolli and Mr. Vishnukumar Kulkarni. Mr. Basavaraj Hagargi is the Chairman of the Committee. Terms of reference and powers of the Committee is provided in the Corporate Governance Report annexed to this Report. The policy for selection of Directors and determining Director's independence and policy relating to the remuneration of Directors, Key Managerial Personnel and other employees may be accessed on the Company's website [www.vsil.co.in](http://www.vsil.co.in). The salient features of the policies are annexed to this Report as **ANNEXURE - II**.

The number and dates of the meetings held during the financial year 2023-24 are provided in the Corporate Governance Report.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was reconstituted by the Board of Directors of the Company on June 22, 2024 in view of resignation of Mr. Ramesh Katti from the office of Director. The reconstituted Committee consists of Mr. Vishnukumar Kulkarni, Mr. Kush Katti and Mrs. Pratibha Munnolli. Mr. Vishnukumar Kulkarni is the Chairman of the said Committee. The Annual Report on CSR pursuant to Rule 8 containing particulars specified in Annexure II to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this Report as **ANNEXURE - III**.

The number and dates of the meetings held during the financial year 2023-24 are provided in the Corporate Governance Report.

### Stakeholder Relationship Committee

The stakeholders Relationship Committee was reconstituted by the Board of Directors on October 15, 2022. The reconstituted Committee comprises of Directors namely Mr. Shivanand Tubachi, Mr. Nikhil Katti and Mrs. Sneha Nitin Dev. Terms of Reference and Powers of the Committee is provided in the Corporate Governance Report annexed to this Report.

The number and dates of the meetings held during the financial year 2023-24 are provided in the Corporate Governance Report.

### Risk Management

Your Company has framed, developed and implemented Risk Management Plan, pursuant to the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Risk Management Committee was reconstituted by the Board of directors on October 15, 2022. The Reconstituted Committee consists of the following directors' viz. Mr. Vishnukumar Kulkarni (Chairman), Mr. Mukesh Kumar, Mrs. Pratibha Munnolli and Mrs. Sneha Nitin Dev.

Identification of elements of risk and their mitigation are discussed in the meeting of the Committee. In the opinion of the Committee there is no element of risk which may threaten the existence of the Company.

The number and dates of the meetings held during the financial year 2023-24 are provided in the Corporate Governance Report.

### Vigil Mechanism

The Company has formulated a Vigil Mechanism for directors and employees to report their genuine concerns or grievances pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee oversees the Vigil Mechanism. The Vigil Mechanism provides for adequate safeguards against victimization of director(s), employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. The policy on Vigil Mechanism may be accessed on the Company's website [www.vsil.co.in](http://www.vsil.co.in).

### Internal Complaints Committee

The Company has constituted a Committee by name Internal Complaints Committee, in compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 8(5)(x) of the Companies (Accounts) Rules, 2014. The said Committee is constituted to consider and resolve all sexual harassment complaints reported by women employees. During the year under review the Company did not receive any such complaint.

### Meetings of the Board

The Board of Directors met eight times during the year under review. Details of the meetings of the Board of Directors held are given in the report on Corporate Governance, which forms part of this report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Companies Act, 2013 and SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015.

### Web link of Annual Return

Copy of the Annual Return will be placed on the website of the Company at [www.vsil.co.in](http://www.vsil.co.in), pursuant to Section 92 (3) of the Companies Act, 2013.

### Particulars of Loans, Guarantees or Investments

During the year under review the Company has not granted any loans and not made any investments, given guarantees and provided securities covered under section 185 and 186 of the Companies Act, 2013.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Particulars with respect to Conservation of Energy and Technology Absorption pursuant to Rule 8(3) A and 8(3) B of the Companies (Accounts) Rules, 2014 are provided as under:

#### (A) Conservation of Energy

##### (i) The steps taken or impact on conservation of energy:

The Company has been continuously updating modern technology for energy conservation, like usage of Variable Frequency Drives, IE Three Motors, etc. and added automation in sugar boiling house there reducing the



consumption of energy as well as other consumables like lime and sulphur. The steam consumption in the boiling house is amongst the lowest in the sugar industry in the Country.

- (ii) The steps taken by the company for utilizing alternate sources of energy:** The Company has been generating power from renewable sources (bagasse) and consuming captively and exporting the surplus to the grid.
- (iii) The capital investment on energy conservation equipment:** During the year under review, the Company did not make any capital investment on energy conservation equipment. However, some revenue expenditure was incurred.

## (B) Technology Absorption

- (i) The efforts made towards technology absorption:** The Company has been upgrading its sugar processing technology and during the year the Company has developed the technology to manufacture bacteria-free sugar.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:** The quality of the sugar has improved to a greater extent and there has been improvement in the sugar recovery also.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** No new imported technology was introduced.
- (a) The details of technology imported: Not Applicable
- (b) The year of import: Not Applicable
- (c) Whether the technology been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- (iv) The expenditure incurred on Research and Development:** Not Applicable

## (C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- Foreign Exchange Earnings: Rs. 27.74 Lakhs
- Foreign Exchange Outgo: Rs. 50.88 Lakhs

## Particulars of Employees and Related Disclosures

Disclosures pertaining remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 are provided in **ANNEXURE - IV**.

The relations between the management and the staff remained cordial during the period under review.

There is no employee who was employed throughout the financial year 2023-24, drawing remuneration which in aggregate was not less than Rupees One Crore and Two Lakhs per annum.

There was no employee employed for part of the financial year 2023-24, drawing remuneration at the rate which in aggregate was not less than Rupees Eight Lakhs and fifty Thousand per month.

## Secretarial Standards

During the year under review, your company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to Directors and employees of the Company under any scheme.
- c. Details relating to employee's stock option scheme.
- d. Revision of financial statement or Board's report.
- e. Buyback of shares.
- f. The Company does not have scheme for provision of money for purchase of its own shares by employees or by trustee for the benefit of employees.
- g. Purchase by Company of its own shares or giving of loans for such purchase.
- h. There is no change in the nature of business of the Company.
- i. There is no material change or commitment affecting the financial position of the Company, occurred between the end of the financial year and the date of this report.
- j. The Company has not accepted deposits within the meaning of Section 73 or Section 76 of the Companies Act, 2013.
- k. No remuneration was paid to Non-executive Directors except sitting fees.
- l. No significant and material order is passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
- m. No fraud has been reported by the Auditors to the Audit Committee of the Board.
- n. No case of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment was reported in the financial year 2023-24.
- o. There was no subsidiary, associate or joint venture company of the company during the financial year under review.

- p. Shares held in trust for the benefit of employees.
- q. Issue of debentures/warrants.
- r. Transfer to Investor Education and Protection Fund (IEPF).
- s. Disclosure about the application made or any proceeding pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year along with their status as at the end of the financial year.
- t. Disclosure about the difference between the amounts of the valuation executed 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.

Place: Bellad-Bagewadi  
Date: August 20, 2024

### **Acknowledgements**

The Directors wish to place on record their appreciation to the wholehearted help and co-operation the Company has received from the business associates, partners, vendors, clients, government authorities, and bankers of the Company.

The relations between the management and the staff were cordial during the period under review.

The Company also wishes to put on record its appreciation for the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

By Order of the Board of Directors  
**For Vishwaraj Sugar Industries Limited**

**Sd/-**  
**Nikhil Umesh Katti**  
Chairman & Managing Director  
DIN: 02505734  
Bellad-Bagewadi, Taluka-Hukkeri,  
District-Belagavi-591305,  
Karnataka, India.



## Annexure-I

# FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> 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]

To,  
The Members,  
**Vishwaraj Sugar Industries Limited**  
Bellad Bagewadi Taluk: Hukkeri, Belgaum- 591305

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VISHWARAJ SUGAR INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations. Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 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:

I 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, to the extent applicable, according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder as amended from time to time;
- The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 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;
- The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- The Company has not dealt with Employee Stock Option Scheme and Employee Stock Purchase Scheme, Issue and Listing of Debt Securities, Delisting of Equity Shares, Buyback of Securities and therefore the following regulations are not applicable: -
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Having regards to the compliance system prevailing, on examination of the relevant documents on a test check basis, explanations provided; I further report that the Company has complied with the following laws applicable specifically to the Company:

- Sugar Cess Act, 1982 and the Rules made thereunder;
- Sugar Development Fund Act, 1982 and the Rules made thereunder;
- Sugar (Control) Order, 1966;
- Sugarcane (Control) Order, 1966;
- Levy Sugar Price Equalisation Fund Act, 1976;
- Food Safety & Standards Act, 2006 and the Rules & Regulations made thereunder;
- Agricultural and Processed Food Products Export Act, 1986;
- Export (Quality Control and Inspection) Act, 1963;
- Essential Commodities Act, 1955;
- Sugar (Packing and Marketing) Order, 1970;
- The Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013;
- The Karnataka Sugar (Regulation of Production) Order, 1975;
- The Electricity Act, 2003;

- ❑ The Electricity Regulatory Commission Act, 1998;
- ❑ The Electricity Supply Act, 1948;
- ❑ The Legal Metrology Act, 2009;
- ❑ The Indian Boilers Act, 1923;
- ❑ The Petroleum Act, 1934;
- ❑ The Prevention of Food Adulteration Act, 1976;
- ❑ The Molasses Control Order, 1966;
- ❑ The Factories Act, 1948 and Rules made thereunder;
- ❑ Labour laws and other incidental laws related to labour and employees appointed by the Company;
- ❑ Acts and Rules prescribed under prevention and control of pollution;
- ❑ Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
- ❑ Acts and Rules relating to boilers, electricity explosives, fire, etc.

I have also examined compliance with the applicable Clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, as per the explanations and representations received from the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following: - NIL.

I further report that based on the information provided and representation made by the Company and on the basis of Compliance Report taken on record by the Board, in my opinion adequate systems and processes exist in the Company to monitor and ensure Compliance with other laws applicable, rules, regulations and guidelines.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors/Committees of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

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, 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.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

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

**Vinita D. Modak**

Practicing Company secretary  
Membership No. ACS 23151

CP No. 8258

UDIN: A023151F001088369

Place: Nashik  
Date: August 30, 2024

## Annexure A

To,  
The Members,  
**Vishwaraj Sugar Industries Limited**  
Bellad Bagewadi Taluk: Hukkeri, Belgaum- 591305

**Secretarial Audit Report of even date is to be read along with this letter.**

### Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

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.

**Vinita D. Modak**

Practicing Company secretary  
Membership No. ACS 23151

CP No. 8258

UDIN: A023151F001088369

Place: Nashik  
Date: August 30, 2024



## ANNEXURE - II

### Policy for selection of Directors and determining Directors Independence

#### 1. Introduction:

1.1 Vishwaraj Sugar Industries Limited believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, Vishwaraj Sugar Industries Limited ensures constitution of the Board of Directors with required composition, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 Vishwaraj Sugar Industries Limited recognizes the importance of Independent Directors in achieving the effectiveness of the Board.

#### 2. Scope:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration

Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

#### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a Director appointed to the Board of the Company.

3.2 "Nomination and Remuneration Committee" means a Committee constituted by Vishwaraj Sugar Industries Limited's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

#### 4. Policy:

4.1 Qualifications and Criteria

4.1.1 The Nomination and Remuneration (NR) Committee and the Board shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Industry vis a vis Company's business perspective;
- Educational and professional background

- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any Company or Companies or Bodies Corporate, Firms including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### 4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two

- percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives—
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
      - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
    - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
    - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
  - f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
  - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### 4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as a Director in more than 20 companies of which not more than shall be 10 Public Limited Companies.

### Remuneration Policy for Directors, Key Managerial Personnel and other employees

#### 1. Introduction:

Vishwaraj Sugar Industries Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration is based on such parameters reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### 2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

#### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the company.
- 3.2 "Key Managerial Personnel" means
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;





- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 Nomination and Remuneration Committee” means the committee constituted by the Board of Directors of Vishwaraj Sugar Industries Limited in accordance with the provisions of Section 178 of the Companies Act, 2013.

#### **4. Policy:**

- 4.1 Remuneration to Executive Directors and Key Managerial Personnel
- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:
- (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retiral benefits
  - (v) Annual Performance Bonus

#### **4.2 Remuneration to Non-Executive Directors**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders, if any.

#### **4.3 Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## Annexure III

# Annual Report on CSR Activities for the Financial Year Ended March 2024

### 1. Brief outline on CSR Policy of the Company:

Your Company believes in creating a just, equitable, humane and sustainable society. Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. Your Company has been involved with social initiatives in various activities in the field of education, healthcare and communities, etc. Your Company takes pride in being an organisation with a strong social conscience and upholds the principle of contributing to the society through its various CSR activities. Conducting our business profitably and delivering good returns to our stakeholders is a part of our full agenda. We believe that we are equally responsible to contribute to the society within which we operate and to positively impact the well-being of the people and sections of the society that need intervention to better their prospects. We believe that development of the communities in which we operate will result in the empowerment of not just the people in these communities, but the nation at large.

In accordance with the requirements of the Act and the Rules, our CSR activities, among others will focus on Education, Healthcare, Rural Development Projects, Rural Sports, etc.

### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ramesh Katti*	Chairman, Non-Executive	One	One
2.	Mr. Vishnukumar Kulkarni#	Chairman, Independent	-	-
3.	Pratibha Pramod Munnolli	Independent Director	One	One
4.	Kush Ramesh Katti	Whole-Time Director	One	One

\* Resigned w.e.f. June 10, 2024 # Appointed w.e.f. June 22, 2024.

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

- <https://vsil.co.in/wp-content/uploads/2018/01/CSR-Policy.pdf>
- <https://vsil.co.in/wp-content/uploads/2022/12/Commities-of-the-Board.pdf>

### 4. Provide the details of Impact assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. – **Not Applicable**

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2020-21	Nil	Nil
2.	2021-22	Nil	Nil
3.	2022-23	Nil	Nil

### 6. Average net profit of the Company as per section 135(5) – **Rs. 1,499.85 Lakhs**

- Two percent of average net profit of the Company as per section 135(5) – **Rs. 30.00 Lakhs**
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **NIL**
- Amount required to be set off for the financial year, if any – **NIL**
- Total CSR obligation for the financial year (7a+7b-7c) – **Rs. 30.00 Lakhs**



## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6). Particular		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Amount (in Rs.)		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer
NIL	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year – Rs. 30.00 Lakhs

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project State, District	Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR registration number
1.	Promoting Rural Education by Bus Donation to Registered Trust eligible for CSR fund 'SHREE Mahanteshwar Vidya Trueth TRUST'	Promoting Rural Education	Yes	Bellad Bagewadi, Tal.Hukkeri Dt.Belagavi.	Rs. 30.00 Lakhs	No	Smt. Rajeshwari Vishwanath Katti Charitable Trust Bellad Bagewadi, Tal.Hukkeri Dt.Belagavi.	CSR00032902

(d) Amount spent in Administrative Overheads – NIL

(e) Amount spent on Impact Assessment, if applicable – NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 30.00 Lakhs

(g) Excess amount for set off, if any – NIL

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	30.00
(ii)	Total amount spent for the Financial Year	30.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer	
NIL							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **The Company has Spent CSR Expenditure by making donation to Trust/Organisations eligible for CSR expenditures. The company is not implementing any Direct CSR projects. The Donation/Contribution to Trust/Organisations eligible for CSR expenditures is as per the point 8 (c) above.**

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1	1	Promoting Rural Education by Bus Donation to Registered Trust eligible for CSR fund 'Smt.Rajeshwari Vishwanath Katti Charitable Trust'	2023-24	Less than 1 year	Rs.30.00 Lakhs	Rs.30.00 Lakhs	Rs.30.00 Lakhs	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s) – **NIL**
- (b) Amount of CSR spent for creation or acquisition of capital asset – **NIL**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – **NIL**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – **NIL**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) – **Not Applicable.**

Belagavi, August 20, 2024

Sd/-  
**Mr. Vishnukumar Kulkarni**  
 Chairman

Sd/-  
**Mukesh Kumar**  
 Executive Director



## Annexure-IV

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (1) Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the financial year.

Median remuneration of all the employees of the Company for the Financial year 2023-24 (per annum)	1.40 Lakhs
The Percentage increase in the median remuneration of employees in the Financial year 2023-24	-
The number of employees on the rolls of Company as on March 31, 2024	880

Name of Director	Designation	Ratio of Remuneration to Median Remuneration of all employees	% Increase in Remuneration in the FY 2023-24
Mr. Nikhil Umesh Katti	Managing Director	3.56	-91.67
Mr. Mukesh Kumar	Executive Director	34.18	-
Mr. Kush Ramesh Katti	Whole-Time Director	25.63	20.00
Mrs. Sneha Nithin Dev	Whole-Time Director	21.36	100.00

The percentage increase in remuneration of each Director, CFO, CS in the financial year		
Name	Designation	Increase in %
Mr. Nikhil Umesh Katti	Managing Director	-
Mr. Kush Ramesh Katti	Whole-Time Director	40.00
Mr. Mukesh Kumar	Executive Director	-
Mr. Sheshagiri Kulkarni	Chief Financial Officer	-
Ms. Priya Manoj Dedhia	Company Secretary	-

- (2) 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 point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is increase in median salary paid to employees during the year and same is calculated and mentioned in point (1) above.

- (3) The Company affirms that the remuneration is as per the remuneration policy of the Company.
- (4) During the year review, there was no employee who was:
- Employed throughout the financial year and was in receipt of remuneration which, in the aggregate, was not less than one crore and two lakh rupees;
  - Employed for a part of the financial year and was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
  - Employed throughout the financial year or part thereof and was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

**(5) Statement showing names of the top ten employees in terms of remuneration drawn is as under**

Sl. No.	Name	Designation	Yearly Remuneration (Rs.)	Nature of employment	Qualification	Experience	Date of Commencement of Employment	Age	Previous employment/ position held of employment	Equity Shares held	Related to any Director or Manager
1	Mr. Mukesh Kumar	Whole- Time Director	48,00,000	Contractual	B.Sc. Engineering	34	01-03-2019	60	-	-	-
2	Mr. Lava Katti	Chief Operating Officer	38,49,912	Permanent	MBA	11	01.11.2022	37	-	6501375	Brother of Mr. Kush Katti
3	Mr. Kush Katti	Whole- Time Director	36,00,000	Contractual	MBA	11	30-06-2013	37	-	5725375	Brother of Mr. Lava Katti
4	Mrs.Sneha Nithin Dev	Whole- Time Director	30,00,000	Contractual	Bachelor in business Administration	1	15.10.2022	38	-	2246250	Sister of Nikhil Katti
5	Mrs.Shruti Nikhil Katti	Chief Administrative Officer	21,29,156	Contractual	MBA	1	01.10.2023	34	-	-	Wife of Nikhil Katti
6	Mr. Shashidhargouda Patil	Asst. General Manager (Cane)	20,02,184	Permanent	Diploma In Agriculture	27	07.05.2019	48	Olam Agro India Pvt Ltd Deputy Manager	-	-
7	Mr. Channamallaya Hiremath	GM Technical (Mechanical)	10,65,960	Permanent	DME, BOE	20	01.05.2005	36	-	-	-
8	Mr. Praful Shetty	GM Instrument	10,65,960	Permanent	BE	14	01.06.2010	39	-	-	-
9	Mr. Bharat Gajanana Mirajakar	Environment Engineer	10,47,632	Permanent	Msc & MBA	23	02.05.2021	45	Dr. VK Sugar, Dr. Dy Patil Sugar, Ridhi Siddi and Soudhi Sabc Org and Dubai DEWA Org	-	-
10	Sunil D Arabole	Civil Engineer	9,35,976	Permanent	Diploma - Civil Eng	24	01.03.2007	55	-	-	-



## REPORT ON CORPORATE GOVERNANCE

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Corporate Governance Report prepared by the Company contains the details of Corporate Governance systems and processes adopted by the Company, which are as under:

### Company's Philosophy on Code of Governance

Our corporate governance is a reflection of our value system, encompassing our culture, policies and relationships with our stakeholders. Integrity, transparency are key to our corporate governance practices and performance and we ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's wealth-generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At VSIL, it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

Our corporate governance is a statement of the values we stand by as we conduct our business and engage with our stakeholders. Our Company has set the highest standards of corporate governance.

Our corporate governance is reinforced through the Company's Code of Conduct and Ethics, corporate governance guidelines and committee charters. Our Board and Management processes, audits and internal control systems reflect the corporate governance framework principles.

### Board of Directors

Board Leadership: At VSIL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise

the decision-making process at the meetings of the Board and its Committees in an informed and efficient manner.

The Company has maintained an optimum combination of Executive, Non-Executive and Independent Directors on its Board. As on March 31, 2024, Company's Board had a strength of 10 (Ten) Directors, comprising of 4 (Four) Executive Directors, 1 (One) Non-Executive Director and 5 (Five) Independent Directors, which includes a Women-Director. The Chairman of the Board was a Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act"). The Directors bring in a wide range of skill and experience to the Board.

Mr. Ramesh Katti – Chairman and Mr. Surendra Khot – Independent Director, resigned from the office of Director w.e.f. June 10, 2024. Mr. Surendra Khot resigned due to his health issue, which constrained his ability to function as Independent Director of the Company. He has confirmed that there are no material reasons other than those provided.

Mr. Nikhil Katti has been appointed as Chairman of the Board w.e.f. June 22, 2024.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and the Act. The maximum tenure of the Independent Directors is in compliance with the Act. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Regulations and Section 149 (6) of the Act.

The Board has held eight meetings during the year and the gap between any two meetings did not exceed 120 days. The Board meetings were held on 27-04-2023, 15-05-2023, 25-05-2023, 08-07-2023, 10-08-2023, 16-10-2023, 11-11-2023, 12-02-2024. One separate meeting of Independent Directors was held on 25-05-2023 which was attended by all the Independent Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies and number of shares held by them as on March 31, 2024, are given herein below.

Sr. No.	Name of the Director	Category of Directorship	No. of Directorships in other public companies	No. of Board Meetings attended	No. of Committee positions held in other public companies		Whether attended last AGM	No. of Shares held
					Member	Chairman		
1.	Ramesh Katti (Promoter)*	Non-Executive Chairman	-	7	-	-	-	6644750
2.	Nikhil Katti (Promoter)	Managing Director	2	8	-	1	-	25557195
3.	Sneha Dev (Promoter)	Executive Director	-	5	-	-	-	2246250
4.	Kush Katti (Promoter)	Executive Director	2	7	-	-	-	5725375
5.	Mukesh Kumar	Executive Director	-	8	-	-	Yes	-
6.	Shivanand Tubachi	Independent Director	-	7	-	-	Yes	-
7.	Basavaraj Hagaragi	Independent Director	1	8	1	1	Yes	-
8.	Surendra Khot *	Independent Director	-	8	-	-	-	-
9.	Pratibha Munnolli	Independent Director	1	7	1	-	Yes	-
10.	Vishnukumar Kulkarni	Independent Director	-	8	-	-	Yes	-

\* Resigned w.e.f. June 10, 2024

**Notes:** (a) Mr. Nikhil Katti, Mr. Kush Katti, are Non-Executive Directors and Mr. Basavaraj Hagaragi, Mrs. Pratibha Munnolli are Independent Directors, on the Board of UR Sugar Industries Limited. (b) Mr. Nikhil Katti and Mrs. Sneha Nitin Dev are siblings. (c) Mr. Ramesh Katti is father of Mr. Kush Katti. (d) Except (b) & (c) above none of the Directors are related to any other Director or member of an extended family. (e) Familiarisation programme imparted to Independent Directors is disclosed on the Company's website www.vsil.co.in. Mr. Ramesh Katti – Chairman and Mr. Surendra Khot – Independent Director, resigned from the office of Director w.e.f. June 10, 2024. (f) Positions held in other committees include only positions held in Audit & Stakeholders Relationship Committee. (g) The Non-Executive Directors did not hold any Convertible Instruments.

### Core Skills/Expertise/Competencies of the Board

As on March 31, 2024, the Board comprised of highly qualified and experienced members who possess required skills, expertise and

competence that allow them to make effective contributions to the Board and its committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company.

- Leadership/Operational management and experience
- Strategic planning
- Industry experience, Research and Development and Innovation
- Human Resource Management
- Global business
- Financial, Regulatory/Legal and Risk Management
- Corporate Governance

Core skills / expertise identified by the Board as requirement for the Company									
Name of the Director	Sugar Industry experience	Business Operations & Mgmt.	Information Technology	Business Development & Strategy	Human Resource Management	Risk Management	Finance & Accounts	Corporate Governance, Ethics	Legal Expertise
Mr. Ramesh Katti	✓	✓		✓	✓	✓	✓	✓	✓
Mr. Nikhil Katti	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Sneha Dev	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kush Katti	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Surendra Khot	✓	✓		✓	✓				
Mrs. Pratibha Munnolli	✓	✓	✓				✓	✓	✓
Mr. Basavaraj Hagaragi	✓	✓	✓		✓		✓	✓	✓
Mr. Shivanand Tubachi	✓	✓		✓		✓	✓	✓	✓
Mr. Vishnukumar Kulkarni	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mukesh Kumar	✓	✓		✓	✓	✓	✓	✓	✓

### Confirmation as regards independence of Independent Directors

In the opinion of the Board, all the existing Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management. The Board of Directors of the Company have confirmed that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and Section 149(1) of the Act and are independent of the management. All Independent Directors given declaration that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Regulations and Section 149 (6) of the Act.

### The Committees of the Board

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as an empowered agent of the Board as per their terms of reference. The minutes of the meetings of all Committees are placed before the meeting of the Board for discussion and noting.

### Statutory Committees

The Statutory Committees constituted under the Act and the Listing Regulations are:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Corporate Social Responsibility Committee
- 5) Internal Complaints Committee
- 6) Risk Management Committee

### Audit Committee

The Audit Committee of the Board comprises of the following directors:

Name of the Director	Category of Directorship
Mr. Shivanand Tubachi (Chairman)	Independent
Mr. Ramesh Katti *	Non-Executive
Mr. Vishnukumar Kulkarni	Independent
Mr. Kush Katti #	Executive

\*Resigned w.e.f. 10-06-2024. # Appointed w.e.f. 22-06-2024.





The Audit Committee met four times during the year under review on 25-05-2023, 10-08-2023, 09-11-2023 and 12-02-2024. All the members of the Committee were present at the said meetings.

#### Terms of Reference and Powers of the Committee:

- i) Oversee Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii) Recommend the appointment, remuneration and terms of appointment of auditors of the Company, and also approval for payment for any other service;
- iii) Review with management the quarterly, half yearly and annual financial statements before submission to the Board, with particular reference to -
  - a) Matters required to be included in the Directors Responsibility Statement, to be included in the Board's Report, in terms of Clause (c) of Sub Section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with accounting standards, listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualification in the draft Auditors Report.
- iv) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document, prospectus, notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public, or rights issue and making appropriate recommendations to the Board to take up steps in the matter.
- v) Review with the Management, Auditor's independence and performance effectiveness of audit process;
- iv) Approval of any subsequent modification of transactions of the Company with related parties;
- v) Scrutiny of inter corporate loans and investments;
- vi) Valuation of undertakings or assets of the Company wherever it is necessary;
- vii) Evaluation of internal financial controls and risk management systems;
- viii) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ix) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit;
- x) Discussion with the Internal Auditors, of any significant findings and follow up thereon;

- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- xii) To look in to the reasons for substantial defaults, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xiii) Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function of discharging that function) after assessing the qualification of the candidate;
- xiv) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Powers:

- a) Investigate any activity within its terms of reference as above or as may be referred to it by the Board from time to time;
- b) Seek information from any employee of the Company.
- c) Obtain outside legal or other professional advice, if necessary;
- d) Securing attendance of outsiders with relevant expertise, if it considers necessary.
- e) In terms of the Insider Trading Code adopted by the Company, the Committee considers the following matters:
  - i. To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
  - ii. To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the compliance Officer on a quarterly basis.
  - iii. To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.

The previous Annual General Meeting of the Company was held on September 12, 2023 and was attended by 5 Members of the Board including the Chairman of the Audit Committee and the Stakeholders Relationship Committee.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board comprises of the following directors:

Name of the Director	Category of Directorship
Mr. Basavaraj Hagargi (Chairman)	Independent
Mrs. Pratibha Munnolli	Independent
Mr. Surendra Khot *	Independent
Mr. Vishnukumar Kulkarni #	Independent

\* Resigned w.e.f. 10-06-2024. # Appointed w.e.f. 22-06-2024.

Three meetings of the Nomination and Remuneration Committee were held on 15-05-2023, 10-08-2023, 12-02-2024 during the year under review. All the members of the Committee who were eligible to attend the meeting were present at the said meetings.

## Terms of Reference and Powers of the Committee

- i. The Nomination and Remuneration Committee of the Board of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

While formulating the policy, it shall ensure that -

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iii. Identify persons who are qualified to become directors (including independent directors) and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
  - iv. Formulation of criteria for evaluation of Independent Directors and the Board;
  - v. Devising a policy on Board diversity;
  - vi. To take in to account financial position of the Company, trend in the industry, appointee's qualification, experience past performance, past remuneration etc. and bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and shareholders;
  - vii. To undertake specific duties as may be prescribed by the Companies Act, 2013, Listing Agreement and/or as may be prescribed by the Board of Directors of the Company from time to time;
  - viii. To obtain outside legal or other professional advice to assist in connection with its functions, if necessary;
  - ix. To devise, monitor and administer the implementation of Employees Stock Option Schemes;
  - x. Terms of reference for Employees Stock Option Plan (ESOP's):
    - a. To formulate Employees Stock Option Plan and from time to time to grant options to eligible employees;
    - b. To decide the quantum of options to be granted to any employee and in aggregate under any of the Employees Stock Option Plans that may be formulated by the Company;
    - c. To decide the conditions under which the options granted to employees may lapse;

- d. To determine the exercise price of the options to be granted under Employees Stock Option Plans;
- e. To determine and specify the vesting period and the exercise period in any of the Employees Stock Option Plans;
- f. To dispose of at its sole discretion and in the interest of the Company the options not applied for by the employees offered under various Employees Stock Option Plans;
- g. To decide the procedure for making fair and reasonable adjustments to the number of options and to the exercise price in case of right issue / bonus issue, other corporate actions or otherwise;
- h. To determine the terms and conditions of Employees Stock Option Plans and to do any other related or incidental matter thereto.

## Performance Evaluation Criteria for Independent Directors

As on March 31, 2024, the Board consisted of five Independent Directors viz. Mr. Shivanand Tubachi, Mr. Basavaraj Hagargi, Mr. Surendra Khot, Mrs. Pratibha Munnolli and Mr. Vishnukumar Kulkarni. Mr. Surendra Khot resigned from the office of Director w.e.f. June 10, 2024. The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee as per the requirements of the Act and the Listing Regulations. The factors for evaluation of performance include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

## REMUNERATION OF DIRECTORS

### Non-Executive Directors

During the year under review, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company. Except Mr. Vishnukumar Kulkarni, none of the Non-Executive Directors, were paid sitting fees for attending the meetings of the Board or Committees thereof, during the year under review.

Mr. Vishnukumar Kulkarni, was paid sitting fees of Rs. 2.20 lakhs during the year under review.

### Executive Directors

Elements of remuneration package to Executive Directors is as under.

Rs. In Lakhs

Remuneration Package	Nikhil Katti	Mukesh Kumar	Kush Katti	Sneha Dev
Salary	5.00	48.00	36.00	30.00
Benefits	-	-	-	-
Bonuses	-	-	-	-
Stock option	-	-	-	-

Service contracts with the Executive Directors is in subsistence. However, there is no provision for severance fee.



During the year under review the Company has not paid any fixed component and performance linked incentives to any of the Directors of the Company. The Company has not offered any stock options to any of the Directors of the Company.

#### Details of Number of Shares held by Non-Executive Directors as on March 31, 2024.

Name of the Director	Number of Shares held
Mr. Ramesh Katti	6644750
Mr. Basavaraj Hagargi	1,000

#### Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board comprised of the following Directors:

Name of the Director	Category of Directorship
Mr. Shivanand Tubachi (Chairman)	Independent
Mrs. Sneha Dev	Executive
Mr. Nikhil Katti	Executive

Three meetings were held during the year under review on 15-05-2023, 23-09-2023, 12-02-2024.

The composition of the Stakeholders' Relationship Committee is in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. The Stakeholder Relationship Committee of the Board is empowered to consider and resolve the grievances of security holders of the Company including redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, interest/dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints.

Ms. Priya Dedhia is the Company Secretary and the Compliance Officer of the Company.

#### Details of Shareholders' / Investors' Complaints:

- Complaints pending at the beginning of the year: Nil
- Complaints received during the year: One
- Complaints resolved during the year: One
- Complaints pending at the end of the year: Nil

#### General Body Meetings

The last three Annual General Meetings (AGMs) were held at the Registered Office of the Company at Bellad-Bagewadi, Taluka: Hukkeri, District: Belagavi- 591305, Karnataka, India, as detailed hereinbelow:

Financial Year Ended	Date	Day	Time	Special Resolutions passed at the AGMs by the Shareholders
31 <sup>st</sup> March 2023	12-09-2023	Tuesday	11:30 AM	i. Re-appointment of Mr. Shivanand Tubachi as an Independent Director. ii. Re-appointment of Mr. Basavaraj Hagargi as an Independent Director. iii. Re-appointment of Mrs. Pratibha Munnolli as an Independent Director. iv. Appointment of Mrs. Sneha Nitin Dev as Whole-Time Director.
31 <sup>st</sup> March 2022	27-08-2022	Saturday	11:30 AM	i. Revision in the remuneration of Mr. Nikhil Katti – Managing Director. ii. Re-appointment of Mr. Mukesh Kumar as Whole-Time Director designated as Executive Director. iii. Re-appointment of Mr. Lava Katti as Whole-Time Director. iv. Re-appointment of Mr. Kush Katti as Whole-Time Director.
31 <sup>st</sup> March 2021	25-09-2021	Saturday	3.00 PM	i. Re-appointment of Mr. Nikhil Katti as Managing Director. ii. Sub-Division of Equity Shares of the Company.

#### Risk Management Committee

The Risk Management Committee of the Board comprised of the following Directors:

Name of the Director	Category of Directorship
Mr. Vishnukumar Kulkarni (Chairman)	Independent
Mr. Mukesh Kumar	Executive
Mrs. Pratibha Munnolli	Independent
Mrs. Sneha Dev	Executive

Two meetings of the Committee were held during the year under review on 15-05-2023, 03-01-2024 and were attended by all the members of the Committee.

Your Company has framed, developed and implemented Risk Management Plan, pursuant to the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee frames, implements and monitors the risk management plan for the Company. Identification of elements of risk and their mitigation are discussed in the meeting. In the opinion of the Committee there is no element of risk which may threaten the existence of the Company.

#### Corporate Social Responsibility

The Corporate Social Responsibility of the Board comprised of the following Directors:

Name of the Director	Category of Directorship
Mr. Ramesh Katti (Chairman)	Non-Executive
Mr. Kush Katti	Executive
Mrs. Pratibha Munnolli	Independent
Mr. Vishnukumar Kulkarni #	Independent

\* Resigned w.e.f. 10-06-2024. # Appointed w.e.f. 22-06-2024.

One meeting was held during the year under review on 03-01-2024.

#### Compliance Officer

Ms. Priya Dedhia is appointed as the Company Secretary & Compliance Officer of the Company.

Address: Bellad-Bagewadi, Taluka-Hukkeri,  
District- Belgaum- 591305, Karnataka, India.

Telephone No.: +91 8333 251251 Fax No.: +91 8333 251322

Email: cs@vsil.co.in

During the year under review, no resolution was passed through postal ballot process. No resolution is proposed to be passed through postal ballot.

An Extraordinary General Meeting was held on June 10, 2024 and approval of Members was sought to raise funds through Qualified Institutional Placement (QIP) up to the tune of Rs. 99.00 Crores.

#### Means of Communication Quarterly Results

The quarterly financial results are submitted to the stock exchanges within the prescribed time and also hosted on the Company's website at [www.vsil.co.in](http://www.vsil.co.in).

#### Newspaper & Official News Releases

The Company's quarterly results and all official news releases are published in dailies, Financial Express (English), Vijaywani and/or Kannada Prabha (Kannada), sent to the Stock Exchanges and hosted on the Company's website [www.vsil.co.in](http://www.vsil.co.in).

#### Presentations

There were no institutional investors in the Company during the year under review. Therefore, no presentations were required to be made to institutional investors or to the analysts.

#### Website

The Company's website [www.vsil.co.in](http://www.vsil.co.in) contains a separate dedicated section 'Investors' where shareholders' information is available.

#### Annual Report

The Annual Report containing, inter alia, Audited Financial Statements, Reports of the Directors' and Auditors', Management Discussion & Analysis Report and other important information is circulated to all the members of the Company and others entitled thereto, only through electronic mode as per MCA and SEBI Circulars.

The Annual Report is available for download in PDF format on the website of the Company at [www.vsil.co.in](http://www.vsil.co.in).

#### BSE and NSE Corporate Compliance

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, financial statements, reconciliation of share capital audit, are filed electronically to the BSE Limited and National Stock Exchange of India Limited.

#### SEBI Complaints Redress System (scores)

The Securities and Exchange Board of India (SEBI) has provided a platform wherein the investors can lodge their complaints/grievances. The facility is known as SEBI Complaints Redress System (SCORES) and is available on its website [www.sebi.gov.in](http://www.sebi.gov.in) and on SCORE's website <http://scores.gov.in>. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

#### Designated Email-id

The Company has designated the following email-ids exclusively for investors:

For queries on Annual Report: [cs@vsil.co.in](mailto:cs@vsil.co.in)

For queries in respect of shares in physical mode: [shwetast@bigshareonline.com](mailto:shwetast@bigshareonline.com)

### GENERAL SHAREHOLDER INFORMATION:

#### Company Registration Details

The Company is registered under the Companies Act, 1956 on May 2, 1995. The registered office of the Company is situated in the State of Karnataka. The Corporate Identification Number (CIN) of the Company allotted by the Ministry of Corporate Affairs (MCA) is L85110KA1995PLC017730.

#### Annual General Meeting

The Annual General Meeting (AGM) is scheduled to be held on Wednesday the 25<sup>th</sup> day of September, 2024 at the registered office of the Company at Bellad-Bagewadi, Taluka Hukkeri, District Belagavi-591305, Karnataka, India. Particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM.

#### Financial Year

The financial year of the Company is from 1<sup>st</sup> April of each year to 31<sup>st</sup> March of the following year.

#### Dividend Payment Date

The Board of Directors have recommended dividend for the financial year 2023-24. The amount of dividend, if declared, will be deposited in a separate bank account within five days from the date of declaration. The dividend will be paid to the shareholders through electronic mode to those shareholders whose shares are in dematerialised form and through cheque/demand draft/ warrant to those shareholders whose shares are in physical mode, within 30 days from the date of declaration.

#### Name and address of the Stock Exchanges

The Company's Equity Shares are listed on

- BSE Limited (BSE) situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra, India.
- National Stock Exchange of India Limited (NSE) situated at Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

#### Stock Codes

ISIN (Equity Shares) in NSDL and CDSL	INE 430N01022
BSE Code	542852
NSE Code	VISHWARAJ

#### Payment of Listing Fees

Annual Listing Fees for the financial year 2024-25 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

#### Suspension of Securities from Trading

The securities of the Company are not suspended from trading, by the Board.



## Registrar and Share Transfer Agents

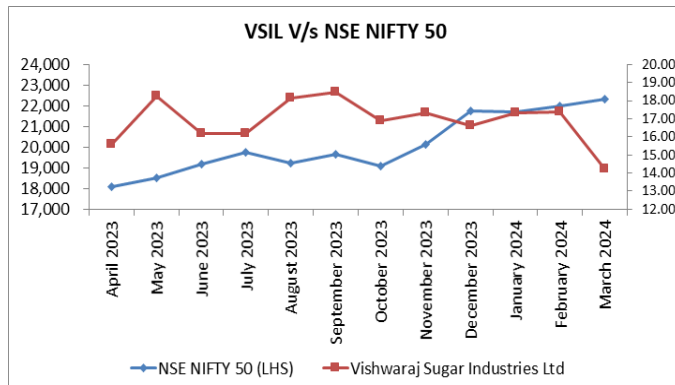
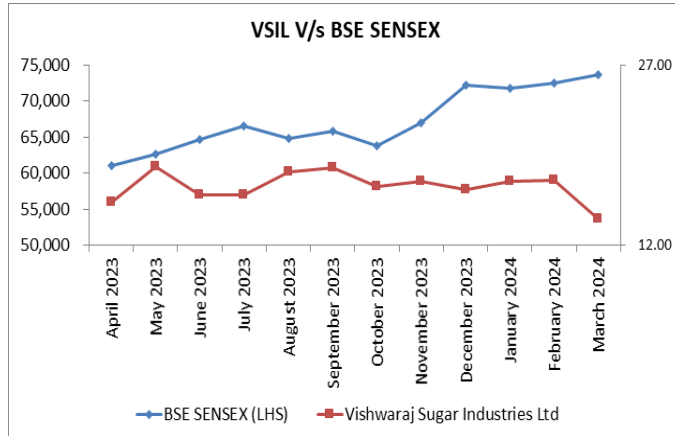
### Bigshare Services Private Limited

(Unit: Vishwaraj Sugar Industries Limited) E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400072, Maharashtra, India.

Website: <https://www.bigshareonline.com/>

### Market Price Data

Performance Comparison to broad based indices i.e. NSE Nifty 50 and BSE Sensex



### Market Price Data - Monthly High-Low during 2023-24

Month	BSE		NSE	
	High	Low	High	Low
April 2023	16.10	14.30	16.15	14.55
May 2023	19.25	15.25	19.25	15.25
June 2023	22.25	15.50	22.30	15.40
July 2023	16.98	15.80	16.90	15.90
August 2023	18.62	15.75	18.65	15.85
September 2023	19.99	17.61	19.95	17.50
October 2023	18.73	15.97	18.75	16.00
November 2023	18.47	16.80	18.30	16.80
December 2023	17.55	15.90	17.50	16.15
January 2024	17.45	15.90	17.45	16.10
February 2024	19.98	16.94	20.05	16.90
March 2024	17.88	14.06	17.90	14.10

## Share Transfer System

Transfer of shares of the Company is permitted only in dematerialised form. SEBI has mandated that the securities of listed companies can be transferred only in dematerialised form w.e.f. April 11, 2019. Accordingly, the Company / its RTA has stopped accepting fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to dematerialise their securities for the purpose of effecting transfer of securities.

The transfer of securities held in electronic form is done through the depositories with no involvement of the Company.

Share transmissions are processed and share certificates duly endorsed are delivered within the stipulated time period from the date of lodgment, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transmission, issue of duplicate share certificates and so on of the Company's securities to the Stakeholders' Relationship Committee.

The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within the prescribed time limit from the date of lodgment of the transmission, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the RTA within the stipulated time period.

### Outstanding Global Depository Receipts/American Depository Receipts/Warrants/Convertible Instruments

No Global Depository Receipts, American Depository Receipts, Warrants or Convertible Instruments, were outstanding as on March 31, 2024.

### Plant location

The Company has a Unit at Bellad-Bagewadi, Taluk Hukkeri, District Belgaum, Karnataka 591305, India. The said Unit is equipped with a Sugar Manufacturing capacity of 11,000 TCD, Distillery of 250 KLPD and 40 MW power generation plant.

The Company is in the process of setting up of new Plant with a capacity of 10,000 TCD, distillery of 100 KLPD and 20 MW power plant at Navage Village, Belagavi District. The Company has received distance certificate from the authority.

### Distribution of Shareholding as on March 31, 2024

Range of Equity Shares	No of Shares	% to Capital	No. of Shareholders	% of Shareholders
1-500	130348	79.0774	16875262	8.9867
501-1000	15055	9.1333	12516565	6.6655
1001-2000	8750	5.3083	13533142	7.2069
2001-3000	4600	2.7907	11809129	6.2888
3001-4000	1364	0.8275	4924090	2.6223
4001-5000	1390	0.8433	6649322	3.5410
5001-10000	1937	1.1751	14546159	7.7464
10001 & above	1392	0.8445	106926331	56.9423
<b>Total</b>	<b>164836</b>		<b>187780000</b>	<b>100.0000</b>

### Category of Shareholders as on 31.03.2024

Category of Shareholders	No. of Shares	% Holding
Promoters	5,86,73,945	31.2461
Directors & Relatives	45,98,365	2.4488
Public	11,85,16,921	63.1148
Foreign Portfolio investor	4,87,908	0.2598
Corporate Bodies	28,65,560	1.5260
Clearing Members	3,54,563	0.1888
Non-Resident Indians	22,79,738	1.2141
Employees	3,000	0.0016
<b>Total</b>	<b>18,77,80,000</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

As at March 31, 2024, equity shares aggregating to 179968500 representing 95.84% of the total equity capital of the Company were held in dematerialized form and the rest in the physical form.

The break-up of equity shares held in dematerialized and physical form as on March 31, 2024 is given below:

Category	Number of Shareholders	Total Shares	Percentage
NSDL	25157	40314311	21.47
CDSL	132231	139654189	74.37
Physical Mode	9471	7811500	4.16
<b>Grand Total</b>	<b>166859</b>	<b>187780000</b>	<b>100.00</b>

### Top 10 Shareholders of the Company as on March 31, 2024

Name of Holder	Shares	%
1. Nikhil Umesh Katti	25557195	13.6102
2. Ramesh Vishwanath Katti	6644750	3.5386
3. Lava Ramesh Katti	6501375	3.4622
4. Jayashree Ramesh Katti	6294000	3.3518
5. Kush Ramesh Katti	5725375	3.0490
6. Sheela Umesh Katti	5705000	3.0381
7. Sneha Nithin Dev	2246000	1.1961
8. Basavaraj S Uttur	1000000	0.5325
9. Abhinandan D. Khemalapure	883593	0.4705
10. Ravindra Shrikant Katti	814772	0.4339
<b>Total</b>	<b>61372060</b>	<b>32.6830</b>

### Address for Correspondence

Shareholders correspondence for queries relating to transfer / dematerialization of shares, payment of dividend and others, should be directed to:

- Bigshare Services Private Limited**
- All other queries on Annual Report should be directed to:  
Vishwaraj Sugar Industries Limited, Bellad Bagewadi,  
Taluka Hukkeri, District Belgaum-591305, Karnataka, India.  
Tel No. +91-8333-251251  
Fax No. +91-8333-251322  
E-mail: info@vsil.co.in  
Website: www.vsil.co.in

### Commodity Price Risk or Foreign Risk and Hedging Activities

During the year under review, the Company was not exposed to significant Commodity Price Risk or Foreign Exchange Risk and hence there was no need to enter into any Hedging arrangements.

### OTHER DISCLOSURES

#### Materially Significant Related Party Transactions:

During the financial year, no materially significant related party transactions, that may have potential conflict with the interests of the Company at large, have been entered into by the Company. All transactions entered into with the Related Parties as defined under Companies Act, 2013 during the year were in the ordinary course of business and on an arm's length basis.

#### Details of Non-Compliance During last Three Years

The Company is in compliance with the requirements of the Stock Exchanges or SEBI or any other statutory authority on all matters related to capital markets, during the year under review.

#### Vigil Mechanism

The Company has formulated a Vigil Mechanism for directors and employees to report their genuine concerns or grievances pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee oversees the Vigil Mechanism.

The vigil Mechanism provides for adequate safeguards against victimization of director(s), employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. The policy on Vigil Mechanism may be accessed on the Company's website [www.vsil.com](http://www.vsil.com).

#### Compliance with Mandatory Requirements and Adoption of Non-Mandatory Requirements

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations.

The Company has not adopted Non-mandatory Requirements.

#### Web link for determining Material Subsidiary

The Company did not have any Subsidiary Company, during the financial year 2023-24.

#### Web link where policy on dealing with related party transactions is disclosed

Web link where policy on dealing with related party transactions is disclosed at [www.vsil.co.in](http://www.vsil.co.in) under the head 'investors'.

#### Commodities Price Risk and Hedging Activities

During the year under review, the Company was not exposed to significant Commodity Price Risk and hence there was no need to enter into any Hedging arrangements.



### **Non-Compliance of Requirement of Corporate Governance**

There was no non-compliance of conditions of Corporate Governance during the year under review.

### **Discretionary Requirements**

The Company has not adopted discretionary requirements as specified in Part E of Schedule II to the Listing Regulations.

### **Compliance with the Corporate Governance**

The Company has complied with the corporate governance Requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub- Regulation (2) of Regulation 46.

Compliance Certificate from the Auditors regarding compliance of conditions of Corporate Governance is annexed to the Directors Report. Statement of details of compliance is annexed herewith.

### **Compliance with Code of Conduct**

Declaration Regarding Compliance by the Board Members and Senior Management Personnel with the Company's Code of Conduct, signed by the Executive Director stating that members of the Board have affirmed compliance with the Code of Conduct, is annexed herewith.

### **Senior Management**

In accordance with Regulation 16 of the SEBI Listing Regulations the Company's Senior Management consists of the officers and personnel who are members of the core management team and does not include the Board of Directors. It also comprises of all the members of the management one level below the Chief Executive Officer and the Whole-Time Directors and includes the functional heads and the Company Secretary and the Chief Financial Officer of the Company. During the year under review, there is no change in the Senior Management positions of the Company.

### **Credit Rating**

During the year under review ICRA Limited has given credit ratings for the financial facilities as (1) Fund Based [ICRA] BB+ (Stable).

### **Recommendation of Committees**

All the recommendations made by the Committees were accepted by the Board, which were mandatorily required, during the financial year.

### **Fees paid to Auditors**

The Statutory Auditors, M/s. P. G. Ghali & Co., Chartered Accountants, are paid a Rs. 5.00 lakhs for Audit and Rs. 2.00 Lakhs for other matters.

### **Demat Suspense Account**

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that there were no shares lying in the demat suspense account / unclaimed suspense account.

### **TENTATIVE FINANCIAL CALENDAR 2024-25**

#### **Results for the Quarter Ending**

June 30, 2024: On or before August 14, 2024.

September 30, 2024: On or before November 14, 2024.

December 31, 2024: On or before February 14, 2024.

March 31, 2025: On or before May 30, 2025.

#### **Annual General Meeting 2024-25**

On or before September 30, 2025.

#### **Book Closure and Record Date**

The Register of Members and the Share Transfer Books of the Company shall be closed for the purpose of Dividend from Saturday, September 21, 2024 to Wednesday, September 25, 2024 (both days inclusive).

#### **Record Date for the purpose of Dividend**

The Board of Directors have recommended a dividend of Rs. 0.20 per equity share of the face value of Rs. 2/- each for the financial year ended March 31, 2024. Accordingly, the Record Date fixed for the purpose of Dividend is Friday, September 20, 2024.

#### **Agreements**

Disclosure pursuant to Clause 5A of Paragraph A of Part A of Schedule III of SEBI LODR Regulations is hereby made that, during the year under review there were no agreements entered into by the Shareholders, Promoters, Promoter Group Entities, Related Parties, Directors, Key Managerial Personnel, Employees, of the Company, which may impact the management or control of the Company or impose any restriction or create any liability upon the Company.

## Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Business Conduct and Ethics for its Board of Directors and Senior Management.

These Codes are available on the Company's website at [www.vsil.co.in](http://www.vsil.co.in).

I, Mr. Mukesh Kumar - Executive Director of the Company hereby declare that the Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Belagavi  
August 20, 2024

Sd/-  
**Mr. Mukesh Kumar**  
Executive Director

## Certificate of Non-Disqualification of Directors

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

To,  
The Members of  
**Vishwaraj Sugar Industries Limited**  
Bellad Bagewadi Taluk,  
Hukkeri, District Belgaum 591305,  
Karnataka, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vishwaraj Sugar Industries Limited having CIN L85110KA1995PLC017730 and having registered office at Bellad Bagewadi Taluk, Hukkeri, District Belgaum 591305, Karnataka, India, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Place: Nashik  
Date: August 30, 2024  
Membership No. ACS 23151  
CP No. 8258  
UDIN: A023151F001088371

Sd/-  
**Vinita D. Modak**  
Practising Company Secretary





## Independent Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

The Members,  
**Vishwaraj Sugar Industries Limited**

1. We, M/s. P. G. Ghali & Co., Chartered Accountants, the Statutory Auditors of Vishwaraj Sugar Industries Limited ('the Company') have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENTS' RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 1 above.

### OTHER MATTERS AND RESTRICTION ON USE

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Place: Belagavi  
Date: August 20, 2024

**For M/s P.G. Ghali & Co.,**  
Chartered Accountants  
Firm Reg. No. 011092S  
P.R.C. No. 013376

Sd/-  
**CA. Praveen P. Ghali**  
Partner

M. No.: 215756  
UDIN: 24215756BKATNA9438

## Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

The Board of Directors,  
**Vishwaraj Sugar Industries Limited**

We, Mr. Mukesh Kumar - Executive Director and Mr. Sheshagiri H. Kulkarni - Chief Financial Officer of Vishwaraj Sugar Industries Limited to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement of Vishwaraj Sugar Industries Limited for the year ended March 31, 2024 and to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations..
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee:
1. that there are no significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company internal control system over financial reporting.

Belagavi  
August 20, 2024

Sd/-  
**Mukesh Kumar**  
Executive Director

Sd/-  
**Sheshagiri Kulkarni**  
Chief Financial Officer



## Compliance of Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2)(b) To (i) of Listing Regulations

Sr. No.	Particulars	Regulation No.	Compliance Status	Compliance observed for the following
1	Board Meeting	17	yes	Composition, Meetings, Review of compliance reports, Plans for orderly succession for appointments, Code of Conduct, Fees / compensation to Non-Executive Directors, Minimum information to be placed before the Board, Compliance Certificate, Risk assessment and management Performance evaluation of Independent Directors.
2	Audit Committee	18	Yes	Composition, Meetings, Powers of the Committee, Role of the Committee and review of information by the Committee.
3	Nomination and Remuneration Committee	19	Yes	Composition, Role of the Committee.
4	Stakeholders Relationship Committee	20	Yes	Composition, Role of the Committee.
5	Risk Management Plan	21	Yes	The provisions of Regulation 21 are not applicable to the company, since it was not among the top 100 listed entities on the basis of market capitalization as at the end of previous year. However, the Board of Directors frame, implement and monitor the risk management plan for the Company.
6	Vigil Mechanism	22	Yes	The Company has formulated a Vigil Mechanism for directors and employees to report their genuine concerns or grievances pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee oversees the Vigil Mechanism.
7	Related Party Transactions	23	Yes	Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, Approval including omnibus approval of Audit Committee, Review of Related Party Transactions There were no material Related Party Transactions during the year.
8	Subsidiary Company	24	NA	There is no subsidiary Company.
9	Obligations with respect Independent Directors	25	Yes	Maximum directorships and tenure Independent Directors Meetings Familiarisation programme of Independent Directors.
10	Obligation with respect to Directors and Senior Management	26	Yes	Memberships / Chairmanships in Committees, Affirmation on compliance of Code of Conduct by Directors, Senior Management, Disclosure of shareholding by Non-Executive Directors, Disclosures by Senior Management about potential conflicts of interest.
11	Other Corporate Governance Requirements			Compliance with discretionary requirements, Filing of quarterly compliance report on Corporate Governance.
12	Website	46 (2) (b) to (i)	Yes	Terms and conditions for appointment of Independent Directors Composition of various Committees of the Board of Directors Code of Conduct of Board of Directors and Senior Management Personnel Details of establishment of Vigil Mechanism/Whistle Blower policy Policy on dealing with Related Party Transactions Policy for determining material subsidiaries Details of familiarisation programmes imparted to Independent Directors.

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# **Financial Statements**

March 31, 2024

# INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
**VISHWARAJ SUGAR INDUSTRIES LIMITED,**

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of **VISHWARAJ SUGAR INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Allowance for Credit Losses:</b> The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.</p> <p>For a sample of customers: We tested the credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>
2	<p><b>Properties are being held by way of General Power of Attorney:</b> Properties are being held by way of General Power of Attorney in the name of Shri. Mallikarjun Kadayya Pujar, Director of the Company held on behalf of the Company.</p>	<p>According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we 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 of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company. However Some of the Properties</p>

Sr. No.	Key Audit Matter	Auditor's Response
		are being held by way of General Power of Attorney in the name of Shri.Mallikarjun Kadayya Pujar, Ex-Director & Presently CAO of the Company held on behalf of the Company. The details are furnished in the Point.1 in the Annexure-A to the Auditors Report. The title of the such Properties shall be converted in the name of the company by Executing sale deed.
3	<b>Recovery of Advances:</b> The Company has given advances to various parties including Directors in normal course of its operations in compliance with Companies Act, 2013 & Rules there under.	The Company has granted advances to farmer members in its normal course of business during the year which includes the parties covered in the register maintained under section 189 of the Companies Act, 2013 and complied the provisions of rules thereunder. However some of advances which are outstanding since long time shall be recovered along with interest.
4	<b>Obtaining an insurance in the manner prescribed under Payment of Gratuity Act, 1972 :</b> The company has not invested the Gratuity provision made in any manner prescribed under Payment of Gratuity Act, 1972.	As per Sec.4A of Payment of Gratuity Act, 1972 every employer, other than an employer or an establishment belonging to, or under the control of, the Central Government or a State Government, shall, subject to the provisions of sub-section (2), obtain an insurance in the manner prescribed, for his liability for payment towards the gratuity under this Act, from the Life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956 (31 of 1956) or any other prescribed insurer..
5	<b>Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014:</b> (Audit Trail) The company has implemented the Audit trail during the year. However the Audit trail implementation is not effective and satisfactory.	Being the First year of Implementation of Audit Trail and company being the manufacturing unit having complex transactions. Hence the company is making the honest effort in implementation of Audit trail and will make full fledged implementation in the coming days.

### Emphasis of Matter

As more fully described in Note.49 to the standalone financial statements. The scope, duration or outcome of these matters are uncertain. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Standalone 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of Ind AS Financial Statement**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

#### **1. As required by section 143(3) of the act we report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act.
- e) 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.
- f) 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 our separate Report in “Annexure B”
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- 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 our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its Notes forming part of Ind AS financial statements Refer “notes-48”.
  - ii. The Company did not have any long term contracts including Derivative contracts for which there were any material foreseeable losses;
  - iii. There are no any instances during the audit period wherein the amount is required to be transferred to the ‘Investor Education and Protection Fund’ by the Company.
  - iv. i. In our opinion and to the best of our information and according to the explanations given to us, no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the

understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

- ii. In our opinion and to the best of our information and according to the explanations given to us no funds have been received by the company from any person(s) or entities including foreign entities (“Funding Parties”) with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.
  - iii. Based on audit procedure which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause(i) and (ii) contain any material mis-statement.
- i) The company has proposed dividend of Rs.0.20 (10% of Face value) per equity share of the face value of Rs.02 each for the financial year 2023-24 and nothing is contravening the sec.123 of the companies act,2013. The unclaimed dividend is transferred to separate account as per provisions of companies act and rules thereunder.
  - j) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2024, and the company has implemented the Audit trail during the year. However the Audit trail implementation is not effective and satisfactory.
2. As required by Companies (Auditor’s Report) order, 2020, issued by Central Government in terms of Section 143 (11) of the companies Act 2013, we give in the “Annexure A” statement on matters specified in paragraph (3) and (4) of said order

“As per our report of even date”

**For, M/s P. G. Ghali & Co.,**  
Chartered Accountants  
FRN: 011092S  
P.R.C.No.013376

**Sd/-**  
**(CA. Praveen P. Ghali)**  
Partner  
M. No: 215756  
UDIN: 24215756BKATIQ4389

Date: 11<sup>th</sup> May 2024  
Place: Belagavi

## ANNEXURE - A TO THE AUDITOR'S REPORT

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF  
"VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31st MARCH, 2024.**

**1. In respect of the Company's fixed Assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us the fixed assets have been physically verified by the Management during the year in a phased programme which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- (c) The company has not revalued its property, plant and equipment or intangible assets during the year.

- (d) To the best of our knowledge, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 and rules made there under.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company and are deposited with Bank of India Br. Shahpur Dt. Belagavi. Further Pari-passu agreement is entered by State Bank of India, BDC Bank & SVC Bank with Bank of India.

**Some of the Properties are being held by way of General Power of Attorney in the name of Shri. Mallikarjun Kadayya Pujar, the Ex-Director and present CAO of the Company held on behalf of the Company. The details are furnished below: refer note:52)**

Sl No.	Survey No.	Name of the owner/s	Area		Date of GPA	Document No.	Amount Paid (Rs. in Lakhs)
			Acres	Guntas			
1	204/2A	Shri. Jotiba Bharmanna More	0	20	30.12.2016	508/2016-17	3.00
2	206/A	1. Shri. Narayan Balkrishna Sutar 2. Shri. Chudappa Balkrishna Sutar	0	33	30.12.2016	509/2016-17	5.00
3	206/B	1. Smt. Savitri W/O Yallappa Pawashe 2. Smt. Janabai W/O Dhankalu Gurav 3. Shri. Yallappa S/O Dhakalu Gurav	2	20	14.03.2017	620/2016-17	6.00
4	207/1	1. Smt. Renuka W/O Late Tippanna Talwar 2. Shri. Nagaraj S/O. Tippanna Talwar	0	36	28.12.2018	667/2018-19	8.10
5	206/1	Shri. Rajaram Balappa Chigare	0	33	28.12.2018	670/2018-19	7.43
6	207/1	Shri. Monappa Ganesh Talwar	0	36	28.12.2018	664/2018-19	8.10
7	207/1	1. Smt. Anandi W/O. Late Dudappa Talwar 2. Shri. Pundalik S/O. Dudappa Talwar Talwar 3. Smt. Mayuri W/O. Pundalik Talwar 4. Shri. Bharat S/O. Dudappa Talwar	0	36	28.12.2018	665/2018-19	8.10
8	206/A	1. Shri. Shanlkar Arjun Gurav 2. Shri. Bharma Arjun Gurav 3. Devappa Arjun Gurav	0	30	28.12.2018	655/2018-2019	6.75
9	206/A	Shri. Devappa Kumanna Gurav	0	12	28.12.2018	657/2018-19	2.70
10	207/1	1. Smt. Laxmi W/O. Late Yavagappa Talwar 2. Shri. Pandurang S/O. Yavagappa Talwar 3. Smt. Droupada W/O. Pandurang Talwar 4. Shri. Balu S/O. Yavagappa Talwar	0	36	28.12.2018	663/2018-19	8.10
11	206/A	Shri. Maruti Yallappa Humbarwadi	0	33	28.12.2018	671/2018-19	7.43
12	206/A	Shri. Raghunath Krishna Hurakadli	0	13	28.12.2018	661/2018-19	2.93
13	206/A	1. Shri. Jayram Kallappa Patil 2. Smt. Madhu Jayram Patil 3. Smt. Sushma Madhu Patil 4. Shri. Pundalik Jayram Patil	1	5	28.12.2018	659/2018-19	10.13



14	206/B	Smt. Yeshodha Parashuram Gawade	0	26	28.12.2018	656/2018-19	5.85
15	206/A	Shri. Ravalu Shankar Motankar	0	13	28.12.2018	672/2018-19	2.93
16	206/A	Shri. Narayan Krishna Yallurkar	1	0	28.12.2018	660/2018-19	9.00
17	207/1	Shri. Babu Basawant Talwar	0	36	28.12.2018	662/2018-19	8.10
18	206/A	Shri. Babu Somanna Motankar	1	0	28.12.2018	668/2018-19	9.00
19	206/A	Shri. Rajaram Vasu Golyalkar	1	10	09/07/2021	00152/21-22	3.75
20	206/A	Shri. Mallppa Vasu Golyalkar	2	25	09/07/2021	00153/21-22	7.50
21	206/A	Shri. Govind Vasu Golyalkar	1	10	09/07/2021	00154/21-22	3.75
22	206/A	Shri. Nago Somanna Motankar	1	10	09/07/2021	0155/21-22	3.75
23	206/A	Shri. Rama Yallappa Gavali	1	10	09/07/2021	0156/21-22	3.75
24	206/A	Shri. Gangaram Tanji Gavali	2	20	09/07/2021	0157/21-22	7.50
25	206/A	Shri. Jayram Kumanna Gurav	2	0	09/07/2021	0158/21-22	6.00
26	206/A	Shri. Marutirao @Maruti Somanna @Somanath Motankar	1	10	09/07/2021	0160/21-22	3.75
27	206/A	1. Smt. Anandabai W/O. Late Narayan Sutar 2. Shri. Pandu S/O Narayan Sutar 3. Smt. Pooja W/O Pandu Sutar 4. Shri. Vishwanath S/O. Narayan Sutar 5. Smt. Laxmi W/O. Vishwanath Sutar 6. Smt. Vaishali W/O Suresh Kammar	1	11	09/07/2021	00161/21-22	3.83
28	206/A	1. Shri. Gangaram S/O. Late Kallappa Patil 2. Smt. Renuka W/O. Gangaram Patil	0	25	12/07/2021	00171/21-22	1.50
29	206/A	Shri. Yallappa Nagappa Gurav	0	27	12/07/2021	00172/21-22	2.03
30	206/A	1. Shri. Parashram Gavadu Patil 2. Smt. Malu W/O. Parashuram Patil 3. Smt. Deepa W/O. Dinesh Bilagoji	0	20	12/07/2021	00173/21-22	1.50
31	206/A	Shri. Dashrath Yallappa Chigare	0	23	12/07/2021	00174/21-22	1.73
32	206/A	Shri. Khirappa Devappa Sutar	0	35	12/07/2021	00176/21-22	2.63
33	206/A	Smt. Laxmi W/O.Vasant Sutar Shri. Devendra S/O.Late Vasant Sutar Smt. Rekha W/O. Devendra Sutar	0	34	12/07/2021	00177/21-22	2.55
34	206/A	Shri. Madhu @ Madhukar Dattu Sutar	0	32	12/07/2021	00178/21-22	2.40
35	206/A	Shri. Ramchandra Devappa Sutar	0	32	12/07/2021	00180/21-22	2.40
36	206/A	1. Shri. Jayaram S/O.Late Kallappa Patil 2. Shri. Baban S/O Jayaram Patil 3. Rekha W/O. Baban Patil	0	24	12/07/2021	00181/21-22	1.80
37	206/A	1. Smt. Parvati W/O Babu Sutar 2. Smt. Punam W/O Parasuram Sutar 3. Shri. Parthamesh S/O Parasuram Sutar	0	25	12/07/2021	00182/21-22	1.88
38	206/A	Shri. Basavanni Irappa Chigare	2	20	24/09/2021	00417/21-22	10.25
39	204*/1	Shri. Prabhakar Arjun Jadav Shri. Balakrishna Arjun Jadhav	2	20	27/10/2021	00475/21-22	10.55
40	206/A	1. Shri. Kallappa Shivappa Patil 2. Yallappa S/O Gavadu Patil	3	30	30/11/2021	00527/21-22	11.65
41	206/A	Shri. Somanath Shivaji Sutar	2	24	30/11/2021	00528/21-22	10.25

42	206/A	1. Shri. Ravalu Shankar Motankar 2. Smt. Deepa W/O Ravalu Motankar 3. Mr. Rutik D/O Ravalu Montankar 4. Master Sandesh S/O Ravalu Montankar	0	27	14/02/2024	00767/21-22	2.03
43	207/7	Shri. Yallappa Nagappa Gurav	0	20	15/02/2024	00771/21-22	1.50
44	206/A	Shri. Gavadu Kallappa Patil	0	30	18/02/2024	00785/21-22	1.95
45	206/A	Shri. Maruti Somanna Yallurkar	0	25	25/02/2024	00811/21-22	6.06
46	204*/1	1. Smt. Shobha Dashrut Biraje 2. Shri. Prabhakar Dasharat Biraje	1	13	25/02/2024	00812/21-22	12.56
47	206*/A	1. Shri. Mallappa W/O Dhakalu Hurakadli 2. Shri. Monappa S/O Dhakalu Hurakadli 3. Shri. Laxman S/O Dhakalu Hurakadli 4. Shri. Ramappa S/O Shakalu Hurakadli	0	25	28/02/2024	00817/21-22	6.07
48	206/A	Shri. Mallappa @ Yallappa Somanna Yallurkar	0	26	16.03.2024	00886/21-22	6.06

- (a) According to the information and explanation given to us the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) Company is maintaining proper records of inventory and there is no material discrepancies noticed on physical verification.
- (d) The Company has been sanctioned working capital limits in excess of Rs. 5 crores by banks during the year. The quarterly returns or statements filed by the company with banks are in agreement with the books of account of the Company.
2. The Company has not made investment, or security or granted any loans to companies, firms, Limited Liability Partnerships or other parties except for the corporate guarantee towards the Harvesting and Transportation Loan sanctioned to Sugarcane Harvesting & Transportation contractors from banks to the extent of Rs.80 Crores who are in agreement with the company for Harvesting & Transportation contract which is done in the normal course of business.
3. The Company has not granted any advances during the year to parties covered in the register maintained under section 189 of the Companies Act, 2013 except the purchase advances mentioned in Note:32 which are in compliance with the said section.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans and not made any investments, security & guarantees covered under section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanation given to us, the company has not accepted

Deposits from public hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that Prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the same. And the same have been audited by independent cost auditor.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Value added Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, the following amounts payable in respect of statutory dues were in arrears due to disputes as at 31-03-2024 for a period of more than six months from the date they became payable:

Sl. No.	Particulars	Amount (in lakhs)
1	Central Excise, Belgaum Show Cause Notice	587.34
2	Central Excise, Bangalore (Appeals)	974.47
3	High Court, Karnataka, Appeal for Sugar Cess	252.80



8. According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to any financial institutions.
10. a) The Company has not defaulted in repayment of loans or borrowings or in interest to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- d) In our opinion, funds raised on short term basis have not been utilised for long term purposes.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
11. Based upon the audit procedures performed and the information and explanations given by the management, opinion, the no money is raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those were raised. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
12. Based upon the audit procedures performed and the information and explanations given by the management, we report that :
- a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) No whistle-blower complaints had been received by the Company during the year.
- However company has informed us regarding the closure of all Investor complaints Based on the letter received from 'Big Share Services Pvt. Ltd.' Being the RTA we do here by clarify that the queries raised to the investor complaints have been resolved. Further only one complaint regarding sebi is pending of 3rd quarter.
13. In our opinion, the Company is not a Nidhi Company as defined in section 406 of the Companies Act, 2013. Therefore, the provisions of clause 71(a),(b) & (c) of the Order are not applicable to the Company.
14. According to information and explanations given to us and on the basis of our examination of the books of account, records, and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Companies Act. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in the financial statements. (refer note.32 to the Financial Statements)
15. The Company has an internal audit system commensurate with the size and nature of its business and the reports of the Internal Auditors for the period under audit were considered by us.
16. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
17. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) 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) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have not more than one CIC as part of the Group.
18. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
19. There has been no resignation of the statutory auditors during the year.
20. On the information obtained from the management and audit procedures performed 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, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date
21. The Company was liable to make Rs.40.38 Lakhs as Corporate Social Responsibility expenditure as per

company's act, 2013 during the reporting period. However the company has spent Rs. 60.11 Lakhs as CSR expenses during the reporting period and has complied with the CSR provision.

22. The company is not required to prepare Consolidated financial statement and hence this clause is not applicable.

"As per our report of even date"  
**For, M/s P. G. Ghali & Co.,**  
Chartered Accountants  
FRN: 011092S  
P.R.C.No.013376

Date: 11<sup>th</sup> May 2024  
Place: Belagavi

**Sd/-**  
**(CA. Praveen P. Ghali)**  
Partner  
M. No: 215756  
UDIN: 24215756BKATI4389

## ANNEXURE (B)

### TO THE AUDITOR'S REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31st MARCH, 2024.

#### **REPORT ON INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF COMPANIES ACT, 2013.**

We have audited the internal financial controls over financial reporting of "**VISHWARAJ SUGAR INDUSTRIES LIMITED**" as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 ICAI.

*"As per our report of even date"*

**For, M/s P. G. Ghali & Co.,**

Chartered Accountants

FRN: 011092S

P.R.C.No.013376

**Sd/-**

**(CA. Praveen P. Ghali)**

Partner

M. No: 215756

UDIN: 24215756BKATI4389

Date: 11<sup>th</sup> May 2024

Place: Belagavi

## Audited Balance Sheet as at 31<sup>st</sup> March, 2024

(Rs. in Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property plant and Equipment	2	28,664.68	29,807.16
Capital Work Inprogress	2	12,429.31	401.93
Intangible assets		0.00	0.00
<b>Financial assets</b>			
Investments	3	130.77	130.77
Other financial assets	4	372.25	445.90
Deferred tax Assets (net)	14	0.00	0.00
Other non current assets	5	0.00	0.00
		<b>41,597.01</b>	<b>30,785.76</b>
<b>Current assets</b>			
Inventories	6	27,653.31	30,305.29
Financial assets			
Investments	3	0.00	0.00
Trade receivables	7	4,063.85	4,330.24
Cash and cash equivalent	8	119.27	169.50
Other Bank Balances	9	0.00	89.35
Other financial assets	4	0.00	8.43
Other current assets	5	6,483.25	6,928.49
		<b>38,319.68</b>	<b>41,831.29</b>
		<b>79,916.70</b>	<b>72,617.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	3,755.60	3,755.60
Other Equity	11	23,073.51	21,804.33
		<b>26,829.11</b>	<b>25,559.93</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	12	7,465.68	8,236.09
Long Term Provisions	13	331.51	300.12
Deferred tax liabilities (net)	14	3,665.65	3,517.13
Other non-current liabilities	15	0.00	0.00
		<b>11,462.84</b>	<b>12,053.34</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	12	29,086.39	27,322.76
Trade payables	16	9,790.85	6,137.12
Other financial liabilities	17	1,169.63	426.13
Other current liabilities	15	552.34	532.22
Provisions	18	1,025.54	585.56
		<b>41,624.75</b>	<b>35,003.79</b>
<b>TOTAL</b>		<b>79,916.70</b>	<b>72,617.06</b>

The accompanying notes 01 to 52 form an integral part of the financial statements.

"As per our report of even date"

**For M/s. P. G. Ghali & Co.,**

Chartered Accountants

FRN.011092S

P.R.C.No.013376

**(CA. Praveen P. Ghali)**

Partner

M.No: 215756

UDIN:24215756BKATI4389

Place: Belgaum.

Date: 11-05-2024

**For and on behalf of Board**

**(Nikhil U. Katti)**  
Managing Director  
DIN.02505734

**(Sheshagiri H. Kulkarni)**  
Chief Financial officer

**(Mukesh Kumar)**  
Executive Director  
DIN.02827073

**(CS. Priya Dedhia)**  
Company Secretary



# Audited Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2024

(Rs. in Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>Income</b>			
Revenue from operations	19	54,970.30	61,649.49
Other income	20	250.21	286.47
<b>Total Revenue</b>		<b>55,220.51</b>	<b>61,935.96</b>
<b>Expenses</b>			
Cost of materials consumed	21	36,551.77	39,386.29
Changes in inventories	22	2,708.59	6,313.05
Other Manufacturing expenses	23	4,867.14	4,892.71
Excise and Service Tax	-	0.00	0.00
Employee benefits expense	24	2,064.87	2,026.95
Finance costs	25	3,049.61	2,753.65
Depreciation and amortization expense	2	1,590.54	1,597.69
Other expenses	26	2,159.63	2,410.90
<b>Total Expenses</b>		<b>52,992.15</b>	<b>59,381.22</b>
<b>Profit before tax</b>		<b>2,228.36</b>	<b>2,554.71</b>
<b>Tax expense</b>			
(1) Current tax		630.08	376.92
(2) Excess tax Provision reversed FY 2020-21		0.00	0.00
(3) Excess tax Provision reversed FY 2022-22		-	(347.44)
(4) Deferred tax		148.51	4,869.81
<b>Profit/ (Loss) for the year</b>		<b>1,449.77</b>	<b>(2,344.58)</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss		10.86	24.59
Tax on items that will not be reclassified to profit or loss		(3.68)	(3.36)
<b>Items that will be reclassified to profit or loss:</b>			
Tax on items that may be reclassified to profit or loss		0.00	0.00
Items that may be reclassified subsequently to profit or loss		0.00	0.00
Total other comprehensive income/(loss) for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>1,456.95</b>	<b>(2,323.36)</b>
<b>Earnings per share:</b>			
Basic earnings per share of 2/-each		0.78	(1.24)
Diluted earnings per share of 2/- each		0.78	(1.24)

The accompanying Significant accounting policies and notes form an integral part of the financial statements.

"As per our report of even date"

**For M/s. P. G. Ghali & Co.,**

Chartered Accountants

FRN.011092S

P.R.C.No.013376

**(CA. Praveen P. Ghali)**

Partner

M.No: 215756

UDIN: 24215756BKATI4389

Place: Belgaum.

Date: 11-05-2024

**For and on behalf of Board**

**(Nikhil U. Katti)**  
Managing Director  
DIN.02505734

**(Sheshagiri H. Kulkarni)**  
Chief Financial officer

**(Mukesh Kumar)**  
Executive Director  
DIN.02827073

**(CS. Priya Dedhia)**  
Company Secretary

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

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Cash Flows from Operating Activities</b>		
Net profit before tax	2,228.36	2,554.71
<b>Adjustments for :</b>		
Depreciation and amortization expense	1,590.54	1,597.69
Finance Cost	3,049.61	2,753.65
Dividend Income	(6.55)	(7.87)
(Profit)/Loss on sale of assets	0.00	0.00
<b>Operating profit before working capital changes</b>	<b>6,861.97</b>	<b>6,898.18</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	266.39	(1,105.73)
(Increase)/Decrease in Other financial assets	82.07	61.16
(Increase)/Decrease in Inventories	2,651.97	6,374.53
(Increase)/Decrease in Other Current Assets	445.24	(3,153.53)
(Increase)/Decrease in Other Non Current Assets	0.00	(0.03)
Increase/(Decrease) in Trade Payables	3,653.73	(3,238.57)
Increase/(Decrease) in Other financial liabilities	743.51	(213.97)
Increase/(Decrease) in Other Current liabilities	20.12	(75.92)
Increase/(Decrease) in Long Term Provisions	38.58	10.92
Increase/(Decrease) in Short Term Provisions	440.00	(321.04)
Changes in Working Capital	8,341.62	(1,662.18)
<b>Cash generated from operations</b>	<b>15,203.58</b>	<b>5,236.00</b>
<b>Interest received on Deposits</b>		
Direct Taxes Paid	(630.08)	(29.49)
<b>Net Cash from operating activities (A)</b>	<b>14,573.50</b>	<b>5,206.51</b>
<b>Cash flows from Investing Activities</b>		
Dividends Received	6.55	7.87
Purchase of Fixed Assets (Including CWIP)	(12,587.69)	(1,845.44)
Sale of Fixed Assets	112.25	-
Purchase/Sale of Investment	0.00	0.00
<b>Net Cash used in Investing Activities</b>	<b>(12,468.89)</b>	<b>(1,837.57)</b>
<b>Cash flows from/(used in) Financing Activities</b>		
Proceeds from Long term borrowings	(699.67)	(2,725.25)
Repayment/(Proceeds) of/from Short-term borrowings	1,692.88	1,240.55
Interest paid	(3,049.61)	(2,753.65)
Dividend Paid	(187.78)	(187.78)
Proceedings from Share Issue	0.00	0.00
Premium on Share Issue	0.00	0.00
<b>Net Cash used in Financing Activities</b>	<b>(2,244.18)</b>	<b>(4,426.14)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(139.57)</b>	<b>(1,057.21)</b>
Cash and Cash equivalents at the beginning of the year	258.84	1,316.05
<b>Cash and Cash equivalents at the ending of the year</b>	<b>119.27</b>	<b>258.84</b>
	(0.00)	0.01

**Notes :-**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.
3. Ind AS 7 cash flow requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liability arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet disclosure requirement.



Particulars	As at 31 <sup>st</sup> March, 2023	Cash flows	As at 31 <sup>st</sup> March, 2024
Borrowings - Non Current (Excl. of Current Maturities of Long term Debt)	8,236	-770	7,466
Borrowings - Current (Incl. of Current Maturities of Long term Debt)	27,323	1,764	29,086

1 A) Components of cash & cash equivalents	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
1. Cash on hand	6.50	7.08
2. Cheques on hand	0.00	0.00
3. Balances with banks		
- In Current accounts	81.29	138.79
- Unclaimed (Unpaid) Dividend Bank Account	31.48	23.63
- Margin Money Deposit Accounts (against Bank Guarantees)	0.00	89.35
<b>Cash &amp; cash equivalents as above</b>	<b>119.27</b>	<b>258.84</b>

"As per our report of even date"

**For M/s. P. G. Ghali & Co.,**

Chartered Accountants

FRN.011092S

P.R.C.No.013376

**(CA. Praveen P. Ghali)**

Partner

M.No: 215756

UDIN:24215756BKATI4389

Place: Belgaum.

Date: 11-05-2024

**For and on behalf of Board**

**(Nikhil U. Katti)**

Managing Director

DIN.02505734

**(Sheshagiri H. Kulkarni)**

Chief Financial officer

**(Mukesh Kumar)**

Executive Director

DIN.02827073

**(CS. Priya Dedhia)**

Company Secretary

## Segment Information for the year ended 31.03.2024

(Rs. in Lakhs)

Particulars	Year ended	
	31.03.2024 (Audited)	31.03.2023 (Audited)
<b>1. Segment revenue</b>		
<b>Income from Operations</b>		
(a) Sugar	30,847.68	37,865.02
(b) Co-generation	4,269.07	4,366.90
(c) Distillery	17,844.45	17,901.03
(d) IML	-	-
(e) Vinegar Unit	1,995.23	1,389.37
<b>Other operating income</b>		
(a) Others	13.87	127.18
(b) Unallocable revenue	-	-
Less: Inter segment revenue		-
<b>Income from operations (net)</b>	<b>54,970.30</b>	<b>61,649.49</b>
<b>2. Segment Results</b>		
(a) Sugar	(9,941.40)	(13,007.61)
(b) Co-generation	2,095.14	2,298.73
(c) Distillery	12,445.14	15,844.51
(d) IML	112.35	97.52
(e) Vinegar Unit	1,569.50	900.73
Less: Unallocable (expenditure)/revenue:		
(a) Finance Costs	3,049.61	2,753.65
(b) Other expenditure (net of other income)	1,002.75	825.52
<b>Profit before tax</b>	<b>2,228.36</b>	<b>2,554.71</b>
<b>3. Segment Assets</b>		
(a) Sugar	37,397.20	39,891.71
(b) Co-generation	7,550.28	7,564.92
(c) Distillery	28,931.02	19,853.72
(d) IML	323.56	358.19
(e) Vinegar Unit	2,589.42	2,465.59
(f) Un-allocable	3,125.22	2,482.91
<b>Total assets</b>	<b>79,916.70</b>	<b>72,617.05</b>
<b>4. Segment liabilities</b>		
(a) Sugar	40,845.43	37,032.29
(b) Co-generation	-	-
(c) Distillery	1,500.00	-
(d) IML	-	-
(e) Vinegar Unit	-	-
(f) Un-allocable	37,571.27	35,584.75
<b>Total liabilities</b>	<b>79,916.70</b>	<b>72,617.05</b>

"As per our report of even date"

**For M/s. P. G. Ghali & Co.,**

Chartered Accountants

FRN.011092S

P.R.C.No.013376

**(CA. Praveen P. Ghali)**

Partner

M.No: 215756

UDIN:24215756BKATI4389

Place: Belgaum.

Date: 11-05-2024

**For and on behalf of Board**

**(Nikhil U. Katti)**

Managing Director

DIN.02505734

**(Sheshagiri H. Kulkarni)**

Chief Financial officer

**(Mukesh Kumar)**

Executive Director

DIN.02827073

**(CS. Priya Dedhia)**

Company Secretary



## Statement of changes in equity

Name of the company  
Statement of changes in equity for the period ended 31.03.2024

**2023-24**

(Rs. in Lakhs)

Equity share capital	Opening balance as at 01/04/2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01/04/2023	Changes in equity share capital during the year	Closing balance as at 31/03/2024
18,77,80,000 Equity Share of Rs.2/- each fully paid up	3,756	-	3,756	3,756	3,756
	<b>3,756</b>	-	<b>3,756</b>	<b>3,756</b>	<b>3,756</b>

Particulars	Retained Earnings	General Reserve	Capital Reserve	Actuarial	Total Equity
Balance as at 1/4/2023	18,724.16	-	2,966.39	113.78	21,804.34
Profit for the year	1,449.78	-	-	-	1,449.78
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	7.18	7.18
Proposed Dividend Reversed 2023	-	-	-	-	187.78
Proposed Dividend*	(375.56)	-	-	-	(375.56)
<b>Balance as at 31/03/2024</b>	<b>19,798.37</b>	-	<b>2,966.39</b>	<b>120.96</b>	<b>23073.52</b>

\* Dividend has been proposed by the board @ 10% of the Paid up share capital and subjected to approval by the shareholders in the Annual general meeting.

**2022-23**

(Rs. in Lakhs)

Equity share capital	Opening balance as at 01/04/2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01/04/2022	Changes in equity share capital during the year	Closing balance as at 31/03/2023
3,75,56,000 Equity Shares of Rs.10 each, fully paid up	3,756	-	3,756	-	-
	<b>3,756</b>	-	-	<b>3,756</b>	-

Particulars	Retained Earnings	General Reserve	Capital Reserve	Actuarial Gains or Losses	Total Equity
Balance as at 1/4/2022	21,444.31	-	2,966.39	92.56	24,503.26
Profit for the year	(2,344.58)	-	-	-	(2,344.59)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	21.23	21.23
Interim Dividend Paid	(187.78)	-	-	-	(187.78)
Proposed Dividend*	(187.78)	-	-	-	(187.78)
<b>Balance as at 31/03/2023</b>	<b>18,724.17</b>	-	<b>2,966.39</b>	<b>113.79</b>	<b>21,804.34</b>

\* Dividend has been proposed by the board @10% of the Paid up share capital and subjected to approval by the shareholders in the Annual general meeting.

## Note 1. Overview and Notes to the Financial Statements

### 1.1. Company overview:

Vishwaraj Sugar Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at BelladBagewadi, Taluka Hukkeri, Belgaum – 591305, Karnataka, India. The company's operations comprises of Production of sugar, alcoholic spirits by distillation including ethanol, blending and bottling of Indian made foreign liquor (IMFL), vinegar and generation of power.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India

### 1.2. Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (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 relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

### 1.3. Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the

date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 1.4. Critical accounting estimates and judgments

**Revenue Recognition:** The Company recognizes revenue from Sale of Goods when it transfers the property in Goods to the buyer for a price or all significant risks and rewards of ownership has been transferred to the buyer and no significant uncertainty exists as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. Sales have been stated exclusive of Excise Duty (except IMFL sales) and GST. Other revenue is recognized only when it is reasonably certain that the ultimate collection will be made. The same is in compliance with Ind AS-18 to the extent applicable.

### 1.5. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on reference with Schedule-II to the Companies Act, 2013 and historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



## 1.6. Leases

Interests in leasehold land are recorded and classified as operating leases or finance leases as per set definition and classification criteria. An important consideration is that the land has an indefinite economic life. Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset.

## 1.7. Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future.

## 1.8. Income taxes:

The company has made Provision for Current taxes as per sec.115BAA tax rate as per Income tax act,1961 during the year. The option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for the income tax for the year ended 31.03.2024.

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. The DTA & DTL of various items has been accounted individually item wise from FY 2022-23 instead of giving only net effect to the opening balance.

## 2. Property, plant and equipment

(Rs. in Lakhs)

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2023
Land	742.61	-	-	742.61	-	-	-	-	742.61
Factory Buildings	6,071.37	60.93	-	6,132.30	1,268.84	223.00	-	1,491.84	4,802.53
Other Building	3,274.67	-	-	3,274.67	370.34	53.80	-	424.14	2,904.33
Plant and equipment	28,556.51	467.95	226.19	28,798.27	7,624.80	1,246.72	118	8,753.32	20,931.71
Vehicles	589.20	24.67	62.09	551.77	240.25	51.73	57.84	234.14	348.95
Office Equipment	103.56	6.24	-	109.80	58.26	10.95	-	69.21	45.30
Furniture & Fixtures	97.18	0.53	-	97.71	65.44	4.35	-	69.79	31.74
	<b>39,435.10</b>	<b>560.31</b>	<b>288.28</b>	<b>39,707.12</b>	<b>9,627.93</b>	<b>1,590.54</b>	<b>176.03</b>	<b>11,042.44</b>	<b>29,807.16</b>
Capital Work in Progress	401.93	12,027.38	-	12,429.31	-	-	-	-	401.93
<b>Total</b>	<b>39,837.03</b>	<b>12,587.69</b>	<b>288.28</b>	<b>52,136.44</b>	<b>9,627.93</b>	<b>1,590.54</b>	<b>176.03</b>	<b>11,042.44</b>	<b>30,209.09</b>

Note: Depreciation is calculated as per schedule II of Companies act, 2013.

(Rs. in Lakhs)

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2022
Land	741.03	2	-	742.61	-	-	-	-	741.03
Factory Buildings	5,583.18	488.19	-	6,071.37	1,047.34	221.50	-	1,268.84	4,535.84
Other Building	3,274.67	-	-	3,274.67	316.27	54.07	-	370.34	2,958.40
Plant and equipment	27,735.56	820.95	-	28,556.51	6,375.64	1,249.16	-	7,624.80	21,359.92
Vehicles	464.63	124.56	-	589.20	185.41	54.84	-	240.25	279.23
Office Equipment	98.71	4.85	-	103.56	48.19	10.07	-	58.26	50.51
Furniture & Fixtures	93.80	3.38	-	97.18	57.39	8.05	-	65.44	36.41
	<b>37,991.58</b>	<b>1,443.52</b>	-	<b>39,435.10</b>	<b>8,030.25</b>	<b>1,597.69</b>	-	<b>9,627.93</b>	<b>29,961.33</b>
Capital Work in progress	-	401.93	-	401.93	-	-	-	-	-
<b>Total</b>	<b>37,991.58</b>	<b>1,845.45</b>	-	<b>39,837.03</b>	<b>8,030.25</b>	<b>1,597.69</b>	-	<b>9,627.93</b>	<b>29,961.33</b>

\* The Capital WIP amount reflected in the Disposal column is actually the amount transferred from Capital WIP to the Respective Capital Assets when capitalised.





### 3. Investments

(Rs. in Lakhs)

Particulars	2024		2023	
	Current	Non Current	Current	Non Current
<b>Unquoted investments in equity instruments at FVTPL</b>				
Bellad Bagewadi Urban Souhard Sahakari Shares (100 shares of Rs. 10/- each)	-	0.10	-	0.10
BDCC Bank Shares (26128 shares of Rs. 500/- each)	-	130.64	-	130.64
SVC Bank Shares (25 shares of Rs. 120/- each)	-	0.03	-	-
<b>Equity Shares Fully Paid-up (unquoted)</b>	-	<b>130.77</b>	-	<b>130.77</b>
<b>Aggregate amount of unquoted investments</b>	-	<b>130.77</b>	-	<b>130.77</b>
<b>Total Investments</b>	-	<b>130.77</b>	-	<b>130.77</b>

### 4. Other Financial Assets

(Rs. in Lakhs)

Security Deposits	-	372.25	-	445.90
Other Financial Assets	-	-	8.43	-
<b>TOTAL</b>	-	<b>372.25</b>	<b>8.43</b>	<b>445.90</b>

### 5. Other Non Current Assets and Current Assets

(Rs. in Lakhs)

Deposits/Balances with Statutory Authorities	1,275.80	-	654.85	-
Other Current Assets (includes Advances to Suppliers & Services)	5,207.45	-	6,273.64	-
<b>TOTAL</b>	<b>6,483.25</b>	-	<b>6,928.49</b>	-

### 6. Inventories

(Rs. in Lakhs)

Particulars	Current 2024	Current 2023
<b>Valued at lower of cost and net realisable value.</b>		
- Raw Materials	8,021.19	11,781.41
- Process Stocks	-	-
- Stores & Spares	1,024.97	968.37
- Finished Goods	18,607.15	17,555.51
<b>TOTAL</b>	<b>27,653.31</b>	<b>30,305.29</b>

### 7. Trade receivables

(Rs. in Lakhs)

Particulars	Current 2024	Current 2023
<b>Trade Receivables</b>		
<b>Unsecured, considered good</b>		
<b>Related Parties</b>		
- Doubtful	-	-
- Other Debts -Good	120.67	56.60
<b>Others</b>		
- Doubtful	-	-
- Other Debts -Good	5,087.53	5,246.16
	<b>5,214.20</b>	<b>5,302.76</b>
Less: Allowances for credit losses	1,150.35	972.52
Less: Bad debts Written off	-	-
<b>TOTAL</b>	<b>4,063.85</b>	<b>4,330.24</b>

### Trade Receivables Classification

(Rs. in Lakhs)

Particulars	2024	2023
<b>Unsecured</b>		
O/s More than six months		
- Promoter/Promoter group	17.64	-
- Others	2,258.48	2,482.24
O/s Less than six months		
- Promoter/Promoter group	109.03	56.60
- Others	2,829.04	2,763.91
	<b>5,214.20</b>	<b>5,302.75</b>

Note: For Ageing schedule of Trade Receivable refer note no.50

### 8. Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	2024	2023
<b>a) Cash and Cash equivalents</b>		
i) Cash on hand	6.50	7.08
ii) Balances with banks		
- Current Accounts	81.29	138.79
- On Deposit Accounts	-	-
iii) Unclaimed (unpaid) Dividend Bank Account	31.48	23.63
	<b>119.27</b>	<b>169.50</b>

### 9. Other Bank Balances

(Rs. in Lakhs)

Particulars	2024	2023
<b>b) Other Bank Balances (with restricted use)</b>		
i) Margin Money Deposit Accounts (against Bank Guarantees)	-	89.35
<b>Total</b>	<b>-</b>	<b>89.35</b>

### 10. Share Capital

(Rs. in Lakhs)

Particulars	2024	2023
<b>Authorized Share Capital</b>		
30,00,00,000 Equity Shares of Rs.2 each* (Previous year :6,00,00,000 Equity Shares of Rs.10 each)	6000.00	6000.00
<b>Issued Subscribed and Paid up Share Capital</b>		
18,77,80,000 Equity Share of Rs.2/- each fully paid up* (Previous year :3,75,56,000 Equity Shares of Rs.10 each, fully paid up)	3755.60	3755.60
	<b>3755.60</b>	<b>3755.60</b>
<b>Details of shareholders holding more than 5% shares :</b>	<b>No. of shares</b>	<b>% Holding</b>
1. Nikhil Umesh Katti	2,55,57,195	13.61%
	<b>No. of shares</b>	<b>% Holding</b>
	2,55,57,195	13.61%

\* The Rs. 10/- face value Equity shares of the company has been sub-divided into Face value of Rs. 2/- per share w.e.f from 22<sup>nd</sup> october,2021.

### 10.1 Reconciliation of Number of Shares :

(Rs. in Lakhs)

Particulars	2024	2023
Number of Shares at the beginning of the year	1,877.80	1,877.80
Add : Shares issued during the year	0.00	-
<b>Number of Shares at the end of the year</b>	<b>1,877.80</b>	<b>1,877.80</b>



## 10.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. .

## 10.3 Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of total shares	% Change during the year
1 Nikhil Umesh Katti	2,55,57,195	13.61	-
2 Sneha Nithin Dev	22,46,250	1.20	-
3 Kush Ramesh Katti	57,25,375	3.05	-
4 Lava Ramesh Katti	65,01,375	3.46	-
5 Jayashree Ramesh Katti	62,94,000	3.35	-
6 Sheela Umesh Katti	57,05,000	3.04	-
7 Ramesh Vishwanath Katti	66,44,750	3.54	-
<b>Total</b>	<b>5,86,73,945</b>		
<b>Promoters Group</b>			
1 Basavaraj S Uttur	10,00,000	0.53	-
2 Satish Mahalingappa Ghuli	5,100	0.00	-
3 Ravindra Shrikant Katti	22,85,672	1.22	-
4 Yuvaraj Chunamure	5,000	0.00	-
5 Ghuli Suhas Mahaling	5,000	0.00	-
6 Abhinandan Dhanapal Khemalapur	12,61,093	0.67	-
7 Ramesh Shiralkar	11,500	0.01	-
8 Padmaja Katti	25,000	0.01	-
<b>Total</b>	<b>45,98,365</b>		

## 11. Other Equity

(Rs. in Lakhs)

Particulars	2024	2023
<b>Security Premium</b>		
Opening Balance	2,966.39	2,966.39
Add / (Less): Changes during the year	-	-
Add: Premium on share capital	-	-
Less: Utilized/transfer during the period	-	-
<b>Closing Balance</b>	<b>2,966.39</b>	<b>2,966.39</b>
<b>Profit &amp; Loss A/c</b>		
(i) Opening Balance	18,724.17	21,444.31
Add/(Less): Changes during the year	-	-
Less: Transitional Adjustments	-	-
Deferred Tax on account of IND AS	-	-
Expected Credit Loss	-	-
Finance cost de-recognised based on effective interest cost	-	-
Measurement of Employee benefit at Fair Value	-	-
Actuarial Gain/(loss) in OCI	120.96	113.78
(ii) Add: Profit for the year	1,449.78	(2,344.58)
Less: Proposed Dividend (@ 10% on paid up capital)	375.56	375.56
Less: Dividend Distribution Tax	-	-
Add: Proposed Dividend Reversed for 2022-23	187.78	-
Net Profit Transfer to Reserves	1,262.00	(2,720.14)
<b>Closing Balance</b>	<b>19,986.17</b>	<b>18,724.17</b>
	<b>23,073.52</b>	<b>21,804.34</b>

## 12. Borrowings

(Rs. in Lakhs)

Particulars	2024		2023	
	Current	Non Current	Current	Non Current
<b>Secured Borrowings:</b>				
loans from Banks				
- Term Loans (#1)		7,390.69		8,167.77
- Hypothecation Loans for Vehicles (#2)		74.99		68.32
Working Capital facilities (#3)	27,181.66	-	25,488.78	-
Unsecured Borrowings		-		-
<b>Total</b>	<b>27,181.66</b>	<b>7,465.68</b>	<b>25,488.78</b>	<b>8,236.09</b>
Add: Current Maturities of Long Term Debt	1,904.73	-	1,833.98	
	<b>29,086.39</b>	<b>7,465.68</b>	<b>27,322.76</b>	<b>8,236.09</b>

### Terms and conditions

#### #1. Details of Term Loans from Banks are as follows:

Name of the Lender	Date of Sanction	Amount Sanctioned (Rs. in lakhs)	Rate of Interest	Repayment Schedule	Details of Security
Bank of India	16.03.2022	4,428.00	9.25%	Repayable in 48 equal Monthly installments of Rs.108.92 lakhs	2nd Charge on Fixed Assets on Sugar, Cogen & Distillery Unit
SVC Bank Hubli	08.11.2023	5,300.00	11.25%	Repayable in 28 Quarterly installments of Rs.189.30 lakhs.	First Charge on Fixed Assets on Sugar, Cogen & Distillery Unit
Interest Free Loan on conversion of State Purchase Tax into loan by State Govt of Karnataka as per order.	27.03.2024	2,780.77	0.00%	Repayable in 10 yearly installments of Rs.278.07 lakhs	NA

#### #2. Details of Vehicle Loans from Banks are as follows:

Name of the Lender	Amount Sanctioned (Rs. In lakhs)	Rate of Interest	Repayment Schedule	Details of Security
Bank of India - Bolero	20.80	9.05%	Repayable in monthly installments of Rs. 0.35 lakhs each	Vehicles
Sate Bank of India, ZLX Bolero Loan	9.00	9.00%	Repayable in monthly installments of Rs. 0.19 lakhs each	Vehicles
State Bank of India, Carnival Loan	28.00	8.35%	Repayable in monthly installments of Rs. 0.83 lakhs each	Vehicles
Bank of India, Innova Vehicle Loan	42.00	8.25%	Repayable in monthly installments of Rs. 0.66 lakhs each	Vehicles

#3. The Working Capital Loan is in the form of Cash credit from Bank of India, State bank of India & SVC Bank was secured by pledge of sugar and Other Stock and Receivables.

**13. Long Term Provisions**

(Rs. in Lakhs)

Particulars	2024	2023
<b>Employee Benefits</b>		
Gratuity	331.51	300.12
	<b>331.51</b>	<b>300.12</b>

**14. Deffered Tax (Assets)/Liabilities**

(Rs. in Lakhs)

Particulars	2024	2023
Opening Balance	3517.13	1352.68
Add : Mat Credit Entitlement	-	-
Less : On account of depreciation & Accumulated Losses	(3.12)	(4046.73)
Less : On account of Provision for gratuity	(7.66)	80.78
Less: Accumulated loss c/f now setoff	204.06	204.06
Less:On account of Expected Credit Loss	(44.76)	244.76
Less:Reversal of Opening DTA Provision	0.00	(1352.68)
<b>Closing Balance (Assets)/Liabilities</b>	<b>3665.65</b>	<b>(3517.13)</b>

#refer Note-28

**15. Other Non Current Liabilities & Current liabilities**

(Rs. in Lakhs)

Particulars	2024		2023	
	Current	Non Current	Current	Non Current
Statutory Dues Payable	309.29	-	255.28	-
Other Payables	243.05	-	276.94	-
<b>Total</b>	<b>552.34</b>	<b>-</b>	<b>532.22</b>	<b>-</b>

**16. Trade Payables**

(Rs. in Lakhs)

Particulars	2024	2023
Due to Micro & Small Enterprises	173.21	-
<b>Dues to others</b>		
For Others	9,617.64	6,137.12
<b>Total</b>	<b>9,790.85</b>	<b>6,137.12</b>

**Note:-** 1. There is no sufficient information available with the company regarding Micro and Small enterprises Vendors, hence it is not possible to identify vendors as Micro and Small enterprises

2. For Ageing schedule of Trade payable refer note no.51

**17. Other financial liabilities**

(Rs. in Lakhs)

Particulars	2024	2023
Trade Deposits & Advances	312.03	87.56
Other Financial Liabilities	857.60	338.57
<b>Total</b>	<b>1169.63</b>	<b>426.13</b>

**18. Provisions**

(Rs. in Lakhs)

Particulars	2024	2023
Gratuity Provision (#refer Note-38)	19.91	20.85
Provision for tax	630.08	376.93
Proposed Dividend on Equity shares	375.56	187.78
<b>Total</b>	<b>1025.54</b>	<b>585.56</b>

**19. Revenue from operations**

(Rs. in Lakhs)

Particulars	2024	2023
Sales (Inclusive of Excise duty)	54,970.30	61,512.12
Other Operating Revenue (Export & Buffer stock Subsidy)	-	137.37
<b>Revenue from operations</b>	<b>54,970.30</b>	<b>61,649.49</b>

**20. Other income**

(Rs. in Lakhs)

Particulars	2024	2023
Dividend Income	6.55	7.87
Rental Income	165.44	166.01
Insurance Claims and Income	34.58	38.05
Other Non - Operating Income	43.64	74.54
<b>Total</b>	<b>250.21</b>	<b>286.47</b>

**21. Cost of materials consumed**

(Rs. in Lakhs)

Particulars	2024	2023
Raw Materials Consumed	35,329.33	37,945.67
Stores, Spares, Chemicals & Packing Materials Consumed	1,222.44	1,440.62
<b>Total</b>	<b>36,551.77</b>	<b>39,386.29</b>

**22. Changes in inventories**

(Rs. in Lakhs)

Particulars	2024	2023
<b>Raw Material</b>		
Opening	11,781.41	11,275.67
Closing	8,021.19	11,781.41
	<b>3,760.22</b>	<b>(505.74)</b>
<b>Work-in-progress</b>		
Opening	-	-
Closing	-	-
	-	-
<b>Stores &amp; Spares</b>		
Opening	-	-
Closing	-	-
	-	-
<b>Finished goods</b>		
Opening	17,555.51	24,374.29
Closing	18,607.15	17,555.51
	(1,051.64)	6,818.78
<b>Total</b>	<b>2,708.59</b>	<b>6,313.04</b>

**23. Other Manufacturing Expenses**

(Rs. in Lakhs)

Particulars	2024	2023
Processing, Transportation and Other Charges	1,785.60	1,583.03
Power & Fuel	1,396.09	1,640.37
Repairs - Plant & Machinery	1,685.44	1,669.30
<b>Total</b>	<b>4,867.14</b>	<b>4,892.70</b>

**24. Employee benefits expense**

(Rs. in Lakhs)

Particulars	2024	2023
Salaries and Wages to employees	1,711.99	1,653.76
Contribution to Provident and other Funds	130.68	123.64
Staff Welfare Expenses	222.20	249.55
<b>Total</b>	<b>2,064.87</b>	<b>2,026.95</b>

**25. Finance costs**

(Rs. in Lakhs)

Particulars	2024	2023
Interest Expense	2,917.37	2,602.56
Other borrowing costs	132.24	151.09
<b>Total</b>	<b>3,049.61</b>	<b>2,753.65</b>

**26. Other expenses**

(Rs. in Lakhs)

Particulars	2024	2023
Rent	9.37	8.35
Advertisement, Publicity & Sales Promotion	181.17	243.15
Insurance	196.78	141.90
Travelling Expenditure	30.94	26.54
Vehicle Running & Maintenance	343.84	386.08
Printing & Stationery	8.74	7.41
Communication Expenses	7.75	7.78
Legal, Professional & Consultancy Charges	200.87	150.23
Discount, Rebate & Commission on Power sale	370.54	564.34
Loss/(Gain) on Sale / Disposal of Fixed Assets	75.79	-
Freight Charges	15.93	10.39
Donation	2.00	2.00
Licence Fees & Taxes	246.24	259.72
Corporate Social Responsibility Expenses	30.00	60.11
Other Miscellaneous Exp	261.84	293.70
Expected Credit Loss	177.83	249.21
<b>Total</b>	<b>2,159.63</b>	<b>2,410.90</b>

**27. Corporate Social Responsibility expenditure**

(Rs. in Lakhs)

Particulars	2024	2023
a) Amount required to be spent	30.00	40.38
b) Amount Spent	30.00	60.11

The Company is not liable to Corporate Social Responsibility expenditure as per company's act, 2013 during the reporting period.

**28. Tax expenses:****(a) Income tax expense recognised in the statement of profit and loss**

(Rs. in Lakhs)

Particulars	2024	2023
a) Current Tax	630.08	376.92
b) Deferred Tax	148.51	4869.81
c) Excess tax provision reversed	0.00	(347.44)

**(b) Deferred tax assets & Liabilities:**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

(Rs. in Lakhs)

Particulars	2024	2023
<b>Deferred tax( assets)/liabilities:</b>		
Property, plant and equipment	-3.13	4046.73
MAT Credit Entitlement	0.00	0.00
Accumulated Losses	204.06	(204.06)
43B Disallowances	-52.42	(325.54)
<b>Net deferred tax (assets)/liabilities</b>	<b>148.51</b>	<b>3517.13</b>

The DTA & DTL of various items has been accounted individually itemwise from FY 2023-24 instead of giving only net effect to the opening balance.same is reflected in note-14.

**(c) Income tax expense recognised in other comprehensive income.**

(Rs. in Lakhs)

Particulars	2024	2023
a) Tax effect on re measurement of defined benefit obligation	(3.38)	(3.36)

**29. Auditors Remuneration.**

(Rs. in Lakhs)

Particulars	2024	2023
a) Audit fees	5.00	5.00
b) For Other Matters	2.00	2.00
<b>TOTAL</b>	<b>7.00</b>	<b>7.00</b>

**30. Earnings per Share**

(Rs. in Lakhs)

Particulars	2024	2023
Net Profit attributable to equity holders	1449.77	(2323.36)
Weighted average number of equity shares	3755.60	3755.60
Total weighted average number of equity shares outstanding at the end of the year	3755.60	3755.60
Add : Effect of division of face value of equity shares *	-	-
Add: Effect of Bonus Equity shares issued	-	-
Total weighted average number of equity shares outstanding at the end of the year	3755.60	3755.60
Nominal Value per Equity Share*	2	2
<b>Basic EPS (In Rs.)</b>	<b>0.78</b>	<b>(1.24)</b>
<b>Diluted EPS (In Rs.)</b>	<b>0.78</b>	<b>(1.24)</b>

**31. Contingent liabilities and commitments.**

(Rs. in Lakhs)

Particulars	2024	2023
a) Court Cases	1814.61	1315.08
b) Bank Guarantee	0.00	107.89
<b>Total</b>	<b>1814.61</b>	<b>1422.97</b>

\* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



### 32. Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

2024	2023
Sheela Umesh Katti	Late. Umesh V Katti (Till 06-09-2022)
Ramesh V Katti	Sheela Umesh Katti
Nikhil U Katti	Ramesh V Katti
Lava R Katti	Nikhil U Katti
Kush R Katti	Lava R Katti
Mukesh Kumar	Kush R Katti
Mallikarjun J Pujar	Mukesh Kumar
Priya Dedhia	Mallikarjun J Pujar
Sheshagiri H Kulkarni	Priya Dedhia
Sneha Nithin Dev	Sheshagiri H. Kulkarni
Jayashree R Katti	Sneha Nithin Dev
	Jayashree R Katti

\*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 -Employee Benefit. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

The following is a summary of significant related party transactions:

(Rs. in Lakhs)

Name of Related Party	As at 31st March, 2024	As at 31st March, 2023
<b>DIRECTORS REMUNERATION</b>		
Mr. Nikhil Katti	5.00	60.00
Mr. Mukesh Kumar	48.00	48.00
Mr. Lava Katti	0.00	12.50
Mr. Kush Katti	36.00	30.00
Mrs. SnehaNithin Dev	30.00	13.87
<b>SALARY</b>		
Mr. Lava Katti	38.50	12.50
Mr. MallikarjunPujar	8.87	8.87
Mr. Sheshagiri Kulkarni	8.05	8.05
Mrs. PriyaDedhia	3.24	3.24
<b>PURCHASES</b>		
Mr. Ramesh V Katti	21.77	13.21
Mrs. Sheela Umesh Katti	51.19	25.68
Mrs. Jayashree R Katti	33.61	5.45
Mr. Nikhil Katti	52.27	37.65
Mr. Lava Katti	47.12	84.08
Mr. Kush Katti	50.02	38.70
Mr. MallikarjunPujar	9.65	6.49
<b>DIVIDEND PAID</b>		
Mr. Umesh V. Katti	0.00	14.19
Ramesh V. Katti	0.00	19.93
Mrs. Sheela U Katti	0.00	17.12
Mr. Nikhil Katti	0.00	62.49
Mr. Lava Katti	0.00	19.50
Mr. Kush Katti	0.00	17.18
Mr. SnehaNithin Dev	0.00	6.74
Mrs. Jayashree R Katti	0.00	18.88
<b>PURCHASE ADVANCE</b>		
Mr. Nikhil U Katti	40.78	40.78
Mr. Lava R Katti	52.47	52.47
Mr. Kush R Katti	57.24	57.24
<b>LEASE SECURITY DEPOSIT</b>		
Mr. Nikhil Katti	200.00	200.00

\*In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm’s length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm’s length price.

**Associates / Enterprises over which directors and / or their relatives has significant influence**

2024	2023
U R Agrofresh Private Limited	U R Agrofresh Private Limited
Vishwaraj Infrastructure Private Limited	Vishwaraj Infrastructure Private Limited
UK27 Hospitality Services (India) Limited	UK27 Hospitality Services (India) Limited
M/s Vishwaraj Developers	M/s Vishwaraj Developers
Vishwaraj Encivil India Private Limited	Vishwaraj Encivil India Private Limited
UK Ventures	UK Ventures
UR Sugar Industries Limited	UR Sugar Industries Limited

The following is a summary of significant related transactions with the entities having significant influence.

(Rs. in Lakhs)

Name of Related Party	As at 31st March, 2024	As at 31st March, 2023
<b>UR Agro Fresh Private Limited</b>		
Sales during the year	158.36	82.67
Receivables	126.49	56.27
<b>Advances</b>		
Opening Balance o/s	325.00	325.00
Advances given during the year	0.00	0.00
Closing Balance o/s	325.00	325.00
<b>UK 27 Hospitality services (India) Limited</b>		
Sales	1.66	1.72
Receivables	0.18	0.33
TA & DA Expenses	0.72	0.85
TA & DA Payable Outstanding	0.00	0.08

**33. Fair value measurements**
**(i) Financial instruments by category**

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>				
Investments	130.77	-	130.77	-
Loans	-	-	-	-
Trade Receivables	4071.23	-	4330.24	-
Cash & Cash Equivalents	119.27	-	169.50	-
Bank Balances other than cash & cash Equivalents	-	-	89.35	-
Other Financial Assets	372.25	-	445.90	-
<b>Financial Liabilities</b>				
Borrowings	-	36,552.06	-	35,558.85
Trade Payables	9992.72		6137.12	
Other Financial Liabilities	967.77		426.13	

\*Regrouped as per Revised schedule iii.

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.



### 34. Earnings/expenditure in foreign currency:

#### Expenditure in Foreign currency:

(Rs. in Lakhs)

Particulars	2024	2023
<b>Earnings in Foreign currency</b>		
INR	27.74	-
<b>Expenditure in Foreign currency</b>		
- USD	4.99	4.50
- Euro	45.89	84.66

### 35. Segment Reporting:

The company has identified products wise and unit wise segments i.e. Sugar, Co-generation, Distillery, Vinegar & IML at factory site, respectively of Products & Unit based on return and risk .Hence, the same becomes the reportable segments for the Company. Accordingly, the Company has above operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are made. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

### 36. Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

#### A. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

**Trade and Other Receivables** - The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented.

#### Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including term deposits were past due or impaired for the periods presented.

The Company's credit period for customers generally ranges from 30 - 90 days.

#### B. Market Risks:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies

#### C. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of

a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

### 37. Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(Rs. in Lakhs)

Particulars	2024	2023
Total Debt	36552.06	35558.85
Less: Cash and cash equivalents	119.27	169.50
<b>Net Debt</b>	<b>36432.79</b>	<b>35389.35</b>
Equity Share Capital	3755.60	3755.60
Other Equity	23073.51	21804.34
<b>Total Equity Attributable to Owners</b>	<b>26829.11</b>	<b>25559.94</b>
<b>Net Debt to Equity Ratio</b>	<b>1.36 : 1</b>	<b>1.38 : 1</b>

### 38. Gratuity

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service up to a maximum of Rs. 10 Lakhs.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Future Salary rise	7.00%	7.00%
Discount rate	7.25%	7.50%
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate	5%	5%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards

The components of gratuity cost recognised in the statement of profit and loss consist of the following:

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current Service Cost	31.86	30.47
Interest cost	24.07	22.20
<b>Gratuity cost recognised in statement of profit and loss</b>	<b>55.93</b>	<b>52.67</b>

Details of the employee benefits obligations and plan assets are provided below:

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of funded obligations	351.42	320.96
Fair value of plan assets	-	-
<b>Net defined benefit liability recognized</b>	<b>351.42</b>	<b>320.96</b>

Details of changes in the present value of defined benefit obligations are as follows:

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined benefit obligations at the beginning of the year	320.96	306.25
Current service cost	31.86	30.47
Interest Cost	24.07	22.20
Remeasurement - Actuarial (gain)/loss on obligation	(10.86)	(24.59)
Benefits paid during the year	14.61	13.36
<b>Defined benefit obligations at the end of the period/ year</b>	<b>351.42</b>	<b>320.96</b>

However the company has not invested the Gratuity provision made in any manner prescribed under Payment of Gratuity Act, 1972.

### 39. Accounting for Goods & Service Tax (GST):

- The GST paid on purchase of Raw-material has been treated as cost of stock and cost of Raw-materials.
- The GST Input Tax Credit (ITC) benefit attributable to acquisition & construction of fixed Assets (other than civil works) is netted against the cost of fixed Assets in accordance with guidance note issued by ICAI and no depreciation is claimed on that part of Assets.
- GST Input Tax Credit (ITC) benefit attributable to purchase of inputs has been reduced from Manufacturing expenses.

During the year the Company has availed the GST Credit and utilized as under.

(In Rs.)

GST CREDIT	Op. Balance (Dr)	Credit	Debit	Cl. Balance (Dr)
1 CGST Credit	1320471.94	38400094.95	71585795.55	34506172.54
2 IGST Credit	8630429.28	153457637.82	155138078.66	10310870.12
3 SGST Credit	1320471.94	34558269.95	71585795.55	38347997.54
<b>Total GST Credit</b>	<b>11271373.16</b>	<b>298309669.76</b>	<b>298309669.76</b>	<b>83165040.20</b>

### 40. Secured Loans:

As on 31.03.2024, the Bank of India GECL Loan outstanding as under

- The Bank of India, Shahapur Branch, Belagavi Rs. 2,357.33 Lakhs

As on 31.03.2024, the SVC Co Operative Bank Ltd, Hubli Branch, Hubli Term Loan outstanding as under

- SVC Co Operative Bank Ltd, Hubli Branch, Hubli Rs. 3,500.37 Lakhs

As on 31.03.2024, the The BDCC Bank Ltd, Main Branch Belagavi Bridge Loan outstanding as under

- The BDCC Bank Ltd, Main Branch, Belagavi Rs. 1,500.00 Lakhs

The Working Capital Loan in the form of Cash Credit from Bank of India & State Bank of India Cash Credit was secured by pledge of Sugar. The Loan outstanding as on 31.03.2024 is as under.

- Bank of India, Shahapur Branch, Belagavi Rs. 8,770.33 Lakhs
- State Bank of India, SME Branch, Belagavi Rs. 4,887.37 Lakhs

The Working Capital Loan in the form of Cash Credit Hypothecation from SVC Co-operative Bank is secured by pledge of Other Stocks. The Loan outstanding as on 31.03.2024 is as under.

- SVC Co Operative Bank Ltd, Hubli Branch, Hubli Rs. 5,660.96 Lakhs

#### The Term Hypothecation Loan Details:

Sl.No	Particulars	Rs.in Lakhs	Bank Name
1	Bolero ZLX	0.73	SBI Belagavi
2	Carvinal	19.76	SBI Belagavi
3	Innova	34.77	BOI Belagavi
4	Bolero	19.52	BOI Belagavi

The Term Hypothecation Loan is secured by respective Hypothecation of Vehicles.

The Term Loan Installments due during next 12 months have been included under Short Term Borrowings.

**41. Auditors Remuneration:**

(In Lakhs)

Sl. No	Particulars	2023-24	2022-23
1	Statutory Audit Fees	5.00	5.00
2	For Other Matters	2.00	2.00

The above Remuneration is exclusive of GST.

**42. i) Distillery Unit:**

Sl. No	Particulars	Unit	2023-24	2022-23
a)	Licensed Capacity Rectified Spirit	Ltrs	1,00,000	1,00,000
b)	Installed Capacity Rectified Spirit	Ltrs	1,00,000	1,00,000
c)	Licensed Capacity Neutral Spirit	Ltrs	50,000	50,000
d)	Installed Capacity Neutral Spirit	Ltrs	50,000	50,000
e)	Licensed Capacity Ethanol	Ltrs	1,00,000	1,00,000
f)	Installed Capacity Ethanol	Ltrs	1,00,000	1,00,000

**ii) Co-generation Unit:**

Sl. No	Particulars	Unit	2023-24	2022-23
a)	Licensed Capacity Electricity	MW	36.4	36.4
b)	Installed Capacity Electricity	MW	36.4	36.4

**iii) Sugar Unit:**

Sl. No	Particulars	Unit	2023-24	2022-23
a)	Licensed Capacity Sugar Cane	MT	11000	11000
b)	Installed Capacity Sugar Cane	MT	11000	11000

**iv) IML Unit:**

Sl. No	Particulars	Unit	2023-24	2022-23
a)	Licensed IML Bottling	CB	5,000	5,000
b)	Installed IML Bottling	CB	5,000	5,000

**v) Natural Alcoholic Vinegar:**

Sl. No	Particulars	Unit	2023-24	2022-23
a)	Licensed	Ltrs	75,000	75,000
b)	Installed	Ltrs	75,000	75,000

**Note:** The Installed capacity is certified by a Director and being a technical matter same is accepted by the Auditors without verification.

**43. Production:**

Particulars	Unit	2023-24 Qty	2022-23 Qty
<b>Distillery Unit</b>			
Rectified Spirit	KL	5.73	130.93
M. G. Spirit	KL	0.00	4.89
Ethanol(Syrup)	KL	8,785.57	9,346.28
Ethanol (B Heavy)	KL	20,654.53	19,619.49
Rectified Spirit (B Heavy)	KL	2,105.46	189.70
Rectified Spirit (Syrup)	KL	0.00	1,139.80
<b>Co-gen Unit</b>			
Electricity	KWh	11,53,87,600	10,60,64,100
<b>Sugar Unit</b>			
Sugar	Qtls	8,57,200	8,93,500
Molasses (B Heavy)	MT	49,900.00	62,100.00
Bagasse	MT	2,71,100.00	2,97,800.00
Compost	MT	12,280.80	12,673.20
Molasses (C Heavy)	MT	4,800.00	0.00
Syrup	MT	22,056.48	31,242.96
<b>Vinegar Unit</b>			
Natural Alcoholic Vinegar	Ltrs	1,32,36,600.00	95,49,000.00

**44. Turnover**

GST CREDIT	Unit	2023-24		2022-23	
		Qty	Value in Lakhs	Qty	Value in Lakhs
<b>Distillery Unit</b>					
Ethanol	KL	28,225.00	17,581.95	29,206.00	17,901.03
Liquid Carbon Di Oxide	KG	-	51.12	-	35.09
Rectified Spirit (B Heavy)	KL	500.00	262.50	-	-
<b>Co-Gen Unit</b>					
Electricity	KWh	7,51,65,350	4,269.07	6,33,98,450	4,366.90
Boiler Ash	MT	-	19.28	-	12.65
<b>Sugar Unit</b>					
Sugar	QTLS	8,70,975.00	30,628.30	11,31,272.00	37,272.64
Scrap	-	-	13.87	-	116.73
Compost	Bags	1,03,773.00	148.25	1,65,724.00	235.11
Bagasse	MT	0.00	-	17,723.29	309.52
Compost	MT	30.470	0.73	-	-
Sugar Bags	-	-	-	-	10.45
<b>Vinegar Unit</b>					
Natural Alcoholic Vinegar	Ltrs	1,30,98,610.00	1,995.23	93,87,654.00	1,389.37
<b>Total</b>	-		<b>54,970.30</b>		<b>61,649.49</b>

**Consumption of Raw Materials:**

GST CREDIT	Unit	2023-24		2022-23	
		Qty	Value in Lakhs	Qty	Value in Lakhs
<b>Distillery Unit</b>					
Molasses (B Heavy)	MT	71,915.06	10,787.26	58,742.14	8,370.75
Chemicals	-	-	209.71	-	226.84
R.S. (Captive)	Ltrs	13,972.80	69.79	0.00	0.00
M G Spirit	Ltrs	13,126.30	5.25	1,39,962.70	55.99
Syrup	MT	27,376.88	4,161.12	31,299.87	4,615.33
<b>Co-generation Unit</b>					
Bagasse	MT	3,03,002.40	5,757.05	3,10,152.42	5,582.74
Chemicals	-	-	92.65	-	66.68
<b>Sugar Unit</b>					
Sugar Cane	MT	9,57,644.59	35,695.33	10,59,379.15	38,217.56
Chemicals	-	-	513.88	-	596.57
<b>Vinegar Unit</b>					
Chemicals	-	-	52.95	-	31.22
R S Consumption	Ltrs	19,17,000.00	958.50	17,11,891.00	855.95

**45. Opening Stock:**

GST CREDIT	Unit	2023-24		2022-23	
		Qty	Value in Lakhs	Qty	Value in Lakhs
<b>Distillery Unit</b>					
Rectified Spirit (B Heavy)	Ltrs	-	-	2,33,269.20	109.64
Rectified Spirit (Syrup)	Ltrs	1,39,572.80	69.79	1,02,361.00	48.11
Extra Neutral Spirit	Ltrs	1,47,495.00	82.60	1,47,495.00	82.60
M G Spirit	Ltrs	13,126.30	5.25	8,240.70	2.88
Ethanol (Syrup)	Ltrs	2,52,076.90	165.39	2,56,787.50	162.93
Ethanol (B Heavy)	Ltrs	0.00	0.00	2,44,584.50	141.42
<b>Co-generation Unit</b>					
Bagasse	MT	69,279.40	1,247.03	99,355.11	1,738.71
<b>Sugar Unit</b>					
Sugar	Qtls	4,77,893	16,174.20	7,15,665	23,012.70
Molasses (B Heavy)	MT	68,420.04	9,749.86	65,062.18	8,783.39
Compost	MT	32,791.29	819.78	28,404.29	568.08
Syrup	MT	5,,320.40	784.52	5,377.31	753.57
<b>Vinegar Unit</b>					
Vinegar	Ltrs	7,01,172.00	105.18	6,73,826.00	94.34
Rectified Spirit	Ltrs	2,66,645.00	133.32	3,22,536.00	151.59
<b>Total</b>			<b>29,336.91</b>		<b>35,649.97</b>



**46. Closing Stock:**

GST CREDIT	Unit	2023-24		2022-23	
		Qty	Value in Lakhs	Qty	Value in Lakhs
<b>Distillery Unit</b>					
Rectified Spirit (B Heavy)	Ltrs	2,82,525.10	141.26	0.00	0.00
Rectified Spirit (Syrup)	Ltrs	0.00	0.00	1,39,572.80	69.79
Extra Neutral Spirit	Ltrs	1,47,454.10	82.57	1,47,495.00	82.60
M G Spirit	Ltrs	0.00	0.00	13,126.30	5.25
Ethanol (Syrup)	Ltrs	0.00	0.00	2,52,076.90	165.39
Ethanol (B Heavy)	Ltrs	14,60,451.40	886.93	0.00	0.00
<b>Co-generation Unit</b>					
Bagasse	MT	37,377.00	710.16	69,279.40	1,247.03
<b>Sugar Unit</b>					
Sugar	Qtls	4,64,118	16264.16	4,77,893	16,174.20
Molasses (B Heavy)	MT	46,404.98	6960.75	68,420.04	9,749.86
Compost	MT	39,852.97	996.32	32,791.29	819.78
Molasses (C Heavy)	MT	2,802.22	350.28		
Syrup	MT	0.00	0.00	5,,320.40	784.52
<b>Vinegar Unit</b>					
Vinegar	Ltrs	7,57,162.00	113.57	7,01,172.00	105.18
Rectified Spirit	Ltrs	2,44,645.00	122.32	2,66,645.00	133.32
<b>Total</b>			<b>26,628.33</b>		<b>29,336.91</b>

**47. CIF Value of Imports and Export in Foreign Currencies Paid:**

CIF Value of Import	Currency	2023-24	2022-23
Vinegar Chemical Charges	EURO	43814.00	36,863.80
Kasurth Certification Plant Fees	USD	6030.00	5,645.00
Vinegar Machinery Parts	EURO	6590.00	58,880.00
Vinegar Machinery Service	EURO	0.00	850.00

CIF Value of Export	Currency	2023-24	2022-23
Vinegar Export	INR	27,73,916.80	0.00

**48. Provisions and Contingent liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

Sl. No	Particulars	Amount in Lakhs
1	Central Excise, Belgaum Show Cause Notice	587.34
2	Central Excise, Bangalore (Appeals)	974.47
3	High Court, Karnataka, Appeal for Sugar Cess	252.80
	<b>Total</b>	<b>1814.61</b>

#### 49. Trade Receivable Ageing schedule: for the year 2023-24

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2938.06	17.86	344.37	574.63	1339.27	5214.20
(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	-	-	-	-	-	-

#### Trade Receivable Ageing schedule: for the year 2022-23

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2820.39	328.89	1115.22	1038.25	-	5302.75
(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	-	-	-	-	-	-


**50. Trade Payable Ageing schedule: for the year 2023-24**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	173.21	-	-	-	173.21
ii. Others	9048.93	23.55	21.63	523.52	9617.64
iii. Disputed dues-MSME	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>9790.85</b>

**Trade Payable Ageing schedule: for the year 2022-23**

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	5581.02	9.37	-	546.71	6137.11
iii. Disputed dues-MSME	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>6137.11</b>

**51. Title Deeds of Immovable Properties of the company not held in the name of the Company as on 31-03-2024:**

**Reason:** Properties are being held by way of General Power of Attorney in the name of Shri. Mallikarjun Kadayya Pujar, present CAO of the Company held on behalf of the Company

Relevant line item in the Balance sheet	Description of item of Property	Gross carrying value	Title Deeds held in the name of:	Whether title deed holder is promoter/ Director/ Relative of Promoter of Director or Employee of Promoter / Director	Property held since which date
Land	204/2A	3	Shri Jotiba Bharmanna More	NO	30.12.2016
Land	206/A	5	1. Shri Narayan Balkrishna Sutar 2. Shri Chudappa Balkrishna Sutar	NO NO	30.12.2016
Land	206/B	6	1. Smt.Savitri W/O Yallappa Pawashe 2. Smt.Janabai W/O Dhankalu Gurav 3. Shri Yallappa S/O Dhakalu Gurav	NO NO NO	14.03.2017
Land	207/1	8.1	1. Smt. Renuka W/O Late Tippanna Talwar 2. Shri. Nagaraj S/O. Tippanna Talwar	NO NO	28.12.2018
Land	206/1	7.43	Shri. Rajaram Balappa Chigare	NO	28.12.2018
Land	207/1	8.1	Shri. Monappa Ganesh Talwar	NO	28.12.2018
Land	207/1	8.1	1. Smt. Anandi W/O. Late Dudappa Talwar 2. Shri. Pundalik S/O. Dudappa Talwar Talwar 3. Smt. Mayuri W/O. Pundalik Talwar 4. Shri. Bharat S/O. Dudappa Talwar	NO NO NO NO	28.12.2018

Land	206/A	6.75	1. Shri Shanlkar Arjun Gurav 2. Shri Bharna Arjun Gurav 3. Devappa Arjun Gurav	NO NO NO	28.12.2018
Land	206/A	2.7	Shri. Devappa Kumanna Gurav	NO	28.12.2018
Land	207/1	8.1	1. Smt. Laxmi W/O. Late Yavagappa Talwar 2. Shri. Pandurang S/O. Yavagappa Talwar 3. Smt. Droupada W/O. Pandurang Talwar 4. Shri. Balu S/O. Yavagappa Talwar	NO NO NO NO	28.12.2018
Land	206/A	7.43	Shri. Maruti Yallappa Humbarwadi	NO	28.12.2018
Land	206/A	2.93	Shri. Raghunath Krishna Hurakadli	NO	28.12.2018
Land	206/A	10.13	1. Shri. Jayram Kallappa Patil 2. Smt. Madhu Jayram Patil 3. Smt. Sushma Madhu Patil 4. Shri. Pundalik Jayram Patil	NO NO NO NO	28.12.2018
Land	206/B	5.85	Smt. Yeshodha Parashuram Gawade	NO	28.12.2018
Land	206/A	2.93	Shri. Ravalu Shankar Motankar	NO	28.12.2018
Land	206/A	9	Shri. Narayan Krishna Yallurkar	NO	28.12.2018
Land	207/1	8.1	Shri. Babu Basawant Talwar	NO	28.12.2018
Land	206/A	9	Shri. Babu Somanna Motankar	NO	28.12.2018
Land	206/A	3.75	Shri. Rajaram Vasu Golyalkar	NO	09/07/2021
Land	206/A	7.5	Shri. Mallppa Vasu Golyalkar	NO	09/07/2021
Land	206/A	3.75	Shri. Govind Vasu Golyalkar	NO	09/07/2021
Land	206/A	3.75	Shri. Nago Somanna Motankar	NO	09/07/2021
Land	206/A	3.75	Shri. Rama Yallappa Gavali	NO	09/07/2021
Land	206/A	7.5	Shri. Gangaram Tanji Gavali	NO	09/07/2021
Land	206/A	6	Shri. Jayram Kumanna Gurav	NO	09/07/2021
Land	206/A	3.75	Shri. Marutirao @Maruti Somanna @Somanath Motankar	NO	09/07/2021
Land	206/A	3.83	1. Smt. Anandabai W/O. Late Narayan Sutar 2. Shri. Pandu S/O Narayan Sutar 3. Smt. Pooja W/O Pandu Sutar 4. Shri Vishwanath S/O. Narayan Sutar 5. Smt. Laxmi W/O. Vishwanath Sutar 6. Smt. Vaishali W/O Suresh Kammar	NO NO NO NO NO NO	09/07/2021
Land	206/A	1.5	1. Shri. Gangaram S/O. Late Kallappa Patil 2. Smt. Renuka W/O. Gangaram Patil	NO NO	12/07/2021
Land	206/A	2.03	Shri. Yallappa Nagappa Gurav	NO	12/07/2021
Land	206/A	1.5	1. Shri. Parashram Gavadu Patil 2. Smt. Malu W/O. Parashuram Patil 3. Smt. Deepa W/O. Dinesh Bilagoji	NO NO NO	12/07/2021
Land	206/A	1.73	Shri. Dashrath Yallappa Chigare	NO	12/07/2021
Land	206/A	2.63	Shri. Khirappa Devappa Sutar	NO	12/07/2021
Land	206/A	2.55	Smt. Laxmi W/O. Vasant Sutar Shri. Devendra S/O. Late Vasant Sutar Smt. Rekha W/O. Devendra Sutar	NO NO NO	12/07/2021

Land	206/A	2.4	Shri.Madhu @ Madhukar Dattu Sutar	NO	12/07/2021
Land	206/A	2.4	Shri.Ramchandra Devappa Sutar	NO	12/07/2021
Land	206/A	1.8	1. Shri.Jayaram S/O.Late Kallappa Patil 2. Shri Baban S/O Jayaram Patil 3. Rekha W/O. Baban Patil	NO NO NO	12/07/2021
Land	206/A	1.88	1. Smt. Parvati W/O Babu Sutar 2. Smt. Punam W/O Parasuram Sutar 3. Shri. Parthamesh S/O Parasuram Sutar	NO NO NO	12/07/2021
Land	206/A	10.25	Shri.Basavanni Irappa Chigare	NO	24/09/2021
Land	204*/1	10.55	Shri.Prabhakar Arjun Jadav Shri. Balakrishna Arjun Jadhav	NO NO	27/10/2021
Land	206/A	11.65	1. Shri. Kallappa Shivappa Patil 2. Yallappa S/O Gavadu Patil	NO NO	30/11/2021
Land	206/A	10.25	Shri. Somanath Shivaji Sutar	NO	30/11/2021
Land	206/A	2.03	1. Shri Ravalu Shankar Motankar 2. Smt.Deepa W/O Ravalu Motankar 3. Mr. Rutik D/O Ravalu Montankar 4. Master Sandesh S/O Ravalu Montankar	NO NO NO NO	14/02/2023
Land	207/7	1.5	Shri. Yallappa Nagappa Gurav	NO	15/02/2023
Land	206/A	1.95	Shri. Gavadu Kallappa Patil	NO	18/02/2023
Land	206/A	6.06	Shri. Maruti Somanna Yallurkar	NO	25/02/2023
Land	204*/1	12.56	1. Smt. Shobha Dashrut Biraje 2. Shri Prabhakar Dasharat Biraje	NO NO	25/02/2023
Land	206*/A	6.07	1. Shri. Mallavva W/O Dhakalu Hurakadli 2. Shri Monappa S/O Dhakalu Hurakadli 3. Shri Laxman S/O Dhakalu Hurakadli 4. Shri. Ramappa S/O Shakalu Hurakadli	NO NO NO NO	28/02/2023
Land	206/A	6.06	Shri. Mallappa @ Yallappa Somanna Yallurkar	NO	16.03.2023

52. Balance appearing under the head Sundry Debtors, Creditors, Loans and Advances, Secured & Unsecured Loans is subject to confirmation, adjustments if any on receipts and reconciliation of such accounts.

"As per our report of even date"

**For, M/s P .G. Ghali & Co.,**

Chartered Accountants

FRN: 011092S

P.R.C.No.013376

**Sd/-**

**(CA. Praveen P. Ghali)**

Partner

M. No: 215756

UDIN: 24215756BKATI4389

Date: 11<sup>th</sup>, May 2024

Place: Belagavi

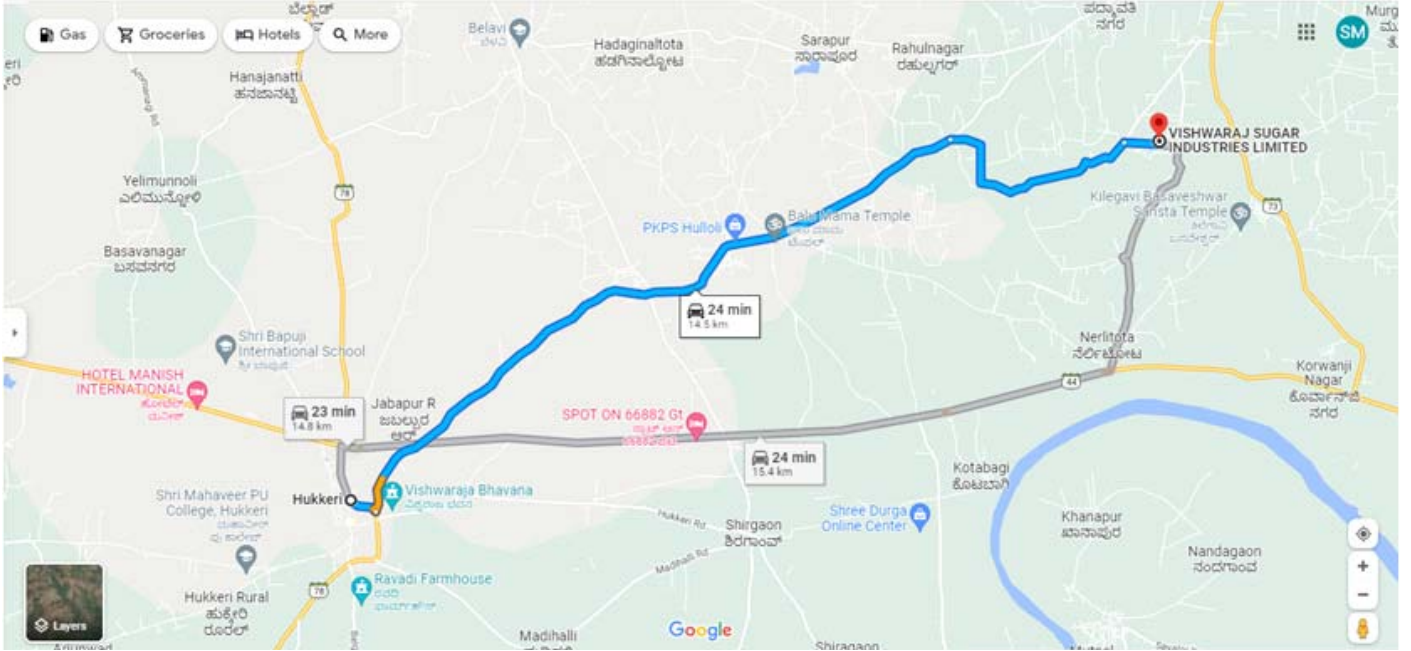
## Disclosure of Ratios for the year 2023-24

Ratio	Formula	Values	2023-24	Values	2022-23	% of Change
			Ratio		Ratio	
<b>1. Current Ratio</b>	Current Assets	38,319.68	0.92	41,831.29	1.20	-23%
	Current Liabilities	41,624.75		35,003.78		less than 25% change
<b>2. Debt Equity</b>	Short Term Debt + Long Term Debt + Other Fixed Payments	53,087.59	1.98	47,057.12	1.84	7%
	Share Holders Equity	26,829.11		25,559.93		less than 25% change
<b>3. Debt Service Coverage Ratio</b>	Earnings available for debt service	9,593.76	1.66	9,631.30	1.76	-5%
	Debt Service	5,774.86		5,478.90		
<b>4. Return on Equity (ROE)</b>	Net Profits after taxes – Preference Dividend (if any)	1,456.95	0.05	-2,323.36	-0.09	-160%
	Average Shareholder's Equity	26,829.11		25,559.93		
Explanation: There has been an Increase in profitability of the company due to the increase in profit of the company due to increase in price of sugar and distillery products. Hence, resulted in ROE as positive.						
<b>5. Inventory to Ratio</b>	Sales	54,970.30	1.90	61,649.49	1.84	3%
	Avg. Inventory	28,979.30		33,492.55		
<b>6. Trade Receivables to Ratio</b>	Net Credit Sales	4,063.85	0.97	4,330.24	1.15	-16%
	Avg. Trade Receivables	4,197.05		3,777.37		less than 25% change
<b>7. Trade Payables to Ratio</b>	Net Credit Purchases	9,790.85	1.23	6,137.12	0.79	55%
	Avg. Trade Payables	7,963.99		7,756.40		
Explanation: Due to expansion work of Distillery unit, there is increase in due payable to trade creditors. Hence the Trade payable TO has increased.						
<b>8. Net Capital Turnover Ratio</b>	Net Sales	54,970.30	31.21	61,649.49	9.95	214%
	Average Working Capital	1,761.22		6,195.27		
<b>9. Net Profit Margin</b>	PAT	1,449.77	2.63	-2,344.59	-3.79	-169%
<b>(in %)</b>	Total Revenue	55,220.51		61,935.96		
Explanation: There has been increase in the Net profit margin due to increase in profits of the company during the year 2023-24. Due to increase in price of sugar and distillery products and controlled cost, the Net profit has increased.						
<b>10. Return on capital employed (ROCE)</b>	Earnings before interest and taxes	5,277.97	13.78	5,308.36	14.11	-2%
	Capital Employed	38,291.95		37,613.27		
Explanation: There has been a Decrease in profitability of the company due to the increase in cost of Raw material and other input cost. Further the government policies in respect to sugar also have resulted in stable prices and not increasing in consistency to Input cost. Hence, resulted in reduction in earnings.						



Ratio	Formula	Values	2023-24	Values	2022-23	% of Change
			Ratio		Ratio	
<b>11. Return on investment</b>	{MV(T1) – MV(T0) – Sum [C(t)]}	-0.11	-0.01	-5.72	-0.28	-97%
	{MV(T0) + Sum [W(t) * C(t)]}	14.3		20.2		
T1 = End of time period	31-03-2023			31-03-2022		
T0 = Beginning of time period	01-04-2022			01-04-2021		
t = Specific date falling between T1 and T0	1			1		
MV(T1) = Market Value at T1	14.19			14.48		
MV(T0) = Market Value at T0	14.3			20.2		
C(t) = Cash inflow, cash outflow on specific date						
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$						
<p>Explanation: There has been an Increase in profitability of the company due to due to increase in profits of the company during the year 2023-24. Due to increase in price of sugar and distillery products and controlled cost, the Net profit has increased. Further, Market price of share is driven by the industry standards and external factors not within control of the company has resulted in market value of shares as on T1. Hence, ROI has reduced.</p>						

**Route Map for the Venue of the meeting pursuant to the provisions of Secretarial Standard one is as below**



**AGM Hall Venue**  
**Vishwaraj Sugar Industries Limited**  
**Registered Office**  
 Bellad-Bagewadi, Taluka-Hukkeri,  
 District-Belgaum-591305,  
 Karnataka, India.

Wednesday, the 25<sup>th</sup> day of September, 2024 at 11:30 A.M.





## Vishwaraj Sugar Industries Limited

Registered Office: Bellad Bagewadi, Taluka Hukkeri,  
District Belgaum-591305, Karnataka, India.

### Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company held at the registered office of the Company situated at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka on Wednesday, September 25, 2024 at 11:30 a.m.

Full Name	
Address	
Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

\_\_\_\_\_  
Full name of the shareholder/proxy  
(in block letters)

\_\_\_\_\_  
Signature of shareholder/Proxy

#### Note:

1. Only Member/Proxy holder can attend the meeting.
2. Member Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.

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# Vishwaraj Sugar Industries Limited

Registered Office: Bellad Bagewadi, Taluka Hukkeri,  
District Belgaum-591305, Karnataka, India.

## Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No./Client ID No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

I/We, being the holder(s) of \_\_\_\_\_ Equity Shares of Vishwaraj Sugar Industries Limited, appoint:

1. Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him/her

Signature: \_\_\_\_\_

2. Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him/her

Signature: \_\_\_\_\_

3. Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him/her

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 25<sup>th</sup> September, 2024, at 11.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below;

1. Adoption of Audited Financial Statements for the financial year 2023-24.
2. Confirm Final Dividend of Rs. 0.20/- per Equity Share of the face value of Rs. 2/- each for the financial year March 31, 2024.
3. Appointment of Mrs. Sneha Nitin Dev, who retires by rotation, and being eligible, offers herself for re-appointment.
4. Appointment of Mr. Kush Katti, who retires by rotation and being eligible, offers himself for re-appointment.
5. Ratification of remuneration payable to Cost Auditors of the Company.
6. Re-Appointment of Mr. Nikhil Katti as Chairman & Managing Director of the Company.
7. Re-appointment of Mr. Kush Katti as Whole-Time Director of the Company.
8. Increasing the Authorized Share Capital of the Company.

Signed this \_\_\_\_\_ day of 2024

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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**Vishwaraj Sugar Industries Limited**

**Registered Office:** Bellad-Bagewadi, Taluka-Hukkeri,  
District-Belgaum-591305, Karnataka, India.

**Telephone No.:** +91 8333 251251

**Fax No.:** +91 8333 251322

**Website:** [www.vsil.co.in](http://www.vsil.co.in)

**Email:** [info@vsil.co.in](mailto:info@vsil.co.in)