

PERAMBALUR SUGAR MILLS LIMITED



47TH ANNUAL REPORT 2023-24



PERAMBALUR
SUGAR MILLS LIMITED

47TH ANNUAL REPORT
2023- 24

PART - I
NOTICE & REPORTS

PERAMBALUR SUGAR MILLS LIMITED

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|--|--|----------|
| CHAIRMAN & MANAGING DIRECTOR | | |
| Thiru. T.Anbalagan, IAS | | |
| DIRECTORS | | |
| Tmt. Grace Lalrindiki Pachuau, IAS | | |
| Thiru B.Murugesh, I.A.S | | |
| Tmt. I. Mahalakshmi | | |
| Thiru. V.K.Anantharaman | | |
| Tmt. T.Ramani Devi | | |
| Thiru. K. Ramesh | | |
| Thiru. T. Chandhirasekhar | | |
| Dr. S. Pazhanivelan | | |
| COMPANY SECRETARY I/C | | |
| Thiru. C. Arumugam | | |
| CHIEF ACCOUNTS OFFICER | | |
| Thiru. C. Arumugam | | |
| STATUTORY AUDITORS | | |
| M/s. S.Sadasivam & Associates, Chartered Accountants | | |
| BANKERS | | |
| State Bank of India | | |
| Indian Overseas Bank | | |
| Tamil Nadu State Apex Co-op. Bank | | |
| Trichy District Central Co-op. Bank | | |
| REGISTERED OFFICE | | |
| `Aavin Illam', II-Floor, 3-A, Pasumpon Muthuramalinganar Salai, Nandanam, Chennai – 600 035. | | |
| UNIT | | |
| Perambalur Sugar Mills, Eraiyur, Perambalur District, Pincode - 621133 | | |
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| AUDITCOMMITTEE | | |
| Thiru R. Thulasiram | | |
| Dr. S.Pazhanivelan | | |
| Thiru T.Chandhirasekhar | | |

PERAMBALUR SUGAR MILLS LIMITED

CIN: U15520TN1976SGC007172

Regd. Office: Aavin Illam, II-Floor, 3A- Pasumpon Muthuramalingnar Salai,
Nandanam, Chennai - 600 035.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Seven Annual General Meeting of Perambalur Sugar Mills Limited will be held on Tuesday, 26th November, 2024 at 3.00 P.M at the Conference Hall of the Office of the Perambalur Collectorate to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2024 and Profit & Loss Account of the Perambalur Sugar Mills Limited for the year ended 31st March 2024, together with Directors' Report and Auditors' Report thereon.
2. To authorize the Board of Directors to fix the Audit fees payable to M/s. S.Dasarathan & Associates. Chatered Accountant, Trichy Statutory Auditors appointed by the Comptroller and Auditor General of India for the year 2024-25.
3. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Thiru. T. Anbalagan, IAS, be and is hereby nominated as a Chairman & Managing Director of the Company."
4. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Tmt. Grace Lalrindiki Pachuau, IAS, Collector, Perambalur District be and is hereby nominated as a Director of the Company."
5. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Thiru B.Murugesh, I.A.S, Director of Agriculture, be and is hereby nominated as a Director of the Company."
6. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Tmt. I.Mahalakshmi, DRO/General Manager, TASCO be and is hereby nominated as a Director of the Company."
7. To consider and if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Thiru.V.K.Anantharaman, Deputy Secretary to Government Finance Department be and is hereby nominated as a Director of the Company."

8. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to Sec.148(3) and other applicable sections if any, of the Companies Act, 2013 and Rule 14(b) of Companies (Accounts and Audit) Rules, 2014, including, any statutory modification(s) or re-enactment(s) thereof (for the time being in force) the remuneration of Rs.20,000/- (Rupees Twenty Thousand only) with reimbursement of actual travelling and out of pocket expenses approved by the Board of Directors payable to M/s. Manoharan & Co., Cost Accountant who has been re-appointed as Cost Auditor for Perambalur Sugar Mills Ltd. for 2024-25 be and is hereby ratified.”

// By order of the Board //

Place: CHENNAI

Date : 15.10.2024

T. ANBALAGAN, I.A.S
CHAIRMAN & MANAGING DIRECTOR

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.
2. The proxy form in order to be effective must be duly filled in and lodged with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Sec. 102 of the Companies Act, 2013 in respect of item No. 3 to 8 are annexed.
4. The Register of Members and the Share Transfer Registers of the Company will remain closed during the period from 12.11.2024 to 26.11.2024 (both dates are inclusive).
5. Members are requested to send their queries if any on the 47th Annual Report to Registered Office at least 7 days before the meeting, so that the required clarification can be furnished at the meeting.
6. Members are requested to intimate change, if any, in their registered address immediately.
7. Members / proxies should bring the Attendance slip, sent herewith, duly filled in for attending the meeting.
8. Members are requested to bring the 47th Annual Report while attending the Meeting.
9. Members holding more than 1 (one) share certificate in their name under different Ledger Folios are requested to apply for consolidation of such Folios.
10. In initial days, the shareholders have not furnished their full address. As a result, the Annual Report is not reaching / reaching them belatedly. Therefore, all the shareholders are requested to furnish their correct address containing Door No., Street Name, Name of Village / Taluk, District Name with Postal Pincode, etc., Mobile No. through a post card to ensure timely receipt of Annual General Meeting intimation.

ROUTE MAP



EXPLANATORY STATEMENT

(As required under Sec.102 of the Companies Act, 2013)

Item No. 3:

The Government of Tamil Nadu nominated Thiru. T.Anbalagan, I.A.S., vide G.O.(Rt.) No.3029 Public (Special-A) Department, dated 13.06.2024 as a Chairman & Managing Director in the place of Chairman & Managing Director Thiru.C.Vijayaraj Kumar, IAS. The Government vide its Standing Order G.O. Ms. No. 2 Industries (MIC.2) Department dt. 06.01.2022 constituted the Board of Perambalur Sugar Mills Limited by appointing certain directors as Ex-officio Directors, which includes the Chairman & Managing Director is deemed to be a Director on the PSM Board. Accordingly, the Board of Directors in its 220th meeting held on 22.08.2024 appointed him as the Managing Director as per Section 161 of the Companies Act, 2013. The Directors consider it necessary to appoint him as the Chairman & Managing Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. T.Anbalagan, I.A.S., is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

Item No. 4:

The Government vide its G.O. (Rt) No.3472 Public (Special-A) Department, dt. 16.07.2024 appointed Tmt. Grace Lalrindiki Pachuau, IAS as Collector, Perambalur District in the place of Tmt.K.Karpagam, IAS. The Government vide its Standing Order G.O. Ms. No. 2 Industries (MIC.2) Department dt. 06.01.2022 constituted the Board of Perambalur Sugar Mills Limited by appointing certain directors as Ex-officio Directors, which includes the Collector, Perambalur District is deemed to be a Director on the PSM Board. Accordingly, the Board of Directors has appointed her as Director in its 220th meeting on 22.08.2024. As per provisions of Section 161 of the Companies Act, 2013. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. K. Karpagam, I.A.S., is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

Item No. 5:

The Government of Tamil Nadu has nominated Thiru B.Murugesh, I.A.S, vide G.O. Rt.No. 333 Public (Special A) Department dated 27.01.2024 as Director of Agriculture in the place of Commissioner of Agriculture Thiru. L.Subramanian, I.A.S. The standing order of the Government was obtained through G.O.(Ms) No.181, Agriculture & Farmers Welfare (S3) Department, dt.11.08.2023 towards constitution of the board by appointing certain officials as Ex-officio Directors on the Board of Perambalur Sugar Mills Limited, which includes the Commissioner of Agriculture, Agriculture & Farmers Welfare (S3) Department as a Director on the PSM Board. Accordingly, the Board at its 218th Meeting held on 13.02.2024 has appointed him as a Director in the Board as per Section 161 of the Companies Act, 2013. The Directors consider it necessary to appoint him as a Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru B.Murugesh, I.A.S, is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

Item No. 6:

The Government vide its G.O. (Rt) No.334 Public (Special-A) Department, dt. 27.01.2024 appointed as Tmt. I.Mahalakshmi, District Revenue Officer / General Manager of Tamil Nadu Sugar Corporation Limited in the vacant place as the predecessor of Thiru.C.Rajendran was transferred. The Government vide its Standing Order G.O. Ms. No. 2 Industries (MIC.2) Department dt. 06.01.2022 constituted the Board of Perambalur Sugar Mills Limited by appointing certain directors as Ex-officio Directors, which includes the District Revenue Officer / General Manager of Tamil Nadu Sugar Corporation Limited is deemed to be a Director on the PSM Board. Accordingly, the Board of Directors has appointed her as Director in its 218th meeting on 13/02/2024. As per provisions of Section 161 of the Companies Act, 2013. The Directors consider it necessary to appoint her as a Director in the interest of the Company and therefore recommend the resolution for her appointment. Tmt. I.Mahalakshmi is interested in this resolution as it concerns her.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

Item No. 7:

The Government of Tamil Nadu has nominated Thiru. V.K.Anantharam, Deputy Secretary to Government, Finance Department vide G.O. (Rt) No.285, Agriculture and Farmers Welfare (SA2) Department dt.12.08.2024 as Director representing Finance Department on the Board of Perambalur Sugar Mills Limited in the place of Thiru R.Thulasiram. The Board of Directors in its 220th meeting held on 22.08.2024 appointed him as Director in the PSM Board. As per provisions of Section 161 of the Companies Act, 2013, The Directors consider it necessary to appoint him as a Director in the interest of the Company and therefore recommend the resolution for his appointment. Thiru. V.K.Anantharam, is interested in this resolution as it concerns him.

None of the other Directors and none of the Key Managerial Personnel are interested in this resolution.

Item No. 8:

Cost Audit has been made as compulsory for Sugar Industry in 1974. Since then every year, Cost Audit is being done. As per Sec. 148 (3) of the Companies Act, 2013, for the year 2024- 25, the Board of Directors in the 219th Meeting held on 07.05.2024 have appointed M/s. Manoharan & Co, Cost Accountant on a remuneration of Rs.20,000/- (Rupees Twenty Thousand Only). As per Rule 14 (b) of Companies (Audit and Auditors) Rule, 2014, the remuneration of Cost Auditors shall be ratified by the shareholders. Therefore, your Directors request the share holders to ratify the remuneration of Rs.20,000/- (Rupees Twenty Thousand Only) payable to M/s. Manoharan &Co. to conduct Cost Audit for 2024-25.

None of the Directors and Key Managerial Personnel are either concerned or interested in this resolution.

(By the order of Board of Directors)

Place: CHENNAI

Date : 15.10.2024

T. ANBALAGAN, I.A.S
CHAIRMAN & MANAGING DIRECTOR

PERAMBALUR SUGAR MILLS LIMITED

DIRECTORS' REPORT

To
The Shareholders,
Perambalur Sugar Mills Limited.

Your Directors present the 47th Annual Report of the Company together with the Standalone Balance Sheet as at 31.3.2024, the Profit and Loss Account for the year ended 31.3.2024 and the Auditor's Report on the accounts of the Company.

1. PHYSICAL PERFORMANCE OF THE MILLS:

The physical performance of Perambalur Sugar Mills Limited, during the accounting year 2023-2024 as compared to the year 2022-2023 were as under:

| Sl. No. | Particulars | 2023-24 | 2022-23 |
|---------|------------------------|----------|----------|
| 1. | Cane Crushed M.T. | 3,28,966 | 3,31,495 |
| 2. | Sugar Produced Qtls. | 3,02,337 | 3,20,434 |
| 3. | Capacity Utilisation % | 63.75 | 64.24 |
| 4. | Pol % in Cane % | 10.55 | 11.60 |
| 5. | Average Recovery % | 8.74 | 9.71 |
| 6. | Total Loss % | 1.83 | 1.91 |

2. FINANCIAL PERFORMANCE

The working results of the Company for the year ended 31.3.2024 as compared to 31.3.2023 were as follows:

(Rs. in lakhs)

| Sl. No. | Particulars | 31.03.2024 | 31.03.2023 |
|---------|--|---------------|---------------|
| i. | Income from Operation | 14,490.42 | 14,808.99 |
| ii. | Other income | 219.43 | 21.16 |
| iii. | Total Income | 14,709.85 | 14,830.15 |
| iv. | LESS: Cost of Sales | 13,968.39 | 14,005.16 |
| v. | Earnings before interest and Depreciation | 741.46 | 824.99 |
| vi. | Interest | 2,486.51 | 2,146.47 |
| vii. | Earnings before depreciation | (-),1,745.05 | (-),1,386.28 |
| viii. | Depreciation | 59.22 | 64.80 |
| ix. | Profit / Loss for the year | (-),1,804.27 | (-),1,386.28 |
| x. | Prior year adjustments (Net) | (-),744.11 | (-),3,937.48 |
| xi. | Profit / Loss after prior year adjustments | (-),1,060.16 | 2551.20 |
| xii. | Cumulative loss brought forward from Previous year | (-),31,944.08 | (-),34,495.29 |
| xiii. | Cumulative Loss carried over to Balance Sheet | (-),33,004.25 | (-),31,944.08 |

3. NET WORTH:

The Cumulative loss of the company as on 31.3.2024 was Rs.(-) 33,004.25 Lakhs.

4. GENERATION OF INTERNAL RESOURCES:

The generation of internal resources during the three years ended on 31st March were as follows:

Rs. in Lakhs

| Particulars | For the year ended 31.3.2024 | For the year ended 31.3.2023 | For the year ended 31.3.2022 |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|
| (a) Profit / Loss | (-)1,060.17 | 2,551.20 | (-) 757.90 |
| (b) Depreciation | 59.22 | 64.80 | 101.70 |
| Cash Profit / Loss (a – b) | 1,000.95 | 2,486.40 | (-) 656.20 |

5. DIVIDEND:

In view of the Company has accumulated loss, your Directors regret their inability to recommend any dividend for the year.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in the past.

7. MATERIAL CHANGES IN THE FINANCIAL YEAR AFFECTING THE COMPANY:

At the instances of Tamil Nadu Government issued the company 13.30% Redeemable Non-Cumulative Preference Shares for 17,11,04,408 numbers amounting to Rs.171,10,44,080/- at face value of Rs.10/- per share in favour of Tamil Nadu Sugar Corporation Limited. Which are to be redeemed within a period not exceeding twenty years from the date of their issue.

8. CORPORATE SOCIAL RESPONSIBILITY:

The Board of Directors has constituted a Corporate Social Responsibility Committee. Since the company is continuously incurring loss, our company has not developed and implemented any initiatives in this regard during the year under review.

9. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

There are no loans, guarantees or investments made by the company under Section 186 of the Companies Act, 2013 during the year under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES:

There was no contract or arrangements made with related party as defined under Section 188 of the Companies Act, 2013 during the year under review.

11. COMPANY SECRETARIAL AUDIT:

As the paid up capital of the company has been increased to Rs. 209.11 Cr, the Secretarial Audit under section 204 of the Companies Act, 2013 is Mandatory. Accordingly, the Secretarial has been introduced during the year under review. The report (Form No.MR-3) of the Company Secretary Practice is annexed.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS MADE BY THE AUDITORS:

Explanations to the qualifications of the Statutory Auditors is given the addendum.

13. EXTRACTS OF ANNUAL RETURN:

The extract of Annual Return- Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this report.

14. NUMBER OF BOARD MEETINGS CONDUCTED:

The company had conducted 4 (Four) Board Meetings on 16.05.2023, 10.08.2023, 16.10.2023 and 13.02.2024 during the year under review.

15. AUDIT REPORTS:**i) STATUTORY AUDIT**

The Comptroller and Auditor General of India has appointed M/s. S.Sadasivam & Associates, Chartered Accountants, Trichy as the Statutory Auditors of the Company for the year under report in pursuance of Section 139(5) of the Companies Act, 2013 and his report is annexed to the Annual Reports.

ii) COST AUDIT

Company has re-appointed M/s. Manoharan & Co. to conduct the Cost Audit of the Company's unit at Eraiyyur for the year under report. The Cost Audit report will be filed with the Ministry of Corporate Affairs, Government of India.

iii) AUDIT BY COMPTROLLER & AUDITOR GENERAL OF INDIA:

The Comptroller and Auditor General of India has conducted test / supplementary audit of the accounts of the Companies Act, 2013. (The 'NIL Comments Certificate' issued by the Comptroller and Auditor General is annexed to the Annual Report).

16. PARTICULARS IN RESPECT OF EMPLOYEES

As none of the Employees of the Company were in receipt of remuneration in excess of the limit prescribed under Companies Act 2013, furnishing of details does not arise.

17. PARTICULARS RELATING TO ENERGY CONSERVATION

The particulars relating to conservation of energy as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are furnished in the Annexure-I.

18. DIRECTORS' RESPONSIBILITY:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors wish to confirm that:

- i. In preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the FY 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 the Companies Act, 2013 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 have laid down proper Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and are operating effectively.
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

19. DECLARATION BY INDEPENDENT DIRECTORS

The statement of declaration given by the Independent Directors were disclosed to the Board.

20. INTERNAL CONTROL SYSTEM AND ADEQUACY:

The present Internal Control System was laid down very long back. The management has updated Software relating to Cane Management. The qualifications of Statutory Auditors were discussed in the Audit Committee Meeting and in the Board Meeting extensively to bring an effective internal control system.

21. CHANGE OF DIRECTORS:

The following changes in the Board of Directors any Key Managerial Personnel have been effected consequent to the transfer of individuals by orders of the Government of Tamil Nadu.

- i. Thiru. T.Anbalagan, IAS, has been nominated as Chairman & Managing Director in the place of Thiru C.Vijayaraj Kumar, I.A.S.
- ii. Thiru.B.Murugesh, Director of Agriculture, Chennai has been nominated as a Director in place of Thiru. L.Subramanian, IAS.
- iii. Tmt. Grace Lalrindiki Pachauu, IAS as Collector, Perambalur District has been nominated as a Director in place of Tmt.K.Karpagam, IAS.
- iv. Thiru. V.K.Anantharam, Deputy Secretary to Government, Finance Department has been nominated as Director in the place of Thiru.Thulasiram.
- v. Tmt.I.Mahalakshmi, District Revenue Officer / General Manager of the Tamil Nadu Sugar Corporation Limited has been nominated as a Director in the vacant place as the predeceor Thiru.C.Rajendran was transferred.

Your Directors wish to place on record their appreciation for the valuable services rendered by Thiru C.Vijayaraj Kumar, I.A.S, Tmt.K.Karpagam, IAS, Thiru. L.Subramanian, IAS, Thiru.Thulasiram and Thiru.C.Rajendran as Directors on the Board of PSM.

22. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Adequate policies have been implemented. There are no such complaints during the year.

23. VIGIL MECHANISM:

The Company has implemented vigil mechanism through internal control mechanism.

24. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from Public

25. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with Secretarial Standards.

26. ACKNOWLEDGEMENT

- Your Directors wish to place on record their deep gratitude to the Government of Tamil Nadu and regulatory authorities for their continued support and guidance in managing the affairs of the Company during the year.
- Your Directors are grateful to wish to thank the Trichy District Central Cooperative Bank for their cooperation and support in extending cash credit facility to the company along with State Bank of India, Indian Overseas Bank, Tamil Nadu State Apex Cooperative Bank.
- Your Directors also acknowledge the continued support of the Department of Sugar, Chennai and Tamil Nadu Co-operative Sugar Federation, Chennai for extension of their cooperation and assistance for the conducting of the Company's business successfully.
- Your Directors also to record the commitment and dedication of the employees at all levels who have committed to the growth of the company and wish to commend the Co-operation extended by all Officers, workers and staff of the Company and to look forward to greater co-operation and hard work in improving the performance of the Company further.
- Last, but not the least, your Directors want to place on record their sincere thanks to the cane growers and shareholders for their co- operation for the smooth running of the Mills and to solicit their continued co-operation in the coming years also.

(By the order of Board of Directors)

Place: CHENNAI

Date : 15.10.2024

T. ANBALAGAN, I.A.S
CHAIRMAN & MANAGING DIRECTOR

PERAMBALUR SUGAR MILLS LTD.

Annexure – 1

FORM - A (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY

| Sl. No. | Particulars | Unit of measurement | Current Year 2023-24 | Previous year 2022-23 |
|---------|--|---------------------|-------------------------|--------------------------|
| A | POWER & FUEL CONSUMPTION | | | |
| 1 | ELECTRICITY: | | | |
| (a) | Purchased | | | |
| | Units | KWH | 954189 | 849150 |
| | Total Amount | Rs. in Lakhs | 214.27 | 160.31 |
| | Rate per Unit | Rs | 22.46 | 18.88 |
| (b) | Own generation | | | |
| | (i) Through Diesel Generator | Units | 3425 | 5,047 |
| | Units / Litre of diesel oil | KWH | 1.97 | 0.93 |
| | Cost / Unit | Rs. | 47.25 | 48.07 |
| | Units | KWH | 3,28,42,000 | 3,26,31,000 |
| | Units / Tone of steam used | Units | 182.00 | 175.25 |
| | Cost / Unit | Rs. | Own Steam used | Own Steam used |
| 2 | COAL (SPECIFY QUANTITY & WHERE USED) | - | - | - |
| 3 | FURNACE OIL | | | |
| | Quantity | K. Ltr. | Nil | Nil |
| | Total Amount | Rs. in lakhs | Nil | Nil |
| | Average rate | Rs./K.Ltr. | Nil | Nil |
| 4 | OTHERS / INTERNAL GENERATION | | Nil | Nil |
| B | CONSUMPTION PER UNIT OF SUGAR PRODUCTION: | | | |
| 1 | Product - Sugar | Qtls. | 287208 | 320434 |
| 2 | Electricity | KWH | 29.00 | 24.30 |
| 3 | Furnace Oil | Ltr. | Nil | Nil |
| 4 | Coal (Specify quantity) | M.Ts. | 710.00 | 377.00 |
| 5 | Others – Bagasse | M.Ts. | Nil | Nil |
| 6 | Others – Molasses | M.Ts. | Nil | Nil |
| 7 | Others – Press Mud | M.Ts | Nil | Nil |

C. ENERGY CONSERVATION MEASURES:

a. Energy Conservation measures adopted :

- NIL -

b. Additional investments and proposals, if any, being implemented for reduction of steam and energy :

- NIL -

c. Impact of the measures on (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- NIL -

D. RESEARCH & DEVELOPMENT:

The Company does not have an exclusive R & D wing of its own. However, the Company utilizes the innovations arising out of the research carried out by R and D wing of the Bio-Control Lab set up by the Tamil Nadu Co-op. Sugar Federation and the research wing of South India Sugar Research Foundation. At present, these Institutions have undertaken research in areas like bio-pesticides.

E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

-NIL-

F. FOREIGN EXCHANGE EARNING AND OUTGO

-NIL-

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2024

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|---|
| 1 | CIN | U15520TN1976SGC007172 |
| 2 | Registration Date | 24.7.1976 |
| 3 | Name of the Company | PERAMBALUR SUGAR MILLS LIMITED |
| 4 | Category/Sub-category of the Company | GOVERNMENT COMPANY – LIMITED BY SHARE CAPITAL |
| 5 | Address of the Registered office & contact details | AAVIN ILLAM, II -FLOOR, 3A- PASUMPON MUTHURAMALINGANAR SALAI, NANDANAM, CHENNAI, TAMILNADU, INDIA – 600 035 |
| 6 | Whether listed company | NO |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NOT APPLICABLE |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | SUGAR | 10721 | 80.00% |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2023] | | | | No. of Shares held at the end of the year [As on 31-March-2024] | | | | % Change during the year |
|---|---|-------------|-------------|-------------------|---|--------------|--------------|-------------------|--------------------------|
| | De-mat | Physical | Total | % of Total Shares | De-mat | Physical | Total | % of Total Shares | |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | -- | 19,05,976 | 19,05,976 | 5.02 | -- | 19,05,976 | 19,05,976 | 0.9115 | 81.8426 |
| i) Individual holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual holding nominal share cap excess of Rs 1lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | -- | 19,05,976 | 19,05,976 | 5.02 | -- | 19,05,976 | 19,05,976 | 0.9115 | 81.8426 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 3,80,03,477 | 3,80,03,477 | 100.00 | -- | 20,91,07,885 | 20,91,07,885 | 100.00 | - |

B. Shareholding of Promoter-

| S. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Government Company- Tamil Nadu Sugar Corporation Ltd. | 3,60,97,487 | 94.98 | -- | 20,72,01,895 | 99.0885 | -- | 82.5786 |
| 2. | Government nominee | 14 | 0.0003 | -- | 14 | Negligible | -- | - |
| | Total | 3,60,97,501 | 94.98 | -- | 20,72,01,909 | 99.0885 | -- | - |

C. Change in Promoters' Shareholding (please specify, if there is no change)

| S. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | 3,60,97,487 | 94.98 | 20,72,01,895 | 99.0885 |
| 2. | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | - | - | - | - |
| 3. | At the end of the year | 3,60,97,487 | 94.98 | 20,72,01,895 | 99.0885 |

D. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S.N | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 15,800 | 0.02 | 15,800 | 0.0076 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -- | -- | -- | -- |
| 3 | At the end of the year | 15,800 | 0.02 | 15,800 | 0.0076 |

E. Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 14 | 0.0003 | 14 | 0.0003 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | -- | -- | -- | -- |
| 3 | At the end of the year | 14 | 0.0003 | 14 | 0.0003 |

IV) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 17534.62 | -- | -- | 17534.62 |
| ii) Interest due but not paid | 4671.32 | -- | -- | 4671.32 |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i+ii+iii) | | -- | -- | |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 310.09 | -- | -- | 310.09 |
| * Reduction | 48.89 | -- | -- | 48.89 |
| Net Change | | -- | -- | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 17795.82 | -- | -- | 17795.82 |
| ii) Interest due but not paid | | -- | -- | |
| iii) Interest accrued but not due | 6593.59 | -- | -- | 6593.59 |
| Total (i+ii+iii) | 24389.41 | -- | -- | 24389.41 |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|-----|---|--|---|--------------|
| | | Chief Executive Perambalur Sugar Mills | | |
| | | Thiru K.Ramesh 01.04.2023 to 31.03.2024 | - | |
| 1 | Gross salary | 16,28,586 | - | 16,28,586 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income- tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | | | |
| | Ceiling as per the Act | -- | | -- |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | Total Amount |
|-----|--|--|--------------|
| 1 | Independent Directors | Dr. S.Pazhanivelan and Thiru T. Chandhirasekhar | - - |
| | Fee for attending board committee meetings | As they are Executives of the Government Institutions and Department. Hence, No remuneration paid to them. | |
| | Commission | | |
| | Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non-Executive Directors | | |
| | Fee for attending board committee meetings | | |
| | Commission | | |
| | Others, please specify | | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel (In Lakhs) | | | |
|---------|---|-------------------------------------|-------------------|-----|-------|
| | | Chief Accountant | Company Secretary | CFO | Total |
| 1 | Gross salary | -- | -- | -- | -- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -- | -- | -- | -- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | -- | -- | -- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- | -- | -- |
| 2 | Stock Option | -- | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- | -- |
| 4 | Commission | -- | -- | -- | -- |
| | - as % of profit | -- | -- | -- | -- |
| | others, specify... | -- | -- | -- | -- |
| 5 | Others, please specify | -- | -- | -- | -- |
| | Total | -- | -- | -- | -- |

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|--|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY Penalty Punishment Compounding B. DIRECTORS Penalty Punishment Compounding C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | | | NIL | | |

Place: CHENNAI

Date : 15.10.2024

T.ANBALAGAN, I.A.S
CHAIRMAN & MANAGING DIRECTOR

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended 31st March 2024

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

To
The Members,
M/s. Perambalur Sugar Mills Limited,
Chennai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Perambalur Sugar Mills Limited, (CIN: U15520TN1976SGC007172)** (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion/ understanding thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and Copy of the Independent Auditors' Report dated 30th August, 2024 made available to us and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we, on strength of those Records, and information so provided, and subject to the observations and remarks as provided in the above Independent Auditors' Report hereby report that in our opinion and understanding, the Company, during the audit period covering the financial year ended on **March 31, 2024**, appears to have complied with the statutory provisions listed hereunder leaving exceptions as below and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minutes' Book, Forms and Returns filed and other records maintained by the Company and made available to us, for the financial year ended on **March 31, 2024** according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. 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 to the extent applicable - Not applicable to the Company;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') – Not applicable to the Company as the Company is an Unlisted Public Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- vi. Following Laws which appear to be specifically applicable to the Company being Sugar Industry, as confirmed by the management, the compliance of these could not be verified as we have not been provided with documents relating to these enactments which prove compliance/adherence of these laws by the company::
- a. Indian Boilers Act, 1923
 - b. Food Safety And Standards Act, 2006
 - c. Essential Commodities Act, 1955
 - d. Instructions of Bureau of Public Enterprises (BPE),
 - e. Guidelines applicable to PSU.
 - f. Sugar Cess Act, 1982;
 - g. Levy Sugar Price Equalisation Fund Act, 1976
 - h. Sugar Development Fund Act, 1982;
 - i. Export (Quality Control and Inspection) Act, 1963
 - j. Agricultural and Processed Food Products Export Act, 1986.
 - k. Industrial and Labour laws i.e laws governing factory and employee welfare.
 - l. Environment Laws i.e Air, water etc.

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

- i. The Listing Agreements entered into by the Company and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not Applicable since the Company's shares are not listed;
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

It is represented to us that the Company is a Tamil Nadu State Government Company (Public Limited Company) and being a State Government Company under the provisions of the Companies Act, 2013 it is eligible to all exemptions and privileges as granted to a Government Company under the Act.

During the period under review, the Company has complied with the requirements to be met in accordance with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the required extent except the violations committed by the company in the following requirements:

- Manner of conducting of general meetings of the company and provisions of e-voting facility thereon,
- Maintenance of minutes and registers in accordance with the requirements of the Act and the Secretarial Standards,
- Appointment and cessation of directors in accordance with the requirements of the Act and their participation in meetings of the Company,
- Disclosures to be made in Board's Report and financial statements of the Company,
- Procedures for transfer / transmission of shares and maintenance of details of share holders and related committee thereon,
- Filing of forms / returns as required under the provisions of the Act,
- Inter-company / branch transactions including grant of loans / advances and making of investments in accordance with the requirements of the Act,
- The Company has allotted 17,11,04,408 numbers of 13.30% redeemable (within 20 years) Non-Cumulative preference shares of Rs.10/- to its holding Company Tamilnadu Sugar Corporation Limited (issued on conversion of Ways & Means advance sanctioned by the TamilNadu Government, amounting to Rs. 1,71,10,44,080/-).

We also would like to draw reference to crucial points in the Report of the Independent Auditor as below:

- There is no control over insertion, modification or deletion of entries in the package. There is no feature of recording audit trail (edit log) facility in the software.
- The Company. has not collected and maintained details necessary for identification of Small, Medium and Micro enterprises. List of MSME suppliers bills and the outstanding dues are not maintained/ available in Tally Package

- The company has defaulted in repayment of principal and interest dues to government of Rs.1,78,83,61,577/- for the FY ended 31/03/2024..

Our comments in this report on Compliance are only based on documents provided by the Company and verified by us.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/ notices received by the Company during the financial year under various enactments as applicable to the Company.

We further report that as per the information provided to us, there are several lawsuits and labour cases filed against the company and also there are pending cases filed against the employees during the previous period. The outcome of these pending litigations depends upon the Judgments to be pronounced by the various courts/ appellate authorities and is presently uncertain.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted, as applicable, with Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were not / pending to be carried out in compliance with the provisions of the Act in some instances.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent 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 decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on our limited review of the compliance mechanism established by the Company, there appears lack of adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the financial year, the Company has obtained approval from the Registrar of Companies, Chennai for the purpose of extension of time to hold the Annual General Meeting of the company and also filed form to hold the 46th Annual General Meeting at Perambalur Town which is outside the city of Registered Office of the Company.

We further report that during the audit period the members of the Company have approved the following special business at the Annual General Meeting of the Company held on 27.12.2023:

- a. Appointment of Thiru. T.Anbalagan, IAS, as the Chairman and Managing Director:
- b. Appointment of Tmt. K. Karpagam, IAS, as a Director:
- c. Appointment of Tmt. T. Ramani Devi as a Director:

- d. Appointment of Thiru. L. Subramanian, IAS, as a Director:
- e. Amendment of Memorandum of Association of the Company:
- f. Issuance of Redeemable Non-Cumulative Preference Shares at a fixed dividend rate of 13.30%; and
- g. Fixation of Remuneration for the Cost Auditor.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company. The compliance with provisions of applicable laws which have been subject to other audits have not been independently reviewed / commented upon by us in rendering this report and the reports, wherever shown to us, have been relied upon for the said compliances.

We further report that we have conducted the Secretarial Audit physically as well as through online verification and examination of records, as requested and facilitated by the company for the purpose of issuing this Report.

Place: Chennai
Date: 22.10.2024

FOR S DHANAPAL & ASSOCIATES LLP
(A firm of Practising Company Secretaries)
Peer Review Certificate No.1107/2021

S. DHANAPAL
(Designated Partner)
FCS: F6881
CP No.: 7028
UDIN: F006881F001694688

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members,
M/s. Perambalur Sugar Mills Limited,
Chennai

Auditor's responsibility:

Based on audit, our responsibility is to express an opinion on the compliance with the applicable Laws and maintenance of Records by the Company. We conducted our audit in accordance with the Auditing Standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records, Financial Statements and Books of Accounts of the Company and for which we relied on the Report of Statutory Auditor.
4. Where ever required, we have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai
Date: 22.10.2024

FOR S DHANAPAL & ASSOCIATES LLP
(A firm of Practising Company Secretaries)
Peer Review Certificate No.1107/2021

S. DHANAPAL
(Designated Partner)
FCS: F6881
CP No.: 7028
UDIN: F006881F001694688

PART - II

PERAMBALUR SUGAR MILLS LTD

Balance Sheet as at 31st March 2024

&

Profit and Loss accounts for the year ended
31st March 2024

| PART I - BALANCE SHEET | | | | |
|---|---|-----------------|-----------------------------|-----------------------------|
| PERAMBALUR SUGAR MILLS LIMITED | | | | |
| Balance Sheet as at 31st March, 2024 | | | | |
| Particulars | | Note No. | As at 31 March, 2024 | As at 31 March, 2023 |
| | | | Rs. | Rs. |
| I | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 1 | 38,00,34,770 | 38,00,34,770 |
| | (b) Reserves and surplus | 2 | (3,30,04,24,931) | (3,19,44,08,350) |
| | (c) Preference Shares | 1 | 1,71,10,44,080 | |
| | (d) Share Capital Pending Allotment | 1(iii) | | 1,71,10,44,080 |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 71,90,169 | 1,20,79,775 |
| | (b) Long-term provisions | 4 | 74,35,108 | 1,03,42,751 |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 5 | 1,77,23,91,779 | 1,74,13,82,531 |
| | (b) Trade payables | 6 | 16,41,28,149 | 16,71,56,744 |
| | (c) Other current liabilities | 7 | 86,56,38,567 | 74,50,98,535 |
| | (d) Short-term provisions | 8 | 2,86,03,513 | 96,81,035 |
| | TOTAL | | 1,63,60,41,205 | 1,58,24,11,872 |
| II | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment and Intangible Assets | | | |
| | (i) Property, Plant & Equipment | 9 | 6,48,74,659 | 6,14,10,546 |
| | (ii) Intangible Assets | | | |
| | (iii) Capital Work in Progress | | 4,40,800 | |
| | (b) Non-current investments | 10 | 5,11,300 | 5,11,300 |
| | (c) Long-term loans and advances | 11 | 6,64,36,327 | 6,64,36,327 |
| | (d) Other Non Current Assets | 12 | 29,43,534 | 27,49,862 |

| | | | | |
|----------|--|----|-----------------------|-----------------------|
| 2 | Current assets | | | |
| | (a) Inventories | 13 | 82,12,41,753 | 85,82,74,327 |
| | (b) Trade receivables | 14 | 53,55,37,214 | 44,28,31,885 |
| | (c) Cash and cash equivalents | 15 | 14,08,257 | 33,78,985 |
| | (d) Short-term loans and advances | 16 | 12,05,37,761 | 12,55,92,362 |
| | (e) Other current assets | 17 | 2,21,09,600 | 2,12,26,278 |
| | TOTAL | | 1,63,60,41,205 | 1,58,24,11,872 |
| | Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements | I | | |

Thiru. A. John Brito
Accounts Officer

Thiru. C. Arumugam
Company Secretary i/c /
Chief Accounts Officer

Thiru. K. Ramesh
Director

Thiru. T. Anbalagan, I.A.S.,
Chairman & Managing Director

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

| PART II - STATEMENT OF PROFIT AND LOSS | | | | |
|---|---|----------|--------------------------------------|--------------------------------------|
| PERAMBALUR SUGAR MILLS LIMITED | | | | |
| Statement of Profit and Loss for the year ended 31st March, 2024 | | | | |
| Particulars | | Note No. | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| | | | Rs | Rs |
| I | Revenue from operations (net) | 18 | 1,44,90,42,007 | 1,48,08,93,856 |
| II | Other income | 19 | 2,19,43,013 | 21,21,153 |
| | Prior Period Exp Adj | | | |
| III | TOTAL INCOME (1+II) | | 1,47,09,85,020 | 1,48,30,15,009 |
| IV | EXPENSES | | | |
| | (a) Cost of Materials Consumed | 20 | 1,01,96,78,292 | 98,71,43,949 |
| | (b) Purchases of Stock-in-Trade | 21 | 8,97,872 | 32,26,480 |
| | (c) Changes in Inventories of work in progress and finished goods | 22 | 3,89,65,498 | 7,38,06,862 |
| | (d) Employee Benefits Expenses | 23 | 16,05,81,088 | 14,91,58,786 |
| | (e) Finance Costs | 24 | 24,86,51,823 | 21,46,47,028 |
| | (f) Depreciation and Amortisation Expense | 9 | 59,22,559 | 64,79,237 |
| | (g) Other Expenses | 25 | 3,33,70,750 | (20,65,67,724) |
| | TOTAL EXPENSES | | 1,50,80,67,882 | 1,22,78,94,617 |
| V | Profit / (Loss) Before Exceptional and Extra Ordinary Items and Tax (III-IV) | | (3,70,82,862) | 25,51,20,392 |
| VI | Exceptional Items | 26 | 68933719.44 | - |
| VII | Profit / (Loss) Before Extra Ordinary Items and tax (V-VI) | | (10,60,16,582) | 25,51,20,392 |
| VIII | Extra Ordinary Items | | | - |
| IX | Profit/(Loss) Before Tax (VII-VIII) | | (10,60,16,582) | 25,51,20,392 |
| X | Profit / (Loss) for the year the Continuing Operations(IX-X) | | (10,60,16,582) | 25,51,20,392 |
| XI | Tax expense for continuing Operations | | | |
| XII | Profit / (Loss) for the year the Discontinuing Operations | | - | - |
| XIII | Tax expense for Discontinuing Operations | | - | - |

| | | | | |
|---|--|--|----------------|--------------|
| XIV | Profit /(Loss)from the Discontinuing Operations (after tax) | | - | - |
| XV | Profit/(Loss) for the Period after tax (XI+XIV) | | (10,60,16,582) | 25,51,20,392 |
| XVI | Earnings Per Equity Share (Face value per share of Rs.10/- each) | | | |
| | 1)Basic in (Rs.) | | (2.79) | (6.21) |
| | 2) Diluted in (Rs.) | | (2.79) | (6.21) |
| See Accompanying Notes forming part of the statements 1-26 | | | | |

Thiru. A. John Brito
Accounts Officer

Thiru. C. Arumugam
Company Secretary i/c /
Chief Accounts Officer

Thiru. K. Ramesh
Director

Thiru. T. Anbalagan, I.A.S.,
Chairman & Managing Director

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

| PERAMBALUR SUGAR MILLS LIMITED | | | |
|---|-----------------------|-----------------------|-----------------|
| Schedules forming part of the financial statements | | | |
| 1 Share Capital | | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 | |
| | Rs. | Rs. | |
| A. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | | | |
| (i) Authorised | | | |
| 21,00,00,000 Equity Shares of Rs.10/- each | 2,10,00,00,000 | 2,10,00,00,000 | |
| (ii) Issued, Subscribed and Paid up | | | |
| 209107885 Equity shares of Rs.10/- each fully paid up with voting rights | 38,00,34,770 | 38,00,34,770 | |
| 17,11,04,408 shares of Rs.10/- each of 13.30% of redeemable (within 20 years) Non-Cumulative preference shares to TamilNadu Sugar Corporation Ltd.(issued on conversion of Ways & Means advance sanctioned by the TamilNadu Government. | 1,71,10,44,080 | | |
| Preference shares pending allotment | | 1,71,10,44,080 | |
| Total | 38,00,34,770 | 38,00,34,770 | |
| (1a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting Year: | | | |
| Particulars | Opening Balance | Fresh issue | Closing Balance |
| (i) Equity shares with voting rights | | | |
| Year ended 31 March, 2024 | | | |
| - Number of shares | 3,80,03,477 | | 3,80,03,477 |
| - Amount (Rs.) | 38,00,34,770 | | 38,00,34,770 |
| Year ended 31 March, 2023 | | | |
| - Number of shares | 3,80,03,477 | - | 3,80,03,477 |
| - Amount (Rs.) | 38,00,34,770 | - | 38,00,34,770 |
| (ii) Preference shares | | | |
| - Number of shares | 17,11,04,408 | - | 17,11,04,408 |
| - Amount (Rs.) | 1,71,10,44,080 | - | 1,71,10,44,080 |

| (1b) Details of shares held by each shareholder holding more than 5% shares: | | | | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| Class of shares / Name of shareholder | as at 31-Mar-2024 | | as at 31-Mar-2023 | |
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| (i) Equity shares with voting rights | | | | |
| Tamilnadu Sugar Corporation Ltd | 3,60,97,501 | 94.98% | 3,60,97,501 | 94.98% |
| (ii) Preference Shares of Rs. 10 each | 17,11,04,408 | 100% | - | - |
| (1c) Shareholding of Promoters | | | | |
| Shareholding at the beginning of the year | | | | |
| Promoter Name | No. of Shares | % of Total Shares | Number if shares held | % Change during the year |
| Tamilnadu Sugar Corporation Ltd. | | | | |
| (i) Equity Shares | 3,60,97,501 | 94.98% | - | |
| (ii) Preference Shares | 1,71,10,44,080 | - | - | 100% |

| 2. Reserves and surplus | | |
|--|-------------------------|-------------------------|
| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
| | Rs. | Rs. |
| (a) Capital reserve (Government Grant) | | |
| Opening balance | 16,90,600 | 16,90,600 |
| Add: Additions during the year | | - |
| Less: Utilised / transferred during the year | | - |
| Closing balance | 16,90,600 | 16,90,600 |
| (b) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | (3,19,60,98,949) | (3,45,12,19,341) |
| | | |
| Add: Profit / (Loss) for the year | (10,60,16,582) | 25,51,20,392 |
| Closing balance | (3,30,21,15,531) | (3,19,60,98,949) |
| Total | (3,30,04,24,931) | (3,19,44,08,349) |

| 3. Long-term borrowings | | |
|---|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Term loans | | |
| Secured | | |
| (i) Central Government Financial Assistance as Soft Loan from Banks Secured by creation of charge on Fixed Assets | - | 1,20,79,775 |
| (ii) Covid Term Loan from Banks | 71,90,169 | |
| Unsecured | | |
| Total | 71,90,169 | 1,20,79,775 |

| 3 (i). Loan From TCCB | | |
|--|--|--|
| Long term loan borrowed from Banks for the year 2019-20 amounting to Rs.471.93 Lakhs @ 11.50% (with penal interest of 2% for default, if any) repayable in 48 monthly installments with reimbursement of interest @ 7% from central government for one year to ensure FRP cane price disbursement which is guaranteed by State Government. | | |
| 3 (ii) Covid Term Loan | | |
| During 2020-2021 State Bank of India (SBI) released Rs.91.00 Lakhs @ 7.80% of Interest repayable in 36 Equal Monthly Instalments. Current Outstanding of the above loan is | | |

| 4. LONG-TERM PROVISIONS | | |
|---|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Provision for employee benefits: | | |
| Provision for Earned Leave benefit | 74,35,108 | 1,03,42,751 |
| Total | 74,35,108 | 1,03,42,751 |

| 5.Short-term borrowings | | |
|--|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Secured | | |
| (a) Cash Credit From Consortium Bankers Secured by pledge of stock of sugar valid upto 30/09/2023 @ 11.50% p.a, guaranteed by State Government | 61,27,50,303 | 63,17,41,055 |
| (b) Ways & Means Advance from TN. Govt. | 1,15,96,41,476 | 1,10,96,41,476 |
| Total | 1,77,23,91,779 | 1,74,13,82,531 |

5(b).Details of the loans, Terms of repayment and delay in payment**Loan From Government**

| Product Name | Principal (in Rs.) | Interest (in Rs.) | Interest & Penal Interest Rate | Repayable schedule |
|----------------------|--------------------------------|-------------------------------|---|--------------------------------|
| Ways & Means Advance | 22,61,50,000 | 20,48,08,369 | 13%+2.5% | In default since 31-03-2019 |
| Ways & Means Advance | 18,50,000 | 15,51,720 | 13%+2.5% | In default since 31-03-2019 |
| Ways & Means Advance | 8,68,85,476 | 7,95,99,040 | 13%+2.5% | In default since 31-03-2019 |
| Ways & Means Advance | 16,64,90,000 | 11,18,71,667 | 12.60%+2.5% | In default since 31-03-2020 |
| Ways & Means Advance | 25,09,000 | 17,25,929 | 13%+2.5% | In default since 31-03-2020 |
| Ways & Means Advance | 3,96,97,000 | 2,65,64,086 | 13.3 % + 2.5% | In default since 31-03-2020 |
| Ways & Means Advance | 25,00,000 | 13,34,685 | 13.3 % + 2.5% | In default since 31-03-2021 |
| Ways & Means Advance | 6,11,99,500 | 3,18,16,701 | 13.3 % + 2.5% | In default since 31-03-2021 |
| Ways & Means Advance | 6,11,99,500 | 3,03,33,157 | 13.3 % + 2.5% | In default since 31-03-2021 |
| Ways & Means Advance | 8,60,53,000 | 4,23,90,887 | 12.80+2.5% | In default since 31-03-2021 |
| Ways & Means Advance | 19,50,57,000 | 7,66,77,708 | 12.80+2.5% | In default since 31-03-2022 |
| Ways & Means Advance | 22,20,000 | 8,19,058 | 12.80+2.5% | In default since 31-03-2022 |
| Ways & Means Advance | 17,78,31,000 | 4,44,27,542 | 12.80+2.5% | In default since 31-03-2023 |
| Ways & Means Advance | 5,00,00,000 | 54,38,251 | 12.80+2.5% | Within FY 2023-24 |
| Total | 1,15,96,41,476 | 65,93,58,800 | | |

The Company has defaulted in the repayment of due (Principal & Interest) amounting to Rs.,1,81,90,00,277/- to State Government. (PY Rs.1,57,67,73,397/-)

| 6. Trade payables | | |
|--------------------------------------|---------------------|---------------------|
| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
| | Rs. | Rs. |
| Trade payables: | | |
| (i) Micro, Small, Medium Enterprises | 1,30,53,943 | 4,40,000 |
| (ii) Others | 15,10,74,206 | 16,67,16,745 |
| Total | 16,41,28,149 | 16,71,56,745 |

| TRADE PAYABLES AGEING SCHEDULE | | | | | | | | | | |
|--|---------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Outstanding for following periods from due date of payment | | | | | | | | | | |
| Particulars | < 1 Year | | 1-2 Years | | 2-3 Years | | > 3 Years | | Total | |
| | as at 31-Mar-2023 | as at 31-Mar-2022 | as at 31-Mar-2023 | as at 31-Mar-2022 | as at 31-Mar-2023 | as at 31-Mar-2022 | as at 31-Mar-2023 | as at 31-Mar-2022 | | |
| (I) MSME | 1,30,53,943 | 4,40,000 | | | | | | | 1,30,53,943 | 4,40,000 |
| (II) Others | 12,26,43,482 | 6,80,08,327 | 73,68,154 | 1,36,77,562 | 68,85,177 | 6,80,97,425 | 1,41,77,394 | 1,69,33,431 | 15,10,74,206 | 16,67,16,745 |
| (I) Disputed Dues - MSME | | | | | | | | | 0 | 0 |
| (II) Disputed Dues - Others | | | | | | | | | 0 | 0 |
| Total | 13,56,97,426 | 6,84,48,327 | 73,68,154 | 1,36,77,562 | 68,85,177 | 6,80,97,425 | 1,41,77,394 | 1,69,33,431 | 16,41,28,150 | 16,71,56,745 |

| 7. Other current liabilities | | |
|---|--------------------------|--------------------------|
| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
| | Rs. | Rs. |
| (a) Liability for Area Development Fund | 24,19,157 | 24,19,157 |
| (b) Interest accrued and due on Ways & Means Advance from Govt. | 65,93,58,801 | 46,71,31,921 |
| (c) Interest payable to TNSC CC | | 15,68,550 |
| (d) Other Liabilities | 20,38,60,609 | 27,39,78,907 |
| Total | 86,56,38,567 | 74,50,98,535 |

| 8. Short-term provisions | | |
|--|--------------------------|--------------------------|
| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
| | Rs. | Rs. |
| (a) Provision for employee benefits:(Short Term) | | |
| (i) Provision for bonus | 22,21,696 | 21,21,370 |
| (ii) Provision for Pension contribution | - | 14,80,249 |
| (iii) Provision for Gratuity | 1,69,46,537 | |
| (iv) Provision for Earned Leave benefit | 94,35,280 | 60,79,416 |
| Total | 2,86,03,513 | 96,81,035 |

| Note No - 9 Property, Plant & Equipment | | | | | | | | | |
|--|-------------|------------------|-------------------------------|-----------------------------------|-----------------|-----------------|-----------------|-----|-----|
| Particulars | Land | Buildings | Plant & Equipments | Furniture & Equipments | Vehicles | Computer | Total | | |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Cost As at March 31, 2022 | 8,93,746.00 | 5,41,02,301.00 | 33,33,15,702.00 | 60,02,359.00 | 32,37,257.00 | 58,97,162.00 | 40,34,48,527.00 | | |
| Additions | - | - | 80,81,735.00 | - | - | - | 80,81,735.00 | | |
| Disposals | - | - | - | - | - | - | - | | |
| Cost As at March 31, 2023 | 8,93,746.00 | 5,41,02,301.00 | 34,13,97,437.00 | 60,02,359.00 | 32,37,257.00 | 58,97,162.00 | 41,15,30,262.00 | | |
| Additions | - | - | 97,95,729.00 | 5,06,260.00 | - | - | 1,03,01,989.00 | | |
| Disposals | - | - | 1,44,52,783.00 | - | - | - | 1,44,52,783.00 | | |
| Cost As at March 31, 2024 | 8,93,746.00 | 5,41,02,301.00 | 33,67,40,383.00 | 65,08,619.00 | 32,37,257.00 | 58,97,162.00 | 40,73,79,468.00 | | |
| Depreciation as at March 31, 2022 | - | 3,55,65,259.00 | 29,40,52,296.00 | 57,59,297.00 | 27,63,711.00 | 54,99,917.00 | 34,36,40,480.00 | | |
| Charges for the Year | - | 13,14,490.00 | 48,75,021.00 | 91,173.00 | 1,57,286.00 | 41,267.00 | 64,79,237.00 | | |
| Disposals | - | - | - | - | - | - | - | | |
| Depreciation as at March 31, 2023 | - | 3,68,79,749.00 | 29,89,27,317.00 | 58,50,470.00 | 29,20,997.00 | 55,41,184.00 | 35,01,19,717.00 | | |
| Charges for the Year | - | 13,14,490.00 | 42,81,731.00 | 1,27,785.00 | 1,57,286.00 | 41,267.00 | 59,22,559.00 | | |
| Disposals | - | - | 1,35,37,467.00 | - | - | - | 1,35,37,467.00 | | |
| Depreciation as at March 31, 2024 | - | 3,81,94,239.00 | 28,96,71,581.00 | 59,78,255.00 | 30,78,283.00 | 55,82,451.00 | 34,25,04,809.00 | | |
| Net Block | | | | | | | | | |
| As at March 31, 2022 | 8,93,746.00 | 1,85,37,042.00 | 3,92,63,406.00 | 2,43,062.00 | 4,73,546.00 | 3,97,245.00 | 5,98,08,047.00 | | |
| As at March 31, 2023 | 8,93,746.00 | 1,72,22,552.00 | 4,24,70,120.00 | 1,51,889.00 | 3,16,260.00 | 3,55,978.00 | 6,14,10,545.00 | | |
| As at March 31, 2024 | 8,93,746.00 | 1,59,08,062.00 | 4,70,68,802.00 | 5,30,364.00 | 1,58,974.00 | 3,14,711.00 | 6,48,74,659.00 | | |
| Note: Land includes Rs.6,64 Lakhs being the pro-rata value of land (Perambalur Sugar Mills Ltd) purchased by TNCSEF ON BEHALF OF Co-Operative & Public Sector Sugar Mills. | | | | | | | | | |

| 10. Non-current investments | | as at 31-Mar-2024 | | | | as at 31-Mar-2023 | | | |
|-----------------------------|---|--------------------|------------|--------------|-------------------|-------------------|----------|--------|-------------|
| | | Quoted # | Unquoted # | Total | Quoted | Unquoted | Total | Quoted | Unquoted |
| Particulars | | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs |
| Investments (At cost): | | | | | | | | | |
| A. Trade | | | | | | | | | |
| a. | 50,930 Equity Shares of Rs. 10/- each fully paid up in Tamil Nadu Newsprint & Papers Ltd. | 5,09,300 | - | 5,09,300 | 5,09,300 | - | 5,09,300 | | 5,09,300 |
| b. Non-Trade | | | | | | | | | |
| a. | 40 Shares of Rs.50/ each fully paid in Tiruchirappalli district co-operative supply and marketing society Ltd | | 2,000 | 2,000 | | 2,000 | | 2,000 | 2,000 |
| | Total | 5,09,300 | 2,000 | 5,11,300 | 5,09,300 | 2,000 | 5,11,300 | 2,000 | 5,11,300 |
| | Aggregate amount of unquoted investments | | | 2,000 | | | | | 2,000 |
| | Aggregate amount of quoted investments at Face Value | | | 5,09,300 | | | | | 5,09,300 |
| | Aggregate market value of listed and quoted investments | [@ 246.65 (NSE)] | | 13,81,73,330 | [@218.30 (NSE)] | | | | 1,11,18,019 |

| 11. Long-term loans and advances | | |
|---|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| A.Secured, considered good | | - |
| B.Unsecured, considered good | | |
| (a) Capital advances | 6,64,36,327 | 6,64,36,327 |
| (b) Trade Advances | | |
| Total | 6,64,36,327 | 6,64,36,327 |

| 12. Other Non Current Assets | | |
|-------------------------------------|------------------|------------------|
| Particulars | | |
| | Rs. | Rs. |
| Security Deposits | 29,43,534 | 27,49,862 |
| Total | 29,43,534 | 27,49,862 |

| 13. Inventories | | |
|---|-----------------------|-----------------------|
| (At lower of cost and net realisable value as certified by Management) | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (i) Work In process | | |
| (a).Sugar | 2,57,98,346 | 2,17,32,336 |
| (b).Molasses | 50,26,745 | 42,80,690 |
| Sub Total (A) | 3,08,25,091 | 2,60,13,026 |
| (ii) Finished Goods | | |
| (a).Sugar | 69,70,67,405 | 72,62,54,016 |
| (b).Molasses | 6,85,22,954 | 8,31,13,906 |
| (c).Baggasse | - | - |
| Sub Total (B) | 76,55,90,359 | 80,93,67,922 |
| (iii) Stores/Spares | 2,62,21,296 | 2,42,88,372 |
| Less: provision for obsolete Stores | 22,94,993 | 22,94,993 |
| Sub Total (C) | 2,39,26,303 | 2,19,93,379 |
| (iv) Others | | |
| (a) Fertilizer & Pesticides | 9,00,000 | 9,00,000 |
| (b) Tools & Appliances | - | - |
| (c) Standing Crops | - | - |
| Sub Total (D) | 9,00,000 | 9,00,000 |
| Total (A+B+C+D) | 82,12,41,753 | 85,82,74,327 |

| 14. Trade receivables | | |
|--|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| a) Trade receivables | | |
| Unsecured, considered good | 53,55,37,214 | 44,28,31,885 |
| Doubtful | 11,43,980 | 11,43,980 |
| | 53,66,81,194 | 44,39,75,865 |
| Less: Provision for doubtful trade receivables | 11,43,980 | 11,43,980 |
| Sub total | 53,55,37,214 | 44,28,31,885 |
| Total | 53,55,37,214 | 44,28,31,885 |

| TRADE RECEIVABLES AGEING SCHEDULE | | | | | | | | | | | | |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | | | | | | | |
| | < 6 Months | | 6 Months - 1 Years | | 1-2 Years | | 2-3 Years | | > 3 Years | | Total | |
| | as at 31- Mar-2024 | as at 31- Mar-2023 | as at 31- Mar-2024 | as at 31- Mar-2023 | as at 31- Mar-2024 | as at 31- Mar-2023 | as at 31- Mar-2024 | as at 31- Mar-2023 | as at 31- Mar-2024 | as at 31- Mar-2023 | as at 31- Mar-2024 | as at 31- Mar-2023 |
| (i) Undisputed Trade Receivables - Considered good | 16,49,79,698 | 14,46,44,898 | 16,90,35,522 | 4,51,18,235 | 8,60,24,807 | 8,47,36,346 | 2,66,93,964 | 11,40,01,871 | 8,99,47,203 | 5,54,74,515 | 53,66,81,195 | 44,39,75,866 |
| (ii) Undisputed Trade Receivables - Considered doubtful | | | | | | | | | | | 0 | 0 |
| (iii) Disputed Trade Receivables - Considered good | | | | | | | | | | | 0 | 0 |
| (iv) Disputed Trade Receivables - Considered doubtful | | | | | | | | | | | 0 | 0 |
| Total | 16,49,79,698 | 14,46,44,898 | 16,90,35,522 | 4,51,18,235 | 8,60,24,807 | 8,47,36,346 | 2,66,93,964 | 11,40,01,871 | 8,99,47,203 | 5,54,74,515 | 53,66,81,195 | 44,39,75,866 |

| 15. Cash and cash equivalent | | |
|--|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (a) Cash on hand | 19,661 | 42,360 |
| Sub total (A) | 19,661 | 42,360 |
| (b) Balances with banks | | |
| (i) In current accounts | 2,96,559 | 22,97,456 |
| (ii) In deposit accounts | 8,94,469 | 8,43,791 |
| (iii) Other earmarked ac- counts (SUBUCAS & NADP Scheme) | 1,97,568 | 1,95,378 |
| Sub total (B) | 13,88,596 | 33,36,625 |
| Total (A+B) | 14,08,257 | 33,78,985 |

| 16. Short-term loans and advances | | |
|---|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| A.Secured, considered good | | - |
| B.Unsecured, considered good | | |
| (a) Loans and advances to employees | 64,35,788 | 85,43,887 |
| (b) Advance to Growers,- suppliers and contractors | 94,69,081 | 90,37,135 |
| (c) Other Advances | 10,46,32,891 | 10,80,11,341 |
| | 12,05,37,761 | 12,55,92,363 |
| C.Doubtful | | |
| (i) Advance to Growers,- suppliers and contractors Doubtful | - | |
| Less: Provision for other doubtful loans and advanc- es | - | |
| Sub Total | - | - |
| (ii) Other Advances | | |
| Doubtful | 11,69,887 | 11,69,887 |
| Less: Provision for doubtful advances | 11,69,887 | 11,69,887 |
| Sub Total | - | - |
| Total | 12,05,37,761 | 12,55,92,363 |

| 17. Other current assets | | |
|---|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Unsecured, considered good | | |
| (a) Accrual | | |
| Interest accrued on Bank Deposits | 1,318 | 1,318 |
| (b) Amount recoverable from Subsidiary Company | - | 31,66,058 |
| (c) Amount recoverable for cane diversion to other Mills | 58,97,483 | 20,43,934 |
| (d) Prepaid expenses | 22,13,173 | 70,934 |
| (e) Balances with govern- ment authorities | | |
| (i) TDS | 45,34,612 | 27,59,983 |
| (ii) GST | 37,23,431 | 52,07,312 |
| (f) Others | 57,39,584 | 79,76,740 |
| | - | |
| Total | 2,21,09,600 | 2,12,26,279 |

| 18. Revenue from operations | | |
|--|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (i)(a) Manufactured goods | | |
| Sale of Sugar | 1,17,73,35,864 | 1,26,04,81,352 |
| Sale of Molasses | 15,50,78,226 | 9,98,30,810 |
| Sale of Pressmud | 11,16,641 | 7,44,063 |
| Sale of Flyash | | - |
| Sale of Power-Co-Gen | 11,47,42,980 | 11,54,54,183 |
| Sale of Baggase | - | 1,69,393 |
| | 1,44,82,73,711 | 1,47,66,79,800 |
| (b) Traded goods | | |
| Sale of Fertiliser and Pesti- cides | 7,68,296 | 8,66,968 |
| Sale of Farm/Parasite Lab. Products | - | 1,20,608 |
| | 7,68,296 | 9,87,576 |
| Sale of stores | | 32,26,480 |
| | - | - |
| TOTAL(i)(a)+i(b)+ii+iii) | 1,44,90,42,007 | 1,48,08,93,856 |

| 19. Other income | | |
|------------------------------------|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (a) Interest income | | |
| From Bank on Fixed Deposits | 56,429 | 47,623 |
| From others | - | 12,57,824 |
| (b) Dividend income: | | |
| From long-term investments- Others | 3,92,161 | 2,03,720 |
| (c) Rent received | 12,000 | 12,000 |
| (d) Subsidy received | | - |
| (e) Scrap Sales | 1,02,76,092 | 3,49,701 |
| (f) Sale of tender forms | 2,000 | 5,000 |
| (g) Others | 1,12,04,331 | 2,45,285 |
| Total | 2,19,43,013 | 21,21,153 |

| 20. Cost of materials consumed | | |
|---------------------------------------|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Material consumed: | | |
| Sugarcane Consumed | 1,01,96,78,292 | 98,71,43,949 |
| Total | 1,01,96,78,292 | 98,71,43,949 |

| 21. Purchase of traded goods | | |
|-------------------------------------|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Fertiliser and Pesticides | 8,97,872 | |
| Purchase of Stores | | 32,26,480 |
| Total | 8,97,872 | 32,26,480 |

| 22.Net (increase) / decrease of Inventories | | |
|--|-------------------------------|-------------------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Finished goods | | |
| Sugar: Opening Stock | 72,62,54,016 | 82,24,00,857 |
| Closing Stock | 69,70,67,405 | 72,62,54,016 |
| Sub Total (a) | 2,91,86,611 | 9,61,46,841 |
| Molasses: Opening Stock | 8,31,13,906 | 6,95,23,896 |
| Closing Stock | 6,85,22,954 | 8,31,13,906 |
| Sub Total (b) | 1,45,90,952 | (1,35,90,010) |
| Baggasse: Opening Stock | - | |
| Closing Stock | - | - |
| Sub Total (c) | - | - |
| Sugar-in-process: Opening Stock | 2,17,32,336 | 1,74,87,207 |
| Closing Stock | 2,57,98,346 | 2,17,32,336 |
| Sub Total (d) | (40,66,010) | (42,45,129) |
| Molasses-in-process: Opening Stock | 42,80,690 | 28,36,545 |
| Closing Stock | 50,26,745 | 42,80,690 |
| Sub Total (e) | (7,46,055) | (14,44,145) |
| Fertilizer & Pesticides : Opening Stock | 9,00,000 | 12,00,000 |
| Closing Stock | 9,00,000 | 9,00,000 |
| Sub Total (f) | - | 3,00,000 |
| Pressmud : Opening Stock | - | |
| Closing Stock | - | - |
| Sub Total (g) | - | - |
| Standing Crops : Opening Stock | | 1,37,750 |
| Closing Stock | - | |
| Sub Total (h) | - | 1,37,750 |
| Net (increase) / decrease (a+b+c+d+e+f+g+h) | 3,89,65,498 | 7,73,05,307 |

| 23. Employee benefits expense | | |
|--------------------------------------|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (a) Salaries, Wages and Bonus | 13,54,73,842 | 11,80,76,384 |
| (b) Contribution to | | |
| (i) Provident fund | 1,24,60,404 | 1,13,28,617 |
| (ii) Pension fund | - | |
| (c) Gratuity contribution scheme | 80,95,779 | 1,40,01,813 |
| (d) Staff welfare expenses | 45,51,063 | 57,51,972 |
| Total | 16,05,81,088 | 14,91,58,786 |

| 24. Finance costs | | |
|--|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (a) Interest expense on: | | |
| (i) Bank loan (Term Loan, Soft loan and Cash credit) | 5,64,24,943 | 5,61,19,204 |
| (ii) Ways & Means Loans interest | 19,22,26,880 | 15,85,27,824 |
| Total | 24,86,51,823 | 21,46,47,028 |

| Note No: 25 Other Expenses | | |
|-------------------------------------|-----------------------|-----------------------|
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Carriage Inwards | | |
| Co-Gen Expenses | 5,06,12,418 | 5,42,59,083 |
| Process Stores consumed | 1,70,91,452 | 1,29,53,344 |
| Consumption of packing materials | 1,67,43,670 | 1,82,66,430 |
| Power and fuel | 3,16,39,829 | 2,44,56,786 |
| Self generation tax on electricity | 8,82,969 | 6,61,686 |
| Rent | 4,55,100 | 3,80,100 |
| Repairs and maintenance - Buildings | 8,02,085 | 3,89,495 |
| - Machinery | 2,08,60,992 | 4,17,13,378 |
| - Others | 7,36,244 | 14,21,541 |
| Insurance | 23,28,480 | 81,53,688 |
| Rates and taxes | 7,94,366 | 1,28,378 |
| Travelling and conveyance | 3,72,803 | 7,39,312 |
| Printing and stationery | 8,85,626 | 3,67,438 |

| | | |
|---|---------------------|-----------------------|
| Postage, Telephone | 3,11,654 | 3,08,461 |
| Selling & Distribution Expenses | 33,21,841 | 43,13,581 |
| Bank charges | 34,03,447 | 20,97,950 |
| Entertainment Expenses | 8,155 | 18,185 |
| Legal and professional | 4,58,073 | 11,23,588 |
| Subscription to Associations | 13,56,090 | 10,13,128 |
| Corporate Meeting Expenses | 12,68,574 | 16,15,484 |
| Payments to auditors (Refer Note (i) below) | 2,04,720 | 1,52,040 |
| Guarantee Commission | 23,36,874 | 24,23,589 |
| Prior period items (Refer Note (ii) below) | (7,44,11,394) | (39,37,47,908) |
| Security Charges | 48,44,062 | - |
| Other Administrative Expenses | 59,45,234 | 77,88,509 |
| Income Tax | | 10,000 |
| Miscellaneous expenses | 90,51,105 | 24,25,010 |
| Total | 10,23,04,470 | (20,65,67,724) |

| 26. Other Exceptional Items | | |
|---|-------------------------------|-------------------------------|
| Notes: | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| (ii) Details of Exceptional Items | | |
| Prior Period Income - Fictitious amount entered as payable to TASCO - HO by sharing of expenses to the holding company now reversed | 6,89,33,719 | |
| Total | 6,89,33,719 | - |

| 27. Value of Imports | | |
|---|-------------------------------|-------------------------------|
| Notes: | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Value of imports calculated on C.I.F basis by the company during the financial year in respect of – | | |
| I. Raw materials; | 0 | 0 |
| II. Components and spare parts; | 0 | 0 |
| III. Capital goods; | 0 | 0 |
| Total | 0 | 0 |

| 28. Dividends Remitted in Foreign Currency | | |
|--|-------------------------------|-------------------------------|
| Notes: | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related; | | |
| | | |
| Amount of Dividend Remitted in Foreign currency | 0 | 0 |
| Number of Non resident Shareholders | 0 | 0 |
| Number of shares held | 0 | 0 |
| Year to which dividend related | 0 | 0 |
| Total | 0 | 0 |

| 29. Details of Crypto Currency or Virtual Currency | | |
|---|-------------------------------|-------------------------------|
| Notes: | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:- | | |
| | | |
| (a) profit or loss on transactions involving Crypto currency or Virtual Currency | 0 | 0 |
| (b) amount of currency held as at the reporting date, | 0 | 0 |
| (c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency. | 0 | 0 |
| | 0 | 0 |
| Total | 0 | 0 |

| 30. Earnings in Foreign exchange | | |
|--|-------------------------------|-------------------------------|
| Notes: | | |
| Particulars | as at 31- Mar-2024 | as at 31- Mar-2023 |
| | Rs. | Rs. |
| Earnings in foreign exchange | | |
| Export of goods calculated on F.O.B. basis; | 0 | 0 |
| Royalty, know-how, professional and consultation fees; | 0 | 0 |
| Interest and dividend; | 0 | 0 |
| Other income, indicating the nature thereof | 0 | 0 |
| | 0 | 0 |
| Total | 0 | 0 |

| 31. Wilful Defaulters | | |
|--|--|--|
| Notes: | | |
| Particulars | For the Year ended 31-Mar- 2024 | For the Year ended 31-Mar- 2023 |
| | Rs. in lakhs | Rs. in lakhs |
| Where a company is a declared wilful defaulter by any bank or financial institution or other lender, following details shall be given: | | |
| (a) Date of declaration as wilful defaulter, | | |
| (b) Details of defaults (amount and nature of defaults) | 0 | 0 |
| | 0 | 0 |
| Total | 0 | 0 |

Notes No : 32. Benami Property

No Proceeding has been initiated or pending against the Company for holding any Benami property under the Benami transactions (Prohibition) Act, 1988, as amended, and rules made thereunder

Notes No : 33. Transaction with struck off companies

The company has not transacted with any struck off companies during the year. The transactions with struck off companies are as identified by the Company, on the basis of information available with the company and relied upon by the auditors.

Notes No : 34. Registration of Charge

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note No 35. Disclosure where company has given loan or invested to other person or entity to lend or invest in another person or entity

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) Directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Note No 36. Undisclosed Income

There were no transaction relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

Note No 37. Dividends

No Dividend was declared for the year or paid during the year

| 38. Ratios | | | | | |
|-------------------|----------------------------------|---|----------------|----------------|------------------------|
| S.No. | Particulars | Formula | 2023-24 | 2022-23 | Variance (in %) |
| 1 | Current Ratio | Current Assets | 0.53 | 0.54 | (1.82) |
| | | Current Liabilities | | | |
| 2 | Debt-Equity Ratio | Total Debt | (2.35) | (2.43) | (3.18) |
| | | Shareholder's Equity | | | |
| 3 | Debt Service Coverage Ratio | Earnings available for Debt Service | 0.60 | 2.10 | (71.55) |
| | | Debt Service | | | |
| 4 | Return on Equity | Net Profits after taxes - Preference Dividend | (0.05) | (0.21) | (75.86) |
| | | Average Shareholder's Equity | | | |
| 5 | Inventory Turn-over Ratio | Cost of goods sold or Sales | 1.73 | 1.66 | 3.95 |
| | | Average Inventory | | | |
| 6 | Trade Receivables Turnover Ratio | Net Credit Sales | 2.96 | 4.04 | (26.68) |
| | | Average Accounts Receivable | | | |
| 7 | Trade Payables Turnover Ratio | Net Credit Purchases | 6.16 | 3.89 | 58.25 |
| | | Average Trade Payables | | | |
| 8 | Net Capital Turnover Ratio | Net Sales | (1.14) | (1.11) | 2.71 |
| | | Working Capital | | | |
| 9 | Net Profit Ratio | Net Profit | (0.07) | 0.17 | (143.04) |
| | | Net Sales | | | |
| 10 | Return on Capital Employed | Earnings before Interest and taxes | 0.29 | (0.43) | (168.20) |
| | | Capital Employed | | | |
| 11 | Return on Investment | Dividend | 0.77 | 0.40 | 92.50 |

Thiru. A. John Brito
Accounts Officer

Thiru. C. Arumugam
Company Secretary i/c /
Chief Accounts Officer

Thiru. K. Ramesh
Director

Thiru. T. Anbalagan, I.A.S.,
Chairman & Managing Director

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

| PERAMBALUR SUGAR MILLS LIMITED | | | | |
|---|---------------|----------------|----------------|----------------|
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH 2024 | | | | Amount in Rs. |
| Particulars | Current year | | Previous year | |
| A.CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/Loss as per P&L Account | | (10,60,16,582) | | 25,51,20,392 |
| Adjustment for | | | | |
| ADD: | | | | |
| Depreciation (Net of sharing) | 59,22,559 | | 64,79,237 | |
| Finance cost | 24,86,51,823 | 25,45,74,382 | 21,46,47,028 | 22,11,26,265 |
| LESS: | | | | |
| Prior period income | | | 39,42,93,810 | |
| Interest income from bank and others | 56,429 | | 13,05,447 | |
| Dividend received | 3,92,161 | 4,48,590 | 2,03,720 | 39,58,02,977 |
| | | 14,81,09,210 | | 8,04,43,680 |
| Operating profit/loss before Working Capital Changes | | | | |
| Change in operating assets and liabilities | | | | |
| Increase / Decrease in: | | | | |
| Inventories | 3,70,32,574 | | 5,39,68,794 | |
| Trade Receivables | (9,27,05,329) | | (15,19,41,420) | |
| Short term loans & Advances | 50,54,601 | | (1,23,47,403) | |
| Other Current Assets | (10,79,184) | | 7,47,990 | |
| Trade Payable | (30,28,595) | | (17,38,44,030) | |
| Current liabilities | (7,16,86,848) | | 1,74,04,044 | |
| Short term & Long term Provisions | 1,60,14,835 | | 3,15,319 | |
| Long Term Loans & Advances | - | (11,03,97,946) | | (26,56,96,706) |
| Cash generated from Operations | | 3,77,11,264 | | (18,52,53,025) |
| LESS: Income taxes paid | | - | | - |
| Net Cash Flow from Operating Activities (a) | | 3,77,11,264 | | (18,52,53,025) |
| B.CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of PPE | | (98,27,473) | | (56,06,735) |
| Profit on sale of fixed assets | | | | |
| Interest Income | | 56,429 | | 13,05,447 |
| Dividend Income | | 3,92,161 | | 2,03,720 |
| Net cash flow from Investing Activities (b) | | (93,78,883) | | (40,97,568) |

| | | | |
|---|--|----------------------|---------------------|
| C.CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Increase/(Decrease) in Long Term Borrowings | | (48,89,606) | (1,01,65,197) |
| Increase/(Decrease) in Short Term Borrowings | | 3,10,09,248 | 25,67,73,669 |
| Interest paid | | (5,64,24,943) | (5,61,19,204) |
| Net Cash flow from Financing Activities (c) | | (3,03,05,301) | 19,04,89,268 |
| | | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c) | | (19,72,920) | 11,38,675 |
| Cash and cash equivalent at the beginning of the year | | 31,83,607 | 20,44,932 |
| Cash and cash equivalent at the end of the year | | 12,10,687 | 31,83,607 |

Note: 1. The above cash flow statement has been prepared under indirect method as per AS-3.

2. Component of Cash and Cash Equivalents:

| | | |
|-----------------------|-----------|-----------|
| Cash on hand | 19,661 | 42,360 |
| Balance with banks | | |
| - in current accounts | 2,96,559 | 22,97,456 |
| - in deposit accounts | 8,94,469 | 8,43,791 |
| | 12,10,689 | 31,83,607 |

Thiru. A. John Brito
Accounts Officer

Thiru. C. Arumugam
Company Secretary i/c /
Chief Accounts Officer

Thiru. K. Ramesh
Director

Thiru. T. Anbalagan, I.A.S.,
Chairman & Managing Director

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

PERAMBALUR SUGAR MILLS LIMITED

Notes Forming Part of Accounts

I. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation:

These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards, notified under the Companies Act 1956 shall continue to apply. Consequently these financial statements are prepared to comply in all material aspects with the Accounting Standards notified under Sub-Section (3C) of Section 211 of the Act (Companies (Accounting Standards) Rules, 2021) and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization of cash and cash equivalents. The company has ascertained its operating cycle as 12 months for the purpose of current- noncurrent classification of assets and liabilities.

1. ACCOUNTING POLICY:

a) AS 1-Disclosure of Accounting Policies:

Financial statements are prepared under the historical cost and on the basis of going concern. The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis, including provisions/adjustments for committed obligation and amounts determined as payable or receivable during the year.

Accounting policies adopted by the company represents true and fair view of the state of affairs of the financial statements. The significant accounting policies followed are disclosed herein below.

b) AS 2-Valuation of Inventories:

| Inventory | Valuation |
|-------------------|---|
| Sugar - Free Sale | At Cost i.e. relevant season's cost or net realizable value whichever is lower. |
| Molasses | At since realized /realizable value. |
| Bagasse | At since realized /realizable value. |

| | |
|--|--|
| Sugar in Process | At relevant season's cost (or) Net realisable value less packing material cost and stacking cost whichever is lower. |
| Molasses in Process | At since realized /realizable value. |
| Standing Crop | At estimated value. |
| Fertiliser, Pesticides, Diesel and Lubricant | At Cost |
| Bio- Compost | At Market value. |
| Stores and Spares | At Weighted average cost. |

c) AS 3- Cash Flow Statements:

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3“Cash Flow Statements”.

d) AS 4-Contingencies and Events Occurring After the Balance Sheet Date:

Events occurring after the Balance Sheet date are those that occur between the Balance Sheet date and the date on which the Financial Statements are approved. Such events may necessitate adjustment of assets and liabilities or a financial impact of which may require a disclosure. The Company considers and makes necessary disclosures for all such material events.

e) AS 5-Net Profit/Loss for the Period & Prior Period Items:

- i) The entire Loss for the Period solely comprises of Loss from Ordinary Activities.
- ii) Details of prior period expenses and incomes are furnished in the Note No: 26 (10) hereof.

f) AS 9-Revenue Recognition:

- 1) Sale of Sugar and Molasses stated at exclusive of duties & taxes and recognized as and when the risks and rewards are transferred
- 2) Traded goods are recognized when the title of goods is transferred. 3) Sale of Power is recognized as per the agreements entered thereto. 4) Rental income is recognized as per the agreements entered thereto. 5) Interest income is recognized on time proportion basis and rates implicit. 6) Dividend income is recognized when the right to receive is established.

g) AS 10-Property, Plant and Equipments:

Fixed assets are stated at original cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The asset retired from active use and is held for disposal is to be recognized at lower of net book value and net realizable value.

Depreciation:

- a. For the assets which are existed as on 31-03-1989 depreciation is charged on WDV Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets.
- b. For the assets added on or after 01-04-1989 depreciation is charged on SLM Method, as per the Schedule II of Companies Act 2013, and depreciated over the remaining useful life of the assets, and on addition during the current year depreciation provided on pro-rata basis.

h) AS 12-Accounting for Government Grant:

Grants in the nature of promoter's contribution from the Government has been credited and kept in the Capital Reserve to be converted as Share capital after duly compiling with legal formalities.

i) AS 13-Accounting for Investments:

Long Term Investments are stated at cost.

j) AS 15-Employee Benefits:

Salary and other short term benefits are recognised as an expense in statement of Profit & loss in the year in which related service is rendered. The company has no defined benefit plans. It has only defined contribution plan.

a) Provident Fund :

Contribution to provident fund is made on monthly, at applicable rate to the Regional Authorities of Employees Provident Fund authority and debited to the profit and loss a/c on accrual basis.

b) Gratuity :

The Company's liability towards retirement benefits in the form of Gratuity is provided on the basis of actuarial valuation furnished by L.I.C. under their cash accumulation scheme.

c) Leave Encashment :

The provision for Earned Leave Encashment has been made on actuarial basis. The funds are kept in the business of the company and not invested

k) AS 16-Borrowing Cost:

During the year the borrowing cost attributable to qualifying assets is significant and hence borrowing cost for capitalization of assets is not included in the Assets value.

l) AS 17-Segment Reporting:

The Company is engaged in Manufacture of Sugar & Sale of Power. These are reportable segments for the year. Entire Operations of the Company is only in domestic hence reportable geographical segment does not arise. Segment wise Income, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, Expenses, Assets and Liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated Revenue/ Expenses/ Assets/ Liabilities”.

m) AS 20- Earning Per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the accounting year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit and loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

EPS For the year ended 31.03.2024 Rs. (2.79)

n) AS 22-Accounting for Taxes on Income:

Tax expense comprises of current and deferred tax.

(a) Current Tax :

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.

(b) Deferred Tax :

(ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation and timing differences in allowances in tax purposes, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

o) AS 28-Impairment of Assets:

As per AS-28 (Impairment of Assets) it is necessary to assess annually on Balance Sheet date whether the assets are impaired. In the opinion of the Company's Management, all the assets are likely to realize much higher realizable value than what is stated and carried in the Balance Sheet

i.e. there is no impairment in the value of the Assets as at 31.03.2023.

p) AS 29-Provisions, Contingent Liabilities Provisions:

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Contingent Liability:

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed by way of notes in the Balance Sheet and Contingent Assets are neither recognized nor disclosed.

II NOTES TO THE ACCOUNTS**1) Auditor's Liability:**

The Statutory Auditor fees of RS.1,19,720/- was paid to M/s.Vruksha & co with audit out of pocket expenses for the financial year 2022-23 and provision of audit fees of Rs.85,500/- is made for the statutory auditor fees to M/s. Sadasivam & associates for the financial year 2023-24.

2) Prior Period Adjustments:

| S.No | Particulars | As at 31.03.2024 (Rs.) |
|------|------------------------------------|---------------------------|
| 1 | Prior Period expenses: | |
| 1 | Walchand Industries | 4,66,161.00 |
| 2 | Depreciation excess amount reverse | (-)1,27,560.00 |
| | Sub Total (a) | 3,38,601.00 |

| | | |
|----|-------------------------------------|------------------|
| II | Prior Period Income: | |
| 1 | Insurance Claim | 8,650.00 |
| 2 | Burnt Cane Price | 24,44,796.40 |
| 3 | Quarters Rent | 18,70,492.00 |
| 4 | Pension Contribution | 14,80,248.00 |
| 5 | Others | 11,638.06 |
| 6 | TASCO fictitious expenses withdrawn | 6,89,33,719.44 |
| | Sub Total (b) | 7,47,49,994.70 |
| | Total (a-b) | (7,44,11,394.00) |

3) Contingent Liabilities:

i) Disputed Statutory Dues:

The following dues have not been deposited on account of a dispute

(In Rs.)

| Name of the Statute | 2023-24 | 2022-23 |
|---|-------------|-------------|
| (a) Commercial Tax (Purchase Sales Tax) (Dispute is pending at STAT Madurai) (Dispute is pending at DCCT Appeal Trichy) | 2,51,61,000 | 2,51,61,000 |
| (b) Income Tax (Dispute is pending at cit (Appeal) ITAT Chennai.) | 99,76,765 | 99,76,765 |

ii) Tamil Nadu All Co-operative and Public Sector Sugar Mills staff Peravai filed a writ petition No.2325/2004 and obtained orders on revision of pay scale on par with common cadre system employees with effect from 01/04/2003. Orders of Madras High Court were received in July, 2015. The Financial Commitment is not quantifiable. The Company has filed Writ Appeal No.54/55 of 2016 against the orders and obtained status quo on 27.1.2016 in CMP No.561, 562, 563 of 2016.

iii) Provision for labour cases pending before the appellate authority have not been made.

iv) Some of the employees of the company have filed claims for which 06 cases involving labour and personnel matters are pending disposal in the Court of law. The values of all the claims in these cases are not quantifiable.

4) LAND

The Company had entered into a land lease agreement with TANGEDCO on 12.03.2010 and leased out land admeasuring 29.98 acres of land in the Perambalur sugar mills premises at Eraiyur for implementation of Co-generation Project by the TNEB.

5) CO-GENERATION & MODERNIZATION

i) As per the G.O.(MS) No. 81 dt. 21/7/2009 10% of contribution of Rs,9.00 crores towards co-generation project shall be made by the farmers. Accordingly, an amount of Rs.7.88 crores were recovered from the cane payment payable to the cane growers from the season 2005-06 to 2007-08. Out of Rs.7.88 crores an amount of Rs.6.64 crores (contribution 5.84 crores + interest 0.80 crores) was remitted to TANGEDCO on 20/10/2010. Remaining amount of Rs.2.03 crores plus interest amount of Rs.2.27 totally Rs.4.30 crores with the company.

Though the GO (MS) No.81 state that the contribution recovered from cane growers as equity for co-generation, the MCA rejected the proposal of issue of shares stating that the “proposal for public issue cannot be accepted as net worth is negative / lack of working capital. Hence, the proposed public issue under guise of private placement is rejected due to devoid of merits”.

However, the cane grower’s representation was forwarded to Government for taking a decision.

ii) The cost of project of Co-Generation is Rs.96.14 crores and cost of project for Modernization of Perambalur Sugar Mills is Rs.42.72 crores TANGEDCO has raised loan for a term of 13 years with 3 years moratorium period for the project. Cane growers of Perambalur Sugar Mills have to contribute 10% of the project cost and short fall, if any, will be provided by Government as equity. The company has no capital commitments.

iii) As per agreement, the TANGEDCO has to settle the tariff for the power exported after deducting the loans and interest on it. But TANGEDCO neither settled the power tariff nor furnished the details of loans & interest there on. Hence, these will be accounted on cash basis as and when received.

iv) The value of power tariff receivable from TANGEDCO is fully accounted in as revenue, The O&M expenditure incurred for operation of co-gen facility is accounted as expenditure. Though the Co-Gen facility is owned by by TANGEDCO till such time of transfer of ownership to the sugar mill, the O&M expenses not been claimed or accounted as receivable. However, the power tariff accounted as revenue changeable whenever the TANGEDCO transferred the depreciable value of assets after adjusting the loan borrowed and interest there on.

v) During the year PSM billed Rs.1146.25 lakhs and total bill amount as on 31.03.2024 is Rs.4549.46 lakhs

vi) While carrying out the certification audit for the year 2022-23, by the PAG, the following observation was made

“TANGEDCO has entered into a joint development agreement with M/s.AASM Thanjavur and M/s.PSM Perambalur for setting up of Cogeneration Plant using bagasse generated by AASM and PSM as principal raw material. The project would be on BOT principle for a period of 13 years further extendable to additional 5 years on mutual consent. The sugar

mill would be entitled to take over the Cogeneration facility after debt serving of the loan taken by the board. TANGEDCO is responsible for procuring, executing, commissioning and handing over the cogeneration power plant with sugar factory modernization equipment to AASM who shall be responsible for operation and maintenance from Commercial Operation Date (COD).

Though the official COD has not been finalized yet, based on a mutual understanding both the companies started from 2018-19 onwards and started exporting power to TANGEDCO, Both M/s. AASM and M/s. PSM have accounted the sale of power to TANGEDCO as their income and operation and maintenance (O&M) charges as Expenses in the Profit and Loss Account.

As per the terms and conditions 4.1.7 of the agreement between TANGEDCO and M/s. AASM Ltd "TANGEDCO will be making payment to the Sugar Mill for the power exported to TANGEDCO at the Tariff fixed by Tamil Nadu Electricity Regulatory Commission **after deducting the amount due to lender towards repayment of loan**. After full debt servicing for the loan taken from lenders, Cogeneration facility shall be transferred to Sugar Mill at the depreciated cost". Further as per E.6 (payment) it is clearly stated that "TANGEDCO shall make payment to Sugar Mill for the power exported to them at the Tariff fixed by the Tamil Nadu Electricity Regulatory Commission after deducting the amount due to lender for repayment of loan".

The company approached the CMD, TANGEDCO vide letter ref.no.159/2023/A2, dated 4.1.2024. in this regard and after that the issues were raised in various meeting with TANGEDCO officials. The reply from TANGEDCO is awaited.

6) The obsolete assets included in the gross block of assets to the tune of Rs. 1.44 Crores was sold as scrap during the year 2023-24 is fully removed from the block of assets of plant & machinery. Though part of the assets were delivered during the month of April 2024 because the value of gross block couldn't be assessed (The plant & machinery was dismantled as scrap and sold) before the date of annual closing of accounts.

7) Employees benefit – Gratuity and Leave Encashment

(a) The company through the Trustees, Tamil Nadu Sugar Corporation.Ltd. Group Gratuity Scheme, maintains a Group Gratuity (Cash Accumulation) Scheme with Life Insurance Corporation of India in respect of all employees of the company. The scheme had been approved by the Commissioner of Income Tax. As per the Group Gratuity (Cash Accumulation) Scheme which is in force, the company has computed the liability on actuarial valuation furnished by the Life Insurance Corporation of India. Necessary effect in this respect has been given in the Books of Accounts as of 31st March 2024. Leave Encashment is provided for as per the Actuarial Valuation as on 31-03-2024.

b) Employees terminal benefits (AS-15)**(i) Gratuity (Funded):**

| | As on 31.03.2024 | As on 31.03.2023 |
|--|-----------------------------|-----------------------------|
| 1. Assumption | | |
| Discount rate | 7.25% | 7.00% |
| Salary escalation | 7.00% | 7.00% |
| 2. Table showing changes in the present value of obligation as on 31.03.2024 | | |
| Present value of obligation as at beginning of the year | 33145608 | 30474219 |
| Interest cost | 2403057 | 2133195 |
| Current Service Cost | 1944157 | 1891719 |
| Benefits paid | (7320514) | (9652244.30) |
| Actuarial(gain/loss) in obligations | 5234009 | 8298719 |
| Present value of obligations as at end of year | 35406317 | 33145608 |
| 3. Table showing changes in the fair value of plan assets on 31.3.2024 | | |
| Fair value of plan assigned at beginning of year | 24280896.14 | 27174250 |
| Expected return on plan assets | 1485443.70 | 1550577.90 |
| Contributions | 13953.86 | 8208312.50 |
| Benefits paid | (7320514) | (9652244.30) |
| Actuarial (gain/loss) in plan assets | Nil | Nil |
| Fair value of plan assets at the end of year | 18459779.70 | 24280896.14 |
| 4. Table showing fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 24280896.14 | 27174250 |
| Actual return on plan assets | 1485443.70 | 1550577.94 |
| Contributions | 13953.86 | 5208312.50 |
| Benefits paid | (7320514) | (9652244.30) |
| Fair value of plan assets at the end of year | 18459779.70 | 24280896.14 |
| Funded status | (16946537.30) | (8864711.86) |
| Excess of Actual over estimated return on plan assets | | Nil |
| (Actual rate of return=Estimated rate of return as ARD falls as on 31 st March) | | |
| 5. Actuarial Gain/Loss recognized as on 31.3.2024 | | |
| Actuarial (gain/loss) obligations | (5234009) | (5234009) |
| Actuarial (gain/loss) for the year plan assets | Nil | Nil |
| Actuarial (gain/loss) obligations | 5234009 | 8298719 |
| Actuarial (gain/loss) recognized in the year | 5234009 | 8298719 |

| | | |
|---|---------------|--------------|
| 6.The amounts to be recognized in the balance sheet and statements of profit & loss: | | |
| Present value of obligations at the end of year | 35406317 | 33145608 |
| Fair value of plan assets at the end of the year | 18459779.70 | 24280896.14 |
| Funded status | (16946537.30) | (8864711.86) |
| Net Assets(liability)recognized in Balance Sheet | (16946537.30) | (8864711.86) |
| 7.Expenses Recognized in statement of profit and loss : | | |
| Current Service Cost | 1944157 | 1891719 |
| Interest cost | 2403057 | 2133195 |
| Expected return on Plan Assets | (1485443.70) | (1550577.94) |
| Net Actuarial gain/loss recognized in the year | 5234009.00 | 8298719 |
| Expenses recognized in statement of Profit and Loss | 8095779 | 10773055 |

(ii) Earned Leave encashment (Un Funded):

| PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages] | 31-03-2024 | 31-03-2023 |
|---|-------------------|-------------------|
| Discount Rate | 7.30% | 7.30% |
| Salary escalation rate | 6.00% | 6.00% |
| Attrition rate | 5.00% | |
| Expected rate of return on Plan Assets | 0.00% | 0.00% |

| AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS | 31-03-2024 | 31-03-2023 |
|---|-------------------|-------------------|
| Present value of the obligation | 16870388 | 16422167 |
| Fair value of plan assets | - | - |
| Difference | (16870388) | (16422167) |
| Unrecognized transitional liability | - | - |
| Unrecognized past service cost – non vested benefits | - | - |
| Liability recognized in the balance sheet | (16870388) | (16422167) |

| EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS | 31-03-2024 | 31-03-2023 |
|--|-------------------|-------------------|
| Current Service Cost | 3856009 | 3305489 |
| Interest Cost | 1198818 | 991791 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) / loss recognized in the year | 377129 | (1648487) |
| Transitional Liability recognized in the year | - | - |
| Past service cost – non-vested benefits | - | - |
| Past service cost – vested benefits | - | - |
| Expenses recognized in the statement of profit and loss | 5431956 | 2648793 |

8) Segment Reporting:

The Company is engaged in the Manufacture of Sugar and allied activities and Sale of Power. Disclosure as required by Accounting Standard 17 “Segment Reporting” issued by the institute of Chartered Accountants of India is given below.

| Particulars | Year ended 31 st March 2024 (Rs.) | Year ended 31 st March 2023 (Rs.) |
|-----------------------------|---|---|
| Segment Revenues | | |
| Manufacture & Sale of Sugar | 1,33,32,56,141 | 1,36,12,25,617.35 |
| Sale of Power | 11,47,42,980 | 11,54,54,183 |
| Unallotted | 2,29,85,899 | |
| Total | 1,47,09,85,020 | 1,47,66,79,800.35 |
| Segment Expenses | | |
| Manufacture & Sale of Sugar | 1,52,03,49,057 | 1,17,36,35,534.07 |
| Sale of Power | 5,06,12,148 | 5,42,59,083.16 |
| Unallotted | 60,40,397 | 0 |
| Total | 1,57,70,01,602 | 1,22,78,94,617.23 |
| Segment Assets | | |
| Manufacture of Sugar | 1,14,78,76,322 | 1,27,65,99,731 |
| Sale of Power | 48,67,56,626 | 30,58,12,141 |
| Unallotted | 14,08,257 | 0 |
| Total | 1,63,60,41,205 | 1,58,24,11,872 |
| Segment Liabilities | | |
| Manufacture of Sugar | 2,83,07,46,043 | 2,64,26,65,049 |
| Sale of Power | 74,51,073 | 4,30,76,332 |
| Unallotted | 71,90,169 | 0 |
| Total | 2,84,53,87,285 | 2,68,57,41,381 |

9) Related party disclosures:

- i) The loans and advances to Head Office shown to the tune of Rs.689.34 lakhs as on 31.03.2023 is not a real loan and advances. It is a fictitious one. The income received by head office is not fully shared with Perambalur Sugar Mills. Hence on mutual agreement the amount is withdrawn from the books of accounts so as the financial statement states true and fair view.
- ii) As per AS-18, “Related party Disclosure” the related parties where control exists or where significant influence exists and with whom transactions have taken place, an amount of Rs.25.00 lakhs is debited in the books of accounts towards sharing of holding company expenses for their services for the year 2023-24.

10) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

11) Figures have been rounded off to the nearest lakhs except in the case of earning per shares and number of shares.

Thiru. A. John Brito
Accounts Officer

Thiru. C. Arumugam
Company Secretary i/c /
Chief Accounts Officer

Thiru. K. Ramesh
Director

Thiru. T. Anbalagan, I.A.S.,
Chairman & Managing Director

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

INDEPENDENT AUDITOR'S REPORT

To the Members of "PERAMBALUR SUGAR MILLS LIMITED"

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of PERAMBALUR SUGAR MILLS LIMITED, which comprise the Balance Sheet as at 31st March 2024 and the statement of Profit and Loss, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matter(s) described in the basis for qualified opinion section aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to:

1. Books of accounts:

- a. The accounts are maintained in Tally Accounting package. There is no control over insertion, modification or deletion of entries in the package. There is no feature of recording audit trail (edit log) facility in the software. Under the circumstances, the individual changes made in the system and the authority for the same could not be effectively monitored / cross verified. In the absence of audit trail log facility, tampering of same could not be possible for verification. This is an important / sensitive area since it will directly affect the financials/ profitability, without proper internal control and check.
- b. There is no system of generating exceptional reports with reference to transactions done with pre date or post date. The system based reports should be generated for any adjustment entries passed with value date of 31.03.2024, on any subsequent date. The audit trail for the change/passing of entries should also be maintained/evidenced, as per extant guidelines.
- c. The accounting statements, ledger should be printed from the software only and not through maintenance of manual system/intervention (separate excel sheet) etc. '

2. Revenue from operation:

The Company is in the practice of preparing the invoice as and when the allotment order has been received from Tamil Nadu Cooperative Sugar Federation Limited. It is observed that, the Federation made allotment of Sugar to TNSC Kanyakumari of 7000 quintals at Rs.4102.35 per quintal in December 2023. Of which, 2450 quintals has been lifted only from 03.04.2024 to 13.04.2024. Since, invoice have been prepared on March 2024 itself, the Company has booked sale of sugar for this quantity in March 2024 itself. Since, the title of goods with risks and reward were transferred only in April 2024, recognition of sale of 2450 quintals resulted in excess booking of sales. This resulted in overstatement of sales by Rs. 100.51 lacs and overstatement of profit also.

3. Inventories:

Stores records are maintained in a Tally package and are not reconciled with other Tally package maintained for financial accounts. There are huge variations in actual cost of spares as per the invoice and cost of spares used for issue in Tally package making is totally unreliable.

4. Compliance with MSME Act:

The Company has not collected and maintained details necessary for identification of Small, Medium and Micro enterprises. List of MSME suppliers bills and the outstanding dues are not maintained/available in Tally Package.

5. Road Development Fund:

The Company has collected Road Development Fund from riots. The opening balance in the account is Rs.42,96,299.64. The Company has collected Rs.6,92,828 during the year and has given Rs. 5,20,105 to contractors. The expenses/receipt are not routed through P&L A/c. No agreement/ authority for such collection was produced for recovery or spending.

6. Area Development Fund:

An amount of Rs.24,19,157.24 is outstanding under this head, which is pending for long. No record held for the same.

7. Balance Confirmation:

- a. The confirmation of balances from majority cases for Loans & Advances, Trade Receivables, Trade payable, Other Current liabilities and other Current assets have not been obtained. In the absence of comprehensive confirmation, the impact if any, on the carrying value of those items and the consequential impact on the loss of the Company for the year under consideration is not
- b. The Trade payable, Trade Receivable, Other Current Liabilities, Long Term loans and advances, Short term loans and advances or Loans and Advances includes old outstanding balances for which no provision have been made, no recoveries or settlement recorded and outstanding for long. the nature of liability/ recoverability are not known, most of the parties are not traceable and confirmation of outstanding balances neither received nor subsequently settled, also lapsed by Law of Limitation. We are unable to comment on the appropriateness of retaining the old balances in the financial statement.

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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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

financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the Basis for Qualified Opinion section above.

Emphasis of Matter

Without qualifying our report, we draw attention to note to the standalone financial statements relating to

1. there is several lawsuits and labour cases filed against the company and also there are pending cases filed against the employees during the previous period. The outcome. of these pending litigations depends upon the judgements to be pronounced by the various courts/appellate authorities and is presently' uncertain.
2. Pending finalization of project cost for the co gen project and share of cost commitment is not yet finalized and
3. The Bagasse bye product transferred from the Company to Co-Generation Power plant (TANGEDCO) has not been claimed/accounted from 2018-19 to 2023-2024. Considering these uncertainties, no adjustments have been considered in the financial statement and our report is not modified in respect of these matters.

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 Annual Report, but does not include the standalone financial statements and auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the management report, if we conclude that there is material misstatement therein; we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's responsibilities Relating to other information".

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

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our Conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it possible that the economic decisions of a reasonably, knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors (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 doings would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure — A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(5) of the Act, we give in the "Annexure B", on the directions issued by the Comptroller and Auditor General of India.
3. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. Except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
 - 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 director 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 other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, based on the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 197 relating to remuneration to directors shall not apply as per MCA Notification dt.05.06.2015.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- 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:

The Company disclosed the details of pending litigations which would impact its financial position in the notes on accounts.

- i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- ii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iii. The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts,
 - a. no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures that has been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- iv. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- v. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

ANNEXURE A to the Independent Auditor's Report

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013.

- I
 - a. The company is not maintaining proper records showing full particulars, including 'quantitative details and situation of property, plant and equipment.
 - b. Property, plant and equipment have not been physically verified by the management.
 - c. The Company has no intangible assets;
 - d. The company has acquired entire land of 133 acres through a Government order only. There are no title deeds.
 - e. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - f. In our opinion and according to the information and explanations given to us, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made , thereunder.
- II
 - a. Physical counting of inventory had not been conducted periodically during the year by the management. As represented to us, the inventories have been physically verified by the management at the year end. No materials produced for us, except year end verification reports and we do not comment the reasonableness. In our opinion and according to the information and explanation given to us, there were no discrepancies noticed during the year end physical verification of inventories.
 - b. The Quarterly return / statements filed by the company with the banks for the working capital limits sanctioned in excess of five crore rupees are in agreement with the books of accounts of the company.
- III
 - a. During the year the company has not made any investments. It has not provided any guarantee or security or has not granted any loans & advances in the nature of loans to anyone.
- IV
 - a. In our opinion and according to our information and explanations given to us, the company has not granted any loans or provided any guarantee or security to any Director of the Company and hence the provisions of Section 185 of the act is not applicable to the Company. The company has complied with provision of section 186 as applicable.
- V
 - a. The Company has not accepted any Deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to this Company.
- VI
 - a. Maintenance of cost records has been specified by the Central Government under sub-Section (1) of section 148 of the Companies Act, 2013. Separate cost records are not maintained by the company.
- VII
 - a. The company is depositing undisputed statutory dues with appropriate authorities like Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, wherever applicable except few delays in depositing TDS. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

b. The following are the statutory dues referred in clause (a) above which have not been deposited on account of dispute.

| Name of Statute | Nature of Dues | Forum where dispute is pending | Period to which it relates | Amount (Rs. In Lakhs) |
|---------------------------------------|----------------------|---|----------------------------|-----------------------|
| Central Sales Act 1956 | Sales / Purchase Tax | STAT Madurai | 1992-93 | 1.64 |
| Tamil Nadu General Sales Tax Act 1959 | Sales / Purchase Tax | STAT Madurai | 1995-96 | 234.28 |
| Central Sales Act 1956 | Sales I Purchase Tax | STAT Madurai | 2007-08 | 12.12 |
| Central Sales Act 1956 | Sales / Purchase Tax | STAT Madurai | 2009-10 | 3.57 |
| Income Tax | Income Tax | Assessing officer for passing order giving effect to appeal order | 2010-11 | 99.77 |

VIII In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed any transactions not recorded in the books of account as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

IX. a. The company has defaulted in repayment of loans or borrowings & Interest there on in default to the Government of Tamilnadu.

| Nature of the borrowing | Name of the lender | Principal 0/s | Interest 0/s | Status |
|-------------------------|---|---------------|--------------|-----------------------------|
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 22,61,50,000 | 20,48,08,369 | In default Since 31-03-2019 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 18,50,000 | 15,51,720 | In default Since 31-03-2019 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 8,68,85,476 | 7,95,99,040 | In default Since 31-03-2019 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 16,64,90,000 | 11,18,71,667 | In default Since 31-03-2020 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 25,09,000 | 17,25,929 | In default Since 31-03-2020 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 3,96,97,000 | 2,65,64,086 | In default Since 31-03-2020 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 25,00,000 | 13,34,685 | In default Since 31-03-2021 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 6,11,99,500 | 3,18,16,701 | In default Since 31-03-2021 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 6,11,99,500 | 3,03,33,157 | In default Since 31-03-2021 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 8,60,53,000 | 4,23,90,887 | In default Since 31-03-2021 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 19,50,57,000 | 7,66,77,709 | In default Since 31-03-2022 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 22,20,000 | 8,19,058 | In default Since 31-03-2022 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 17,78,31,000 | 4,44,27,542 | In default Since 31-03-2023 |
| Short Term Borrowings | Ways & Means Advance from Government of Tamilnadu | 5,00,00,000 | 54,38,251 | Within FY 2023- 2024 |

- b. In our opinion and according to the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender;
 - c. Term loans were applied for the purpose for which the loans were obtained,
 - d. In our opinion and according to the information and explanations given to us and represented by the Management, funds raised on short term basis have not been utilized for long term purposes.
 - e. In our opinion and according to the information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- X.
- a. In our opinion and according to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year. However, the company has allotted Non Cumulative preference shares of Rs.1711044080 (171104408 shares of Rs.10 each) to Tamilnadu Sugar Corporation Ltd on conversion of Ways and Means advance during the year. No specific purpose reported/noted for allotment of preferential shares.
 - b. In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year except conversion of Ways and Means advance as Preference Share capital as mentioned above.
- XI.
- a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the company by any person has been noticed or reported during the year.
 - b. No report under section 143(12) of the Companies Act had been filled by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c. As represented by the company there were no whistle-blower complaints, received during the year.
- XII.
- a. The company is not a Nidhi Company hence reporting under clause 3(xii) of the order is not applicable.
- XIII.
- a. In our opinion and according to the information and explanations given to us, the 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, etc., as required by the applicable accounting standards;
- XIV.
- a. In our opinion, the internal audit system in the company is not commensurate with the size & nature of companies' business.
 - b. We have considered the internal audit reports for the year under the audit issued to the company in the year and till date in determining the nature, timing and extend of our audit procedure.
- XV.
- a. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

- XVI. a. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and registration has not been obtained.
- b. In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, is not required to be obtained.
- c. In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and as such clause 3(xvi)c of the order is not applicable.
- d. The Group has no CIC as part of the Group.
- XVII. a. The company has incurred cash losses in the current financial year, but has not incurred cash losses in the immediately preceding financial year.

| Financial Year | Cash Loss Rs. |
|----------------|---------------|
| 2023 - 2024 | 100094023 |

- XVIII. (a) There has been no resignation of the statutory auditors during the year.
- XIX. a. 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 as the company is a government company no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- XX. a. Section 135 of the Companies act is not applicable to this company and hence reporting under clause 3(xx) of this order is also not applicable.
- XXI. a. This is not a consolidated financial statement and as such there are no CARO reports to be considered, in consolidation.

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

ANNEXURE — B to the Auditors' Report

Annexure to the Independent Auditor's Report of Even Date on The Standalone Financial Statement of Perambalur Sugar Mills Limited

Annexure — B to the Auditors' Report

Report on the directions issued under section 143(5) of the Act, by the Comptroller and Auditor General of India (Referred to in Para 2 in Report on other Legal and Regulatory Requirements in our Independent Auditors' Report of even date on the standalone Financial Statement of Perambalur Sugar Mills Ltd)

| S NO | Matters specified in Directions issued by C&AG through web site applicable from the year 2021-22 and onwards | Reply by Auditors |
|---------|--|---|
| 1. | Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | <p>The Company maintains the accounting transactions through third party software {Tally} for maintaining the Books of account. The other transactions are being carried out manually. The system is used like manual accounting system.</p> <p>As per the information and other details furnished to us, there are no financial implications on following this system for the year under audit.</p> <p>There is no control over insertion, modification or deletion of entries in the package. There is no feature of recording audit trail (edit log) facility in the software. Under the circumstances, the individual changes made in the system and the authority for the same could not be effectively monitored/cross verified.</p> <p>In the absence of audit trail log facility, tampering of the same could not be possible for verification.</p> <p>This is an important and sensitive area since it will directly affect the financial profitability, without proper internal control and check.</p> <p>There is no system of generating exceptional reports with reference to transactions done with pre or post date. The system based reports to be generated for any adjustment entries passed with value date of 31.03.2024, on any subsequent date.</p> |

| | | |
|----|--|--|
| | | <p>The audit trail for the change /passing of entries should also be maintained/evidenced, as per extant guidelines.</p> <p>The accounting statements, ledger should be printed from the software only and through maintenance of manual system/intervention (separate excel sheet) etc.</p> |
| 2. | <p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).</p> | <p>There are no conversions or restructuring of existing loan during the year.</p> |
| 3. | <p>Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.</p> | <p>Reported no fund (grant/subsidy etc.) received/ receivable for specific schemes during the year of audit ie., 2023-2024.</p> |

Place : Trichy
Date : 30.08.2024

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

| S. No | Matters specified in Additional Sub directions issued vide letter No.PAG (Audit-11)/AMG-1/0AD-11N111/2023- 24/48 Dt. 08.05.2023 | Reply by Auditors | | | | | | | | | |
|-------------------|--|--|-------------------|--|-------|---|-------------|--|----------|----------------------------------|---------|
| 1. | Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads? | <p>The company has no pricing policy. We have been informed that the selling price of sugar depends upon demand and supply of price prevailing in the open market. We have been informed that. the company is following the Fair Remunerative Price (FRP) fixed by the Government of India.</p> <p>The pricing policy has not absorbed all fixed and variable cost of production as well as the allocation of overheads.</p> | | | | | | | | | |
| 2. | Whether the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence? | <p>We have been informed that norms have been fixed for normal loss.</p> <p>However, the necessary cost records are not maintained to decide the normal & abnormal losses.</p> | | | | | | | | | |
| 3. | What is a system of valuation of by - products and finished products? List out the cases of deviation from its declared policy. | <table border="1" data-bbox="852 923 1431 1155"> <thead> <tr> <th colspan="2" data-bbox="852 923 1431 959">Finished Products</th> </tr> </thead> <tbody> <tr> <td data-bbox="852 959 1094 1038">Sugar</td> <td data-bbox="1094 959 1431 1038">Cost or net Realizable value whichever is lower</td> </tr> <tr> <th colspan="2" data-bbox="852 1038 1431 1074">By products</th> </tr> <tr> <td data-bbox="852 1074 1094 1110">Molasses</td> <td data-bbox="1094 1074 1431 1110" rowspan="2">Since realized/ realizable value</td> </tr> <tr> <td data-bbox="852 1110 1094 1155">Bagasse</td> </tr> </tbody> </table> <p>However, there were no deviations noticed from its declared policy</p> | Finished Products | | Sugar | Cost or net Realizable value whichever is lower | By products | | Molasses | Since realized/ realizable value | Bagasse |
| Finished Products | | | | | | | | | | | |
| Sugar | Cost or net Realizable value whichever is lower | | | | | | | | | | |
| By products | | | | | | | | | | | |
| Molasses | Since realized/ realizable value | | | | | | | | | | |
| Bagasse | | | | | | | | | | | |
| 4. | State the extent of utilization of plant & machinery during the year vis-a-vis installed capacity. | The installed crushing capacity of plant and machinery is 516000 M.T. per annum. Actual quantity crushed during the year was 328966 M.T. which is 63.75% of the capacity utilization. | | | | | | | | | |
| 5. | Whether the company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting of effect of shortage/excess noticed during physical verification. | Based on the information and explanations given to us, the company has system of physical verification, valuation of stocks by heads of concerned departments. No shortage/excess have been reported by them. | | | | | | | | | |
| 6. | Whether the company has taken adequate measures to prevent encroachment of idle land owned by it? Whether any land of the company is encroached, under litigation, not put to use or declaration surplus? Details may be provided. | As per the information given by the management, there is adequate measure to prevent encroachment. No land has been encroached or under litigation. | | | | | | | | | |

| | | |
|-----|--|---|
| 7. | Whether system for monitoring the execution of works vis-a-vis the Milestone stipulated in the agreement is in existence and the impact of cost escalation, if any revenues/losses from contracts etc., have been properly accounted for in the books? | Yes. |
| 8. | Whether funds received for specific schemes from Central/State agencies were properly accounted for/utilized? List the cases of deviation. | As per the information given by the management, no fund (grant/subsidy etc.) received/ receivable for specific schemes during the year of audit ie., 2023-2024. |
| 9. | Whether the bank guarantees have been revalidated in time? | As per the information given by the management, the bank guarantees have been revalidated in time. |
| 10. | The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned. | As per the information given by the management, there are no abandoned projects. |

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

ANNEXURE C TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in Report on Other Legal and Regulatory Requirements in our independent Auditors' Report of even date on the Standalone Financial Statement of Perambalur Sugar Mills Limited)

We have audited the internal financial controls over financial reporting of PERAMBALUR SUGAR MILLS LIMITED as on 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 Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 (the "Guidance Note") 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.

Basis of qualified opinion

In our *opinion, except for the possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company has maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2024, based "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the financial statements of the Company

We observed significant deficiencies in the internal financial controls relating to review and providing for

1. Periodical review and accounting for the effects of pending litigations and undisputed tax dues
2. The Company's internal control system for maintenance of accounting records, passing of accounting entries is weak. Multiple accounts are opened for Customers / Suppliers / Other Co-operative sugar mills / Expenses head, which could potentially affect recovery of amounts from customers / payments to suppliers. The Company has no proper control over segregation of expenditure into capital or revenue. The Company has included GST in expenditure and has also claimed input of GST.
3. The accounts are maintained in Tally Accounting package. There is no control over insertion, modification or deletion of entries in the package. There is no feature of recording audit trail (edit log) facility in the software. Entries passed in Tally to be supported by vouchers showing who has authorized the passing of the entry. The Tally package is also not showing the audit trail leading to difficulties in finding out the person and authority who authorized and passed the entry.
4. There is no system of generating exceptional reports with reference to transactions done with pre date or post date. The system based reports should be generated for any adjustment entries passed with value date of 31.03.2024, on any subsequent date. The audit trail for the change/passing of entries should also be maintained/evidenced, as per extant guidelines.
5. The internal audit report for the quarter ending upto December 2023 is dated 09.02.2024 and for the quarter ending March 31, 2024 is dated 01.06.2024. Thus, inordinate delay noted. No UDIN in the internal audit report for the quarter ending period upto December 2023. The observations reported in internal audit report to be followed and complied with.
6. The Company fails to book all the expenses and income in the years of incurring, as a result huge amounts of Prior period expenses and income are recognized every year.
7. Recognition of Revenue as per accounting standards.
8. Control over inventory is weak. The Inventory records are not integrated with financial accounts. Closing stock are taken but not reconciled with stock records for shortage or excess. Stores records are maintained in separate Tally Package & are not reconciled with the Tally package maintained for financial accounts. There are huge variations in actual cost of spares as per the invoice and cost of spares used for issue in Tally package making it totally unreliable.
9. Obtaining confirmation of balances for trade receivables, loans and advances, trade payable and other current assets and the related reconciliation with the books of account. These includes old outstanding balances for which no provision have been made, no recoveries or settlement recorded and outstanding for long. The nature of liability/ recoverability are not known, most of the parties are not traceable and confirmation of outstanding balances neither received nor subsequently settled, also lapsed by Law of Limitation.

10. Physical verification of assets to be conducted periodically and the same to be reconciled with fixed assets register.
11. The function of internal audit system to be strengthened to commensurate with size and nature of the business.

Qualified Opinion:

In our opinion and according to the information and explanations given to us, the Company has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our report of even date
for **Sadhasivam & Associates**
Chartered Accountants

Place : Trichy
Date : 30.08.2024

Partner
CA.T. Srinivasan
Membership No. 202208
UDIN No.24202208BKEGUF2649

PERAMBALUR SUGAR MILLS LTD

Addendum to Directors

| S. No | Qualified Opinion given by Auditor | Our Reply |
|-------|--|--|
| 1 | The accounts are maintained in Tally Accounting package. There is no control over insertion, modification or deletion of entries in the package. There is no feature of recording audit trail (edit log) facility in the software. Under the circumstances, the individual changes made in the system and the authority for the same could not be effectively monitored / cross verified. In the absence of audit trail log facility, tampering of same could not be possible for verification. This is an important / sensitive area since it will directly affect the financials/profitability, without proper internal control and check. | Action is being taken to develop an integrated accounting software, including the audit trail facility. |
| 2 | There is no system of generating exceptional reports with reference to transactions done with pre date or postdate. The system-based reports should be generated for any adjustment entries passed with value date of 31.03.2024, on any subsequent date. The audit trail for the change/passing of entries should also be maintained/evidenced, as per extant guidelines. | Action is being taken to develop an integrated accounting software, including the audit trail facility. |
| 3 | The accounting statements, ledger should be printed from the software only and not through maintenance of manual system/intervention (separate excel sheet) etc. | Action is being taken to develop an integrated accounting software, including the audit trail facility. |
| 4 | The Company is in the practice of preparing the invoice as and when the allotment order has been received from Tamil Nadu Cooperative Sugar Federation Limited. It is observed that, the Federation made allotment of Sugar to TNSC Kanyakumari of 7000 quintals at Rs.4102.35 per quintal in December 2023. Of which, 2450 quintals have been lifted only from 03.04.2024 to 13.04.2024. Since, invoice have been prepared on March 2024 itself, the Company has booked sale of sugar for this quantity in March 2024 itself. Since, the title of goods with risks and reward were transferred only in April 2024, recognition of sale of 2450 quintals resulted in excess booking of sales. This resulted in overstatement of sales by Rs. 100.51 lacs and overstatement of profit also. | Though the allotment order was received in March 2024, the civil supply has made indent to take the sugar bags during April 24 only. Had the mill, accounted the sales during April 2024 the next allotment order by the Central Government would have been reduced because of showing stock as on 31.03.2024. Hence in order to get the right allotment order in April 2024 the mill was prepared accordingly stock was deducted as on 31.03.2024 by preparing invoices during March 2024 and the indent made to TNCSC during the month April 2024. |
| 5 | Stores records are maintained in a Tally package and are not reconciled with other Tally package maintained for financial accounts. There are huge variations in actual cost of spares as per the invoice and cost of spares used for issue in Tally package making is totally unrealisable | Action is being taken to develop an integrated software, consolidating all activities. |

| | | |
|---|--|---|
| 6 | The Company. has not collected and maintained details necessary for identification of Small, Medium and Micro enterprises. List of MSME suppliers' bills and the outstanding dues are not maintained/available in Tally Package. | The list of MSME suppliers is now prepared by the mill and the balances pending for MSME suppliers are listed out and kept on the records and also at that time of printing annual report this will be printed. |
| 7 | The Company has collected Road Development Fund from riots. The opening balance in the account is Rs.42,96,299.64. The Company has collected Rs.6,92,828 during the year and has given Rs. 5,20,105 to contractors. The expenses/receipt are not routed through P&L A/C. No agreement/ authority for such collection was produced for recovery or spending an amount of Rs.24,19,157.24 is outstanding under this head, which is pending for long. No record held for the same. | <p>With the consent of the cane growers, a sum of Rs.2 P/Mt was recovered from cane cost payable to the cane growers and credited in the road development fund account. This amount is utilised for the repairing work of cane field approach road (from cane field to main road) with the grower's participation. The above said repairing work expenses was met out from the said road development fund account. This is a fund created by a group of cane growers for their benefit. The company has not contributed for it. The company is facilitating for the benefit of the farmers.</p> <p>Hence addition to the fund is shown as increase in other liability and vice versa. Moreover, it could not be routed through the P&L account. This is being consistently followed from the inception of the mill. It will never affect the true & fair view of the Financial Statement and hence addendum is not necessary.</p> |
| 8 | <p>a. The confirmation of balances from majority cases for Loans & Advances, Trade Receivables, Trade payable, Other Current liabilities and other Current assets have not been obtained. In the absence of comprehensive confirmation, the impact if any, on the carrying value of those items and the consequential impact on the loss of the Company for the year under consideration is not determinable.</p> <p>b. The Trade payable, Trade Receivable, Other Current Liabilities, Long Term loans and advances, short term loans and advances or Loans and Advances includes outstanding balances for which no provision have been made, no recoveries or settlement recorded and outstanding for long. The nature of liability/ recoverability are not known, most of the parties are not traceable and confirmation of outstanding balances neither received nor subsequently settled, also lapsed by Law of Limitation. We are unable to comment on the appropriateness of retaining the old balances in the financial statement.</p> | According to GAAP (Generally Accepted Accounting Principle) the loans & advances, trade payables, sundry debtors and other current assets balances shown in the balance sheet have to be confirmed by the respective stake holders such as Government, Banks, Creditors and Debtors. Accordingly, the company had sent letters to bankers, creditors, debtors etc to confirm the outstanding balances as on 31/03/2023 (copy of the letter sent is enclosed). But the company had not received the confirmation balances from the stake holders. However, the company has clearly mentioned in the letter that if debtor / creditor does not confirm or dispute the balance outstandings within the stipulated time, it will be presumed that the sundry debtors / creditors confirm the balance outstanding as on 31/03/2023. Hence, the auditor's inference that the consequential impact on the loss of the company for the year is not determinable is not acceptable. Moreover, it is not possible to get confirmation of balances from all the debtors / creditors within a short period i.e. between March 31st to June 30th (The date on which accounts closing process completed). |

Sd/-xxxx
Chairman & Managing Director

K.PANANDH, IA & AS

ACCOUNTANT GENERAL (Audit-II)

Tamil Nadu & Puducherry,
"Lekha Pariksha Bhavan",
361, Anna Salai, Chennai – 600 018.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA. UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PERAMBALUR SUGAR MILLS LIMITED FOR THE YEAR ENDED 31ST MARCH 2024.

The preparation of financial statements of Perambalur Sugar Mills Limited Chennai for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.08.2024.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Perambalur Sugar Mills Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

Place : Chennai

Date : 04.11.2024

For and on the behalf of the
Comptroller & Auditor General of India,

sd/-

Accountant General

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