



No. 1/1, Seth Narayandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

INDEPENDENT AUDITORS' REPORT

Date :

To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **M/S.KPR SUGAR AND APPARELS LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

Information Other than the Financial Statements and Auditors' Report Thereon

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

If, based on the work I have performed, I conclude that there is no material misstatement of this other information, So, I have nothing to report in this regard.

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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.

INDEPENDENT AUDITORS' REPORT

To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

Report on the Audit of the Financial Statements

In preparing the financial statements, the Management and Board of Directors are 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



INDEPENDENT AUDITORS' REPORT

To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

Report on the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



INDEPENDENT AUDITORS' REPORT

To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

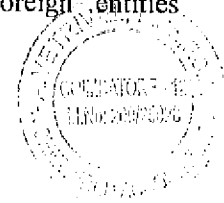
Report on the Audit of the Financial Statements

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

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:

- a) There were no pending litigations which would impact the financial position of the Company.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- d) i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities.



INDEPENDENT AUDITORS' REPORT

To the Members of M/s.KPR SUGAR AND APPARELS LIMITED

Report on the Audit of the Financial Statements

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any matter whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 40 to the financial statements, no funds 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 Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

REWqiii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e) The Company has neither declared nor paid any dividend during the year 2022-23.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In my opinion and according to the information and explanations given to me, no remuneration is paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by me.

UDIN: 23025028BGVRGZ8950

PLACE: Coimbatore

DATE: 25.04.2023


CA.A.VETRIVEL

M.NO:025028

Annexure A to the Independent Auditor's Report on Financial Statements of K.P.R. SUGAR AND APPARELS LIMITED for the year ended March 31, 2023.

(Referred to my report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In my opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. Immovable properties whose title deeds have been charged as security for loans are held in the name of the Company based on the confirmations directly received by me from lenders.

(d) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to me and on the basis of my examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



M/S.KPR SUGAR AND APPARELS LIMITED

- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In my opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties. Therefore, the provisions of clause 3(iii) of the said order are not applicable to the Company.
- (iv) According to the information and explanations given to me and on the basis of my examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in my opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) I have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, I have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.



- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to me and on the basis of my examination of the records of the Company, in my opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to me and on the basis of my examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax Duty of customs or Cess or other Statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

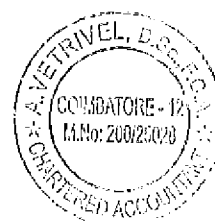
- (ix) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In my opinion and according to the information and explanations given to me by the management, term loans were applied for the purpose for which the loans were obtained.

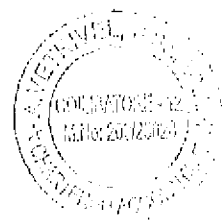


- (d) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that 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 as defined under the Act.
- (f) According to the information and explanations given to me and procedures performed by me, I report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to me, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to me, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to me by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to me, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



M/S.KPR SUGAR AND APPARELS LIMITED

- (xiii) In my opinion and according to the information and explanations given to me, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to me and my audit procedures, in my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) I have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In my opinion and according to the information and explanations given to me, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses during the financial year covered by my audit and incurred a cash loss of Rs.284.00 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



M/S.KPR SUGAR AND APPARELS LIMITED

- (xix) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In my opinion and according to the information and explanations given to me, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The Company has not made investments in subsidiary company. Therefore, the Company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of order are not applicable to the Company.

UDIN: 23025028BGVRGZ8950

PLACE: Coimbatore

DATE: 25.04.2023



CA.A.VETRIVEL

M.NO:025028

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Ph : 2495760, 4378813

M/S.KPR SUGAR AND APPARELS LIMITED

Annexure B to the Independent Auditors' report on the audit of the financial statements of K.P.R. Sugar and Apparels Limited for the year ended March 31, 2023.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date).

Opinion

I have audited the internal financial controls with reference to financial statements of K.P.R. Sugar and Apparels Limited ("the Company") as of March 31, 2023 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").



Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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.



M/S.KPR SUGAR AND APPARELS LIMITED
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

UDIN: 23025028BGVRGZ8950

PLACE: Coimbatore

DATE: 25.04.2023



CA.A.VETRIVEL

M.NO:025028

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Ph : 2495760, 4378813

KPR SUGAR AND APPARELS LIMITED
BALANCE SHEET AS AT 31.03.2023

(₹ In Lakhs)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	97,341	69,838
(b) Capital work-in-progress	4	3,333	10,955
(c) Financial Assets			
(i) Other financial assets	5	64	39
(d) Other tax assets (net)	6	41	39
(e) Other non current assets	7	12,447	26,358
Total non - current assets		1,13,226	1,07,229
(2) Current assets			
(a) Inventories	8	28,920	19,779
(b) Financial assets			
(i) Trade receivables	9	15,393	1
(ii) Cash and cash equivalents	10	5,873	345
(iii) Bank balances other than Cash and cash equivalents	11	77	119
(iv) Other financial assets	12	119	-
(c) Other current assets	13	3,179	1,161
Total current assets		53,561	21,405
Total assets		1,66,787	1,28,634
EQUITY AND LIABILITIES			
(1) Equity			
(a) Share capital	14	7,100	5,100
(b) Other equity	15	71,150	44,206
Total equity		78,250	49,306
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	36,769	57,800
(b) Deferred tax liabilities (net)	17	1,384	-
(c) Other non-current liabilities	18	2,421	3,024
Total non - current liabilities		40,574	60,824
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	25,143	9,474
(ii) Trade payables			
(A) Total outstanding dues of creditors micro enterprises and small enterprises	20(A)	133	78
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20(B)	9,957	7,152
(iii) Loans	21	11,516	-
(b) Other current liabilities	22	1,214	1,800
Total current liabilities		47,963	18,504
Total equity and liabilities		1,66,787	1,28,634


Significant accounting policies

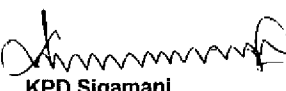
The notes from 1 to 41 are an integral part of these financial statements

For and on behalf of the Board of Directors


3

"To be read with my report of even date"


K.P. Ramasamy
Director
DIN: 00003736


KPD Sigamani
Director
DIN: 00003744


S. Easwaran
Chief Financial Officer


P. Nataraj
Director
DIN: 00229137


P. Kandaswamy
Company Secretary


A. Vetrivel
Chartered Accountant

UDIN 23025028 BG V R G Z 8950

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT

M.No. 200 / 25028

1/1, SETH NARAYANDAS LAY-OUT-II
TATAD, COIMBATORE - 641 012

Ph : 2495700, 4375013

Coimbatore
25.04.2023

KPR SUGAR AND APPARELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(₹ in Lakhs)

	Note	Year Ended	
		31.03.2023	31.03.2022
I. Revenue from operations	23	1,05,791	195
II. Other income	24	162	39
III. Total Income (I+II)		1,05,953	234
IV. Expenses			
Cost of materials consumed	25	75,468	18,817
Changes in inventories of finished goods, work- in-progress and stock in trade	26	(5,687)	(19,440)
Employee benefits expense	27	7,658	457
Finance costs	28	4,754	235
Depreciation and amortisation expense	4	6,997	510
Other expenses	29	6,435	449
V. Total expenses		95,625	1,028
VI. Profit before tax (III-V)		10,328	(794)
VII. Tax expenses			
Current tax			
- Pertaining to current period		-	-
Deferred tax		1,384	-
Income tax expense		1,384	-
VIII. Profit for the period (VI-VII)		8,944	(794)
Other comprehensive Income			
Items that will be reclassified to profit or loss			
Items that will not be reclassified to profit or loss			
IX. Net other comprehensive income		-	-
X. Total comprehensive income for the period (VIII+IX)		8,944	(794)
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹)		894.40	(79.40)

Significant accounting policies

3

The notes from 1 to 41 are an integral part of these financial statements

For and on behalf of the Board of Directors


K.P. Ramasamy

Director

DIN: 00003736

"To be read with my report of even date"


KPD Sigamani

Director

DIN: 00003744


P. Nataraj

Director

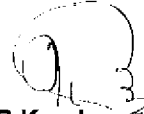
DIN: 00229137


A. Vetrivel

Chartered Accountant

UDIN 23025028BGVRGZ8950


S. Easwaran
 Chief Financial Officer


P. Kandaswamy
 Company Secretary

Coimbatore
 25.04.2023

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
 M.No. 200 / 25028
 1/1, SETH NARAYANDAS LAY-OUT-II
 TATABAD, COIMBATORE - 641 012
 Ph : 2495760, 4378613

KPR SUGAR AND APPARELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023

(₹ in Lakhs)

PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	8,944	(794)
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	1,384	-
Depreciation and amortisation expense	6,997	510
Finance costs	4,754	235
Interest income	-	17
Operating Profit Before Working Capital Changes	22,079	(32)
Changes in working capital:		
Adjustments For (increase) / decrease in operating assets:		
Inventories	(9,141)	(19,779)
Trade receivables	(15,392)	(1)
Other current assets	(2,018)	(1,077)
Other non-current Financial assets	(25)	(27)
Other non-current assets	(120)	(10,205)
Other financial asset	(119)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,860	7,230
Other current liabilities	(586)	1,755
Other non current liabilities	529	-
Bank Balance Not Considered as Cash and Cash Equivalents		
(i) Margin Deposit Account	42	(19)
Cash Generated From Operations	(1,891)	(22,155)
Net income tax (paid)	(2)	(38)
Net Cash Generated from Operating Activities	(A) (1,893)	(22,193)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipments	(13,998)	(74,078)
Proceeds from sale of property, plant and equipments	19	-
- Others	-	18
Net Cash Flow Used from Investing Activities	(B) (13,979)	(74,060)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital	20,000	39,622
Loan received from Group Company	11,516	-
Proceeds from long-term borrowings	(21,031)	49,394
Net increase / (decrease) in working capital borrowings	15,669	8,380
Finance costs paid	(4,754)	(235)
Share Application Money	-	(698)
Net Cash Flow Used from Financing Activities	(C) 21,400	96,463
Net increase in cash and cash equivalents	(A+B+C) 5,528	210
Add: Opening cash and cash equivalents	345	135
Closing Cash and cash equivalents (Refer Note No 10)	5,873	345



KPR SUGAR AND APPARELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023

(₹ in Lakhs)


PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
Closing cash and cash equivalents comprises		
(a) Cash on hand	37	5
(a) Balance with banks:		
i) In Current accounts	100	340
ii) In EEFC accounts	5,736	-
	5,873	345

3

Significant accounting policies


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For and on behalf of the Board of Directors


"To be read with my report of even date"


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DIN: 00003736


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Chief Financial Officer


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Company Secretary

Coimbatore
25.04.2023

KPR SUGAR AND APPARELS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2023

a. Equity Share Capital

(₹ in Lakhs)

Balance as at April 01, 2021	-
Changes during the year	<u>100</u>
Balance as at March 31, 2022	<u>100</u>
Changes during the year	<u>-</u>
Balance as at March 31, 2023	<u>100</u>

b. Preference Share Capital

Balance as at April 01, 2021	<u>1,038</u>
Changes during the year	<u>3,962</u>
Balance as at March 31, 2022	<u>5,000</u>
Changes during the year	<u>2,000</u>
Balance as at March 31, 2023	<u>7,000</u>

c. Other Equity

(₹ in Lakhs)

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2021	9,340	-	-	9,340
Premium on 39,62,200 Preference Shares	35,660	-	-	35,660
Profit / (Loss) for the year	-	-	(794)	(794)
Balance as at March 31, 2022	45,000	-	(794)	44,206
Premium on 20,00,000 Preference Shares	18,000	-	-	18,000
Profit / (Loss) for the year	-	-	8,944	8,944
Preference dividend 2018-19	-	-	-	-
Tax on Dividend	-	-	-	-
Balance as at March 31, 2023	63,000	-	8,150	71,150


Significant accounting policies

3

The notes from 1 to 41 are an integral part of these financial statements


For and on behalf of the Board of Directors


"To be read with my report of even date"


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 Director
 DIN: 00003736


A. Vetrivel
 Chartered Accountant

UDIN 23025028BGVRGZ8950


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S. Easwaran
 Chief Financial Officer


P. Kandaswamy
 Company Secretary



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

1 COMPANY OVERVIEW

KPR Sugar and Apparels Limited ("the Company") is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. Plant Located at Gulbarga District, Karnataka State. It produces Sugar along with Green Energy viz., Co-Gen Power and Ethanol. The Company also has garment manufacturing facility at Tirupur Tamilnadu. The Company's registered office is at No.5, A.K.S.Nagar, Thadagam Road, Coimbatore - 641 001, Tamil Nadu, India.

2 BASIS OF PREPARATION

A STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, as amended from time to time.

These financial statements for the year ended 31.03.2023 are approved for issue by the Company's Board of Directors on 25.04.2023.

Details of the Company's accounting policies, including changes thereto, are included in note 3. The Company has consistently applied the accounting policies to all the periods present in these financial statements.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

C BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost basis and on an accrual basis, except for the following items which are measured on an alternative basis on each reporting date:

- i. Derivative financial instruments measured at fair value through profit and loss;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- iii. Net defined (asset) / liability measured at fair value of plan assets less present value of obligations limited as explained in note 3 (K).

D USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3(H) and 35: Financial instruments: Classification and measurement

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

(i) Impairment of non-financial assets:

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer Note 3P)

(ii) Useful lives of depreciable assets:

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer Note 3D).

KPR SUGAR AND APPARELS LIMITED**Notes forming part of the Financial Statements for the year ended 31.03.2023****(iii) Inventories:**

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes (also refer Note 3A).

(iv) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also Refer Note 39)

(v) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer Note 32).

(vi) Impairment of financial assets - Refer Note 3P**E MEASUREMENT OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 35). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

F CURRENT AND NON-CURRENT CLASSIFICATION

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost and net realizable value. The cost of raw materials, components, stock-in-trade, consumable stores and spare parts are determined using first-in first-out / specific identification method and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expenditure incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, stores and spares, packing and others held for use in the production of finished goods are not written down below except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item by item basis.

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.



KPR SUGAR AND APPARELS LIMITED**Notes forming part of the Financial Statements for the year ended 31.03.2023****D) PROPERTY, PLANT AND EQUIPMENTS****Recognition and measurement:**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is stated at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised, only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Component accounting

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation:

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful lives and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Asset	Management's estimated useful life	Useful life as per Schedule II
Factory Building	~ 30 Years	~ 30 Years
Non Factory Building	~ 60 Years	~ 60 Years
Plant & Equipments	~ 10 Years	~ 8-20 Years
Electricals	~ 14 Years	~ 10 Years
Computers & accessories	~ 3 Years	~ 3-6 Years
Furniture's & fixtures	~ 10 Years	~ 10 Years
Vehicles	~ 8-10 Years	~ 8-10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical evaluation and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated amount of intangible asset consisting software license is 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

E) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generates revenue primarily from sale of Sugar, power, Ethanol, Molasses and Readymade Garments. The Company also earns revenue from rendering of services.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. Our customers have the contractual right to return goods only when authorised by the Company.

1.2 Revenue from services:

Revenue from sale of services is recognised when related services are rendered as per the terms agreed with customers.

1.3 Export incentives

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

F) OTHER INCOME

Rental income under operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the lease except where such receipts are structured to increase in line with the expected general inflation to compensate for the Company's (lessor) expected inflationary costs increases.

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to: the gross carrying amount of the financial asset; or the amortised cost of the financial liability.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

G) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

H) FINANCIAL INSTRUMENTS

(i) Recognition and Initial measurement

Trade receivables and debt securities are initially recognised when they are originated.

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI) – debt investment;
- Fair value through other comprehensive income (FVTOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

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



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

Debt instruments at FVTOCI

A debt Investment will be measured at FVTOCI if it meets both of the following conditions are met and is not designated as at FVTPL:

- (a) it is held within a business model is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity instruments at FVTOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ('OCI'). This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



KPR SUGAR AND APPARELS LIMITED**Notes forming part of the Financial Statements for the year ended 31.03.2023**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset and the same is recognised in statement of profit and loss over the life of a depreciable asset as a reduced depreciation expense. Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset and the cumulative additional depreciation that would have been recognised in the statement of profit and loss in the absence of the grant is recognised immediately in the statement of profit and loss.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating Revenue.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

J) INVESTMENTS

Long term investments (excluding investment properties) are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

K) EMPLOYEE BENEFITS

(a) Short term employee benefits:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plan

Provident Fund & Employee State Insurance

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified contributions towards Government administered provident fund and employee state insurance schemes. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

L) LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

i) As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



KPR SUGAR AND APPARELS LIMITED**Notes forming part of the Financial Statements for the year ended 31.03.2023**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities separately in balance sheet within "Financial liabilities".

Short term leases and low value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases are recognized as an expense on in statement of profit and loss on a straight-line basis over the lease term.

ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, then Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

M) BORROWING COSTS

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds. Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

N) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment 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 transactions which are primarily determined based on market / fair value factors.

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".

O) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

P) IMPAIRMENT

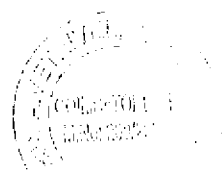
Impairment of Financial Instruments

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

Q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2023

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent assets:

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

R) ONEROUS CONTRACTS

A contract is said to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with the contract.

3A Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes In Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



(₹ in Lakhs)

Property, Plant & Equipment[illegible]

Title deeds of Immovable Properties not held in name of the Company: NIL

Particulars	As at 31.03.2023	As at 31.03.2022
Relevant line item in the Balance sheet		
Description of item of property		
Gross carrying value		
Title deeds held in the name of		
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter		
Property held since which date		
Reason for not being held in the name of the Company		

Capital work-in-progress (CWIP) Ageing Schedule:

As at 31 March 2023

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years
Projects in progress	3,333	-	-	-
Projects temporarily suspended	-	-	-	-

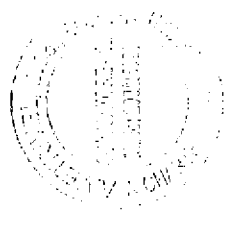
Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Capital work-in-progress (CWIP) Ageing Schedule:

As at 31 March 2022

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years
Projects in progress	10,955	-	-	-
Projects temporarily suspended	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the Year ended 31.03.2023

(₹ in Lakhs)

Notes forming part of the financial statements for the Year ended 31.03.2023

	As at 31.03.2023	As at 31.03.2022
5 FINANCIAL ASSETS		
(See accounting policy in note 3(H))		
Security deposit	64	39
	64	39
6 OTHER TAX ASSETS (NET)		
Advance Tax	41	39
	41	39
7 OTHERS NON CURRENT ASSETS		
(i) Capital advances	2,160	16,191
Balances with government authorities - GST receivable	9,993	10,167
Prepaid expenses - Corporate guarantee	294	-
	12,447	26,358
8 INVENTORIES		
(See accounting policy in note 3(A))		
Raw materials	2,464	-
Stock-in-process *	489	127
Finished goods	24,638	19,313
Stores, spares, packing and others	1,329	339
	28,920	19,779

* Includes Sugar ₹ 489 lakhs (Pr. Yr. ₹ 127 Lakhs)

The mode of valuation of inventories has been stated in Note 3

For the carrying value of inventories pledged as securities for borrowings, Refer note 16 and 19.

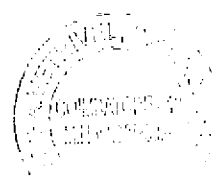
Average age of inventory is less than 90 days only.

FINANCIAL ASSETS		
9 TRADE RECEIVABLES		
(See accounting policy in note 3(H))		
Trade Receivables considered good - Unsecured	15,393	1
Net trade receivables	15,393	1

Trade Receivables ageing schedule:

As at 31.03.2023

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables – considered good	15,393	-	-	-	-	15,393
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the Year ended 31.03.2023

(₹ in Lakhs)

Notes forming part of the financial statements for the year ended 31.03.2023

	As at 31.03.2023	As at 31.03.2022				
As at 31.03.2022						
	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables – considered good	1	-	-	-	-	1
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(i) For receivables secured against borrowings, Refer note 16 &19						
(ii) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 32						
10 CASH AND CASH EQUIVALENTS (See accounting policy in note 3(B))						
Cash on hand	37	5				
Balance with banks						
i) In Current accounts	100	340				
ii) In EEFC accounts	5,736	-				
	5,873	345				
11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
i) In Deposit accounts	77	119				
	77	119				
12 OTHER FINANCIAL ASSET						
Interest subvention receivables	119					
	119	0				
13 OTHER CURRENT ASSETS						
Advance to suppliers	2,264	1,113				
OTHERS						
Others (Primarily prepaid expenses)	172	48				
Interest subsidy Receivable	743	-				
	3,179	1,161				
14 SHARE CAPITAL						
a) Authorised Equity Capital						
10,00,000 (Pr.Yr.10,00,000) Equity Shares of ₹ 10 each with voting rights	100	100				
Preference Capital						
70,00,000 (Pr.Yr.50,00,000) 7% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100 each	7,000	5,000				
	7,100	5,100				
b) Issued, Subscribed & Fully Paid up Equity Capital						
10,00,000 (Pr.Yr. 10,00,000) Equity Shares of ₹ 10 each fully paid-up	100	100				
Preference Capital						
70,00,000 (Pr.Yr. 50,00,000) 7% Optionally Convertible Non- Cumulative Redeemable Preference Shares of ₹ 100 each	7,000	5,000				
	7,100	5,100				



Notes forming part of the financial statements for the Year ended 31.03.2023

		As at 31.03.2023	As at 31.03.2022		
14.1	Term / Rights to Shares				
	Equity Shares				
	The Company has issued only one class of equity shares having a face value of ₹ 10 per share. The holder of each equity share is entitled to one vote per share.				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	Preference Shares: 7% Optionally Convertible Non- Cumulative Redeemable Preference Shares are redeemable after the end of 7th year but within a period of 10 years from the date of issue at a premium of 7% IRR.				
14.2	Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
	Equity Shares with voting rights	For the Year Ended 31.03.2023		For the Year Ended 31.03.2022	
	Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
	At the beginning of the period	10,00,000	100	10,00,000	100
	Issues during the year	-	-	-	-
	Outstanding at the end of the period	10,00,000	100	10,00,000	100
14.3	7% Optionally Convertible Non-Cumulative Redeemable Preference Shares				
	Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
	At the beginning of the period	50,00,000	5,000	10,37,800	1,038
	Issued during the year	20,00,000	2,000	39,62,200	3,962
	Less: Redemption during the year	-	-	-	-
	Outstanding at the end of the period	70,00,000	7,000	50,00,000	5,000
14.4	Details of Shareholders holding more than 5% of Shares in the Company				
	a. Equity Shares				
	Particulars	Number of Shares	%	Number of Shares	%
	M/s K.P.R Mill Limited	10,00,000	100	10,00,000	100
	b.7% Optionally Convertible Non-Cumulative Redeemable Preference Shares				
	Particulars	Number of Shares	%	Number of Shares	%
	M/s K.P.R Mill Limited	70,00,000	100	50,00,000	100
15	OTHER EQUITY				
	Securities Premium				
	Opening balance			45,000	9,340
	Changes during the year			18,000	35,660
	Closing balance (A)			63,000	45,000
	Balance in securities premium represents amount received on issue of shares in excess of par value. The same may be utilised in accordance with the provisions of the Companies Act, 2013.				
	Retained Earnings				
	Opening balance			(794)	-
	Add: Profit for the year			8,944	(794)
	Less:				
	Closing balance (B)			8,150	(794)
				71,150	44,206
	Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years.				
	Total (A+B)			71,150	44,206



		As at 31.03.2023	As at 31.03.2022
	FINANCIAL LIABILITIES		
16 BORROWINGS			
	From Banks (Secured)		
	(See accounting policy in note 3(H))		
	Term Loan		
	From banks (secured)	50,360	63,125
	Less : amount included under 'Borrowings' (refer note 19)	(13,591)	(5,325)
		36,769	57,800
16.1	Term Loans from banks are secured by pari-passu first charge on fixed assets of the company and the second charge on current assets has been given on pari-passu basis to Banks.		
	i) The Company has availed a term loan from Bank of Baroda Limited in respect of which balance as at 31.03.2023 was ₹ 32,391 Lakhs (Pr.Yr. ₹ 32,391). The loan is repayable in 20 quarterly installments commencing from June 2023. This term loan is secured by first charge of hypothecation of all moveable assets or Sugar Division. First pari passu charge by equitable mortgage and Hypothecation of immovable fixed assets of Sugar Division		
	ii) The Company has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2023 was ₹ 13,125 lakhs (Pr.Yr. ₹ 17,500 lakhs) The loan is repayable in 16 quarterly installments commencing from April 2022. This term loan is secured by exclusive charge by equitable mortgage and hypothecation of fixed asset of Ethanol division.		
	iii) The Company has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2023 was ₹ 4,844 Lakhs (Pr.Yr. ₹ 13,234 Lakhs). The loan is repayable in 20 quarterly installments commencing from March 2023. This term loan is secured by first charge of hypothecation of all moveable assets of Garment Division. First pari passu charge by equitable mortgage and Hypothecation of immovable fixed assets of Garment Division		
16.2	Interest rate relating to term loans from banks is in the range of 6.50 to 7.97% %. (Pr.Yr. 6.50%)		
16.3	The Company has not defaulted in its repayments of the loans and interest.		
16.4	For the current maturities of long-term borrowings, refer note 17 borrowings.		
17 DEFERRED TAX			
	Deferred Tax Liabilities		
	i) Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,384	-
	Net Deferred Tax Charge / (Credit)	1,384	-
	Net deferred tax liabilities	1,384	-
18 OTHER NON CURRENT LIABILITIES			
	Trade Payable	529	-
	Payables on purchase of Fixed Assets	1,892	3,024
		2,421	3,024
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
19 BORROWINGS			
	(See accounting policy in note 3(H))		
	Loans repayable on demand		
	From Banks (Secured)		
	Loans for working capital	108	4,149
	Packing credit	11,444	-
	i) Current maturities of long term loan (Refer note 16)	13,591	5,325
		25,143	9,474
	Information about the company's exposure to interest rate and liquidity risks is included in Note 35		
19.1	i) Loans for working capital and packing credit are secured by pari passu first charge on the current assets of the Company and pari passu second charge on entire block of assets of the Company.		
	ii) The Company has not defaulted in its repayments of the loans and interest during the year.		
	iii) Interest rate relating to Working capital loans from banks is in the range of 6.50% to 8.55%. Interest rates relating to INR packing credit are in the range of 5.80% to 7.35% per annum		
	Reconciliation of cashflows from financing activities		
	Cash and cash equivalents	5,873	345
	Non-current borrowings	(36,769)	(57,800)
	Current borrowings	(25,143)	(9,474)
	Net debt	(56,039)	(66,929)

Notes forming part of the financial statements for the year ended 31.03.2023

		As at 31.03.2023	As at 31.03.2022
	Other assets	Liabilities from financing activities	
	Cash and cash equivalents	Non-current borrowings including current maturities	Current borrowings
Net debt as at 01.04.2022	345	(57,800)	(9,474)
Net cash flows	5,528	21,031	(15,669)
Foreign exchange adjustments			
Net debt as at 31.03.2023	5873	(36,769)	(25,143)
Net debt as at 01.04.2021	-	-	-
Net cash flows	345	(57,800)	(9,474)
Foreign exchange adjustments			
Net debt as at March 31.03.2022	345	(57,800)	(9,474)
* Net debt is calculated as sum of non-current borrowings and current borrowings less cash and cash equivalents.			
20	TRADE PAYABLES		
	(See accounting policy in note 3(H))		
	(A) Total outstanding dues of micro and small enterprises	133	78
	(B) Total outstanding dues of creditors other than micro and small enterprises	9,957	7,152
		10,090	7,230
Trade payables ageing schedule:			
As at 31.03.2023			
	Outstanding for following periods from the due date of payment		
	Less than 1 year	1-2 years	2-3 years
			More Than 3 years
			Total
i) MSME	133	-	-
ii) Others	9,957	-	-
iii) Disputed dues-MSME	-	-	-
iv) Disputed dues-Others	-	-	-
As at 31.03.2022			
	Outstanding for following periods from the due date of payment		
	Less than 1 year	1-2 years	2-3 years
			More Than 3 years
			Total
i) MSME	78	-	-
ii) Others	7,152	-	-
iii) Disputed dues-MSME	-	-	-
iv) Disputed dues-Others	-	-	-
21	Loans		
	Loan from Related parties	11,516	-
		11,516	-
For terms and conditions relating to related party, refer note 36.			
22	OTHER CURRENT LIABILITIES		
	Advance payment from customers	277	1,480
	Statutory dues payable	216	92
	Employee Benefit payable	721	228
		1,214	1,800

KPR SUGAR AND APPARELS LIMITED

Notes Forming part of the Financial Statements for the year ended 31.03.2023

(₹ in Lakhs)

		Year Ended	
		31.03.2023	31.03.2022
23	REVENUE FROM OPERATIONS		
	(See accounting policy in note 3(E))		
	Sale of products	1,02,239	-
	Sale of services	959	38
	Other operating revenues	2,593	157
	Revenue from operations (gross)	1,05,791	195
23.1	Sale of products		
	Garment	41,742	-
	Yarn	67	-
	Fabric	884	-
	Sugar	36,493	-
	Molasses	2,077	-
	Co-gen power	5,009	-
	Ethanol	14,997	-
	Accessories	973	-
		1,02,242	-
	Less: Discount Allowed	3	-
		1,02,239	-
23.1	Sale of Services		
	Fabrication income	959	38
		959	38
23.2	Other Operating Revenues		
	Export incentives	1,991	-
	Others	602	157
		2,593	157
	Refer note 36 for sales made to related parties.		
24	OTHER INCOME		
	(See accounting policy in note 3(F))		
	Interest income on		
	Cash and bank balances	-	17
	Miscellaneous income	130	1
	Rental income	32	21
		162	39
25	COST OF MATERIALS CONSUMED		
	a) Inventory of materials at the beginning of the year		
	Yarn and fabric	-	-
		-	-
	b) Add: Purchases and Production Expenses		
	Yarn, fabric and garments	25,540	3
	Trims, packing and others	8,785	3
	Sugar cane and coal	42,967	18,026
	Molasses purchase	640	785
		77,932	18,817
	c) Less : Inventory of materials at the end of the year		
	Yarn and fabric	2,464	-
		2,464	-
	Cost of materials consumed (a + b - c)	75,468	18,817

KPR SUGAR AND APPARELS LIMITED

Notes Forming part of the Financial Statements for the year ended 31.03.2023

(₹ in Lakhs)

		Year Ended	
		31.03.2023	31.03.2022
26	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE		
	A) Inventories at the beginning of the year		
	Finished goods	19,313	-
	Stock-in-process	127	-
		19,440	-
	B) Inventories at the end of the year		
	Finished goods	24,638	19,313
	Stock-in-process	489	127
		25,127	19,440
	Net (Increase) / Decrease	(5,687)	(19,440)
27	EMPLOYEE BENEFITS EXPENSE		
	(See accounting policy in note 3(K))		
	Salaries, wages and bonus	5,865	344
	Contribution to provident and other funds	586	29
	Staff welfare expenses	1,207	84
		7,658	457
	Refer note 36 for transactions with related parties.		
28	FINANCE COSTS		
	(See accounting policy in note 3(M))		
	Interest expense on financial liabilities measured at amortised cost		
	Term loans	3,818	231
	Working capital loans	891	4
	Others	45	-
		4,754	235
29	OTHER EXPENSES		
	Manufacturing expenses		
	Power and fuel	962	127
	Consumption of stores, spares and packing materials	1,994	227
	Repairs and Maintenance		
	Building	235	-
	Machinery	632	22
	Others	148	12
	Insurance	128	8
	Administration Expenses		
	Legal and professional charges	589	7
	Rent	36	3
	Rates and taxes	129	4
	Payment to auditors (Refer note 30)	2	1
	Travelling and conveyance	289	9
	Expenditure on Corporate Social Responsibility (CSR)	28	-
	Donations	3	-
	General expenses	229	12
	Selling Expenses		
	Freight and forwarding	931	17
	Sales commission	99	-
	Other selling expenses	1	-
		6,435	449

KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

30 Payment to auditors		(₹ in Lakhs)	
Particulars	2022-23	2021-22	
Statutory audit fees	2	1	
Reimbursement of expenses	-	-	
Total	2	1	

31 Income tax		(₹ in Lakhs)	
Particulars	2022-23	2021-22	
31.1 Income tax recognised in the dtatement of profit or loss			
Current tax			
Current income tax charge	-	-	
Tax expense relating to earlier years	-	-	
Deferred tax			
(Benefits) / charge attributable to origination and reversal of temporary differences	1,384	-	
Total	1,384	-	

31.2 Reconciliation of effective tax rate

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

Particulars	Effective tax rate		Amount	
	2022-23	2021-22	2022-23	2021-22
Profit before tax		-	10,328	(794)
Tax using the Company's domestic tax rate	-	-	-	
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-	-		
Effect of non-deductible expenses and others	-	-		
Effect of tax expense relating to earlier years	-	-	-	-
MAT Credit Entitlement	13.40%	-	1,384	-
Income tax recognised in profit or loss	-	-	1,384	-

31.3 Movement in deferred tax liabilities :

Particulars	Balance as at 01-04-2021	Recognised in P&L during 2021-22	Recognised in OCI during 2021-22	Balance as at 31-03-2022	Recognised in P&L during 2022-23	Recognised in OCI during 2022-23	Balance as at 31-03-2023
Property, plant and equipment and intangible assets				-	1,384	-	1,384
	-	-	-	-	1,384	-	1,384

32 Contingent liabilities and commitments (to the extent not provided for)
I. Contingent liabilities : (₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Claims against the Company not acknowledged as debts #		
(i) Income Tax matters	-	-
(b) Bank Guarantees in favour of Parties		
Indian Oil Corporation	306	-
Hindustan petroleum Corporation	202	-
Bharat Petroleum Corporation	227	-
(c) Letter of credit facility in favour of suppliers		
(i) Foreign letter of credit	3,227	-
(d) Discounted sales invoices	3,766	

KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

II.Commitments

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Capital commitments :		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,088	9,292
Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and Advance Authorisation scheme for import of raw material. The duty implication involved is ₹1,415 Lakhs .	8,491	-

33 Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Particulars	31.03.2023	31.03.2022
1) The Principal amount remaining unpaid to any supplier at the end of each accounting year	133	78
2) Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

34 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ Nil.

(₹ in Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Promotion of education	20	-
Sanitation and health care	8	-
Total	28	-



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

35 Financial instruments
Accounting classification and fair values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31.03.2023

(₹ in Lakhs)

Particulars	Carrying amount				Fair value
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial assets					
Investments	-	-	-	-	-
Financial assets not measured at fair value					
Loans #	-	-	-	-	-
Trade receivables #	-	15,393	-	15,393	-
Cash and cash equivalents #	-	5,873	-	5,873	-
Bank Balances other than cash and cash equivalents #	-	77	-	77	-
Other financial assets #	-	119	-	119	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	61,912	61,912	-
Trade payables #	-	-	10,090	10,090	-
Other financial liabilities #	-	-	-	-	-

31.03.2022

(₹ in Lakhs)

Particulars	Carrying amount				Fair value
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial assets measured at fair value					
Investments	-	-	-	-	-
Financial assets not measured at fair value					
Loans #	-	-	-	-	-
Trade receivables #	-	1	-	1	-
Cash and cash equivalents #	-	345	-	345	-
Bank Balances other than cash and cash equivalents #	-	119	-	119	-
Other financial assets #	-	-	-	-	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	67,274	67,274	-
Trade payables #	-	-	7,230	7,230	-
Other financial liabilities #	-	-	-	-	-

For financial assets and liabilities not measured at fair value, the Company has not disclosed the fair values of financial instruments, since their carrying amounts are reasonable approximations of their fair values.

Note: There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous year.

Refer note 2E to the standalone financial statements.

KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of borrowings and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16 and 19 which is off set by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's net debt to equity ratio as at 31.03.2023 was as follows

Particulars	(₹ in Lakhs)	
	31.03.2023	31.03.2022
Debt *	61,912	67,274
Less : Cash and bank balances	5,950	464
Net debt	55,962	66,810
Total equity	78,250	49,306
Net debt to equity ratio	71.52%	135.50%

* Debt is defined as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in notes 16 and 19. Cash and Bank balances include cash and cash equivalents and bank balances other than cash and cash equivalents as described in Notes 10 and 11.

Financial Risk Management**Risk Management Framework**

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Company's sales and purchases activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into plain vanilla forward contracts to manage its exposure to foreign currency risk.

Details of hedged and unhedged foreign currency exposures:**(a) Outstanding forward exchange contracts for hedging purposes as on 31.03.2023**

Currency	Cross currency	Amount (₹ in Lakhs)	Buy / Sell	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	4,467	INR	-	
		-		-	
EURO	INR	2,707	INR	-	
		-		-	
GBP	INR	3,105	INR	-	
		-		-	

Note: Figures in brackets relates to the previous year



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

(b) The year-end unhedged foreign currency exposures are given below:

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Indian Rupees.

	USD	EURO	GBP	Total
As at 31.03.2023				
Trade Receivables	1,331	6,063	5,989	13,383
Cash & cash Equivalents				
Trade payables	(3,248)	-	-	(3,248)
	(1,917)	6,063	5,989	10,135
As at 31.03.2022				
Trade Receivables	304	-	-	304
Cash & cash Equivalents	-	-	-	-
Trade payables	(1,350)	-	-	(1,350)
	(1,046)	-	-	(1,046)

Sensitivity analysis :

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at 31.03.2023. For every 1% strengthening / weakening of Indian Rupees against all relevant uncovered foreign currency transactions, profit before tax and equity would be impacted as follows:

(₹ in Lakhs)

Increase/ (decrease) in profit and equity	Strengthening		Weakening	
	Year ended		Year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
USD	19	(10)	(19)	10
GBP	(60)	-	60	-
EURO	(61)	-	61	-
	(101)	(10)	101	10

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

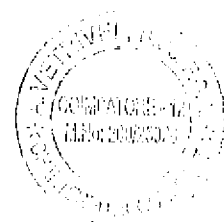
Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Non-current borrowings	36,769	63,125
Current borrowings	25,143	4,149
Total	61,912	67,274

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2023. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 619 lakhs (Pr.Yr. ₹ 673 Lakhs). Similarly, for every 1% decrease in average interest rates there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

Trade Receivable

(₹ in Lakhs)

Particulars			31.03.2023	31.03.2022
Trade receivables			15,393	1

The company mitigates credit risk by strict receivable management procedures and policies. The company has a dedicated independent team to review credit and monitor collection of receivables. In addition,

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

Cash and cash equivalents and other Bank Balances:

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

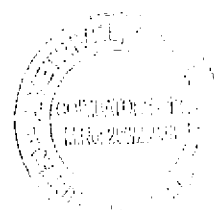
All current financial liabilities are repayable within one year.

36 Related Party disclosures

Disclosures under "Ind AS" 24 – Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

36.1 Name of related parties and nature of relationships:

Holding Company	M/s. K.P.R.Mill Limited
Key Managerial Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri P.Selvakumar
Relatives of Key Managerial Personnel	Sri E.K.Sakthivel (Daughter's Husband of Sri.KPD Sigamani) Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri.P.Nataraj)
Enterprises owned by key management personnel/Directors or their relatives	M/s K.P.R.Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s Jahnavi Motors Private Limited M/s Quantum Knits Private Limited M/s K.P.R.Sugar Mill Limited M/s Galaxy Knits Limited M/s KPR Exports Plc, Ethiopia M/s KPR Mill Pte.Ltd, Singapore



KPR SUGAR AND APPARELS LIMITED**Notes forming part of the financial statements for the year ended 31.03.2023****36.2 Transactions during the year and the balance outstanding at the balance sheet date****(₹ in Lakhs)**

Nature of Transaction	Relatives of Key Management Personnel	Key Management Persons	Enterprises owned by key management personnel / Directors or their relatives	Holding Company	Total as on 31/03/2023
Purchase of goods			659 (825)	17,946 (3)	18,605 (828)
Purchase of property plant and equipment			23 (9)	64 (3)	87 (12)
Revenue from operations			30 -	14,158	14,188 -
Processing and fabrication expenses			- -	4,355 -	4,355 -
Lease rentals paid			- -	22 (1)	22 (1)
Processing and Fabrication Income			- -	847 (37)	847 (37)
Interest paid			294 -	- -	294 -
Guarantee expenses			- -	113 -	113 -
Loan payable			11,516 -	- -	11,516 -
Trade payable		- -	- (1,007)	4,147	4,147 (1,007)
Advance payable			- -	- (1,373)	- (1,373)
Investment	-	-	- -	70,100 (50,100)	70,100 (50,100)

(Previous year figures are shown in brackets)

36.3 Details of transactions with related parties**a. Purchase of Goods****(₹ in Lakhs)**

Particulars	2022-23	2021-22
M/s.K.P.R.Mill Limited	17,946	3
M/s K.P.R.Sugar Mill Limited	659	825
	18,605	828

b. Purchase of Property Plant and equipment**(₹ in Lakhs)**

Particulars	2022-23	2021-22
M/s.K.P.R.Mill Limited	64	3
M/s K.P.R.Sugar Mill Limited	23	9
	87	12

c. Revenue from operations**(₹ in Lakhs)**

Particulars	2022-23	2021-22
M/s.K.P.R.Mill Limited	14,158	-
M/s K.P.R.Sugar Mill Limited	30	-
	14,188	-

d. Lease rentals paid**(₹ in Lakhs)**

Particulars	2022-23	2021-22
M/s.K.P.R.Mill Limited	22	1
	22	1



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

e. Processing & fabrication income

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s.K.P.R.Mill Limited	847	37
	847	37

f. Interest paid

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R. Sugar Mill Limited	294	-
	294	-

g. Guarantee expenses

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R.Mill Limited	113	-
	113	-

h. Loan payable

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R. Sugar Mill Limited	11,516	-
	11,516	-

i. Trade payable

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R.Mill Limited	4,147	-
M/s K.P.R.Sugar Mill Limited	-	1,007
	4,147	1,007

j. Advance Payable

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R.Mill Limited	-	1,373
	-	1,373

k. Investment

(₹ in Lakhs)

Particulars	2022-23	2021-22
M/s K.P.R.Mill Limited	70,100	50,100

37 Earnings per Share (EPS)

(₹ in Lakhs)

Particulars	2022-23	2021-22
Profit for the year attributable to equity shareholders	8,944	(794)
Weighted average number of equity shares	10,00,000	10,00,000
Face Value Per Share (₹)	10	10
Earnings Per Share (₹) - Basic and Diluted	894.40	(79.40)



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

38 Segment Reporting

The Company is operating in two business segments, viz., Textile and Sugar as follows

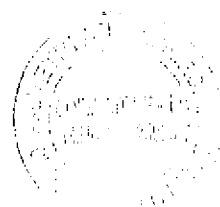
(₹ in Lakhs)

38.1	Particulars	For the year ended 31 March, 2023			
		Business segments		Total	
		Textile	Sugar		
	Revenue	47,044	58,747	1,05,791	
		(42)	(153)	(195.00)	
	Inter-segment revenue	-	-	-	
		-	-	-	
	Total	47,044	58,747	1,05,791	
		(42)	(153)	(195)	
	Segment result	7,028	3,138	10,166	
		205	628	833	
	Unallocable expenses (net)			-	
				-	
	Operating income			10,166	
				833	
	Other income (net)			162	
				(39)	
	Profit before taxes			10,328	
				794	
	Tax expense			1,384	
				-	
	Profit for the year			8,944	
				794	

(₹ in Lakhs)

38.2	Particulars	For the year ended 31 March, 2023		
		Business segments		Total
		Textile	Sugar	
	Segment assets	66,373	1,00,392	1,66,765
		(26,550)	(1,02,047)	(1,28,597)
	Unallocated Assets			22
				(37)
	Total assets			1,66,787
				(1,28,634)
	Segment liabilities	30,034	58,503	88,537
		(15,113)	(64,215)	(79,328)
	Unallocated Liabilities			-
	Total liabilities			88,537
				(79,328)
	Other information			
	Capital expenditure	27,471	7,047	34,518
		(41)	(69,474)	(69,515)
	Depreciation and amortization	1,087	5,910	6,997
		-	(510)	(510)
	Capital Employed			78,250
	(Segment asset - Segment Liabilities)			

Note: Figures in bracket relate to the previous year



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

38.3 Revenue from sale of products and services by geographic location of customers:

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

Particulars	(₹ in Lakhs)	
	2022-23	2021-22
India	1,03,198	38
Overseas	27,672	-
Total	1,30,870	38

The Company's operations are entirely carried out in India and as such all its non-current assets are located in India.

38.4 Information about major Customers

Name of the customer	% of Sales	
	2022-23	2021-22
K.P.R.Mill Limited	13.72	

39 Disclosure of Employee Benefits:**39.1 Defined Contribution Plan**

(₹ in Lakhs)

Particulars	2022-23	2021-22
Provident Fund	581	29
Employee State Insurance	128	4

40 Other Statutory Information

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

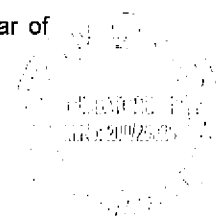
d) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

e) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Company has no transactions with struck off companies during the year.

g) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

h) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

41 Ratios as per the Schedule III requirements :**a) Current Ratio = Current Assets divided by Current Liabilities**

Particulars	31.03.2023
Current Assets - ₹ in Lakhs	53,561
Current Liabilities - ₹ in Lakhs	47,963
Ratio	1.12

b) Debt Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current and non-current borrowings

Particulars	31.03.2023
Total Debt - ₹ in Lakhs	61,912
Total Equity - ₹ in Lakhs	78,250
Ratio	0.79

c) Debt Service Coverage Ratio = Earnings available for debt services divided by the Total interest and principal repayments

Particulars	31.03.2023
Profit after tax - ₹ in Lakhs	8,944
Add: Non cash operating expenses and finance cost	
- Depreciation and amortizations - ₹ in Lakhs	6,997
- Finance cost - ₹ in Lakhs	4,754
Earnings available for debt service - ₹ in Lakhs	20,695
Interest cost on borrowings (Term Loan) - ₹ in Lakhs	3,818
Principal repayments - ₹ in Lakhs	13,789
Total interest and principal repayments - ₹ in Lakhs	17,607
Ratio	1.18

d) Return on Equity Ratio = Profit after tax divided by average total equity

Particulars	31.03.2023
Profit after tax - ₹ in Lakhs	8,944
Average Total Equity (Refer Note below) - ₹ in Lakhs	63,778
Ratio	0.14

Note : Average total equity = (Total equity at the beginning of respective year + Total equity as at the end of respective year) divided by 2

e) Inventory turnover ratio = Sales divided by Average inventory

Particulars	31.03.2023
Sales (refer note 1 below) - ₹ in Lakhs	1,05,791
Average Inventory (refer note 2 below) - ₹ in Lakhs	24,350
Ratio	4.34

Note 1 : Sales represents revenue from operations.

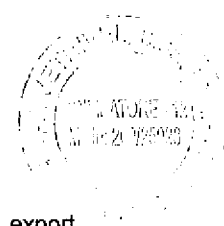
Note 2 : Average inventory = (Total inventory as at the beginning of respective year + Total inventory as at the end of respective year) divided by 2

f) Trade receivables turnover ratio = Credit sales divided by Closing trade receivables

Particulars	31.03.2023
Sales (refer note 1 below) - ₹ in Lakhs	1,03,800
Average Trade Receivables (refer note 2 below) - ₹ in Lakhs	7,697
Ratio	13.49

Note 1 : Sales for the purpose of the table above represents revenue from operations excluding export incentives

Note 2 : Average trade receivables = (total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2



KPR SUGAR AND APPARELS LIMITED

Notes forming part of the financial statements for the year ended 31.03.2023

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	31.03.2023
Purchases (refer note 1 below) - ₹ in Lakhs	77,932
Average trade payables (refer note 2 below) - ₹ in Lakhs	8,660
Ratio	9.00

Note 1: Purchase represents purchases forming part of cost of materials consumed

Note 2 : Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2

h) Net capital turnover ratio = Revenue from operations divided by Net working capital wherein net working capital = current assets - current liabilities

Particulars	31.03.2023
Revenue from operations - ₹ in Lakhs	1,05,791
Working capital - ₹ in Lakhs	5,598
Ratio	18.90

i) Net Profit ratio = Profit after tax divided by Sales

Particulars	31.03.2023
Profit after tax - ₹ in Lakhs	8,944
Revenue from operations - ₹ in Lakhs	1,05,791
Ratio	0.08

j) Return on Capital Employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31.03.2023
Earnings before interest and taxes (refer note 1 below) - ₹ in Lakhs	15,082
Capital employed (refer note 2 below) - ₹ in Lakhs	1,41,546
Ratio	10.66%

Note 1 : EBIT = Profit before taxes + Finance costs

Note 2 : Capital employed = Total equity + total debt (current and non-current borrowings) + deferred tax liabilities

Ratios are not presented for the FY 2021-22 as the Company has commissioned commercial operation in Q4 FY22 only

The notes from 1 to 41 are an integral part of these financial statements.

For and on behalf of the Board of Directors

"To be read with my report of even date"

K.P.Ramasamy

Director

DIN: 00003736

KPD Sigamani

Director

DIN: 00003744

S.Easwaran

Chief Financial Officer

Coimbatore

25.04.2023

P.Nataraj

Director

DIN: 00229137

P.Kandaswamy

Company Secretary

A.Vetrivel

Chartered Accountant

UDIN 23025028BGVRGZ8950

A. VETRIVEL, B.Sc., F.C.A.

CHARTERED ACCOUNTANT

M.No. 200 / 25028

1/1, SETH NARAYANDAS LAY-OUT-II

TATABAD, COIMBATORE - 641 012

Ph : 2495760, 4370013