

AVT NATURAL PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr. Ajit Thomas, **Chairman**
Mr. M.A. Alagappan (Till 24th July 2024)
Mr. P. Shankar, I.A.S. (Retd.) (Till 24th July 2024)
Mr. A.D. Bopana
Mrs. Shanthi Thomas
Mr. Habib Hussain
Mrs. Kavitha Vijay

AUDIT COMMITTEE

Mr. M.A. Alagappan, **Chairman**
Mr. P. Shankar, I.A.S. (Retd.)
Mr. A.D. Bopana
Mr. Habib Hussain
Mr. Ajit Thomas
Mrs. Kavitha Vijay

NOMINATION & REMUNERATION COMMITTEE

Mr. M.A. Alagappan, **Chairman**
Mr. P. Shankar, I.A.S. (Retd.)
Mr. Habib Hussain

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ajit Thomas, **Chairman**
Mr. A.D. Bopana
Mr. Habib Hussain

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. P. Shankar, I.A.S. (Retd.), **Chairman**
Mr. Ajit Thomas
Mr. Habib Hussain

RISK MANAGEMENT COMMITTEE

Mr. M.A. Alagappan, **Chairman**
Mr. Ajit Thomas
Mr. Kavitha Vijay

KEY MANAGERIAL PERSONNEL

Mr. B. Krishna Kumar, President & Manager
Mr. A. Ramadas, Sr. Vice President and CFO
Mr. Sharon Josh, Company Secretary (Till 21th July 2024)

AUDITORS

M/s Suri & Co.,
Chartered Accountants,
No.443 & 445, Fourth Floor
Guna Complex Main Building, Anna Salai
Teynampet, Chennai - 600 018

BANKERS

Bank of Baroda
State Bank of India
Citibank N.A.,
The Hongkong and Shanghai
Banking Corporation Limited
The Federal Bank Limited

PLANT LOCATIONS

SF No. 234/1, Mysore Trunk Road, Pudukavalli,
Sathyamangalam – 638 401, Erode District, Tamil Nadu.
Tel. No.: 04295 - 243220

HL No. 1182, Halkurke Village, Honnavalli Hobli,
Tiptur Taluk - 572 201, Tumkur District, Karnataka.
Tel. No.: 08134 - 264177

Plot No.225/1A, 5-7, Kaipoorikkara,
Vazhakulam, Marampilly Post, Aluva – 683105,
Ernakulam District, Kerala.

Tel. No.: 0484-2848240, Fax: 0484 - 2677512

SUBSIDIARY COMPANIES

AVT Natural Europe Ltd.,
2, Calico House, Clove Hitch Quay,
Plantation Wharf, London SW 113TN

AVT Natural S.A. DE C.V.
IZA Business Center
Blv. Bernanrdo Quintana Arrioja
300, Torre 57, Piso 14, Centro Sur, Queretaro,
Santiago De Queretaro, Mexico, C.P 76090

AVT Natural - FZCO
Dubai Silicon Oasis, DDP, Building AI,
Dubai, UAE, Post Box No.342001.

AVT Natural North America Inc,
(Wholly owned subsidiary of AVT Natural Europe Ltd.,)
1013 Centre Road, Suite 403S, Delaware, Wilmington,
New Castle, Zip code - 19805

REGISTERED OFFICE

60, Rukmani Lakshmiipathy Salai,
Egmore, Chennai – 600 008.
Tel.: 044-28584147, Fax: 044-28584147
E-mail: avtnpl@avtnatural.com
Web: www.avtnatural.com
CIN: L15142TN1986PLC012780.

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the Company will be held at 11:30 AM Indian Standard Time (IST) on Friday, the 9th August 2024 through Video Conference (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial statements including the Consolidated Financial statements of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend.

SPECIAL BUSINESS

3. To appoint a director in place of Mr. Habib Hussain, liable to retire by rotation who doesn't offer himself for reappointment.

To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution.

RESOLVED that pursuant to section 152(7) of the Companies Act 2013, Mr. Habib Hussain (DIN: 00018665), Director liable to retire by rotation, who does not offer himself for reappointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up :

4. **APPOINTMENT OF MR. RAHUL THOMAS AS NON-EXECUTIVE DIRECTOR**

To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Rahul Thomas (DIN 09762551), who was appointed as an Additional Director of the Company with effect from 12th June 2024 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Rahul Thomas for the office of Director, be and is hereby appointed with effect from the date of this Meeting as a Director of the Company, liable to retire by rotation."

5. **RE APPOINTMENT OF MR. B. KRISHNA KUMAR AS 'MANAGER' OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, approval of the Members of the Company be and hereby accorded for reappointment of Mr. B Krishna Kumar, as 'Manager' and designated as President and Chief Operations Officer - Manager of the Company, to hold the office for a period of 3 (three) years w.e.f. 01.04.2024 to 31.03.2027 on a remuneration by way of salary, allowances, benefits, performance incentive and perquisites, as are applicable and as may be decided by the Board of Directors of the Company from time to time, within overall limits specified under section 197 of the Companies Act 2013 read with the schedule V of the Companies Act, 2013, as in force from time to time.

RESOLVED FURTHER THAT Mr. B Krishna Kumar, be paid the following Managerial Remuneration within the overall limit specified under section 197, from the date of his appointment w.e.f. 1st April 2024 to 31st March 2027.

Remuneration:

| | |
|---|---|
| Salary | Basic Salary of Rs 4,10,000/- per month in the scale of Rs 3,00,000- Rs 5,00,000 with annual increment as may be decided by the Board of Directors from time to time. |
| Special allowance | Rs 50,000/- per month. |
| Other allowances | Rs 1,10,000/- per month. |
| Perquisites such as House maintenance, medical for self and family, electricity, gas, water charges, leave travel allowance etc | Subject to a maximum of Rs 4,80,000/- per annum. |
| Performance Incentive | As may be decided by the Board of Directors subject to a maximum of 4 (Four) months Basic Salary and Special allowance |

Other Benefits:

- a. Contribution to provident fund on salary at the rate in accordance with the rules of the company.
- b. Gratuity on salary in accordance with rules of the company.
- c. Encashment of leave as per the rules of the company.
- d. Provisions for telephone and other communication facilities at residence for official purpose.

RESOLVED FURTHER THAT the duties of the 'Manager' so appointed above shall be the overall supervision of the functioning and manage affairs of the Company under the superintendence and control of the Board of Directors and to perform all other duties that the Board may delegate to the 'Manager' from time to time.

RESOLVED FURTHER THAT where in the financial year, during the currency of his tenure, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances and

perquisites not exceeding the limits specified in part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, alter or modify the different component of the aforesaid remuneration within the overall limit specified under Section 197 read with Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. B Krishna Kumar.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), consider necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

By order of the Board
For **AVT Natural Products Limited**

Place : Chennai
Date : 09.07.2024

Sharon Josh
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September, 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till 30th September, 2024. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 38th AGM of the Company shall be conducted through VC/OAVM. Central Depository Services (India) Ltd (CDSL) will be providing facilities in respect of:
 - a. voting through remote e-voting;
 - b. participation in the AGM through VC/ OAVM facility;
 - c. e-voting during the AGM.
 - d. The procedure for participating in the meeting through VC/OAVM is explained below and is also available on the website of the Company.
 2. As the AGM would be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
 3. Institutional / Corporate Members are entitled to appoint authorised representatives to attend, participate at the AGM through VC / OAVM and cast their votes through e-voting. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer at vsassociates16@gmail.com and to avtnpl@avtnatural.com not later than 48 hours before the scheduled time of commencement of the Meeting.
 4. In accordance with the circulars issued by MCA and SEBI, the Notice of the 38th AGM along with the Annual Report for the Financial Year 2023-24 is being sent by electronic mode to Members whose e-mail ids are registered with the Company or the Depository Participants (DPs).
 5. Those Members who are holding shares in physical form and have not updated their e-mail ids with the Company, are requested to update the same by submitting a duly filled and signed Form ISR-1 along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the Company / RTA.
- Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail ids with their relevant DPs. In case of any queries/ difficulties in registering the e-mail ids, Members may write to the Company/RTA.
6. The final dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM to those members whose names appear in the Register of Members on that date.
 7. The Notice of the 38th AGM along with Annual Report for the FY 2023-24, is available on the website of the Company at www.avtnatural.com, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of CDSL at www.cdslindia.com.
 8. Physical copy of the Annual Report for the FY 2023-24 (including the Notice of the 38th AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Annual Report for the FY 2023-24, may write to the Company at avtnpl@avtnatural.com, requesting for the same by providing their holding details.
 9. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment at the AGM are provided in the Annual Report. Requisite declarations have been received from the Directors seeking appointment. The Independent Directors of the Company are not liable to retire by rotation.
 10. An Explanatory Statement relating to certain items of Special Business i.e. Item No. 4 & 5 to be transacted at the AGM is annexed hereto.
 11. Documents referred to in the accompanying Notice of the 38th AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee on all working days except Saturday, during normal business hours (9:00 A.M. to 5:00 P.M. (IST)).
 12. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection.
 13. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended) and applicable Circulars, the Company is pleased to provide to its Members, the facility to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

For this purpose, the Company has entered into an agreement with CDSL, as the authorised agency for facilitating voting through electronic means. The facility of casting votes by Members using remote e-voting system as well as e-voting on the date of the AGM will be provided by CDSL.

Remote e-voting - Key Dates:

| | |
|--|--|
| Cut-off date The date, one day prior to the commencement of book closure, for determining the Members who are entitled to vote on the resolutions set forth in this Notice | Friday, 2 nd August 2024 |
| Book closure dates Period during which the Register of Members and Share Transfer Books of the Company shall remain closed | Saturday, 3 rd August 2024 to Friday, 9 th August 2024 (Both Days Inclusive) |
| Remote e-voting period Period during which Members, as on the cut-off date, may cast their votes on electronic voting system from any location | |
| Start Date & Time | 9:00 AM (IST) on Tuesday, 6 th August 2024 |
| End Date and Time | 5:00 PM (IST) on Thursday, 8 th August 2024 |

14. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
15. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transfers/ transmission to M/s Cameo Corporate Services Limited.
16. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
17. The Company has appointed M/s Cameo Corporate

Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transfers/ transmission to M/s Cameo Corporate Services Limited.

18. Members are requested to notify immediately any change in their address to the company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematted shares.
19. Members are requested to lodge their e-mail ID's along with their Name and Folio No. to Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, Email :- investor@cameoindia.com to enable the Company to send all future communications including Annual Reports through electronic mode.
20. Members are requested to notify the Company's Share Transfer Agent immediately of their bank account number and name of the bank and branch in the case of physical holdings, and to their respective Depository Participants in case of dematted shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants etc., can be made without delay.
21. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH- 13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for Nomination or would want to opt-out, are requested to fill out and submit Form No. ISR 3. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
22. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividends, etc. Form No. ISR-1 for capturing additional details is available on the Company's website. Members holding shares in physical form are requested to submit the filled-in Form No. ISR1 to the RTA in physical mode. Members holding

shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

23. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
24. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form, which can be obtained from the Registered Office of the Company or from the company's Share Transfer Agent.
25. The equity shares of the company would continue to be listed on BSE Ltd and The National Stock Exchange Ltd. The Annual listing fee, as prescribed, has been paid to the BSE & NSE.
26. Pursuant to provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed Final Dividend for the financial year 2015-16 and Interim Dividend for the Financial Year 2016-17 to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Final Dividend declared for the financial year 2016-17 remaining unpaid/unclaimed over a period of 7 years is liable to be transferred to the above fund during the year and no claim shall lie against the Company or the said Fund once it is transferred. Members are advised to claim the unpaid dividend, if any, immediately.
27. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("Rules") notified by the Ministry of Corporate Affairs on 28th February, 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per the procedure stipulated in the Rules as amended from time to time.

The Members / claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Member's interest to claim any unencashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.

28. The members, who have not yet obtained the share certificates for the bonus shares issued by the Company in the year 2006 and 2013, are requested to approach the Company's Share Transfer Agent and claim the same.
29. Members are requested to note that trading of Company's shares through Stock Exchange is permitted only in demat form. Further, the Securities and Exchange Board of India (SEBI) mandated that all the transfers of the shares in the physical form shall not be allowed after 31st March 2019. Accordingly, members who have not yet converted their holdings into electronic demat form may do so immediately for their own interest.
30. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
31. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Share Transfer Agent or to the Company.
32. According to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents by Thursday, August 1, 2024 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption.
33. The facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the AGM. Members holding shares in physical form are requested to access the remote

e-voting facility provided by the Company through CDSL e-voting system at www.evotingindia.com.

1. Voting facilities

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting either through electronic voting system shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

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

CDSL e-Voting System – For e-voting and Joining Virtual meetings

1. As you are aware, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/ AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/ OAVM mode 15 minutes before and after the

scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.avtnatural.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023-2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 6th August 2024 9:00 AM and ends on 8th August 2024 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/

CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdsiindia.com and click on login icon & New System Myeasi Tab.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdsiindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsiindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL Depository | <p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
|---|---|

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

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

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.

- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the

demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN AVT Natural Products Ltd.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; avtnpl@avtnatural.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/ EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

General instructions

The Board of Directors has appointed Mr. V. Suresh, Senior Partner, (Membership No. FCS 2969 and CP No.6032) and failing him Mr. Udaya Kumar K R (Membership No. F11533 and CP No. 21973) partner of M/s. V. Suresh Associates, Practising Company Secretaries, First Floor, No.28, Ganapathy Colony, IIIrd Street, Teynampet, Chennai – 600 018 as the scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

- i) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days from the conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number or votes in favour of the resolutions.
- ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.avtnatural.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited and NSE, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.
- iii) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 2nd August 2024. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.
- iv) In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable Secretarial Standards, the Details of Directors seeking re-appointment at the forthcoming Annual General Meeting is given

| | | |
|--|--|---|
| Name | Mr. Rahul Thomas | |
| Director Identification Number (DIN) | 09762551 | |
| Date of Birth | 03/11/1984 | |
| Nationality | Indian | |
| Date of appointment on the Board | 12/06/2024 | |
| Relationship with other Directors | Related to the Directors, son of Mr. Ajit Thomas, Chairman and Mrs. Shanthi Thomas, Director. | |
| Qualification | Graduate in Economics & MBA | |
| Expertise in specific functional areas | Sales contract administration, Risk Management, Strategic Planning and New Business Development and Logistics. | |
| Directorships held in other Companies as on March 31, 2024 (excluding foreign companies) | AVT Mc Cormick Ingredients Private Ltd | |
| Membership of Committee of other Companies | Nil | |
| Number of Shares held in the Company | Nil | |
| Number of Board meetings attended during FY 2023-24 | Held | 0 |
| | Attended | 0 |

EXPLANATORY STATEMENT

The explanatory statement pursuant to section 102 of the Companies Act, 2013, which sets out the details relating to Special Business at the meeting is annexed hereto and shall be taken as forming part of this Notice.

Item No. 4

Mr. Rahul Thomas, Aged 40 years is a graduate in Economics from University of British Columbia with Management Education in International Business and Finance from University of Alberta.

He has vast experience in Sales contract administration, Risk management, Strategic planning and New Business Development and Logistics. He has worked with Shell Energy North America Inc and KPMG. He was associated with AVT Natural Products Ltd as the Strategic and new Business Development Manager.

Item No. 5

Mr. B Krishna Kumar, President & Chief Operations Officer was appointed as the 'Manager' of the Company by the members in the AGM held on 26th August 2021. The approved tenure of 3 years expired on 31.03.2024 and the Board of directors in their meeting held on 14.02.2024 approved reappointment of Mr. B Krishna Kumar as Manager for a further period on 3 years from 01.04.2024 till 31.03.2027, subject to the approval of the members. Hence this resolution.

Mr. B Krishna Kumar, aged about 48 years graduate in Mechanical Engineering from Bharathidasan University, Tiruchirappalli. He has served various management roles in several Fortune 100 Major global FMCG's like Unilever, Reckitt Benckiser & Kimberly-Clark Corporation in Operations, Manufacturing & Supply chain management. His field of expertise includes Strategic leadership in Supply chain Management & Business acumen with experience spanning key markets such as

India, Indonesia, Middle East & Africa and he is with the Company since July 2020.

A copy of the draft Agreement to be entered into with the 'Manager' is available at the Registered Office of the Company and is open for inspection in physical or in electronic form by the members during the specified business hours on any working day, and the copies thereof shall also be made available for physical or electronic form at the Registered office the Company and also at the meeting. He holds No shares of the Company.

Save and except Mr. B. Krishna Kumar, President & Chief Operations Officer of the Company and his relatives, to the extent of their shareholding interest, if any, in the Company, none of other Directors or other Key Managerial Personnel or their relatives of the Company are in any

way, concerned or interested financially or otherwise, in the resolution set out at item No. 5 of the Notice.

The Board therefore, commends the Ordinary Resolution set out at item No.5 of the Notice for approval by the shareholders.

By order of the Board
For AVT Natural Products Limited

Place : Chennai
Date : 09-07-2024

Sharon Josh
Company Secretary

Registered office:
60, Rukmani Lakshmipathy Salai,
Egmore, Chennai – 600 008

DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Eighth Annual Report of the Company together with the Audited Accounts for the Financial Year ended March 31, 2024.

FINANCIAL RESULTS

(Rs.in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---------------|---------------|
| Income from Operations | 503.31 | 582.25 |
| Other Income | 12.18 | 2.32 |
| Total Income | 515.50 | 584.57 |
| Profit before tax for the year | 62.71 | 102.22 |
| Less : Provision for taxation | | |
| Current Tax | | |
| in respect of current year | 16.50 | 27.50 |
| in respect of prior year | Nil | Nil |
| Deferred Tax | (0.16) | (0.32) |
| Profit after Tax | 46.37 | 75.04 |
| Add: OCI classified to Retained Earnings | (0.13) | 0.09 |
| Add: Surplus brought forward | 148.65 | 113.74 |
| Less: Unrealized Fair Value gains not available for appropriation | (7.36) | (3.80) |
| Total Amount available for dividend payout | 187.52 | 185.07 |
| Less: | | |
| Interim Dividend (30%) paid on equity shares | 4.57 | 6.09 |
| Transfer to General Reserve | 25.00 | 25.00 |
| Final Dividend on Equity Shares paid for earlier year | 7.61 | 9.13 |
| Net Amount available for dividend payout | 150.34 | 144.85 |
| Surplus carried Forward to balance sheet | 157.70 | 148.65 |

Proposed dividend on equity shares has not been recognized as a distribution of profit in the current year's accounts in accordance with the Indian Accounting Standard.

OPERATIONS REVIEW

Total income decreased by 11.82 % to Rs.515.50 crores in 2023-24 from Rs. 584.57 crores. The Profit after Tax for the year 2023-24 is Rs. 46.37 crores (previous year 2022-23 Rs. 75.04 crores), showing a decrease of 38.20 %. With Fixed Assets of Rs.80.41 crores (previous year 2022-23 Rs. 78.27 crores), our Fixed Asset Turnover

ratio is healthy at 6.26 % with Return on Sales stood at 13.29%.

DIVIDEND

Dividend Distribution Policy

Pursuant to Regulation 43A of Listing Regulations, the Board adopted a Dividend Distribution Policy, which had been placed on the website of the Company and can be accessed at the link: <https://www.avtnatural.com/policies/>

Declaration and payment of dividend

Your Directors are pleased to recommend a final dividend of Re.0.50 per share (50%) with face value of Re.1/- each on Equity Share Capital, for the year ended 31.03.2024, amounting to Rs.761.42 Lakhs. During the year, the Board declared an Interim Dividend of Re.0.30 per share (30%) with face value of Re.1/- each, amounting to Rs.456.85 Lakhs. The aggregate of dividend declared during the year was Re. 1/-per share (80 %) with face value of Re.1/- each amounting to Rs.1218.27 Lakhs.

TRANSFER TO GENERAL RESERVE

Your directors are pleased to transfer a sum of Rs.25 crore for the year 2023-24 (previous year Rs.25 crore) to the General Reserve.

FINANCE

Cash and bank balances as at 31st March 2024 was Rs. 955.42 lakhs (previous year Rs. 534.92 lakhs). The Company continues to focus on the judicious management of its working capital, receivables, inventories and other financial parameters and which were kept under strict check through continuous monitoring.

The outstanding term loan from Federal Bank Limited as on 31st March 2024 is Rs. 8.05 crore, which is given in the note No.15 to the financial statements.

WINDMILL

The windmill of the Company located at Kokkampalayam village, Dharapuram Taluk, Erode District, Tamil Nadu generated 849,811 units of electricity in the year 2023-24 against 842,083 units generated in 2022-23. The Company utilised the 806,827units, generated as captive consumption during 2023-24 for its Sathyamangalam factory.

BOARD MEETING

The Board of Directors met Six times during the Financial Year. The details of the Board meeting are given in the Corporate Governance Report. The intervening gap between the meetings were within the period stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE MEETING

The Audit Committee of the Company met Six times during the current Financial Year. The details of the Audit Committee meetings are given in the Corporate Governance report. The intervening gap between the meetings were within the period stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARTICULARS OF LOANS, GUARANTEE, OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 and Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, except the 'Corporate Guarantee' given on behalf of its wholly owned subsidiary companies viz., AVT Natural Europe Limited, London and to AVT Natural S.A. DE C.V., Mexico which is given in the note No.37 to the financial statements.

The details of investments made by the Company are given in the note No.7 to the financial statements.

LISTING WITH STOCK EXCHANGES

The Company Shares are continued to be listed in both BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid listing fees up to 31st March 2025 to both the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

DSIR APPROVAL FOR IN-HOUSE R&D FACILITY AT SOUTH VAZHAKULAM AND BANGALORE

The approval by the Department of Scientific and Industrial Research (DSIR), New Delhi for the Company's R&D facilities situated at South Vazhakulam, Aluva, Kerala and the Manchenahalli Village, Kasabe Hobari, Bangalore are valid upto 31.03.2025.

MATERIAL CHANGES AND COMMITMENTS

Mr.Rahul Thomas was appointed as an Additional Director of the Company with effect from 12th June 2024.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Company has seven Non-Executive Directors out of which four are Independent Directors. There are two women directors.

i) Director retiring by rotation

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Habib Hussain, Director retires by rotation at the 38th Annual General Meeting and being eligible, does not offer himself for re-appointment.

A resolution seeking shareholders' approval along with other required details forms part of the Notice.

ii) Declaration from Independent Directors on Annual Basis

The Company has received necessary declarations from all the four Independent Directors of the Company under Section 149 of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 of the Companies Act, 2013 and Regulation 25(8) of the SEBI (LODR) Regulations 2015.

iii) Key Managerial Personnel

As on March 31, 2024, following were the Key Managerial Personnel ("KMP") of the Company as per Sections 2(51) and 203 of the Act:

- Mr. B Krishna Kumar, President & COO - Manager
- Mr. A. Ramadas, Sr. Vice President and CFO
- Mr. Sharon Josh, Company Secretary

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

PERFORMANCE OF SUBSIDIARY/JOINT VENTURE / ASSOCIATES

a) AVT Natural SA DE C.V., Mexico (AVTN)

AVT Natural SA DE C.V, Mexico has been established with an aim to capture market for the Animal Nutritional products in South American market and other markets.

The paid-up capital of the Company as on 31st March 2024 is Mexican Peso (Mxn) 0.54 million and there is no change therein since then. AVTN is the marketing arm of your Company for the animal nutrition products. The AVTN recorded sales of Rs. 15.72 crores and loss of Rs. 0.60 crores, for the year 2023-24.

b) AVT Natural Europe Limited, UK (AVTNEL)

The paid up capital of the Company as on 31st March 2024 is Pound Sterling (GBP) 1.535 million and there is no change therein since then. AVTNEL is the marketing arm of your Company for de-cafeinated tea and instant tea. The AVTNEL recorded sales of Rs. 108.62 crores (previous year Rs. 107.82 crores) and profit of Rs.3.85 crores (previous year Rs. 2.42 crores) for the year 2023-24.

c) AVT Natural FZCO (AVT Dubai)

A wholly owned subsidiary was incorporated by the company on 28th March 2023 in Dubai for marketing the Animal nutrition products, Instant tea, food additives, cosmetic and nutraceutical ingredients with a paid up capital of AED 200,000. Further capital

of AED 2,030,000 was infused to the subsidiary on 24.07.2023 making the overall capital to AED 2,230,000.

The AVT Natural FZCO recorded sales of Rs. 17.95 crores and profit of Rs. 1.90 crores for the year 2023-24.

Step down subsidiary Companies

AVT Natural Europe Limited, London has one wholly owned subsidiary AVT Natural North America Inc.

i) AVT Natural North America Inc

The paid up capital of the Company as on 31st March 2024 is USD 60,000 and there is no change therein since. During the year, the company recorded sales of Rs.12.75 crores and profit of Rs.0.93 crores for the year 2023-24.

d) Accounts of subsidiaries

Pursuant to Section 136 of the Companies Act, 2013, a copy of the Audited Financial Statements of AVT Natural Europe Ltd., AVT Natural S.A. DE C.V. and AVT Natural FZCO for the period ended 31.03.2024, shall be provided to any shareholder, free of cost on their request. The Audited Financial Statements are also available on the website of the Company. The Consolidated Financial Statements, audited by the statutory auditors of the Company, have been attached to this Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of AVTN, AVTNE & its step-down subsidiary and AVTFZCO in the prescribed Form AOC-1 is provided in the Page No. 142 of Annual report.

e) Joint Venture / Associate Company

The Company does not have any Joint Ventures / Associate Companies

f) Policy for determining material subsidiary

The Company has a Policy for determining Material Subsidiary, which is hosted on the Company website under the link www.avtnatural.com/investor_relations.

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

The particulars prescribed by the section 134 (3) (m) of the Companies Act 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo are furnished in the Annexure-I to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the

Companies Act 2013, a CSR Committee comprising Board of Directors was formed to recommend.

- i. The policy on Corporate Social Responsibility (CSR) and
- ii. Implementation of the CSR Projects

Annual Report on CSR in the prescribed format is enclosed as Annexure - II. The CSR policy of the Company has been uploaded on the web site: [www.avtnatural.com / investor_relations](http://www.avtnatural.com/investor_relations).

CONTENTS OF CSR POLICY

The Company's CSR projects and programs will be the focus on the holistic development of host communities to create social, environmental and economic value to society.

The Company will invest resources in any program such as Skill Development, Infrastructure Development, Women Empowerment, Promotion of Health Care, Old age homes / day care facilities for Senior Citizens, Education, Swatch Bharath, and all other activities envisaged in the Schedule VII of the Companies Act 2013.

STATUTORY AUDITORS

Pursuant to section 139 and 142 of the Companies Act, 2013, the members in their 36th Annual General Meeting held on 24.08.2022 appointed M/s. Suri & Co, Chartered Accountant (Firm Registration No.004283S) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the 41st Annual General Meeting. In view of the amendment to the Companies Act 2013 notified by the Ministry of Corporate Affairs dated 7th May 2018, no longer their appointment needs to be ratified by the Members.

AUDITORS' REPORT

There are no qualifications or adverse remarks mentioned in the Auditors' report. The notes to accounts, forming part of financial statements, are self-explanatory and need no further clarification.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. V. Suresh Associates, Practicing Company Secretaries (C.P. No.6032), Chennai – 600 018 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the financial year 2023-24, is annexed to this report as Annexure – III and forms an integral part of this Report.

There is no secretarial audit qualification, reservation or adverse remarks in the Secretarial Report for the period under review.

During the year, the Company has complied with the Secretarial Standard -1 (SS-1) and Secretarial Standard -2 (SS-2) issued by the Ministry of Corporate Affairs.

COST RECORDS & AUDIT REPORT

Cost Audit is not applicable to the Company as per the Companies (Cost Records & Audit) Rules, 2014, however, the cost records are maintained by the Company.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under section 143 (12) of the Companies Act, 2013.

INSURANCE

The Company continues to carry adequate insurance for all assets, against unforeseeable perils.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were at arm's length basis and in the ordinary course of business and hence the provisions of Section 188 of the Companies Act, 2013 are not attracted. There were no related party transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements during the year.

Further, there were no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel or other designated persons which may have a potential conflict in the interest with Company at large. The disclosure of Related Party Transactions to be provided under section 134 (3)(h) of the Companies Act 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC -2 is given in the Annexure – IV, forming part of this report.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all the related party transactions were placed before the Audit Committee and also the Board of Directors. Prior approval of the Audit Committee was obtained on yearly / quarterly basis for the transactions entered with related parties, except with the wholly owned subsidiary Companies, whose accounts are consolidated with the Company. The transactions entered into pursuant to the omnibus approval so granted has been placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company has a Related Party Transaction policy and the same is hosted on the website of the Company under the link www.avtnatural.com/investor_relations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS AND COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

ANNUAL RETURN

In terms of the requirements of Section 92(3) read with 134(3)(a) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the copy of the Annual Return in prescribed format is available on the website of the Company www.avtnatural.com/investor_relations.

STATUTORY INFORMATION

The information under section 197 of Companies Act 2013 and pursuant to rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in the Annexure – V.

The information required under section 197 (12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the Company have been given in the Annexure – VI.

The statement containing remuneration paid to employees and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Company's Registered Office during, business hours of all the working days of the Company, upto the date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the member.

INDUSTRIAL RELATIONS

Your Company during the year under review, enjoyed cordial relationship with technicians/workers and employees at all levels.

NOMINATION AND REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel, Key Managerial Personnel and their remuneration etc. A copy of the policy is uploaded on the

web site of the Company and the website link is www.avtnatural.com/investor_relations.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy in place pursuant to Section 177 (9) of the Companies Act 2013 and as per the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The said policy is available on the website of the Company which can be accessed from the link - www.avtnatural.com/investor_relations. During the year no instances of unethical behavior were reported.

RISK MANAGEMENT

Pursuant to section 134(3)(n) of the Companies Act 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors has formed a Risk Management Committee to frame, implement and monitor the risk management plan. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact mid to long-term objectives of the business, including those reputational in nature. The Audit Committee has additional oversight in the area of financial risks and controls.

The company has a risk policy defining risk management governance model, risk assessment and prioritization process. The Risk Management Committee adopted a follow-up risk management framework to review and monitor the key risks and their mitigation measures periodically and provide an update to the Board on Company's risks. The Audit Committee has an additional oversight on financial risks and controls.

ADEQUACY OF INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Audit and Internal Financial Controls with reference to the financial statements, which is evaluated by the Audit Committee as per Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Apart from Statutory Audit, your Company, in compliance with Section 138 of the Companies Act, 2013, had engaged M/s Sundar Sridhar Srini, Chartered Accountants, I Floor, New No 9, Rajamannar Street, T.Nagar, Chennai – 600017 as the Internal Auditors of the Company for the financial year 2023-24. Findings and observations of the Internal Auditors are discussed, and suitable corrective actions are taken as per the directions of the Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexities of operations and adequate with reference to the financial statements as envisaged under the Companies Act, 2013.

Your directors endorse that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

BOARD EVALUATION

The Board of Directors has made a formal annual evaluation of its own performance and that of its committees, individual Directors & CEO, (Manager) pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The evaluation was done based on the evaluation criteria formulated by Nomination and Remuneration Committee which includes criteria such as fulfilment of specific functions prescribed by the regulatory framework, adequacy of board meetings, attendance and effectiveness of the deliberations etc.

Each Board member completed a questionnaire providing feedback on the functioning and overall level of engagement of the Board and its committees on the parameters such as the composition, execution of specific duties, contribution of new ideas/insights, quality, quantity, and timeliness of flow of information, deliberations at the meeting, independence/non-partisan approach in decision making etc.,

Independent Directors met on 14th February 2024 to review performance evaluation of Non-Independent Directors and the entire Board of Directors including the Chairman, Non-Executive Directors etc., The Independent Directors were satisfied with the overall functioning of the Board, flow of information to the Board, its various Committees and of the performance of other Non-executive Directors and the Chairman of the Board

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has adopted the Indian Accounting Standards (Ind AS) with effect from 1st April 2017, the Ind AS 115 with effect from 1st April 2018 & the Ind AS 116 with effect from 1st April 2019 and all its financial statements are made according to the said standards. Further, in the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are applied are set out in the Notes to the Financial Statements.

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2024.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Company.

The Business Responsibility and Sustainability Report in compliance with the regulation 34(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 have been attached in the Annexure VII to this Report.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on Corporate Governance. The Management Discussion & Analysis Report, Report on Corporate Governance with Auditors' Certificate on compliance with conditions of Corporate Governance have been Annexed VIII, IX, X and XI to this Report.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Act and that an Internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review

Number of complaints received in the year: 01

Number of complaints disposed off during the year: 01

Number of cases pending for more than 90 days: Nil

Number of Workshop or awareness Program: 02

Nature of Action taken by the employer or District Officer: Nil

CAUTIONARY STATEMENT

Statements in this Directors' Report & Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations, or predictions may be 'forward looking statements' within

the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

During the year no application has been made and there are no proceeding pending as per Insolvency and Bankruptcy Code 2016.

The Company has not raised funds through preferential allotment or qualified institutions placement during the Financial Year 2023-24.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the accounts for the financial year ended 31st March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the accounts for the Financial Year ended 31st March 2024 on a 'going concern' basis.
5. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors sincerely acknowledge the contribution and support from customers, shareholders, farmers, BSE Ltd., National Stock Exchange of India Ltd., Cameo Corporate Services Ltd., National Securities Depository Ltd., Central

Depository Services Ltd., and other stakeholders for the co-operation and assistance provided to the Company.

The Directors also place on record their gratitude to the employees for their continued support, commitment, dedication and co-operation.

For and On behalf of the Board

Place : Chennai

Date : 12th June 2024

Ajit Thomas
Chairman

ANNEXURE – I

To the Directors' Report

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2024, is given here below and forms part of the Directors Report.

A. CONSERVATION OF ENERGY

AVT Natural Products Limited is committed to conserve energy in all our activities. The Company has been doing energy conservation projects for many years. During the financial year 2023-24 also the Company has taken steps to conserve energy.

- Commissioned RO plant to recover the reject water from process RO and ETP RO plants and saved water recovery 50% of reject water of 2.5 KL per hr thereby saving 17500 KL water.
- Commissioned Sludge dewatering screw press which improved ETP operation, by increasing the sludge dewatering quantity and thus saving energy of 21000 KWh by stopping old filter press.
- Replaced old conventional gearbox in Effluent treatment plant – 2 nos, with new energy efficient planetary gearbox and which resulted in annual savings of 17520 KWh.
- Replaced 44 nos conventional lamps with high efficiency LED lamps at Main office and QC lab which consumes less power with annual savings of 6000 KWh.
- Replaced 2 nos of Old DX type AHU radiators to Chilled water radiator of IT blending room resulting annual savings of 18000KWh.
- Provided VFD for IT cooling water pump to optimise the flow rate according to discharge temperature, resulting in an annual saving of 25900 KWh.
- Commissioned Instant Tea spent dryer for dried spent utilisation in Boiler thereby reducing fuel consumption by 90 MT in Boiler.
- Replaced 15 Nos conventional SV lamps with high efficiency LED fittings in the yard. Savings of 10368 Kwh.
- All the new projects (Standard meal plant , 150 Micron Meal plant etc..) competed with Energy efficient motors (IE2) and lighting by LED Fittings.

- Installed and commissioned Pelletizing plant for producing pellets from extraction spent and utilizing in boiler as fuel.
- Installed and commissioned sludge dewatering press in ETP, thereby improved the ETP operation & stopped the conventional presses and savings of 30000 Kwh/year in addition to the savings of manpower and chemical charges.

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

Specific areas in which R&D is carried out by the Company:

- A. Process improvements
- B. Marigold Hybrid Seed Development
- C. New Ingredients and Product lines
- D. New Business Segments & Divisions

Benefits derived from R&D efforts.

1. Process Improvements

The company has invested in process improvements and extraction technologies that bring about cost reductions and improved efficiencies in the manufacturing process.

2. Marigold Hybrid Seed Development:

The ongoing seed development program has yielded results with new variates of hybrids. After thorough testing and screening a new hybrid has been selected for commercial seed and flower production. This Hybrid cultivation will be expanded for year 2024-25.

3. New Ingredients & Product Lines:

We continue to invest in developing new products to add to the ingredient portfolio. Our efforts have resulted in new soluble tea offerings for Instant Tea customers and new spice extract offerings. The company has also developed new natural extracts in partnership with potential strategic partners for new business segments.

4. New Business Segments & Divisions:

The significant investment into new market segments has allowed the company to expand its operations into the animal nutrition space, where we have started to make inroads with key markets and customers. The company's foray into this new segment has also resulted in a new global strategic alliance with a leading feed additive company.

This value added, solution-based approach will allow us to build a sustainable new division. The company has also started three new business verticals to service the natural Derma-cosmetic, Nutraceutical and biological crop input markets. Pre-clinical, clinical and field studies are being carried out to prove the efficacy of each ingredient to provide proven sustainable product line to the new divisions. These new divisions will continue to add value by leveraging our in-house capabilities and technologies.

FUTURE OF ACTION:

1. Process Improvements

New processes and technologies, that help to improve efficiencies and reduce cost, will continue to be an area of focus. Efforts on this front will keep us competitive and relevant in the market. We will work towards a more sustainable operations and manufacturing approach which is in line with changing trends and customer needs. There will be a focused approach towards reduction of dependency on petro chemical solvent by incorporating sustainable extraction solvent in future development. We will also continue to incorporate new technologies that will enable us to introduce new product offerings into the market.

2. Marigold Hybrid Seed Development:

The hybrid development program will continue to focus on introducing new varieties of seeds. We will aim to identify markers responsible for desirable characteristics like yield and active content. The ongoing work in marker development will be the foundation for new hybrid developments. The company will also continue pre-commercial trials for pipeline hybrids in 2024-25.

3. New Ingredients & Product Lines:

In addition to developing new ingredients, we will expand our application of newly developed ingredients. The company will continue to generate more data for our product range and our focus will continue to move from product to solution-based selling. The company will continue to add product lines to its new divisions to expand the product portfolio and market reach.

4. New Business Segments & Divisions:

The Animal Nutrition division will remain an area of strategic importance, with new product offerings, new markets, and new customers. Continued efforts will be taken to set the groundwork for a long and sustainable business division. We will also invest in co-development efforts with our new strategic partner to expand product offerings. The company will continue to generate data in the cosmeceutical market and initiate the commercialization of its products with new sales partners in North America and Asia. The agri inputs business division will also be commercialized in the coming year with a focus on Indian and LATAM markets.

4. Expenditure on R&D (in Rupees)

| | | 2022-23 | 2023-24 |
|-----|--------------|---------------------|---------------------|
| i | Capital | 18,30,130 | 37,98,411 |
| ii | Recurring | 12,98,55,582 | 14,68,54,857 |
| iii | Total | 13,16,85,712 | 15,06,53,268 |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review foreign exchange earnings were Rs.459.13 crores (previous year Rs. 518.26 crores) and foreign exchange outgo was Rs.70.32 crores (previous year Rs.92.17 crores).

ANNEXURE – II

To the Directors' Report

Annual Report on CSR Activities for Financial Year 2023-24

1. Brief outline on CSR Policy of the Company.

The amended CSR policy was approved by the Board of Directors at its meeting held on 30th June 2021 and has been uploaded on the Company's web site. A gist of the programs that the Company can undertake under the CSR policy is mentioned below;

Web link [http://www. http://avtnatural.com/policy.html](http://www.avtnatural.com/policy.html)

The Company has undertaken activities relating to the following areas for the Financial Year 2023-24.

- i. Development of Skills among various sections of society
- ii. Enhancement of Water resources
- iii. Development of Infrastructure
- iv. Promotion of Health Care
- v. Promotion of Education / Rural Sports and
- vi. Activities envisaged in the Schedule VII of the Companies Act 2013.

The activities and funding are monitored internally by the Company.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|----------------|-------------------------|---|---|---|
| 1 | Mr. P. Shankar | Chairman - Independent Director | 2 | 1 |
| 2 | Mr. Ajit Thomas | Member - Non-Executive Director | 2 | 2 |
| 3 | Mr. Habib Hussain | Member - Non-Executive Director | 2 | 1 |

3. Web-links

| | |
|------------------------------------|--|
| Composition of CSR committee | www.avtnatural.com/general-information/ |
| CSR Policy | www.avtnatural.com/policies/ |
| CSR projects approved by the board | www.avtnatural.com/general-information/ |

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **NOT APPLICABLE.**
5.
 - a) Average net profit of the company as per section 135(5) is Rs. 8353.54 Lakhs
 - b) Two percent of average net profit of the company as per section 135(5) is Rs. 167.07 Lakhs.
 - c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years is NIL
 - d) Amount required to be set off for the financial year, if any: Rs. 22,424/-
 - e) Total CSR obligation for the financial year (5b+5c-5d) is Rs. 166.84 Lakhs
6.
 - a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) Rs.167.63 Lakhs.
 - b. Amount spent in Administrative Overheads – NIL
 - c. Amount spent on Impact Assessment, if applicable – NOT APPLICABLE

d. Total amount spent for the Financial Year [(a)+(b)+(c)] - Rs.167.63 Lakhs

e. CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1,67,63,481 | NIL | NA | NIL | NIL | NA |

f. Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1,67,07,000 |
| (ii) | Total amount spent for the Financial Year | 1,67,63,481 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 56,481 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 56,481 |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years – NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

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

Habib Hussain
(Director)

P. Shankar
(Chairman CSR Committee)

Place : Chennai

Date : 29th May 2024

ANNEXURE – III

Form No. MR-3

Secretarial Audit Report

For the Financial Year 2023-2024

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

To,
The Members,
AVT Natural Products Limited
No. 60, Rukmani Lakshmipathy Salai,
Egmore, Chennai-600008

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

Based on our verification of AVT Natural Products Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AVT Natural Products Limited ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of

India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; (Not applicable)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)

Other Laws specifically applicable to this Company is as follows:

- (vi) Food Safety and Standards Act, 2006
- (vii) Tea (Marketing) Control Order 2003
- (viii) Tea (Distribution & Export) Control Order, 2005
- (ix) Legal Metrology Act, 2009

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the following:

We further report that the Board of Directors of the Company is constituted with proper balance of Non-Executive Directors, Independent Directors and a Women

Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, which is sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Place: Chennai
Date: 29th May 2024

Peer Review Cert. No: 667/2020
UDIN: F002969F000439834

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

AVT NATURAL PRODUCTS LIMITED

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Place: Chennai
Date: 29th May 2024

Peer Review Cert. No: 667/2020
UDIN: F002969F000439834

ANNEXURE – IV

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. Details of Contracts or arrangements or transactions not at arm's length basis:

AVT Natural Products Limited (the Company) has not entered into any contract/ arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during financial year 2023-24. The Company has laid down policies and processes/ procedures to ensure compliance to the subject section in the Companies Act 2013 (Act) and the corresponding Rules. In addition, the same is reviewed by the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts / arrangements / transactions: Not Applicable
- (c) Duration of the contracts / arrangements / transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under the first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NA
- (c) Duration of the contracts / arrangements/ transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: Not Applicable

Note: All related party transactions are bench marked for arm's length, approved by Audit Committee, and reviewed by the Statutory Auditors. The above disclosures on material transactions are based on threshold of 10% of the annual consolidated turnover as per SEBI (LODR) Regulations 2015. The transactions with the wholly owned subsidiaries are exempt for the purpose of Section 188 (1) of the Act.

For and on behalf of the Board of Directors

Place: Chennai
Date : 29th May 2024

Ajit Thomas
Chairman

ANNEXURE – V

To the Directors' Report

Information pursuant to the Companies Act 2013 read with Rule 5 (2) (ii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014. Employed throughout the year under review and were in receipt of remuneration in the aggregate of not less than Rs.1,02,00,000/- per annum or employed for part of the year and were in receipt of remuneration in the aggregate of not less than Rs.8,50,000 per month.

During the year 2023-24, there were no employees who were in receipt of remuneration in the aggregate of not less than Rs.1,02,00,000/- per annum or employed for part of the year and were in receipt of remuneration in the aggregate of not less than Rs.8,50,000 per month.

ANNEXURE – VI

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

- (1) Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company in the financial year 2023-24

| | |
|---|-----------|
| Median remuneration of all the employees of the Company for the Financial Year 2023-24 | 14,39,808 |
| Percentage increase in the median remuneration of the employees in the Financial year 2023-24 | 22.76% |
| Number of permanent employees on the rolls of the Company as on 31 st March 2024 | 315 |

- (2) The percentage of increase in remuneration of the Non-executive Chairman, President and Manager, Sr. Vice President and CFO and Company Secretary during the financial year 2023-24

| Sl. No. | Name of the Director / KMP | Designation | Remuneration during the FY 2023-24 (Rs. in Lakhs) | % increase in Remuneration during FY 2023-24 |
|---------|----------------------------|----------------------------|---|--|
| a | Mr. B. Krishna Kumar | President & Manager | 99.33 | 13.67 |
| b | Mr. A. Ramadas | Sr. Vice President and CFO | 84.88 | 6.40 |
| c | Sharon Josh | Company Secretary | 9.56 | 10.92 |

- (3) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :-

There is 17.77 % increase in the salaries of employees other than managerial personnel and 10.33% average increase in the salaries of managerial personnel during the year.

Justification for increase : The increase is in line with the industrial standards and the Company's performance

- (4) The remuneration is as per the remuneration policy of the Company.

Note: *The calculation for median remuneration and average increase in remuneration is arrived at based on permanent employees of the Company in the regular rolls and gratuity amount not included in the remuneration.*

ANNEXURE – VII

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L15142TN1986PLC012780 |
| 2. | Name of the Listed Entity : AVT Natural Products Ltd | AVT Natural Products Limited |
| 3. | Year of incorporation | 1986 |
| 4. | Registered office address | No.60, Rukmani Lakshmipathy Salai, Egmore, Chennai 600 008 |
| 5. | Corporate address | No.60, Rukmani Lakshmipathy Salai, Egmore, Chennai 600 008 |
| 6. | E-mail | avtnpl@avtnatural.com |
| 7. | Telephone | 044 28584147 |
| 8. | Website | www.avtnatural.com |
| 9. | Financial year for which reporting is being done | 2023-24 |
| 10. | Name of the Stock Exchange(s) where shares are listed | NSE & BSE |
| 11. | Paid-up Capital | 15,22,84,000 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report. | Mr. B Krishna Kumar. avtnpl@avtnatural.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone |
| 14. | Name of assurance provider | NA |
| 15. | Type of assurance obtained | NA |

II. Products / Services

16. Details of business activities (accounting for 90% of the turnover):

| SI No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------------|---|---|------------------------------------|
| 1 | Manufacturing of Oleoresins, Spices Extract and Value-added teas. | Manufacturing | 98.24 |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| SI No | Product/Service | NIC Code | % of total Turnover contributed |
|-------|--------------------------------|----------|---------------------------------|
| 1 | Marigold Oleoresin | 21009 | 35.56 |
| 2 | Spice Oleoresin | 10795 | 27.85 |
| 3 | Instant & decaffeinated Tea | 10791 | 31.47 |
| 4 | Botanical based feed additives | 10809 | 3.34 |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National | 3 | 5 | 8 |
| International | 0 | 0 | 0 |

19. Markets served by the entity:

- a. Number of locations

| Location | Number |
|----------------------------------|--------|
| National (No. of States) | 13 |
| International (No. of Countries) | 35 |

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

94.03%

- c. A brief on types of customers.

AVT manufactures plant extracts and natural ingredient solutions for various leading corporations in food, beverage, animal nutrition and nutraceuticals across the world.

IV. Employees

20. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

| S No | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|-----------|--------|---------|---------|---------|
| | | | No (B) | % (B/A) | No (C) | % (C/A) |
| Employees | | | | | | |
| 1 | Permanent (D) | 188 | 178 | 94.6% | 10 | 5.31% |
| 2 | Other than Permanent (E) | 9 | 7 | 77.77% | 2 | 22% |
| 3 | Total Employees (D+E) | 197 | 187 | 94.92% | 12 | 6.09% |
| Workers | | | | | | |
| 4 | Permanent (F) | 124 | 124 | 100% | 0 | 0 |
| 5 | Other than Permanent (G) | 499 | 469 | 93.98% | 30 | 6.01% |
| 6 | Total Workers (F+G) | 623 | 593 | 95.18% | 30 | 4.81% |

b. Differently abled Employees and workers:

| S No | Particulars | Total (A) | Male | | Female | |
|-----------------------------|--------------------------|-----------|--------|---------|---------|---------|
| | | | No (B) | % (B/A) | No (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2 | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3 | Total Employees (D+E) | 0 | 0 | 0 | 0 | 0 |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4 | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5 | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6 | Total Workers (F+G) | 0 | 0 | 0 | 0 | 0 |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (A/B) |
| Board of Directors | 7 | 2 | 28.57 |
| Key Managerial Personnel | 3 | 0 | 0 |

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 5.28% | 0.68% | 5.96% | 5.20% | 0.58% | 5.78% | 2.94% | 0.58% | 3.52% |
| Permanent Workers | 0.8% | 0 | 0.8% | 0.83% | 0 | 0.83% | 0 | 0 | 0 |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. a. Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| | AVT Natural SA DE CV | Subsidiary | 100 | NO |
| | AVT Natural Europe Ltd | Subsidiary | 100 | NO |
| | AVT Natural FZCO | Subsidiary | 100 | NO |

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

ii. Turnover (in Rs.) : 503.31 Crores

iii. Net worth (in Rs.) : 473.15 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|---|--|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes https://www.avtnatural.com/wp-content/uploads/2021/07/corporate-socialresponsibility-policy.pdf | 0 | 0 | | 0 | 0 | |
| Investors (other than shareholders) | NA | 0 | 0 | | 0 | 0 | |
| Shareholders | Yes As per SEBI Listing Regulations | 3 | 0 | | 0 | 0 | |
| Employees and workers | Yes | 0 | 0 | | 0 | 0 | |
| Customers | Yes Escalation mechanisms are defined in individual client contracts and addressed as per AVT Quality Policy. | 0 | 0 | | 0 | 0 | |
| Value Chain Partners | Yes https://www.avtnatural.com/wp-content/uploads/2022/03/whistle-blower-policy.pdf | 0 | 0 | | 0 | 0 | |
| Other (please specify) | NA | 0 | 0 | | 0 | 0 | |

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format .

| S. No. | Material issue identified | Indicate whether risk or Opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| NIL | | | | | |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| S No | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|--|--|-------------------------|----------------|-------------------------|---|----------------|-----|------------|
| Policy and management processes | | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. Web Link of the Policies, if available | www. avtnatural.com/policies | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to your Value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. PRABIN | Code of Conduct, SME-TA 4 Pillar Audited | ISO 9001: 2015 ISO 14001: 2015 ISO 45001 :2018 | SME-TA 4 Pillar Audited | ISO 9001: 2015 | SME-TA 4 Pillar Audited | RFA, Fair Trade, SME-TA 4 Pillar Audited, ISO 14001: 2015 | ISO 9001: 2015 | RFA | FSSAI, RFA |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | N | N | N | N | N | N | N | N | N |

| | | | | | | | | | | |
|---|--|--|---|---|---|---|---|---|---|---|
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | N | N | N | N | N | N | N | N | N |
| Governance, leadership and oversight | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | | | | | | | | | |
| 8. | Details of the highest authority responsible For implementation and oversight of the Business Responsibility policy (ies). | Board of Directors | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, Stakeholders' Relationship Committee (SRC) | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | C | C | C | B | C | B | C | D | C | Q | Y | H | Y | Y | Y | Y | Q | Y |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any Non-compliances | Statutory Compliance Certificate on applicable laws is provided by the CEO to the Board of Directors. | | | | | | | | | Quarterly | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|------------------------------------|--|--|--|
| Board of Directors | Business Ethics and Compliance Module | Code Of Conduct, Data Privacy, Prevention of Sexual Harassment, Integrity, Intellectual Property, Security Awareness | 100% |
| Key Managerial Personnel | Business Ethics and Compliance Module | Code Of Conduct, Data Privacy, Prevention of Sexual Harassment, Integrity, Intellectual Property, Security Awareness | 100% |
| Employees other than BoDs and KMPs | Business Ethics and Compliance Module | Code Of Conduct, Data Privacy, Prevention of Sexual Harassment, Integrity, Intellectual Property, Security Awareness | 90% |
| Workers | Business Ethics and Compliance Module | Sexual Harassment, Code Of Conduct, Security Awareness | 80% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

| Monetary | | | | | |
|-----------------|-----------------|---|-------------------|--|--------------------|
| | NGRBC Principle | Name of the regulatory/ enforcement | Amount (In INR) | Brief of the Case | Has an appeal been |
| Penalty/ Fine | NIL | NIL | NIL | NIL | NIL |
| Settlement | NIL | NIL | NIL | NIL | NIL |
| Compounding fee | NIL | NIL | NIL | NIL | NIL |
| Non-Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| | NIL |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Anti Bribery policy is set out to define responsibilities in observing and upholding the Company's position on bribery and corruption

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. Details of complaints with regard to conflict of interest:

| | FY 2023-24 | | FY 2022-23 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NIL | NIL | NIL |

7. Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2023-24 | FY 2022-23 |
|---------------------------------|------------|------------|
| No. of days of accounts payable | 113 | 41 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | Purchases from trading houses as % of total purchases | 0 | 0 |
| | Number of trading houses where purchases are made from | 0 | 0 |
| | Purchases from top 10 trading houses as % of total purchases from trading houses | 0 | 0 |

| | | | |
|------------------------|---|-------|---|
| Concentration of Sales | Sales to dealers / distributors as % of total sales | 0 | 0 |
| | Number of dealers /distributors to whom sales are made | 0 | 0 |
| | Sales to top 10 dealers / distributors as % of total sales to dealers /distributors | 0 | 0 |
| Share of RPTs in | Purchases (Purchases with related parties / Total Purchases) | 0 | 0 |
| | Sales (Sales to related parties / Total Sales) | 0 | 0 |
| | Loans & advances (Loans & advances given to related parties / Total loans & advances) | 0 | 0 |
| | Investments (Investments in related parties / Total Investments made) | 3.98% | 0 |

LEADERSHIP INDICATORS

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|--|
| NIL | | |

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes, Code of Conduct Policy

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2023-24 | FY 2022-23 | Details of Improvements in Environment and Social Impacts |
|-------|------------|------------|--|
| R & D | 22.90% | 55.47 % | The cost includes product innovations including utilization of raw material spent streams to generate value added products. These developments bring in possibility of reducing disposal of waste material and products developed could be used as Agri inputs for improved agricultural outturns. |
| Capex | 57.90% | 11.23 % | Capex includes investments in modern laboratory equipment which consumes lesser energies & better user friendliness |

- Does the entity have procedures in place for sustainable sourcing? Yes
 - If yes, what percentage of inputs were sourced sustainably? 30% -40%
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Non degradable and degradable materials are disposed as per the Waste disposal procedure in the stores department AFSM0706-ie supplied to authorized recycle vendors.
Hazardous waste, e-waste etc is disposed engaging Govt authorised recycling centers and used oil is disposed with PCB approved agency.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control

Boards? If not, provide steps taken to address the same.

YES, it is applicable and the waste collection plan is in line with plan submitted to PCB.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency. (Yes/ No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|---------------------------|---------------------------------|--|---|--|
| NIL | | | | | |

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| NIL | | |

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|------------------------------------|--|------------|
| | FY 2023-24 | FY 2022-23 |
| ETP sludge and Marigold Spent (MT) | 4431 | 7433 |

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------------|------------|----------|-----------------|------------|----------|-----------------|
| | Re Used | Recycled | Safely Disposed | Re Used | Recycled | Safely Disposed |
| Plastic (including Packing material) | 0 | 0 | 82 | 0 | 0 | 75 |
| E waste | 0 | 0 | 0.17 | 0 | 0 | 0.13 |
| Hazardous Waste | 0 | 0 | 0.81 | 0 | 0 | 0.68 |
| Other Waste(Battery) | 0 | 0 | 0.31 | 0 | 0 | 0.2 |

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| NIL | |

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essen 1. (a) Details of measures for the well-being of employees:

| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Day Care facility | |
|---------------------------------------|-----------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|-------------------|---------|
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 178 | 178 | 100% | 178 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 10 | 10 | 100% | 10 | 100% | 10 | 0 | 0 | 0 | 0 | 0 |
| Total | 188 | 188 | 100% | 188 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(b) Details of measures for the well-being of workers:

| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Day Care facility | |
|-------------------------------------|-----------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|-------------------|---------|
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 124 | 124 | 100% | 124 | 100% | NA | | NA | | NA | |
| Female | 0 | 0 | | 0 | | NA | | NA | | NA | |
| Total | 124 | 124 | 100% | 124 | 100% | | | | | | |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 469 | 469 | 100% | 469 | 100% | NA | | NA | | NA | |
| Female | 30 | 30 | 100% | 30 | 100% | NA | | NA | | NA | |
| Total | 499 | 499 | 100% | 499 | 100% | | | | | | |

(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2023-24 | FY 2022-23 |
|---|-------------------|-------------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.98% | 0.88% |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | 62% | 62% | Y | 60.17% | 60.17% | Y |
| Others | - | - | - | - | - | - |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. No

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. Yes, www.avtnatural.com/investor-relations

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 0 | | 0 | |
| Female | 0 | | 0 | |
| Total | - | - | - | - |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | Whistle Blower policy, Suggestion Box, Joint Forum or Trade Union, Grievance Committee |
| Other than Permanent Workers | Whistle Blower policy, Suggestion Box, Joint Forum or Trade Union, Grievance Committee |
| Permanent Employees | Whistle Blower policy, Suggestion Box, Grievance Committee |
| Other than Permanent Employees | Whistle Blower policy, Suggestion Box, Grievance Committee |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---------------------------|--|--|-----------|--|--|-----------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of Employees / Workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | 0 | 0 | 0 | 0 | 0 | 0 |
| -Male | 0 | 0 | 0 | 0 | 0 | 0 |
| -Female | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Permanent Employees | 124 | 124 | 100% | 121 | 121 | 100% |
| -Male | 124 | 124 | 100% | 121 | 121 | 100% |
| -Female | 0 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------|------------|-----------------------------|---------|----------------------|---------|------------|-----------------------------|---------|----------------------|---------|
| | Total (A) | On health & Safety measures | | On Skill Upgradation | | Total (D) | On health & Safety measures | | On Skill Upgradation | |
| | | No (B) | % (B/A) | No (C) | % (C/A) | | No (E) | % (E/D) | No (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 178 | 178 | 100% | 173 | 97.19% | 173 | 173 | 100% | 162 | 93.64% |
| Female | 10 | 10 | 100% | 9 | 90% | 9 | 9 | 100% | 9 | 100% |
| Total | 188 | 188 | 100% | 182 | 96.80% | 182 | 182 | 100% | 171 | 93.95% |
| Workers | | | | | | | | | | |
| Male | 593 | 593 | 100% | 593 | 100% | 584 | 584 | 100% | 584 | 100% |
| Female | 30 | 30 | 100% | 30 | 100% | 20 | 20 | 100% | 20 | 100% |
| Total | 623 | 623 | 100% | 623 | 100% | 604 | 604 | 100% | 604 | 100% |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|------------|--------|---------|------------|--------|---------|
| | Total (A) | No (B) | % (B/A) | Total (C) | No (D) | % (D/C) |
| Employees | | | | | | |
| Male | 178 | 178 | 100% | 173 | 173 | 100% |
| Female | 10 | 10 | 100% | 9 | 9 | 100% |
| Total | 188 | 188 | 100% | 182 | 182 | 100% |
| Workers | | | | | | |
| Male | 593 | 593 | 100% | 584 | 584 | 100% |
| Female | 30 | 30 | 100% | 20 | 20 | 100% |
| Total | 623 | 623 | 100% | 604 | 604 | 100% |

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).
If yes, the coverage such system?
AVT NPL is certified for Occupational Health and safety management system, ISO-45001-2018, which covers all processing and non- processing areas including new projects.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Hazard identification and assessment of risks and opportunities are identified for all routine and non-routine activities, infrastructure, equipment, materials substances, and physical condition of the workplace. Production, construction, maintenance, disposal, human factors are also addressed.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
Workers can report any type of unsafe acts, unsafe conditions, near miss etc through safety observation card. Apart from this safety suggestions are directly informed to the safety department during safety committee meetings or through the supervisors. Rewards are introduced for reporting any type of untoward incident.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes, the company medical officer is accessible within the factory premises, offering consultations for employee health and well-being. This availability ensures prompt medical assistance for non-work-related concerns.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category* | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| Total recordable work related injuries | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The safety management system in this organization mainly focusses on

- Occupational Health and safety policy,
- Compliance to legal and other requirements,
- Process safety Management- Operational control procedures to address physical, chemical, biological, mechanical, psychosocial hazards.
- Emergency Planning and response
- Safety training (Need identification and assessment) to all workers
- Plant safety inspections,
- Safety committee meetings,
- Incident reporting and investigations
- Employee/contract worker consultation and participation
- Permit to work system.
- Management of change
- Safety compliance audits
- Pre-start up safety review.
- Safety manual, handbooks etc
- Safety promotional activities
- Safety Promotional activities- Communication and motivation
- Corporate social responsibility.

13. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | Nil | NA | NA | Nil | NA | NA |
| Health & Safety | Nil | NA | NA | Nil | NA | NA |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 95 |
| Working Conditions | 5 |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

| SI No | Incidents | Corrective action |
|----------------------------|---|--|
| Accidents | | |
| 1 | Contact with sanitizer while stepping down on a ladder with steel container | Steel container used for handling sanitizer is substituted with sprayers. |
| 2 | Contact with hot caffeine while lifting caffeine barrel from caffeine melting tank | Caffeine barrel holding brackets modified |
| 3 | Cut injury due to contact with broken glass when excessive force was applied while shaking a standard flask | Refresher training imparted to workers on the topic workplace safety |
| Near miss incidents | | |
| 1 | Lighting arrester installed at the Black tea plant terrace top fell to the road due to heavy wind | A new lighting tower has been installed, complete with additional supports such as guy wires. |
| 2 | Underground electrical cable damage during excavation near AHN plant | Conduct trial excavations and use of metal or cable detectors to identify and protect underground facilities effectively |

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees - Yes
(B) Workers - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

AVT monitors and tracks the compliance of value chain partners locally and centrally. Every month administration teams at each centre update the applicable, verified compliance documents in the company's compliance tracking system for central monitoring. AVT ensures that monthly statutory dues are remitted to respective authorities.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total No. of affected employees / workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|---|------------|---|------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) Yes, as and when required.

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 0 |
| Working Conditions | 0 |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

On the assessed value chain partners, we have not identified any significant risks / concerns arising from assessments of health and safety practices and working conditions

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified in consultation with the company's management are customers, employees, shareholders, academic institutions, staffing firms, other suppliers, technology partners and collaborators, industry bodies, governments, NGOs, local communities, regulators and society at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually / half yearly / Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement. |
|---|--|---|---|---|
| Investors & Shareholders | NO | Press Release and emails | Quarterly : Results Continuous : Website Annual : AGM | Educating the investor community. Strategy for long term. Helping investors voice their concerns regarding the company policies, reporting strategy etc. Understanding shareholder expectation. |
| Union | No | Notices | Need basis | Discussions. Understanding employee concerns. |
| Employees | No | Projects or Operational review, Trainings, Conferences etc | Annual: Employee feed back survey, Long term service awards | Career Management reviews; and Growth Prospects Learning opportunities Compensation structure Building a safety culture and inculcating safe work practices among employees • improving Diversity, Equity and Inclusion |
| Governments, Local Communities, media, Society at large | No | As needed | Annually Website Print media Public Functions CSR Activities | Work in partnership for upliftment of the society. |

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder interactions result in the identification of large variety of issues important to the company. The Company then uses discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on business, reputation, and operations.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Suggestion from various forums and committees (Safety Committee, Employee wellbeing committee)

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company has identified farmers from various backward villages in Karnataka and Tamil Nadu and has directly engaged with them for production of Marigold flowers. The Company has engaged with such farmers who has small farmlands. Their association with the Company has provided them with a constant source of income. Further the Company through its CSR activities have undertaken various infrastructure development in such areas under the company's rural development initiative. Any concerns or demands from the Villers are taken up immediately.

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------|------------|---------------------------------------|---------|------------|---------------------------------------|---------|
| | Total (A) | No of Employees / Workers Covered (B) | % (B/A) | Total (C) | No of Employees / Workers Covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 188 | 188 | 100% | 173 | 173 | 100% |
| Other than Permanent | 9 | 9 | 100% | 9 | 9 | 100% |
| Total Employees | 197 | 197 | 100% | 182 | 182 | 100% |
| Workers | | | | | | |
| Permanent | 124 | 124 | 100% | 121 | 121 | 100% |
| Other than Permanent | 499 | 499 | 100% | 483 | 483 | 100% |
| Total Employees | 623 | 623 | 100% | 604 | 604 | 100% |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------|--------------|---------------------------|---------|----------------------------|----------|--------------|---------------------------|--------|----------------------------|--------|
| | Total (A) | Equal To Minimum Wages | | More than Minimum Wages | | Total (D) | Equal To Minimum Wages | | More than Minimum Wages | |
| | | No (B) | % (B/A) | No (C) | % (C /A) | | | No (E) | % (E/D) | No (F) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 178 | 0 | 0 | 178 | 100% | 164 | 0 | 0 | 164 | 100% |
| Female | 10 | 0 | 0 | 10 | 100% | 9 | 0 | 0 | 9 | 100% |

| Other Than Permanent | | | | | | | | | | |
|----------------------|-----|---|---|-----|------|-----|---|---|-----|------|
| Male | 7 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 124 | 0 | 0 | 124 | 100% | 121 | 0 | 0 | 121 | 100% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Than Permanent | | | | | | | | | | |
| Male | 469 | 0 | 0 | 469 | 100% | 463 | 0 | 0 | 463 | 100% |
| Female | 30 | 0 | 0 | 30 | 100% | 20 | 0 | 0 | 20 | 100% |

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

| | Male | | Female | |
|-------------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors | 5 | 0 | 2 | 0 |
| Key Managerial Personnel | 3 | 84,88,448 | 0 | 0 |
| Employees other than BoD and KMP | 178 | 7,13,388 | 10 | 8,30,778 |
| Workers | 124 | 5,85,682.4 | 0 | 0 |

b. Gross wages paid to females as % of total wages paid by the entity, in the following format.

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Gross wages paid to females as % of total wages | 3.43% | 3.28% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has various committees with representation from employees, workers and management. Regular meetings are conducted at fixed intervals to address and seek the concerns of the employees. Various trainings are conducted on regular intervals.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|-----------------------------|---|---------|-----------------------------|---|---------|
| | Filed During the year | Pending resolution at the end of the year | Remarks | Filed During the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | 1 | NIL | | NIL | NIL | |
| Discrimination at workplace | NIL | NIL | | NIL | NIL | |
| Child Labour | NIL | NIL | | NIL | NIL | |
| Forced | NIL | NIL | | NIL | NIL | |
| Labour/ Involuntary Labour | NIL | NIL | | NIL | NIL | |

| | | | | | | |
|-----------------------------------|-----|-----|--|-----|-----|--|
| Wages | NIL | NIL | | NIL | NIL | |
| Other Human Rights Related issues | NIL | NIL | | NIL | NIL | |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 1 | 0 |
| Complaints on POSH as a % of female employees / workers | 100% | 0 |
| Complaints on POSH upheld | NIL | NIL |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
Concerns on discrimination and harassment are dealt with confidentially. AVT does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.
9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) Yes
10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | All Value chain partners are expected to adhere to the cost of conducted 100% |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.
Human rights are protected and upheld in company's core value of Respect for the individual and enshrined in the Company's Code of Conduct Policy. AVT continually gathers feedback and keeps track of developments in the regulatory area to further strengthen existing processes.
2. Details of the scope and coverage of any Human rights due-diligence conducted.
AVT adopts a zero-tolerance approach to issues related to human rights. AVT follows all government regulations and regulatory policies and comply to laws in the countries where the company operates.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
No.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|--|
| Child labour | All value chain partners are expected to adhere to the Code of Conduct, which does not tolerate any form of harassment, whether sexual, physical, verbal or psychological. |
| 30-40% | |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | 30-40% |
| | NA |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. Nil

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| From renewable sources | | |
| Total electricity consumption (A) | 2,962 GJ | 3,090 GJ |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| Total energy consumed from renewable sources (A+B+C) | 2,962 GJ | 3,090 GJ |
| From non-renewable sources | | |
| Total electricity consumption (D) | 59,845 GJ | 65,863GJ |
| Total fuel consumption (E) | 4,554 GJ | 2,322 GJ |
| Energy consumption through other sources (F) | 0 | 0 |
| Total energy consumed from non-renewable sources (D+E+F) | 64,398 GJ | 68,185 GJ |
| Total energy consumed (A+B+C+D+E+F) | 67,350 GJ | 71,275 GJ |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | 59,845 GJ | 65,863GJ |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) | | |
| (Total energy consumed / Revenue from operations adjusted for PPP) | | |
| Energy intensity in terms of physical output | | |
| Energy intensity (optional) – the relevant metric may be selected by the entity | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. NO

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|-----------------|-----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 96,089 | 80,347 |
| (ii) Groundwater | 1,24,895 | 1,61,271 |
| (iii) Third party water | 167 | 3,074 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 2,21,151 | 2,44,692 |
| Total volume of water consumption (in kilolitres) | 2,21,151 | 2,44,692 |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | 0.00004317 | 0.00004202 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | | |
| Water intensity in terms of physical output | | |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i.To Surface water | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| ii. To Groundwater | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| iii.To Seawater | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| iv.Sent to third-parties | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| v.Others | | |
| - No treatment | NIL | NIL |
| - With treatment – Treated and filtered water used for gardening and irrigation. | 35,108 | 30,408 |
| Total water discharged (in kilolitres) | 0 | 0 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, AVT Natural Optimises water consumption through conservation, sewage treatment and reuse and rain water harvesting. Entire water is treated and recycled for non-process water requirement.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

AVT Natural does not have significant air emissions other than those arising from the operation of boilers. AVT Natural has necessary consent under the Air (Prevention & Control of Pollution) Act (1981), for operation of boilers and ensures compliance to the conditions which includes stack emission parameters like nitrous oxide, non-methane hydrocarbons, carbon monoxide, particulate matter, etc. Emission monitoring is conducted as per the frequency required.

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|---------------------|------------|------------|
| NOx | mg/Nm3 | 49 | 45 |
| SOx | mg/Nm3 | 46 | 51 |
| Particulate Matter (PM) | mg/Nm3 | 332 | 358 |
| Persistent Organic pollutants (POP) | mg/Nm3 | Nil | Nil |
| Volatile Organic compounds (VOC) | mg/Nm3 | Nil | Nil |
| Hazardous Air pollutants (HAP) | mg/Nm3 | Nil | Nil |
| Others – Please Specify | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---------------------------------|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 51,524 | 67,775 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 16,172 | 17,871 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | 0.000013 | 0.000014 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | | |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | | |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Replaced old conventional gearbox in process plants, with new energy efficient planetary gearbox to reduce energy consumption.

- Replaced old lamps with high efficiency LED lamps at Office and Laboratory.
- Enhanced Air handling unit radiators to use chilled water thereby reduction in energy.
- Provided VFD for cooling water pump to optimise the flow rate according to discharge temperature, thus savings in energy consumption.
- Installed and commissioned Pelletizing plant for producing pellets from extraction spent and utilizing in boiler as fuel.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|--------------|---------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 81 | 75 |
| E-waste (B) | 0.17 | 0.13 |
| Bio-medical waste (C) | 0 | 0 |
| Construction & Demolition Waste (D) | 0 | 0 |
| Battery waste (E) | 0.31 | 0.2 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 0.81 | 0.68 |
| Other Non-hazardous waste generated (H). Please specify, if any. | | |
| (Break-up by composition i.e. by materials relevant to the sector) | 8,316 | 10,036 |
| Total (A+B + C + D + E + F + G + H) | 8,398 | 101,12 |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | | |
| Waste intensity per rupee of turnover adjusted for Purchasing power parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | | |
| Waste intensity in terms of physical output | | |
| Waste intensity (optional) – the relevant metric may be selected by the entity | | |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 0 | 338 |
| (ii) Re-used | 0 | 7,095 |
| (iii) Other recovery operations (As Boiler fuel) | 4,431 | 0 |
| Total | 4,431 | 7,433 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 0 | 0 |
| (iii) Other disposal operations | 3,885 | 2,972 |
| Total | 3,885 | 2,972 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has in all its facilities Effluent Treatment Plants and has consent to operate as per A Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and Rules thereunder. Inspections are done by various authorities on regular intervals.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S No | Location of operations/offices | Type of Operation | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|------|--------------------------------|-------------------|--|
| NIL | | | |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|-----------------------------------|---------------------|------|---|---|-------------------|
| NIL | | | | | |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): NIL
For each facility / plant located in areas of water stress, provide the following information:
- Name of the area : N/A
 - Nature of operations : Manufacturing
 - Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 96,089 | 80,347 |
| (ii) Groundwater | 1,24,895 | 1,61,271 |
| (iii) Third party water | 167 | 3,074 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) | 2,22,517 | 2,44,692 |
| Total volume of water consumption (in kilolitres) | 2,22,517 | 2,44,692 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.00004317 | 0.00004202 |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (ii) Into Groundwater | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (iii) Into Seawater | | |

| | | |
|---|--------|--------|
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (iv) Sent to third-parties | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (v) Others | | |
| - No treatment | NIL | NIL |
| - With treatment – Filtered water used for gardening and irrigation | 35,108 | 30,408 |
| Total water discharged (in kilolitres) | 0 | 0 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|------------|------------|
| Total Scope 3 emissions | | | |
| (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 8086 | 8936 |
| Total Scope 3 emissions per rupee of turnover | | 0.00001 | 0.00001 |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. NA
4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|--|---|-----------------------------------|
| 1 | Reverse Osmosis plant | Commissioned new RO plant to recover the reject water from process RO and ETP RO plants and to improve water recovery. | Water recovery |
| 2 | Sludge dewatering screw press | Commissioned Sludge dewatering screw press for Sludge dewatering thereby improved ETP operation and treated water quality. | To improve effluent water quality |
| 3 | Replacement of Gearbox | Replaced old conventional gearbox in process plants, with new energy efficient planetary gearbox to reduce energy consumption. | To Improve energy efficiency |
| 4 | Replacement of old lamps with LED type | Replaced old conventional lamps with high efficiency LED lamps at Office and Laboratory. | To Improve energy efficiency |
| 5 | Air handling unit modification | Enhanced Air handling unit radiators to use chilled water thereby reduction in energy. | To Improve energy efficiency |
| 6 | VFD for cooling water pump | Provided VFD for cooling water pump to optimise the flow rate according to discharge temperature, thus savings in energy consumption. | To Improve energy efficiency |
| 7 | New Pelletizing plant | Installed and commissioned Pelletizing plant for producing pellets from extraction spent and utilizing in boiler as fuel. | Reduction of fuel for Boiler |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. YES.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. No such instances during the reporting period.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. ISO Audit

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. (a) Number of affiliations with trade and industry chambers/ associations. 9
(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| SI No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|-------|--|--|
| 1 | The Confederation of Indian Industry (CII) | National |
| 2 | The Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 3 | Federation of Indian Export Organizations (FIEO) | National |
| 4 | Export promotion Council of EOU & SEZ | National |
| 5 | Shellac Export Promotion Council | National |
| 6 | Cochin Chamber of Commerce | State |
| 7 | All India Spices Exporters Forum | National |
| 8 | National Safety Council | National |
| 9 | Kerala State Productivity Council | State |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities. NIL

Leadership Indicators

1. Details of public policy positions advocated by the entity:

| S No | Public Policy Advocate | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others please specify) | Web link, If Available |
|------|----------------------------|--|--|---|------------------------|
| 1 | Policy Impacting Exporters | Meetings with Ministry of Commerce, DGFT, CII and relevant Govt. Departments | No | As & when required | NA |

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No | Date of Notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|---------------------|----------------------|---|--|-------------------|
| Not Applicable | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------------------------------|--|-------|----------|---|--------------------------|---|
| There are no ongoing projects. | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

Any grievances of the community received to the company through community heads/ local administration are lodged with the plant site in charge. The Issue is then taken up and redressed by the plant site in charge with consultation from head of operations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 9.01% | 11.13% |
| Directly from within India | 53.61 | 87.31 |

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| NIL | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S No | State | Aspirational District | Amount spent (In INR) |
|------|-------|-----------------------|-----------------------|
| NIL | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? Yes
- (b) From which marginalized /vulnerable groups do you procure?
- The Company procures its raw materials directly from small farmers with small land areas.
- (c) What percentage of total procurement (by value) does it constitute? 80%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned / Acquired (Yes/ No) | Benefit Shared (Yes / No) | Basis of Calculating benefit share |
|--------|--|----------------------------|---------------------------|------------------------------------|
| NIL | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL | | |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1 | Enhancement of Water Resources | General Public | |
| 2 | Holistic Child Development | 3055 Students | |
| 3 | Rural Community & Infrastructure Development | General Public & Students | |
| 4 | Rural Health Intervention | General Public | 100% |

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer complaints are received either verbally or in writing and registered in the Customer Complaint Registration Form. All information pertaining to complaints is documented in the Customer Complaint Registration Form. The completed Customer Complaint Registration Form is sent to respective person. Investigation is initiated in all the complaints and the root cause is identified. Root cause for the Complaint is finalized after analysing all the available information & Data. Suitable Corrective & Preventive actions are also finalized. A detailed Complaint Investigation report is prepared incorporating this information and the same is sent to Customer for their comments & approval. The Corrective & Preventive actions are incorporated into the system with necessary modifications to close the complaint.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|--------------------------------|--------------------------|---|---------|--------------------------|---|---------|
| | Received During the year | Pending resolution at the end of the year | | Received During the year | Pending resolution at the end of the year | |
| Data privacy | 0 | 0 | | 0 | 0 | |
| Advertising | 0 | 0 | | 0 | 0 | |
| Cyber-security | 0 | 0 | | 0 | 0 | |
| Delivery of Essential services | 0 | 0 | | 0 | 0 | |
| Restrictive Trade Practices | 0 | 0 | | 0 | 0 | |
| Unfair trade Practices | 0 | 0 | | 0 | 0 | |
| Others | 4 | 0 | | 9 | 0 | |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | NIL | |
| Forced recalls | NIL | |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, www.avtnatural.com/investor-relations

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. NIL

7. Provide the following information relating to data breaches:

- Number of instances of data breaches : NIL
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). www.avtnatural.com/investor-relations
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
Every product shipment to customers is accompanied by data sheets having clear directions in terms of safe usage of products.
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
YES. Customer communication protocol in place to intimate customer of the risks if any.
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable) If yes, provide details in brief.
Not Applicable
- Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? Yes

ANNEXURE – VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of the Financial Year 2023-24. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Report. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended, and Regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

This report is an integral part of the Board's Report. Aspects on industry structure and developments, outlook, risks, internal control systems and their adequacy, material developments in human resources and industrial relations have been covered in the Board's Report and is incorporated herein by reference and forms an integral part of this report. Your attention is also drawn to sections on Strategy, Risk and Opportunities forming part of the Report. This section gives significant details on the performance of the Company.

Business Profile:

AVT Natural Products operates in the business segment of Food & Feed Ingredients from Natural Raw materials. There are five primary business categories:

- Marigold Extracts for Eye Care, Food Coloring & Poultry Pigmentation
- Spice oleoresins and Oils for Food Colouring and Flavouring
- Value added Teas – Decaffeinated Teas and Instant Teas
- Animal Health & Nutrition Products
- Agricultural Crop Inputs

The Company has three wholly owned subsidiaries, namely AVT Natural Europe Ltd, UK. AVT Natural S.A. De C.V., Mexico and AVT Natural FZCO, Dubai, AVT Natural Europe Ltd has 1 subsidiary, AVT Natural North America Inc.

The wholly owned subsidiaries are responsible for the sales and marketing activities of value-added teas, animal nutrition products and other natural extracts.

Financial Performance & Operational review:

For the year ended on 31st March, 2024, the Company generated revenues of Rs. 503.31 crores as compared to Rs. 582.25 crores in 2022-23. The profit after tax was Rs

46.37 crores in 2023-24 against Rs 75.04 crores in the preceding year.

An El-nino year had a severe negative impact on the marigold crop cycle with adverse weather patterns impacting growing conditions and outputs. All major growing areas faced severe water shortages and lack of rains which negatively impacted crop yields and active levels.

In addition to the poor growing season, Chinese suppliers of marigold oleoresin continued to offer low pricing on their products with the aid of government subsidies. Despite these challenges, the company managed to achieve good numbers with a strong focus on operational efficiencies, product mixes and the introduction of new products.

Global demand for value added tea products continued to remain strong with tea infusions, natural flavoring, health & nutrition driving growth in this segment. Despite the Ukraine – Russia war continuing to impact EU sales, the overall market remained strong with increase in demand from premium segments and customers adopting new variants and offerings. The company continued to work closely with key accounts ensuring high quality product offerings coupled with a robust & reliable supply chain. Continued R&D and product development also allowed the company to make inroads with new customers in Korea, Thailand, Europe and North America. While raw material prices witnessed an increase, the company continued to focus on yield efficiencies and continuous process improvements, ensured a strong top and bottom line.

Spice Oleoresins and extracts continued to be an important division for the company. The Strong performance continued despite all time high raw material prices impacting offtake. The company's strong control over the supply chain with back ward integration and focus on higher margin ingredients helped ensure stable and healthy margins despite slowing market conditions.

The company continued to make inroads in the Animal Nutrition division. The products continue to be well received by existing customers, with many new customers completing trials and beginning to initiate commercial discussions. The spread of influenza and political challenges in key LATAM markets slowed the growth of the division but the strong product offering with a positive ROI proposition enabled us to continue growing our customer base.

The company also initiated successful test marketing of its agricultural crop inputs and will be planning to expand the commercialization in the coming financial year.

Concerns & Risks

Climate change and evolving weather patterns continue to be a concern. Competing high value vegetables, fruits and cash crops also pose a challenge for sustainable marigold acreages. In more recent years, stringent new regulation over pesticides usage and residue levels have created significant challenges in growing and compliance. A drastic shift in cultivation practices and re-education of farmers will help address the new regulatory norms over the coming years

The year also witnessed substantial increases in employee, input, and raw material costs in addition to increase in interest rates. The war in Ukraine and the Red Sea issues have also severely hindered shipping routes and increased supply chain costs and times.

In addition to the operational challenges, currency fluctuations also pose a continuous challenge which will be monitored and hedged on an ongoing basis.

The company will continue to invest in new growing technologies that can help lower production costs as well expand its growing area to ensure a sustainable growing program for marigold and other crops. A greater emphasis and focus will be placed on compliance and farming practices to adhere to new international regulatory norms. The new seeds being introduced from our hybrid program will ensure higher yields and higher Xanthophyll, which will help combat the rising growing costs. Our inhouse seed production will also make us more self-reliant on seeds and reduce outsourced requirements. Our Continuous improvement in farming practices, upskilling of growers, adaptation of best & new practices with modern techniques will help optimize inputs with twenty percent higher yields & better recoveries.

The company will also focus on strengthening its supply chain and improving its raw material procurement. Strategic buying and diversification of suppliers plays a key role in maintaining the company's cost competitiveness across different product segments. New backward integration projects will also ensure greater control over the whole supply chain and raw material.

To address the concerns on increasing employee costs, the company has embarked on various internal programs to improve employee productivity and increase operational efficiencies. Costs are diligently monitored & cost reduction measures are taken wherever possible with automation. Process improvements & new technologies help offset potential cost increases. Automation also continues to be an area for investment.

Currency risk is mitigated through careful forex hedging. The company follows an appropriate hedging policy commensurate with the business needs.

Future Outlook

The Company maintains a very positive outlook of

the future with its foray into new segments and the strengthening of the existing businesses.

Marigold will remain a key business segment, contributing to both the top and bottom line. Sustaining growth with a focus on efficiency is key with low marigold prices & renewed market competition from China. The company will continue to strengthen its agricultural growing base with addition of new areas while focusing on process and cost improvements. The company will invest continuously to increase capacity to cater to growth in this segment while also improving its compliance practices.

New hybrids will be rolled out in a phased manner to ensure sustainable growth in flower volumes. The adaptation of more sustainable agricultural and growing practices for marigold will also result in improved yields across our growing areas with a greater focus on a circular economy for carbon offsets.

In Spice oleoresins and extracts, the company continues to focus on expanding its customer base and geographical regions with increased focus on growing its market for value added specialty products. Greater emphasis will be placed on compliance to meet new global norms and differentiate our offerings in highly regulated markets.

The value-added tea segment continues to be major growth area for the company. We continue to work closely with large key accounts and expand into new regions. The company is investing in new capacity, to service our growing list of customers, with the aim of doubling the business in the coming years. Our growth will consolidate our position as a key player in the value-added tea market.

Despite ongoing market and political challenges in key markets the Company's foray into the Global animal nutrition market is bearing fruit. The products are making inroads in key markets, and we expect sustained growth over the next few years. The company will focus on expanding its operations in LATAM, South East Asia and North America, directly and through strategic partnerships, and will continue to invest in new products to round of the portfolio.

The company will, as always, continue to invest in R&D and new product development. We will leverage our knowledge and technology in botanicals to establish two new divisions for the company – Derma cosmetic ingredients and Nutraceuticals. Our focus will be on bringing science-based solutions with clinical data to these new markets. Pre-clinical, clinical trials and manufacturing trials are underway and the company aims to commercialize these products in phases over the next few years.

In the coming financial year, the company is introducing its range of Agro crop inputs with innovative biological product offering. The portfolio will focus on reducing pesticide usage and ensuring sustainable agriculture practices.

Internal Controls

The Company has effective and adequate internal audit and control systems, commensurate with the increasing business size to safeguard its assets and protect against loss from any un-authorized use or disposition. Regular internal & statutory audit visits are undertaken to ensure that highest standards of internal controls are maintained at all levels of the organization. The Company's internal controls are supplemented by an extensive program of internal audits which are periodically reviewed by the management. All policies, guidelines and procedures are well documented.

The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation are submitted to the Audit Committee for review, and concerns if any, are reported to the Board. This process ensures robustness of internal control systems and compliance with applicable laws and regulations and ensures optimal resource utilization and system efficacy.

The company has implemented new SAP system across the organization streamlining much faster access to data and reports available in full compliance to SEBI while also building robust internal controls & systems in the coming years.

All Investment decisions are subjected to formal systematic detailed evaluation and approved by the relevant authority as defined in the delegation-of-authority mechanism. The Audit Committee reviews the plan for internal audit. It also reviews all significant internal audit observations and overall functioning of the Company on a periodic basis.

Revenue and capital expenditure are strictly governed by approved budgets and the expenditure approval levels are defined by a delegation-of-authority mechanism. Review of capital expenditure is undertaken based on the expected benefits for the Company.

Human Resources

The Company strongly believes that Human Resource is its most critical asset. We strive to offer our employees a dynamic and rewarding environment based on strong organizational values and the individual's ability. While the

overall emphasis is on driving the organization's business goals, we encourage individual's entrepreneurial spirit coupled with a strong sense of accountability to achieve the objective contributing to every individual's growth together with building a strong business.

The Company continues to leverage its human capital by attracting the right talent as well as nurturing & developing its internal talent. The company has a carefully designed appraisal and performance rewarding system which fosters a growth mindset in its employees. We emphasize nurturing and rewarding our internal talent. In this endeavor, our employees undergo carefully designed training program which prepares them for the challenges ahead & developing future leaders. The company follows a structured and well-defined system of internal promotions which ensures high levels of employee satisfaction with adequate talent in the pipeline to sustain the business growth.

The company has been successful in building an internal talent pool at every level to cater for growth. Employees are provided cross-functional exposures, on-job training as well as carefully chosen external training programs to prepare them for their growth into higher roles. HR team works closely with the Superiors to assess the training needs of their subordinates. The Superiors are accountable for the continuous development and growth of their subordinates.

As we aggressively pursue new business opportunities, we have tapped into external talent pool as and when necessary. We are happy to note that the Company is an attractive destination to talented individuals. The company follows a carefully designed recruitment and staffing process to ensure that all employee addition is immediately value accretive. The process followed has helped the company to reduce the learning curve sharply while pursuing new businesses.

We continuously improve and update our HR systems to meet the demands of the changing business environment to ensure that the Company will remain an attractive destination for both its internal and external talent.

The company has enjoyed a very cordial and peaceful work environment with a committed, strong, supportive & co-operative work force on the Shop floor.

ANNEXURE – IX

Corporate Governance Report

The Company's Corporate Governance report is pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company submits the report on the matters mentioned in the said regulation and the practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages maintaining a high level of disclosure and transparency in all its operations. It aims at enhancing the shareholder value through adoption of sound business practices, prudent financial management and a high standard of ethics throughout the organization.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors are entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company

a. Composition and Board Diversity

The Company has a very balanced and diverse Board of Directors, including two Women Directors. The Composition of the Board primarily takes care of the business needs and stakeholder's interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons from the field of manufacturing, economics, business, legal, plantation, governance etc., They take active part at the Board and Committee Meetings by providing valuable guidance & expert advice to the Management on various aspects of business, policy direction, governance, compliances etc., and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

As at the end of financial year 2023-24, the total Board strength comprises of the following:

| Category | Name of the Directors |
|--|------------------------------|
| Promoter / Non-Executive Director & Chairman | Mr. Ajit Thomas |
| Promoter / Non-Executive Director | Mrs. Shanthi Thomas |
| Non-Executive Director | Mr. Habib Hussain |
| Non-Executive and Independent Director | Mr. M.A. Alagappan |
| Non-Executive and Independent Director | Mr. P. Shankar |
| Non-Executive and Independent Director | Mr. A.D. Bopana |
| Non-Executive and Independent Woman Director | Mrs. Kavitha Vijay |

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serve as independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors.

b. Shareholding of Non-executive / Independent Directors as on 31.03.2024

| Name of the Non-Executive/ Independent Directors | DIN | No. of shares held |
|--|----------|--------------------|
| Mr. Ajit Thomas (Promoter/Chairman) | 00018691 | 15,22,840 |
| Mrs. Shanthi Thomas (Promoter/Director) | 00567935 | 1,81,000 |
| Mr. M.A. Alagappan | 00031805 | 28,600 |
| Mr. P. Shankar | 01638317 | Nil |
| Mr. A.D. Bopana | 00576066 | 6,78,000 |
| Mr. Habib Hussain | 00018665 | 2,00,080 |
| Mrs. Kavitha Vijay | 01047261 | Nil |

Note: Mrs. Shanthi Thomas, Director is the spouse of Mr. Ajit Thomas, Chairman

c. Board Meetings

During the year 2023-24, the Board met six times. The dates on which the meetings held are on 01.04.2023, 30.05.2023, 11.08.2023, 10.11.2023, 14.02.2024 and 20.03.2024

The attendance of each Director at the Board Meetings, last Annual General Meeting and the Number of other Directorship and Membership / Chairmanship of the Committee of each Director in various Companies are as under:

| Name of the Directors | Attendance Particulars | | No. of Directorships and Committee Membership/ Chairmanship (including AVTNPL but excluding Private Ltd. & Foreign Companies) | | |
|-----------------------|------------------------|----------|---|----------------------|------------------------|
| | Board Meetings | Last AGM | Directorship | Committee Membership | Committee Chairmanship |
| Mr. Ajit Thomas | 6 | Yes | 7 | 8 | 5 |
| Mr. M.A. Alagappan | 6 | Yes | 2 | 2 | 2 |
| Mr. P. Shankar | 5 | Yes | 1 | 1 | 0 |
| Mr. A.D. Bopana | 5 | Yes | 3 | 3 | 0 |
| Mrs. Shanthi Thomas | 6 | Yes | 3 | 1 | 0 |
| Mr. Habib Hussain | 5 | Yes | 5 | 3 | 0 |
| Mrs. Kavitha Vijay | 6 | Yes | 5 | 5 | 0 |

Note : For calculation of number of Committee positions in listed / public limited companies, considered only Audit Committee & Stakeholders Relationship Committee.

d. Board Procedure

The Board meets at least once in a quarter and the interval between two meetings is not more than 120 days. Apart from the statutory requirements the role of the board includes setting annual business plan, periodic review of operations & considering proposals for diversification, investments and business re-organisation, evaluation of the performance of Board / Committees/ its Directors etc., The information periodically placed before the board includes status of statutory compliance, proceedings / minutes of all committees including the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee. The Board also mandatorily review those stipulated in Schedule II Part A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Video-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

e. Directors Profile in other listed entities

- i) Names of the listed entities in which Mr. Ajit Thomas, is a Director and his category of Directorship are:

| Name of the Company | Category of Directorship |
|------------------------------------|---------------------------------|
| Saksoft Limited | Independent Director |
| Neelamalai Agro Industries Limited | Chairman |

- ii) Names of the listed entities in which Mr. M.A. Alagappan, is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|----------------------------|---------------------------------|
| NIL | NIL |

- iii) Names of the listed entities in which Mr. P. Shankar, is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|----------------------------|---------------------------------|
| NIL | NIL |

- iv) Names of the listed entities in which Mr. A.D. Bopana, is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|----------------------------|---------------------------------|
| NIL | NIL |

- v) Names of the listed entities in which Mrs. Shanthi Thomas, is a Director and her category of Directorship:

| Name of the Company | Category of Directorship |
|------------------------------------|---------------------------------|
| Neelamalai Agro Industries Limited | Executive Director |

- vi) Names of the listed entities in which Mr. Habib Hussain, is a director and his category of Directorship:

| Name of the Company | Category of Directorship |
|----------------------------|---------------------------------|
| NIL | NIL |

- vii) Names of the listed entities in which Mrs. Kavitha Vijay, is a director and her category of Directorship:

| Name of the Company | Category of Directorship |
|------------------------------------|---------------------------------|
| MM Forgings Limited | Independent Director |
| Neelamalai Agro Industries Limited | Independent Director |

3. AUDIT COMMITTEE

The Company has a qualified independent Audit Committee in compliance with the section 177 of the Companies Act 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It consists of six members all being non-executive directors and out of that four are independent director. All the members of the Committee have excellent financial and accounting knowledge. The terms of reference stipulated by Board to the audit committee cover the matters specified for Audit Committee under section 177 Companies Act 2013 under Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee consist of Mr. M.A. Alagappan, Mr. P. Shankar, Mr. A.D.Bopana, Mrs. Kavitha Vijay, the Independent Directors and Mr. Ajit Thomas & Mr. Habib Hussain, Non-Executive Directors.

Mr. M. A. Alagappan, Independent Director is the Chairman of the Audit Committee. Mr. Sharon Josh, Company Secretary officiates as the secretary to the Committee.

During the year 2023-24, the Audit Committee met six times and the dates on which the meetings held are 01.04.2023, 30.05.2023, 11.08.2023, 10.11.2023, 14.02.2024 and 20.03.2024.

The attendance of the each member of the Audit Committee at its meetings are as under:

| Name of the Committee Member | No. of meetings attended |
|-------------------------------------|---------------------------------|
| Mr. M.A. Alagappan | 6 |
| Mr. P. Shankar | 5 |
| Mr. A.D. Bopana | 5 |
| Mr. Habib Hussain | 5 |
| Mr. Ajit Thomas | 6 |
| Mrs. Kavitha Vijay | 6 |

During the year, the Board has accepted all the recommendations of the Audit Committee.

Terms of reference :

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raise through public offers and related matters.

The audit committee also mandatorily review the following areas, besides those stipulated in Schedule II Part C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee) submitted by management
- Management letters / letters of internal control weakness issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remunerations of the chief internal auditors shall be subject to review by the audit committee.
- statement of deviations:
 - (a) quarterly statement of deviations(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - (b) annual statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice in terms of Regulations 32(7)

4. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination & Remuneration Committee is in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Under the terms of reference, the Committee's role includes formulations of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and Senior Managerial Personnel; formulation of criteria for evaluation of independent Directors and the Board; devising a policy on Board diversity and identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria

laid down, and recommend to the Board their appointment and removal. The Committee's scope further covers recommending to the Board the appointment / re-appointment of the executive and non-executive Directors.

The Board of Directors had constituted Nomination and Remuneration Committee of the Company as required under Companies Act 2013 to consider and approve the remuneration payable to the Executive Directors / Non-executive Directors / Manager / Key Managerial Personnel / Senior Managerial Personnel of the Company based on the performance of the Company as well as the individual.

The Committee at present comprises of three Non-Executive Directors and out of which two are Independent Directors, viz., Mr. M.A. Alagappan, Independent Director, Mr. P. Shankar, Independent Director and Mr. Habib Hussain, Non-Executive Director. Mr. M.A. Alagappan is the Chairman of the Committee.

The Committee met two times during the year on 30.05.2023 and 14.02.2024.

The attendance of each member of the Nomination & Remuneration Committee at its meetings are as under:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. M.A. Alagappan | 2 |
| Mr. P. Shankar | 1 |
| Mr. Habib Hussain | 1 |

The details of remuneration paid to all the Directors and Manager for the year:

a) Manager

| Name of the Manager | Salary Rs. | PF & other * Funds Rs. | Total Rs. |
|---------------------|------------|------------------------|-----------|
| Mr. B Krishna Kumar | 73,20,000 | 26,13,066 | 99,33,066 |

*Gratuity is not included

- i) Overall remuneration : The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under section 197 and other applicable provisions of the Companies Act 2013 read with Schedule V of the said Act, as may for the time being in force.
- ii) Minimum remuneration : in case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Companies Act 2013.

b) Non-Executive Directors

The Company pays the sitting fees to all the Non-Executive Directors. The Board in its meeting held on 14.02.2019 had revised the sitting fees from the said meeting date to Rs.15,000/- for each of the Board meeting attended and Rs.10,000/- for attending the Audit Committee Meeting, Nomination & Remuneration Committee Meeting, Stakeholders Relationship Committee Meeting, Corporate Social Responsibility Committee Meeting, Independent Directors meeting, Risk Management Committee other sub-committee meeting etc.,

The sitting fees paid for the year ended 31st March 2024 to the Directors are as follows:

| Name of the Director | Amount (Rs.) |
|----------------------|------------------|
| Ajit Thomas | 1,90,000 |
| Habib Hussain | 1,55,000 |
| M A Alagappan | 1,90,000 |
| P Shankar | 1,45,000 |
| A D Bopana | 1,25,000 |
| Shanthi Thomas | 90,000 |
| Kavitha Vijay | 1,80,000 |
| Total | 10,75,000 |

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Board of Directors had constituted the Corporate Social Responsibility Committee of the Company which comprises of three directors viz., Mr. P. Shankar, Mr. Ajit Thomas and Mr. Habib Hussain. Mr. P Shankar, Independent Director is the Chairman of the Corporate Social Responsibility Committee (CSR).

Terms of reference

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programs is in compliance with the CSR Policy of the Company.

The Committee met twice during the year on 30.05.2023 and 14.02.2024. The attendance of each member of the Corporate Social Responsibility Committee meetings are as under:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. P. Shankar | 1 |
| Mr. Ajit Thomas | 2 |
| Mr. Habib Hussain | 1 |

The Board approved CSR Policy as formulated and recommended by the CSR Committee is displayed on the website of the Company at:

A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

6. INDEPENDENT DIRECTORS MEETING

The Company has complied with the conditions of section 149(6) of the Companies Act 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Independent Directors met on 14.02.2024 without the attendance of Non-independent Directors and members of the management. The Company has also obtained declaration of Independence from each of Independent Director pursuant to section 149 (7) of the Companies Act, 2013.

All the independent Directors of the Company were present at the said Meeting. The attendance of the each as Independent Director at its meetings is as under:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. M.A. Alagappan | 1 |
| Mr. P. Shankar | 0 |
| Mr. A.D. Bopana | 0 |
| Mrs. Kavitha Vijay | 1 |

All the Independent Directors of the Company have registered their name in the Independent Directors data base registration maintained by Indian Institute of Corporate Affairs (IICA) and the details of their registration are as under:

| Name of the Independent Director | Registration Number |
|----------------------------------|----------------------------|
| Mr. M A Alagappan | IDDB -DI -202002 - 009834 |
| Mr. P Shankar | IDDBI-DI- 202002 - 009384 |
| Mrs. Kavitha Vijay | IDDBI - DI-202001 - 001753 |
| Mr. A D Bopana | IDDB - DI- 202002 - 009386 |

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders Relationship Committee and its members are Mr. Ajit Thomas, non-executive Chairman, Mr. A.D. Bopana, Independent Director and Mr. Habib Hussain, Director.

Mr. Ajit Thomas, a non-executive Chairman of the Company is the Chairman of the Committee. Mr. Sharon Josh, Company Secretary is the Compliance Officer.

During the year Committee met once on 14.02.2024. There was no request for dematerialisation pending for approval as on 31.03.2024. The attendance of the each member of the Stakeholders Relationship Committee at its meetings are as under:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. Ajit Thomas | 1 |
| Mr. A.D. Bopana | 0 |
| Mr. Habib Hussain | 1 |

The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The secretarial department of the Company and the Registrar and share transfer agent, M/s Cameo Corporate Services Ltd., attend to all grievance of the shareholders received directly or through SCORES, Stock Exchanges etc.

Efforts are made to ensure that grievance are more expeditiously redressed to the satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt actions.

SUMMARY OF SHAREHOLDERS COMPLAINTS AS ON 31.03.2024

| SI No. | Particulars | No. of complaints |
|--------|--|-------------------|
| 1. | Number of Shareholders complaints pending as on 01.04.2023 | Nil |
| 2. | Number of shareholders complaints received during the year 2023-24 | 3 |
| 3. | Number of shareholders complaints resolved during the year 2023-24 | 3 |
| 4. | Number of Shareholders complaints pending as on 31.03.2024 | Nil |

8. RISK MANAGEMENT COMMITTEE

The company during the year constituted a Risk Management Committee in compliance with the section 177(4) of the Companies Act 2013 and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It consists of three members all being members of the board and out of that two are independent directors. Mr. M A Alagappan, Independent Director is the Chairman of the committee.

During the year Committee met twice on 07.07.2023 and 03.01.2024 The attendance of each member of the Risk Management Committee at its meetings are as under:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. Ajit Thomas | 1 |
| Mr. M A Alagappan | 1 |
| Mrs. Kavitha Vijay | 2 |

Terms of reference :

- The committee has formulated a detailed risk management policy which is published on the website of the company [www. avtnatural.com](http://www.avtnatural.com).
- The committee ensures proper methodology, processes and systems are in place to Monitor and evaluate risks associated with the Business.
- The Committee keeps informed about the risk and recommend to the board of directors of any actions to be taken.
- Mr. A Ramadas, Sr. Vice President and CFO is appointed as the Chief Risk Management officer.

9. PARTICULARS OF SENIOR MANAGEMENT

| Name of Senior Management Personnel | Category |
|-------------------------------------|--|
| B Krishna Kumar | President & Chief Operations Officer |
| A Ramadas | Sr. Vice President & CFO |
| Raji P T | Sr. Vice President (Speciality Tea Division) |
| Yoganand Yeshwant Barve | Sr. Vice President (Agro Operations) |
| Arun R | Vice President Production |
| Sharon Josh | Company Secretary |

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism Whistle Blower Policy for Directors and Employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct, pursuant to section 177 (9) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in and exceptional cases.

No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the web site of the Company under the web link: http://www.avtnatural.com/investor_relations.com

10. POLICY ON BOARD DIVERSITY

The Policy on Board Diversity adopted by the Company includes the following:

- Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities.
- The Nomination & Remuneration Committee shall lead the process for Board appointment and for identifying and nominating, for approval of the Board, candidates for appointment to the Board.
- Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.
- The Company shall also take into account factors based on its own business model and specific needs from time to time.
- The benefits of experience/knowledge in the areas relevant to the Company and diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

11. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As per regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company familiarize the Independent Directors through various programs about the Company as well as visit to the factory. The Company provides necessary documents, reports, internal policies etc., also make presentation to enable them to familiarise with the Company's procedures and practises.

The familiarisation programme for its Independent Directors has been uploaded in the Company's web site and the link is <http://www.avtnatural.com>

12. BOARD EVALUATION

During the year under review, the Board adopted the formal mechanism for evaluating its performance and effectiveness as well as that of its committees and individual Directors, including their Chairman's of the Board. The details of the same are provided in the Directors Report.

13. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all Board of Directors as well as for Senior Management Personnel of the Company. The Code of Conduct is available on www.avtnatural.com.

The Manager has confirmed and declared that all Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct. The declaration to that effect forms part of this report.

14. PREVENTION OF INSIDER TRADING CODE

The Company has adopted the revised Code of Conduct for Prevention of Insider Trading, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, w.e.f. 01.04.2019 and the same has been uploaded in the website of the Company.

All the Promoters, Directors, designated employees, connected persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results & in case of any other events, if required, it shall be closed inter-alia for twelve (12) days prior to the Board Meeting.

Further, the Board in its meeting held on 08.11.2019, revised the policy on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, by incorporating the changes in line with SEBI (Prohibition of Insider Trading) Regulations.2019 dated 17.09.2019 and the same has been uploaded in the website of the company.

The company also maintains the details of UPSI in a structured digital database internally in accordance with Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

15. CEO / CFO CERTIFICATE

Mr. B. Krishna Kumar, President & Manager and Mr. A. Ramadas, Sr. Vice President and CFO have given CEO/CFO certificate to the Board for the quarter and year ended 31st March 2024. The Board has taken on record the CEO/ CFO certificate as per the format given under regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 at its meeting held on 29th May 2024..

16. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company uses forward exchange contracts to hedge its exposure in foreign currency and the details of which are given in the Note No.43 to the financial statements.

17. GENERAL BODY MEETINGS

a) Location and Time for last three Annual General Meetings were:

| Year | Location | Date | Time |
|---------|--|------------|----------|
| 2022-23 | Hotel Vestin Park, 'Palki Hall', No 39, Montieth Road, Egmore, Chennai 600 008, | 25.08.2023 | 11:00 AM |
| 2021-22 | Through two-way video conferencing, Video Conferencing / Other Audio-Visual Means deemed Venue was No.60, Rukmani Lakshmipathy Salai, Egmore, Chennai 600 008. | 24.08.2022 | 11:00 AM |
| 2020-21 | Through two-way video conferencing, Video Conferencing / Other Audio-Visual Means deemed Venue was No.60, Rukmani Lakshmipathy Salai, Egmore, Chennai 600 008. | 26.08.2021 | 11:00 AM |

b) In the last three years, three Special Resolutions were passed through annual general meeting:

During the 35th Annual General Meeting held on 26th August 2021, 36th Annual General Meeting held on 24th August 2022 and 37th Annual General Meeting Held on 25th August 2023 as follows :-

- Appointment of Mr. B Krishna Kumar as the 'Manager' of the company.
 - Amendment to Main Object Clause of the Memorandum of Association.
 - Amendment to Articles of Association of the Company.
- c) The special resolutions passed in the Annual General Meetings do not require postal ballot.

18. RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were at arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. There were no transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, during the year.

Further, there were no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party transactions to be provided under section 134 (3)(h) of the Companies Act 2013, in Form AOC -2 is given in the Annexure – IV, forming part of this report.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all the related party transactions were placed before the Audit Committee and also the Board of Directors. The Prior omnibus approval of the Audit Committee was obtained on yearly / quarterly basis for the transactions entered with related parties, except with the wholly owned subsidiary Company, whose accounts are consolidated with the Company. The transactions entered into pursuant to the omnibus approval so granted has been placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company is having both the Related Party Transaction policy and the Policy for determining Material Subsidiary, which are hosted on the website of the Company under the link www.avtnatural.com/investor_relations.

19. DISCLOSURES

There has been no instance of non-compliance by the Company, penalty or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the year.

The Company has complied with all requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company nor its subsidiaries have provided Loans and advances in the nature of loans to firms/companies in which directors are interested.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year : 01
- b. Number of complaints disposed of during the financial year : 01
- c. Number of complaints pending as on end of the financial year: NIL

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested. NIL

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. NIL

20. DISCLOSURE RELATING TO UNCLAIMED BONUS SHARES 2006 & 2013

The Company had issued bonus shares in the ratio of 1:1 to the shareholders in October 2006 and again September 2013. The postal authorities had returned the share certificates of some of the shareholders, during the same period, for want of proper address / non- availability of the person in the given address.

As per the Regulation 39 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all those unclaimed shares were transferred to Unclaimed Suspense Account. The Company had opened a demat account with M/s Stock Holding Corporation of India Limited, Chennai, (SHCIL) and the said shares are kept dematerialized, purely on behalf of the allottees who are entitled for the shares. These shares are released to the shareholders after the proper verification of their identity once the request is received from the shareholders.

The details of the Bonus shares 2006 & 2013 held in Demat (Suspense) Account with SHCIL are as under:

| Particulars | No. of Shareholders | No. of Shares |
|--|---------------------|-----------------|
| Aggregate number if shareholders and the outstanding shares in suspense account as on 01.04.2023. | 347 | 8,83,250 |
| No. of shareholders approached for transfer of shares during the year to their account. | 3 | 14,040 |
| No. of shareholders to whom shares were transferred during the year. | 3 | 14,040 |
| Shareholders whose shares are transferred to the demat account of the IEPF authority as per section 124 of the Companies Act 2013. | 2 | 28,160 |
| Aggregate no. of shareholders and the outstanding shares in the suspense account as on 31.03.2024 | 342 | 8,41,050 |

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The members, who have not yet claimed the bonus share certificate are requested to approach immediately the Company's Share Transfer Agent, M/s Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 and claim the same in physical certificate or as Demat shares, as desired by them.

21. MEANS OF COMMUNICATION

The quarterly, half-yearly unaudited financial results and the annual audited financial results are submitted to both the BSE Ltd., and the National stock exchange of India Ltd., as envisaged under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results are also published in 'Business Line' in English and 'Makkal Kural' in Tamil. Further, the results are also uploaded in the Company's website: [www. avtnatural.com](http://www.avtnatural.com).

The Management Discussion and Analysis (MD & A) report forms part of this annual report.

During the year, the Company has not made any presentation to institutional investors or to the analysts.

- a. NSE Electronic Application Processing System (NEAPS) ; The NEAPS is web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media release, statement of investor complaints, among others are filed electronically on NEAPS.
- b. BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of invest complaints, among other are also filed electronically on the listing Centre.

22. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Pursuant to Section 124 and 125 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for consecutive period of 7 years from the date of transfer to unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF")

Further, Shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16,2017.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regards also published in the newspapers and the details of unclaimed dividends and shareholders shares are liable to be transferred to IEPF Authority are uploaded on the Company's web site ([www.avtnatural. com/investor_relations](http://www.avtnatural.com/investor_relations)).

In the light of the aforesaid provisions, the Company had during the year, transferred to the IEPF Authority the unclaimed dividends outstanding for 7 consecutive years. Further the Company had transferred 71,817 shares as on 31.03.2024, to the IEPF Authority, as detailed under:

| Sl.No. | Date of Transfer of Shares to IEPF | No of Shares |
|--------|------------------------------------|---------------|
| 1 | 04/05/2023 | 26,649 |
| 2 | 27/11/2023 | 45,168 |
| | Total | 71,817 |

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claim shall lie against the Company in respect of the dividend / shares so transferred.

23. KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

In accordance with Clause C (h)(i) and (ii) of Schedule V read with Regulations 34(3) and 53 (f) of SEBI (LODR) Regulations 2015, the Board of Directors have identified the following Core Skills/Expertise/Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

The Board of the Company comprises qualified members who bring in the required skills, expertise and competence that allows them to make effective contribution to the Board and its Committees. The members of the Board are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The below table summarizes the key qualifications, skills, expertise and attributes considered while nominating a candidate to serve on the Board:

Board Qualification Indicators

| | |
|--------------------------------|---|
| Agriculture & Contract farming | Being a Director in an Agro based Company, proficiency in complex Agriculture, contract farming, backward integration etc., are key to develop a team. |
| Business Operations | Vast experience in driving business success across the country with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities. |
| Leadership | Leadership experience in a significant enterprise with a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning and driving change and long-term growth. |
| Technology | A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models. |
| Board Governance | Service on the Board of the public Company to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices. |
| Sales and Marketing | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation. |
| Finance | Being a Director in manufacturing Company, proficiency in complex financial management, capital allocation and financial reporting processes are must. |

24. SKILL SET OF INDIVIDUAL DIRECTORS

| | Agriculture & Contract farming | Business Operations | Leadership | Technology | Board Governance | Sales and Marketing | Finance |
|---------------------|--------------------------------|---------------------|------------|------------|------------------|---------------------|---------|
| Mr. Ajit Thomas | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. M.A. Alagappan | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. P. Shankar | Yes | Yes | Yes | Yes | Yes | | Yes |
| Mr.A.D. Bopana | Yes | Yes | Yes | Yes | Yes | | Yes |
| Mrs. Shanthi Thomas | Yes | Yes | Yes | Yes | Yes | Yes | |
| Mr. Habib Hussain | Yes | Yes | Yes | | Yes | Yes | Yes |
| Mrs. Kavitha Vijay | Yes | Yes | Yes | Yes | Yes | | Yes |

25. OTHER REMUNERATION PAID TO STATUTORY AUDITORS.

Regulation 33 (1) (d) of the Listing Regulations stipulates that limited review / audit reports shall be given only by an Auditor who has subjected himself to the peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI. The statutory auditors of the Company M/s. Suri & Co have undergone the peer review process and been issued requisite certificate valid till 30.04.2024 that was placed before the Audit Committee

Total fees for all services paid by the Company on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The details of total fees paid to M/s. Suri & Co, Chartered Accountants, Statutory Auditors during the financial year 2023-24 for all services rendered by them is given below:

| Particulars | Amount (₹ in lakhs) |
|---|---------------------|
| Audit fees (including for Limited Review) | 17.00 |
| Taxation matters | 5.65 |
| Other services | 10.29 |
| Reimbursement of expenses | 1.35 |
| Total | 34.29 |

26. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

The certificate from Mr. V. Suresh, Senior Partner of V Suresh Associates, Practising Company Secretaries, Chennai has been obtained by the Company stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

27. CREDIT RATING

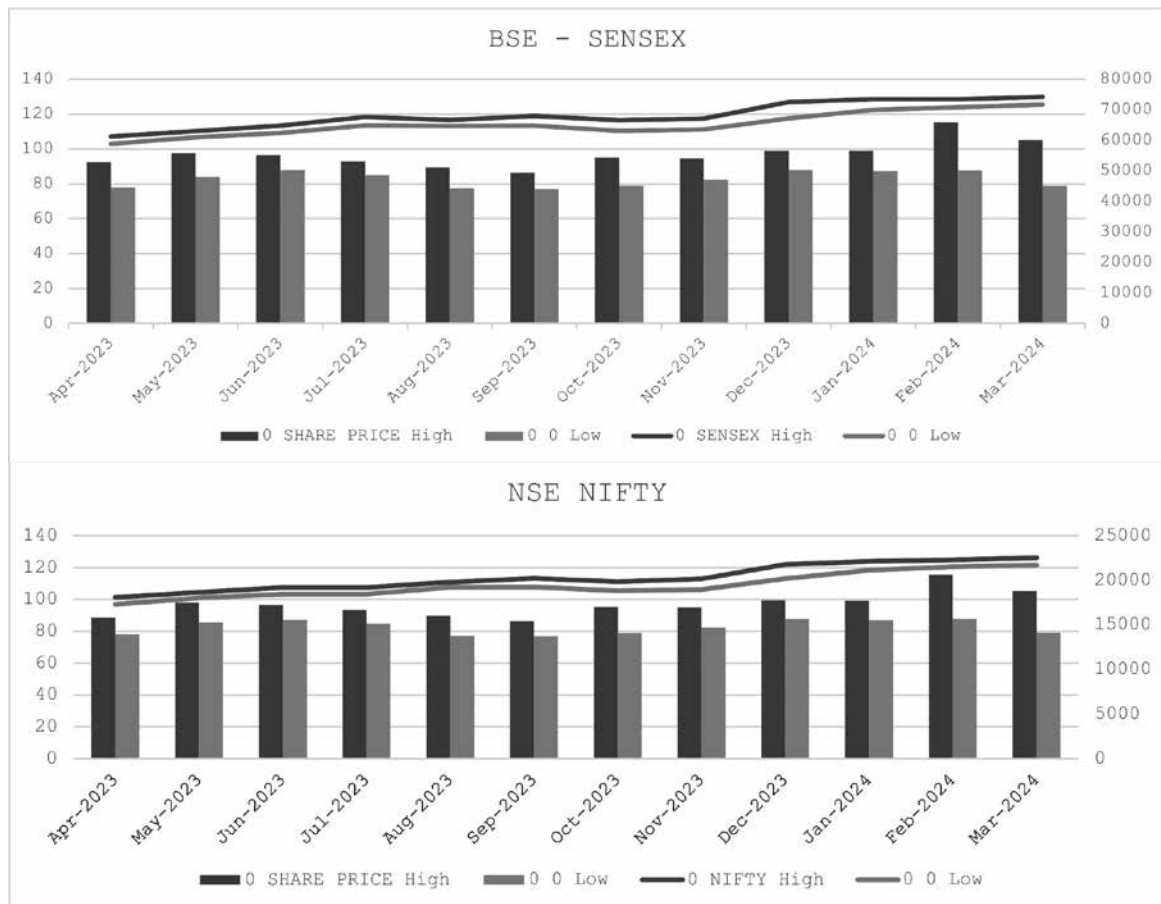
The Company has obtained the credit rating from ICRA Limited and the rating for outstanding on the bank facilities is [ICRA]A+ The credit rating report is uploaded in the Company's web site ([www.avtnatural.com/investor relations](http://www.avtnatural.com/investor%20relations))

28. GENERAL SHAREHOLDER INFORMATION

| | | |
|-------|---|--|
| 28.1. | Annual General Meeting | |
| | - Date and Time | 9 th August 2024 at 11.30 AM |
| | - Mode | Video Conferance / other Audio Visual |
| 28.2. | Financial calendar | |
| | Results for the quarter ended 30.06.2023 | Between 20 th July & 14 th of August 2023 |
| | Results for the quarter ending 30.09.2023 | Between 20 th October & 14 th of November 2023 |
| | Results for the quarter ending 31.12.2023 | Between 20 th January & 14 th of February 2024 |
| | Results for the quarter ending 31.03.2024 | Between 30 th April & 30 th May 2024 |
| 28.3. | Book Closure date | Register of Member and the Share Transfer books of the Company shall be closed from 3 rd August 2024 to 9 th August 2024 (both days are inclusive) |
| 28.4. | Dividend payment date | 1 st Week of September 2024 |
| 28.5. | Listing of Equity shares | BSE Limited & The National Stock Exchange of India Ltd., Mumbai. The Annual Listing Fees as prescribed has been paid to the above stock exchanges. |
| 28.6. | (a) Stock Code | BSE - 519105 NSE - AVTNPL - Eq |
| | (b) Demat ISIN Number in NSDL & CDSL for equity shares. | - INE488D01021 |

28.7 Stock market data - BSE Limited (BSE) & NSE

| BSE - SENSEX | | | | | NSE - NIFTY | | | | |
|--------------|-------------|-------|-----------|-----------|-------------|-------------|-------|-----------|-----------|
| | SHARE PRICE | | SENSEX | | | SHARE PRICE | | NIFTY | |
| Month | High | Low | High | Low | Month | High | Low | High | Low |
| Apr-23 | 92.40 | 78.08 | 61,209.46 | 58,793.08 | Apr-23 | 88.50 | 78.00 | 18,089.15 | 17,312.75 |
| May-23 | 97.51 | 84.05 | 63,036.12 | 61,002.17 | May-23 | 97.90 | 85.50 | 18,662.45 | 18,042.40 |
| Jun-23 | 96.50 | 88.00 | 64,768.58 | 62,359.14 | Jun-23 | 96.60 | 87.05 | 19,201.70 | 18,464.55 |
| Jul-23 | 92.90 | 85.00 | 67,619.17 | 64,836.16 | Jul-23 | 93.30 | 84.90 | 19,201.70 | 18,464.55 |
| Aug-23 | 89.50 | 77.50 | 66,658.12 | 64,723.63 | Aug-23 | 89.80 | 77.30 | 19,795.60 | 19,223.65 |
| Sep-23 | 86.45 | 77.00 | 67,927.23 | 64,818.37 | Sep-23 | 86.50 | 76.90 | 20,222.45 | 19,255.70 |
| Oct-23 | 95.10 | 79.05 | 66,592.16 | 63,092.98 | Oct-23 | 95.20 | 79.00 | 19,849.75 | 18,837.85 |
| Nov-23 | 94.70 | 82.40 | 67,069.89 | 63,550.46 | Nov-23 | 94.90 | 82.40 | 20,158.70 | 18,973.70 |
| Dec-23 | 99.00 | 88.00 | 72,484.34 | 67,149.07 | Dec-23 | 99.40 | 87.70 | 21,801.45 | 20,183.70 |
| Jan-24 | 99.00 | 87.20 | 73,427.59 | 70,001.60 | Jan-24 | 99.25 | 86.95 | 22,124.15 | 21,137.20 |
| Feb-24 | 115.29 | 87.85 | 73,413.93 | 70,809.84 | Feb-24 | 115.65 | 87.80 | 22,297.50 | 21,530.20 |
| Mar-24 | 105.30 | 78.90 | 74,245.17 | 71,674.42 | Mar-24 | 105.25 | 79.20 | 22,526.60 | 21,710.20 |



28.8 Share Transfer Agent : Cameo Corporate Services Limited
'Subramaniam Building', No.1, Club House Road, Chennai - 600 002.
Tel: 044-28460390 – 94

Contact Person : Mr. Nagaraj
Email id : nagaraj@cameoindia.com, investor@cameoindia.com
Compliance Officer : Mr. Sharon Josh, Company Secretary
Email id : sharon.josh@avtnatural.com

28.9 Share Transfer System: The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the directive issued by the Securities and Exchange Board of India, the share transfers both physical and dematted, are now handled by Company's ShareTransfer Agent viz., Cameo Corporate Services Limited, Chennai. Shares in physical mode, which are lodged for transfer either with the Company or with the Share Transfer Agent, are processed and the share certificates are returned to the transferees within 15 days of lodgement in case of transfer and within 21 days in case of transmission, as per the SEBI (LODR) Regulations 2015. However, no physical share transfers are accepted after 31.03.2019 as per SEBI Circular

28.10 Distribution of shareholding as on 31st March 2024

| Shareholding (Rs.) | | No. of holders | % of Total holders | Total Amount (Rs.) | % of Total Amount |
|--------------------|-----------|----------------|--------------------|--------------------|-------------------|
| 1 | 5000 | 50847 | 97.84 | 14372928 | 9.43 |
| 5001 | 10000 | 599 | 1.15 | 4504312 | 2.96 |
| 10001 | 20000 | 349 | 0.67 | 4901219 | 3.22 |
| 20001 | 30000 | 70 | 0.13 | 1687015 | 1.11 |
| 30001 | 40000 | 35 | 0.06 | 1297282 | 0.85 |
| 40001 | 50000 | 16 | 0.03 | 730384 | 0.48 |
| 50001 | 100000 | 29 | 0.06 | 1985683 | 1.31 |
| 100000 | And above | 30 | 0.06 | 122805177 | 80.64 |
| Total | | 51975 | 100 | 152284000 | 100 |

28.11 Pattern of shareholding as on 31st March 2024

| CATEGORY | TOTAL SHARES | % TO EQUITY |
|---|------------------|---------------|
| Resident | 31245001 | 20.52 |
| NRI | 1128345 | 0.74 |
| Corporate Body | 2872042 | 1.89 |
| Clearing Member | 610 | 0.00 |
| Trusts | 200 | 0.00 |
| Bank | 24000 | 0.01 |
| FPI | 229469 | 0.15 |
| IEPF | 1642742 | 1.08 |
| Stock Broker | 936 | 0.00 |
| Directors/Relatives -Excluding Independent and Nominee Director | 926680 | 0.61 |
| Key Managerial Personnel | 1000 | 0.00 |
| Promoters | 114212975 | 75.00 |
| TOTAL | 152284000 | 100.00 |

28.12 Dematerialisation shares & Liquidity : 97.39% of the equity shares have been dematerialised upto 31.03.2024.

The Company's shares are listed in two stock Exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

28.13 The Company has not issued any GDR / Warrants and Convertible Bonds.

28.14 Plant Locations

1. Plot No. 225/1A, 5-7, Kaipoorikkara, South Vazhakulam, Marampilly Post, Aluva - 683 105, Ernakulam District, Kerala. Tel : 0484-2848240 Fax: 0484- 2677512
2. SF No. 234/1, Mysore Trunk Road, Pudukkadavalli, Sathyamangalam - 638 401, Erode District, Tamil Nadu.
3. HL No. 1182, Harikura Village, Honavally Hobli, Tiptur Taluk - 572 201, Tumkur District, Karnataka.

28.15 Subsidiary Companies

1. AVT Natural Europe Ltd.,
2, Calico House, Clove Hitch Quay,
Plantation Wharf, London SW 113TN
2. AVT Natural S.A. DE C.V.
IZA Business Center
Blv. Bernanrdo Quintana Arrioja
300, Torre 57, Piso 14, Centro Sur, Queretaro,
Santiago De Queretaro, Mexico, C.P 76090
3. AVT Natural - FZCO
Dubai Silicon Oasis, DDP, Building AI,
Dubai, UAE, Post Box No.342001.
4. AVT Natural North America Inc,
(Wholly owned subsidiary of AVT Natural Europe Ltd.,)
1013 Centre Road, Suite 403S, Delaware,
Wilmington, New Castle, Zip code - 19805

28.16 Address for Correspondence

No. 60, Rukmani Lakshmi pathy Salai,
Egmore, Chennai - 600 008.
Tel.: 044-2858 4147, Fax: 2858 4147,
E-mail: avtnpl@avtnatural.com
Website: www.avtnatural.com,
CIN: L15142TN1986PLC012780

28.17 E-mail ID for Investors

shareholder@avtnatural.com

29. DISCRETIONARY REQUIREMENTS

The Non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

29.1 Audit Qualifications:

The financial statements of the Company are unqualified.

29.2 Reporting of internal auditor:

The internal audit report are placed before the Audit Committee.

29.3 Separate posts of Chairman and CEO

The Chairman of the Board is Non-executive Director and his position is separate from that of the CEO.

ANNEXURE – X

DECLARATION UNDER REGULATION 34 (3) READ WITH SCHEDULE V (D) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended 31st March 2024.

For AVT Natural Products Limited

Place : Chennai

Date : 29th May 2024

B. Krishna Kumar

President & Manager

ANNEXURE – XI

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors

AVT Natural Products Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 15th September 2023.
2. We have examined the compliance of conditions of Corporate Governance by AVT Natural Products Limited ('the Company') for the year ended 31st March 2024, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with conditions of Corporate Governance requirements by the Company.
6. We have carried out our examination of the relevant records of the Company in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on examination of the relevant records and according to the information and explanations provided to us and the representation made by the management, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31st March 2024.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

10. This certificate is provided to Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Suri & Co**,
Chartered Accountants
Firm's Registration No. 004283S

G. Rengarajan
Partner

Place: Chennai
Date: 29th May 2024

Membership No. 219922
UDIN: 24219922BKCLRY9947

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STANDALONE STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of AVT Natural Products Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of AVT Natural Products Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2024, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity, standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2023, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matter that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sl. No. | Key audit matters | How our audit addressed the key audit matter |
|---------|--|--|
| 1. | <p>Revenue recognition:</p> <p>Revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer.</p> <p>Disclosure Note 23 and the accounting policies provide additional information on how the Company accounts for its revenue in compliance with Ind AS 115.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the Company's accounting policies regarding revenue recognition, by comparing with applicable accounting standards. • Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. • Performing substantive testing (including year- end cut-off testing) by selecting samples of revenue transactions recorded during the year (also before and after the financial year end) by verifying the underlying documents, which include sales invoices/contracts and shipping documents. • Selecting a sample on test check basis of revenue transactions and contracts with customers to re- check that sales accounting was calculated in accordance with the contract conditions. • Selecting a sample of credit note issued to the customers during the year and verifying the same is in accordance with terms of agreement with the customers. • Performed data analytical procedures to identify and evaluate a sample of manual journal entries. • Traced disclosure information from accounting records and other supporting documentation. |

Information other than the Standalone Financial Statements and Auditors' Report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, including 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 specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, Except for the matters stated in the paragraph 2(h) (vi) below on reporting under Rule (11) (g) of the Companies (Audit & Auditors) Rules 2014.
- (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account of the company.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not made any payments which are covered under section 197 read with Schedule V of the Act.
- (h) 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 our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31st March 2024 on its financial position in its standalone financial statements – Refer Note 37 (a) to (e) to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts –

- Refer Note 43 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(b) to the standalone financial statements, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 51(b) to the standalone financial statements, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and;
 - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided

under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 48 to the standalone financial statements,
 - a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013 as applicable.
 - b. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013 as applicable.
 - c. The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Companies Act 2013 as applicable.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023:

Based on our examination which included test checks, except for the instances mentioned below, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

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

For Suri & Co
Chartered Accountants
FRN : 004283S

G. Rengarajan
Partner

Place: Chennai

Membership No. 219922

Date : 29th May 2024

UDIN:24219922BKCLRW6364

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of AVT Natural Products Limited ("the Company")

- (i)
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) 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 our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our 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 lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) Based on the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988, as amended in 2016 and rules made thereunder.
- (ii)
- a) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. We were informed that, no material discrepancies in excess of 10% or more in aggregate for each class of inventory were noticed. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt in the books of accounts.
- b) According to the information and explanation given to us, 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 our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company.

- (iii) The Company has made investments in Companies and the same are not prejudicial to the Company's interest. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not provided security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

- (a) The details of guarantees given / renewed during the year for subsidiaries are as under:

| To Subsidiaries | Rs. Lakhs |
|--|-----------|
| Guarantees given / renewed during the year | 3530.90 |
| Outstanding at the end of the year | 3530.90 |

- (b) Based on our audit procedures & according to the information and explanation given to us, the investments made and guarantees given are not prejudicial to the Company's interests.
- (c) In the absence of any loans and advances in the nature of loans given by the company sub-clause (c) to (f) of clause (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act with respect of making investments and providing guarantees. The company has not granted any loans or provided any securities, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Companies (Cost Records and Audit)

Rules, 2014, prescribed by the Central Government for the maintenance of the cost records under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and cost records have been made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)

- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, custom duty, cess and any other statutory dues as applicable with the appropriate authorities.
- (b) The details of the statutory dues which have not been deposited as on 31st March 2024 on account of dispute are as under:

| Name of the Statute | Nature of the Dues | Amount demanded (Rs. in Lakhs) | Amount paid under protest (Rs in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--|-------------------------|--------------------------------|---|------------------------------------|--|
| Andhra Pradesh General Sales Tax Act 1957 | Sales tax demands | 71.15 | 62.43 | FY 1999-00 to 2004-05 | Sales Tax Appellate Tribunal |
| Karnataka Sales Tax Act 1957 | Sales Tax demands | 0.28 | - | FY 2006-07 | Joint Commissioner (Appeals) |
| Kerala Value Added Tax Act 2003 | Value added tax demands | 73.73 | 8.81 | FY 2014-15 | Sales tax officer |
| The Income tax Act, 1961 | Transfer pricing demand | 158.02 | 100.89 | AY 2015-16 & AY 2018-19 | Deputy Commissioner/ Assistant Commissioner IT |
| The Income tax Act, 1961 | TDS demand | 15.92 | - | AY 2015-16 | Commissioner IT/ Income tax officer |
| The Customs Act 1962 | Customs Duty Demand | 77.79 | 30.00 | AY 2019-20 | Commissioner of Customs (Appeals), Kochi |
| The Goods and Service Tax Act, 2017 (Kerala and Karnataka) | GST demand | 1692.66 | 57.68 | FY 2017-18 to FY 2021-22 | Deputy Commissioner, Special Circle |

(viii)

Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) Based on the explanation and information given to us, the Company has not declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Based on the information and explanations

given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.

- (d) Based on the information and explanation given to us and based on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The company has not raised any loans during the year on the pledge of securities held in its any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x)
- (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, there was no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
 - (b) Based on the information and explanation given to us and based on the examination of the company's records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures..
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard.
- (xiv)
- (a) In our opinion, based on the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) Based on the information and explanations given to us and based on the audit the books of accounts, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi)
- (a) In our opinion, 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) In our opinion, 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 a not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and 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.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we 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 our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Suri & Co
Chartered Accountants
FR No. 004283S

G. Rengarajan
Partner

Place: Chennai

Membership No. 219922

Date: 29th May 2024

UDIN:24219922BKCLRW6364

ANNEXURE B

**Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date
Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of AVT Natural Products Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our 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 standalone 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 standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal control 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.

For Suri & Co
Chartered Accountants
Firm's Registration No.004283S

G.Rengarajan
Partner
Membership No. 219922
UDIN:24219922BKCLRW6364

Place: Chennai
Date: 29th May 2024

STANDALONE BALANCE SHEET

(All amounts are in Rs. lakhs unless otherwise stated)

| | Note No. | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-------------|--------------------------------------|--------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 73,25.40 | 74,80.31 |
| (b) Capital work-in-progress | 4 | - | - |
| (c) Right-of-use assets | 6 | 5,83.83 | 1,80.43 |
| (d) Other intangible assets | 5 | 1,31.74 | 1,66.08 |
| (e) Intangible assets under development | 5 | - | - |
| (f) Financial assets | | | |
| i) Investments | 7 | 21,50.67 | 16,47.54 |
| ii) Other financial assets | 8 | 3,54.14 | 2,95.82 |
| (g) Other non-current assets | 9 | 2,17.22 | 1,71.15 |
| Total non-current assets | | 1,07,63.00 | 99,41.33 |
| Current assets | | | |
| (a) Inventories | 10 | 2,02,40.96 | 1,95,15.93 |
| (b) Financial assets | | | |
| i) Investments | 7 | 1,26,65.95 | 58,39.86 |
| ii) Trade receivables | 11 | 1,10,56.66 | 1,29,60.58 |
| iii) Cash and cash equivalents | 12 | 9,55.42 | 5,34.92 |
| iv) Bank balances other than (iii) above | 12A | 2,42.69 | 2,60.92 |
| v) Loans | 13 | 17.16 | 25.52 |
| vi) Other financial assets | 8 | 2,71.40 | 2,59.17 |
| (c) Current tax assets (Net) | | 60.00 | - |
| (d) Other current assets | 9 | 19,89.37 | 20,93.40 |
| Total current assets | | 4,74,99.61 | 4,14,90.30 |
| Total Assets | | 5,82,62.61 | 5,14,31.63 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 14 | 15,22.84 | 15,22.84 |
| (b) Other Equity | 15 | 4,57,91.77 | 4,24,80.33 |
| Total equity | | 4,73,14.61 | 4,40,03.17 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 16 | 4,95.00 | 8,05.00 |
| ii) Lease liabilities | 17 | 5,16.71 | 2,42.08 |
| (b) Provisions | 18 | 4,68.87 | 4,02.71 |
| (c) Deferred tax liabilities (Net) | 19 | 92.67 | 94.13 |
| Total non-current liabilities | | 15,73.25 | 15,43.92 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 16 | 3,10.00 | 3,80.00 |
| ii) Lease liabilities | 17 | 50.71 | 43.84 |
| iii) Trade payables | 20 | | |
| (A) Total outstanding dues of micro and small enterprises | | 4,08.26 | 70.16 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | 66,09.68 | 30,13.47 |
| iv) Other financial liabilities | 21 | 5,38.67 | 7,90.16 |
| (b) Other current liabilities | 22 | 3,21.29 | 3,65.88 |
| (c) Provisions | 18 | 11,36.15 | 10,40.29 |
| (d) Current tax liabilities (Net) | | - | 1,80.74 |
| Total current liabilities | | 93,74.75 | 58,84.54 |
| Total liabilities | | 1,09,48.00 | 74,28.46 |
| Total Equity and Liabilities | | 5,82,62.61 | 5,14,31.63 |
| Corporate Information and Basis of preparation | 1&2 | | |
| Material accounting policies | 3 | | |
| See accompanying notes to the standalone financial statements | | | |

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.**,
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place: Chennai
Date: 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts are in Rs. lakhs unless otherwise stated)

| | Note No. | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|-------------|---|---|
| I Revenue From Operations | 23 | 5,03,31.32 | 5,82,25.27 |
| II Other Income | 24 | 12,18.42 | 2,31.73 |
| III Total Income (I+II) | | 5,15,49.74 | 5,84,57.00 |
| IV Expenses | | | |
| Cost of materials consumed | | 2,26,22.50 | 2,74,24.30 |
| Changes in inventories of finished goods and work-in-progress | 25 | 3,17.02 | (36,03.00) |
| Employee benefits expense | 26 | 60,13.30 | 60,63.17 |
| Finance costs | 27 | 4,20.45 | 4,15.33 |
| Depreciation and amortization expense | 28 | 13,84.34 | 13,35.59 |
| Other expenses | 29 | 1,45,21.25 | 1,65,99.58 |
| Total expenses (IV) | | 4,52,78.86 | 4,82,34.97 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | 62,70.88 | 1,02,22.03 |
| VI Exceptional Items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | 62,70.88 | 1,02,22.03 |
| VIII Tax expense: | | | |
| (1) Current tax | | 16,50.00 | 27,50.00 |
| (2) Deferred tax | 32 | (16.48) | (32.04) |
| IX Profit / (Loss) for the year (VII-VIII) | | 46,37.36 | 75,04.07 |
| X Other Comprehensive Income | | | |
| A Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurement of the post-employment benefit obligations | | (17.60) | 12.26 |
| (ii) Deferred tax relating to items that will not be reclassified to profit or loss | | 4.43 | (3.09) |
| B Items that will be reclassified to profit or loss | | | |
| (i) Deferred gains / (losses) on cash flow hedges | | 77.25 | 7.11 |
| (ii) Deferred tax relating to items that will be reclassified to profit or loss | 32 | (19.44) | (1.79) |
| Other comprehensive Income for the year, net of tax | | 44.64 | 14.49 |
| XI Total Comprehensive Income for the year (IX+X) | | 46,82.00 | 75,18.56 |
| XII Earnings per equity share: | | | |
| Equity share of par value of Re. 1 each | | | |
| (1) Basic | 33 | 3.05 | 4.93 |
| (2) Diluted | 33 | 3.05 | 4.93 |
| Corporate Information and Basis of preparation | 1&2 | | |
| Material accounting policies | 3 | | |
| See accompanying notes to the standalone financial statements | | | |

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.,**
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place: Chennai
Date: 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

STANDALONE CASH FLOW STATEMENT

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 62,70.88 | 1,02,22.03 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expense | 13,84.34 | 13,35.59 |
| (Profit) / Loss on sale of property, plant and equipment (net) | - | (0.25) |
| Write off / Discard of Property, Plant and Equipment | 24.93 | - |
| Fair value gains recognised on investments | (7,36.42) | (1,83.15) |
| Interest Income | (12.64) | (9.80) |
| Finance costs | 4,20.45 | 4,15.33 |
| Sundry Creditors written back | (55.75) | - |
| Write off/Discard of Investment | 1.00 | - |
| Unrealised foreign exchange differences | (55.16) | 1.07 |
| Operating profit before working capital changes | 72,41.63 | 1,17,80.82 |
| Adjustments for working capital changes: | | |
| (Increase) / Decrease in inventories | (7,25.03) | (23,43.36) |
| (Increase) / Decrease in loans | 8.36 | 1.88 |
| (Increase) / Decrease in other current assets | 1,04.03 | 6,94.57 |
| (Increase) / Decrease in other current financial assets | (12.23) | 47.64 |
| (Increase) / Decrease in other non-current assets | (46.07) | (8.37) |
| (Increase) / Decrease in other non-current financial assets | (58.32) | (0.39) |
| (Increase) / Decrease in trade receivables | 19,35.88 | (24,52.24) |
| Increase / (Decrease) in other financial liabilities | (1,74.24) | 3,17.22 |
| Increase / (Decrease) in other liabilities | (44.60) | (90.88) |
| Increase / (Decrease) in trade payables | 40,13.00 | (98.11) |
| Increase / (Decrease) in provisions | 1,44.42 | 36.92 |
| | 1,23,86.84 | 78,85.70 |
| Net income tax paid | (18,90.74) | (26,00.09) |
| Net cash (used) / generated in operating activities (A) | 1,04,96.10 | 52,85.61 |
| B. Cash flow from investing activities | | |
| Payments for purchase of property, plant & equipment | (16,23.42) | (7,91.43) |
| Proceeds from disposal of property, plant & equipment | - | 3.76 |
| Payments for purchase of intangible assets including intangible assets under developments | - | (16.96) |
| Purchase of Investment in subsidiaries | (5,04.13) | - |
| Purchase of current investments | (60,89.67) | (28,23.11) |
| Interest received during the year | 12.64 | 9.80 |
| Changes in bank balance other than cash and cash equivalent | 18.23 | (62.15) |
| Net cash generated / (used in) from investing activities (B) | (81,86.35) | (36,80.09) |

STANDALONE CASH FLOW STATEMENT (contd.)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| C. Cash flow from Financing activities* | | |
| Proceeds from term loan from banks (net) | (3,10.00) | 3,55.00 |
| Payment of lease liabilities (including unwinding of interest) | 2,81.50 | (35.09) |
| (Repayment) / Proceeds from short term borrowings (net) | (70.00) | 80.00 |
| Interest Paid | (4,20.19) | (3,87.90) |
| Dividend Paid | (13,70.56) | (15,22.84) |
| Net cash generated / (used in) from financing activities (C) | (18,89.25) | (15,10.83) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 4,20.50 | 94.69 |
| Cash and cash equivalents at the beginning of the year | 5,34.92 | 4,40.23 |
| Cash and cash equivalents at the end of the year (Refer note 12) | 9,55.42 | 5,34.92 |

Notes:

"The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows."

The figures in brackets represent cash outflow.

The accompanying notes are an integral part of these standalone financial statements.

* Refer foot note no.3 under Borrowings (Note 16) for Net Debt Reconciliation.

See accompanying notes to the financial statements
As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.,**
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place : Chennai
Date: 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

STANDALONE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31st March 2024

(All amounts are in Rs. lakhs unless otherwise stated)

A. Equity Share Capital

| A. Equity Share Capital | Note No | Amount |
|--|---------|----------|
| Balance as at 1 st April 2022 | 14 | 15,22.84 |
| Changes in equity share capital due to prior period errors | | - |
| Restated balance as at April 1, 2022 | | 15,22.84 |
| Changes in equity share capital during the year | | - |
| Balance as at 1 st April 2023 | | 15,22.84 |
| Changes in equity share capital due to prior period errors | | - |
| Restated balance as at April 1, 2023 | | 15,22.84 |
| Changes in equity share capital during the year | | - |
| Balance as at 31 st March 2024 | | 15,22.84 |

B. Other Equity

| Particulars | Reserves and Surplus | | | | Items of Other Comprehensive Income | Total other equity |
|--|----------------------|-----------------|-------------------|--|---------------------------------------|--------------------|
| | Capital Reserve | General Reserve | Retained Earnings | Remeasurements of post employment benefit obligations through Other Comprehensive Income | Effective portion of Cash flow Hedges | |
| Balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,15,81.49 | (2,07.36) | (91.75) | 3,64,84.61 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Restated balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,15,81.49 | (2,07.36) | (91.75) | 3,64,84.61 |
| Profit for the year | - | - | 75,04.07 | - | - | 75,04.07 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | 9.17 | - | 9.17 |
| Other comprehensive income net of tax for the year | - | - | - | - | 5.32 | 5.32 |
| Total comprehensive income for the year | - | - | 75,04.07 | 9.17 | 5.32 | 75,18.56 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - |
| Dividends paid | - | - | (15,22.84) | - | - | (15,22.84) |
| Balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,50,62.72 | (1,98.19) | (86.43) | 4,24,80.33 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Restated balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,50,62.72 | (1,98.19) | (86.43) | 4,24,80.33 |
| Profit for the year | - | - | 46,37.36 | - | - | 46,37.36 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | (13.17) | - | (13.17) |
| Other comprehensive income for the year | - | - | - | - | 57.81 | 57.81 |
| Total comprehensive income for the year | - | - | 46,37.36 | (13.17) | 57.81 | 46,82.00 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - |
| Dividends paid | - | - | (13,70.56) | - | - | (13,70.56) |
| Balance as at 31 st March 2024 | 0.35 | 3,02,01.88 | 1,58,29.52 | (2,11.36) | (28.62) | 4,57,91.77 |

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.**,
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place : Chennai
Date : 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

1. General information

AVT Natural Products Limited is engaged in the production, trading and distribution of Oleoresins value added Teas and Animal Nutrition. The Company has its production facilities in India and exports most of its products.

The Company is a Public Limited Company incorporated and domiciled in India and has its registered office at 60, Rukmani Lakshmipathy Salai, Egmore, Chennai - 600008. The Company has its listings on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The standalone financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 29th, 2024.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and guidelines issued by the Securities and Exchange Board of India (SEBI), under the historical cost convention on the accrual basis except for certain items which are measured at fair values.

The accounting policies as set out below have been applied consistently except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Division II of the Schedule III to the Companies Act 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. As per the requirement of schedule III to the companies act 2013, the operating cycle has been determined at company level, as applicable.

2.1 Critical judgements & Estimates in applying accounting policies.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumptions having the material effect on the amounts recognized in financial statements are as follows:

- **Useful lives of property, plant and equipment and intangible assets:**

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Taxation:**

Significant judgement is involved in determining the tax liability for the company which includes interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Also, there are many transactions and calculation during the ordinary course of business for which the ultimate tax determination is uncertain. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. Further judgement is involved in determining the deferred tax position on the balance sheet date.

- **Defined benefit plans:**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Provisions & Contingencies:**

Provisions and contingencies are based on the Company Management's best estimate of the liabilities based on the facts known at the balance sheet date.

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

2.2 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

3. Summary of material accounting policies

3.1.1 Property, plant and equipment:

a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost also includes taxes and duties which are not refundable, freight and other direct or allocated expenses during construction period, net of any income earned. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company had elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

b. Depreciation:

Tangible property, plant & equipment are depreciated on Written Down Value Method by adopting the useful life & residual value specified in Schedule II of the Companies Act 2013, except in case of electrical equipment and plant and machinery relating to Continuous Processing Plants for which useful life is based on technical evaluation. Assets costing individually less than Rs.5,000/ are depreciated at 100%. Useful life considered are as follows:

| Description of assets | Useful life of assets |
|--------------------------|--|
| Leasehold Land | Lease Period |
| Buildings | 30 years /5 years (for fences and wells) |
| Plant & Machinery | 15 years |
| Continuous Process Plant | 25 years |
| Office Equipment | 5 years |
| Furniture & Fittings | 5 years |
| Vehicles | 10 years |
| | |

Freehold land is not depreciated.

In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition /deletion of the Assets.

No depreciation is provided for leasehold land since as per the lease agreements, these are renewable at the option of the company with marginal payment of further premium.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

3.1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance such as technical knowhow, software. It is capitalised if the future economic benefits attributable to the asset will probably flow to the Group and the cost of acquisition or generation of the asset can be reliably measured. It is amortised from the point at which the asset is available for use.

Initial recognition and amortisation

Intangible assets are stated at the cost of acquisition less accumulated depreciation and impairment losses based on cost model. Cost comprises the purchase price and any directly attributable cost.

Intangible assets with determinable useful life are amortised on a straight-line basis over a period of up to ten years in case of software. Determination of the expected useful lives of such assets and the amortisation patterns is based on estimates of the period for which they will generate cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

Subsequent costs

Subsequent expenditure related to intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Impairment

Any impairment losses are recognised in the Statement of Profit and Loss. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised for the asset in prior years.

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.2 Impairment of non-financial assets

At the end of each reporting period, the company reviews the carrying amounts of its non-financial asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

3.3 Inventories

Inventories are valued as under:

a. Raw materials, Packing materials, Stores & Spares:

Valued at lower of cost or and net realizable value and for this purpose cost is determined on weighted average basis except for tea which is valued based on first in first out (FIFO). The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

b. Work in Progress:

At cost or net realizable value,, whichever is lower. Cost is determined on weighted average basis.

c. Stock - in - trade and Finished Goods

Valued at lower of cost or and net realizable value and for this purpose cost is determined on weighted average basis.

Cost includes direct material cost, direct labour cost, taxes and duties other than duties and taxes for which credit is available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

3.4 Employee benefits - Retirement benefit costs and termination benefits

3.4.1 Defined Contribution Plans

Payment to defined contribution retirement benefit plans i.e. Provident Fund & Superannuation Schemes are recognised as an expense in the statement of profit and loss when an employee have rendered service entitling them to the contributions. Superannuation scheme are funded with an insurance Company in the form of a qualifying insurance policy.

3.4.2 Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Remeasurement, comprising actuarial gains and losses 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. Defined benefit cost are categorised as follows:

- Service cost (including current service cost, as well as gains and losses on curtailments and settlement)
- Net interest expense or income
- Remeasurement

The company presents the first two components of defined benefit cost in profit or loss in the line item 'employee benefit expense'. Curtailment gains or losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.4.3 Compensated Absences

The Company has a scheme for compensated absences for employees which is a long term employee benefits, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

3.4.4 Short term benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

3.5 Financial Instruments

3.5.1 Financial Assets

a) Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are at fair value are adjusted through profit or loss. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent Measurement

- i) Financial assets carried at amortised cost (AC)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

For equity investments which are not held for trading purposes and where the company has exercised the option to classify the investment as FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Investments in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

d) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

In accordance with Ind-AS 109, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

e) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

3.5.2 Financial Liabilities

a) Initial Recognition and Measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

c) Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

d) Derivative financial instruments and Hedge Accounting

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

(i) Financial assets or financial liabilities, at fair value through profit and loss

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

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

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

(ii) Cash flow hedges

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risks of foreign exchanges exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

e) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

f) Offsetting of financial instruments

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

g) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.6 Foreign currency

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year-end exchange rates and the resultant loss or gain, is recognised as income or expense in the statement of the profit and loss.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with accordingly.

3.7 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

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

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

3.8 Revenue recognition:

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

Sale of Goods and services:

Revenue from the sale of goods and services is recognised when the performance obligations towards customers have been met at an amount that reflects the consideration to which the company believes it is entitled to in exchange for the transfer of goods and services to customers, net of any sales returns, excise duty and GST. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer / benefit from the service is delivered to the customer, depending on the individual terms of the contract of sale. Considering the general terms of sales of goods and services, there is no significant financing element included in the sales consideration.

Subsidies and export incentives:

Government incentives in the form of MEIS, Transportation and marketing allowance ('TMA') and refund of goods and service tax input credit is recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

3.11 Leases:

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.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Machineries and premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

3.12 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred Income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2024

3.14 Provisions & contingent liability:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. The Company does not recognise contingent liability but discloses its existence in financial statements.

3.16 Dividends:

Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

3.17 Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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. The Company operates in a single segment namely solvent extracted products and geographically operates primarily in a single segment.

3.18 Research and Development:

Expenditure on research phase is recognised as an expense as and when it is incurred. Expenditure on development phase is recognized as intangible assets if it is identifiable, capable of being controlled and from which future economic benefits are expected to flow to the enterprise. Intangible assets are stated at cost net of tax / duty credits availed, if any, less accumulated amortisation and cumulative impairment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

NOTE 4

PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK IN PROGRESS

(All amounts are in Rs. lakhs unless otherwise stated)

| | Freehold land | Leasehold Land (Note 4.1) | Buildings | Plant & Machinery | Office Equipments | Furniture & Fittings | Vehicles | Total | Capital work-in-progress |
|------------------------------------|----------------|---------------------------|-----------------|-------------------|-------------------|----------------------|----------------|-------------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| At 1 April 2022 | 3,57.47 | 16.18 | 24,10.19 | 1,07,05.85 | 2,04.34 | 58.41 | 1,43.84 | 1,38,96.28 | - |
| Additions/Transfers | - | - | 141.00 | 5,47.50 | 41.00 | - | 45.88 | 7,75.38 | - |
| Disposals/ Transfers | - | - | - | - | - | - | 14.29 | 14.29 | - |
| At 31 March 2023 | 3,57.47 | 16.18 | 25,51.19 | 1,12,53.35 | 2,45.34 | 58.41 | 1,75.43 | 1,46,57.37 | - |
| Additions/Transfers | - | - | 1,35.74 | 9,04.99 | 19.33 | - | 52.35 | 11,12.41 | - |
| Disposals/ Transfers | - | - | 1.83 | 1,47.62 | 12.10 | 31.42 | 28.48 | 2,21.45 | - |
| At 31 March 2024 | 3,57.47 | 16.18 | 26,85.10 | 1,20,10.72 | 2,52.57 | 26.99 | 1,99.30 | 1,55,48.33 | - |
| Depreciation and impairment | | | | | | | | | |
| At 1 April 2022 | - | - | 7,93.81 | 48,55.77 | 1,82.36 | 22.92 | 50.84 | 59,05.70 | - |
| Depreciation charge for the year | - | - | 1,72.20 | 10,50.46 | 21.22 | 9.39 | 28.87 | 12,82.14 | - |
| Disposals/Transfers | - | - | - | - | - | - | 10.78 | 10.78 | - |
| At 31 March 2023 | - | - | 9,66.01 | 59,06.23 | 2,03.58 | 32.31 | 68.93 | 71,77.06 | - |
| Depreciation charge for the year | - | - | 1,93.04 | 9,93.99 | 16.20 | 7.41 | 31.75 | 12,42.39 | - |
| Disposals/Transfers | - | - | 1.74 | 1,26.45 | 11.49 | 29.78 | 27.06 | 1,96.52 | - |
| At 31 March 2024 | - | - | 11,57.31 | 67,73.77 | 2,08.29 | 9.94 | 73.62 | 82,22.93 | - |
| Net carrying amount | | | | | | | | | |
| At 31 March 2024 | 3,57.47 | 16.18 | 15,27.79 | 52,36.95 | 44.28 | 17.05 | 1,25.68 | 73,25.40 | - |
| At 31 March 2023 | 3,57.47 | 16.18 | 15,85.18 | 53,47.12 | 41.76 | 26.10 | 1,06.50 | 74,80.31 | - |
| At 31 March 2022 | 3,57.47 | 16.18 | 16,16.38 | 58,50.08 | 21.98 | 35.49 | 93.00 | 79,90.58 | 7.59 |

Land at Tiptur acquired under registered lease-cum-sale agreement for twenty one years with option to the Company to convert the lease into absolute sale at the expiry of the lease subject to fulfilment of the terms and conditions specified and payment of additional consideration, if any, to be fixed at that time, has now crossed the lease period in 2021. The company is in the process of getting this land transferred as a freehold land in its name.

Note 4.3 - Deemed Cost Exemption availed on transition to Ind AS

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block.

Note 4.4 - Title deeds Title deeds of all Immovable Properties are held in the name of the Company

Note 4.5 - Depreciation/Amortisation Depreciation/amortisation is calculated over the estimated useful life of the asset. Refer Accounting policy no. 3.1.1(b) of the company for the method of depreciation and estimated useful life of the assets

Note 4.6 - Contractual Commitments Refer Note No. 37 for outstanding contractual commitments.

Note 4.7 - Impairment of assets : Refer Note No. 49 for disclosure relating to impairment of assets

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

Note 4.8 - Capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars | Amount in CWIP for a period of | | | | | |
|----------------------|--------------------------------|---------|-----------|-----------|-------------------|-------|
| | As at | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 31 st March 24 | - | - | - | - | - |
| | 31 st March 23 | - | - | - | - | - |

There are no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 5 : Other intangible assets including intangible assets under development

| | Other Intangible Assets - Software | Intangible assets under development |
|---------------------------------|------------------------------------|-------------------------------------|
| Gross carrying amount | | |
| At 1 April 2022 | - | 1,49.12 |
| Additions/Transfers | 1,80.36 | 31.24 |
| Disposals/ Transfers | - | 1,80.36 |
| At 31 March 2023 | 1,80.36 | - |
| Additions/Transfers | - | - |
| Disposals/ Transfers | - | - |
| At 31 March 2024 | 1,80.36 | - |
| Accumulated Amortization | | |
| At 1 April 2022 | - | |
| Amortisation | 14.28 | - |
| Disposals/Transfers | - | - |
| At 31 March 2023 | 14.28 | - |
| Amortisation | 34.34 | - |
| Disposals/Transfers | - | - |
| At 31 March 2024 | 48.62 | - |
| Net carrying amount | | |
| At 31 March 2024 | 1,31.74 | - |
| At 31 March 2023 | 1,66.08 | - |
| At 31 March 2022 | - | 1,49.12 |

Note 5.1 - Amortisation

Amortisation is calculated over the estimated useful life of the asset. Refer Accounting policy no. 3.1.2 of the company for the method of amortisation. The company is amortizing the other intangible assets - software over a period of 5 years

Note 5.2 - Impairment of assets

Refer Note No. 49 for disclosure relating to impairment of assets

Note 5.3 - Restriction on title - Nil

Note 5.4 - Contractual Commitments

Refer Note No. 37 for outstanding contractual commitments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

Note 5.5: Intangible assets under development ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars | Amount in Intangible assets under development for a period of | | | | | |
|----------------------|---|---------|-----------|-----------|-------------------|-------|
| | As at | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 31 st March 24 | - | - | - | - | - |
| | 31 st March 23 | - | - | - | - | - |

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 6 : Right-of-use assets

| | Leasehold Land | Plant and Machinery | Total |
|----------------------------------|----------------|---------------------|---------|
| Gross carrying amount | | | |
| At 1 April 2022 | - | 4,43.00 | 4,43.00 |
| Additions/Transfers | 9.35 | - | 9.35 |
| Disposals/ Transfers | - | - | - |
| At 31 March 2023 | 9.35 | 4,43.00 | 4,52.35 |
| Additions/Transfers | 5,11.01 | - | 5,11.01 |
| Disposals/ Transfers | - | - | - |
| At 31 March 2024 | 5,20.36 | 4,43.00 | 9,63.36 |
| Accumulated Depreciation | | | |
| At 1 April 2022 | - | 2,32.76 | 2,32.76 |
| Depreciation charge for the year | 1.10 | 38.06 | 39.16 |
| Disposals/Transfers | - | - | - |
| At 31 March 2023 | 1.10 | 2,70.82 | 2,71.92 |
| Depreciation charge for the year | 76.45 | 31.16 | 1,07.61 |
| Disposals/Transfers | - | - | - |
| At 31 March 2024 | 77.55 | 3,01.98 | 3,79.53 |
| Net carrying amount | | | |
| At 31 March 2024 | 4,42.81 | 1,41.02 | 5,83.83 |
| At 31 March 2023 | 8.25 | 1,72.18 | 1,80.43 |
| At 31 March 2022 | - | 2,10.24 | 2,10.24 |

Note 6.1 Depreciation has been charged to ROU assets over the useful life of the assets and is included under depreciation and amortisation expenses in statement of profit and loss. Refer Accounting policy no. 3.11 of the company

Note 6.2:- Disclosures relating to lease and ROU assets - Refer Note No. 38

| Category of ROU asset | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-24 | | 31-Mar-23 | |
|-----------------------|---------------------------|--------------------------|---------------------------|--------------------------|------------------------|---------------------|------------------------|---------------------|
| | Depreciation for the year | Accumulated depreciation | Depreciation for the year | Accumulated depreciation | Additions for the year | Net carrying amount | Additions for the year | Net carrying amount |
| Land | 76.45 | 77.55 | 1.10 | 1.10 | 5,11.01 | 4,42.81 | 9.35 | 8.25 |
| Plant and Machinery | 31.16 | 3,01.98 | 38.06 | 2,70.82 | - | 1,41.02 | - | 1,72.18 |
| Total | 1,07.61 | 3,79.53 | 39.16 | 2,71.92 | 5,11.01 | 5,83.83 | 9.35 | 1,80.43 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | | | | | As at 31 st March 2024 | As at 31 st March 2023 |
|--|----------|---------------|-----------------|---------------|--------------------------------------|--------------------------------------|
| NOTE 7 | | | | | | |
| INVESTMENTS | | | | | | |
| | Currency | Face value | Number of units | | Amount (Rs. Lakhs) | |
| | | | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Non Current | | | | | | |
| (i) Investment carried at Cost | | | | | | |
| Investments in Equity Instruments | | | | | | |
| A) In Wholly owned subsidiary companies (Unquoted) | | | | | | |
| AVT Natural Europe Limited, UK, fully paid up | GBP | 1 | 1,53,50,00 | 1,53,50,00 | 14,60.63 | 14,60.63 |
| AVT Natural SA DE CV, Mexico, fully paid up | MXN | 1 | 5,21,68,55 | 5,21,68,55 | 1,85.91 | 1,85.91 |
| AVT Natural FZCO, Dubai, fully paid up | AED | 1000 | 22,30 | - | 5,04.13 | - |
| (ii) Investment stated at fair value through profit and loss | | | | | | |
| Investments in Equity Instruments | | | | | | |
| A) In others (Unquoted) | | | | | | |
| Kerala Enviro Infrastructure Limited fully paid up | Rs. | 10 | - | 10,000 | - | 1.00 |
| Total | | | | | 21,50.67 | 16,47.54 |
| Aggregate amount of unquoted investments | | | | | 21,50.67 | 16,47.54 |
| Aggregate amount of impairment in value of investments | | | | | - | - |
| Current | | | | | | |
| (i) Investment at fair value through profit and loss (at NAV) | | | | | | |
| A) Investment in Mutual Funds (unquoted) | | | | | | |
| Equity Arbitrage Fund - Growth (Bandhan Mutual Fund) | Rs. | | 1,13,88,40.58 | 2,64,89,18.00 | 4,00.64 | 8,70.71 |
| Money Market Fund - Growth (HDFC Mutual Fund) | Rs. | | 2,38,58.64 | 2,38,58.64 | 12,42.59 | 11,55.77 |
| Equity Arbitrage Fund - Growth (HDFC Mutual Fund) | Rs. | | 11,77,14,97.05 | 4,99,55,20.95 | 33,06.26 | 13,04.58 |
| Equity Arbitrage Fund - Growth (ICICI Mutual Fund) | Rs. | | 10,65,97,20.87 | 4,28,96,18.64 | 33,51.63 | 12,54.37 |
| Equity Arbitrage Fund - Growth (Kotak Mutual Fund) | Rs. | | 9,79,48,13.82 | 3,94,28,93.20 | 33,60.23 | 12,54.43 |
| Equity Arbitrage Fund - Growth (SBI Mutual Fund) | Rs. | | 3,24,20,85.68 | - | 10,04.60 | - |
| Total | | | | | 1,26,65.95 | 58,39.86 |
| For Related Party disclosure, refer Note No. 36 | | | | | | |
| Refer Note No. 41 for classification of Financial Instruments | | | | | | |
| Aggregate carrying amount of unquoted investments | | | | | 1,26,65.95 | 58,39.86 |
| Aggregate amount of impairment in value of investments | | | | | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 8 | | |
| OTHER FINANCIAL ASSETS | | |
| (Unsecured, considered good unless stated otherwise) | | |
| A) Non Current | | |
| Deposits with Govt. Authorities - Refer Note 37 | 2,59.80 | 2,02.12 |
| Deposits with Others | 94.34 | 93.70 |
| Total | 3,54.14 | 2,95.82 |
| B) Current | | |
| Deposits for short term leases | 2,09.83 | 2,05.85 |
| Interest accrued on deposits | 61.57 | 53.32 |
| Total | 2,71.40 | 2,59.17 |

Refer Note No. 41 for classification of Financial Instruments

| | | |
|-------------------------------------|-----------------|-----------------|
| NOTE 9 | | |
| (Unsecured, Considered good) | | |
| OTHER ASSETS | | |
| A) Non Current | | |
| Capital Advances | 1.84 | 11.36 |
| Deposits with Govt Authorities | 1,96.64 | 1,41.05 |
| Receivable from Govt. Authorities | 18.74 | 18.74 |
| Total non-current assets | 2,17.22 | 1,71.15 |
| B) Current | | |
| Export incentive receivable | - | 1.85 |
| Advance to suppliers | 4,69.02 | 2,23.55 |
| Other Advances | 18.19 | 45.49 |
| Prepaid expenses | 1,92.68 | 1,82.72 |
| GST Input Receivable | 13,09.48 | 16,39.79 |
| Total current assets | 19,89.37 | 20,93.40 |

| | | |
|--|-------------------|-------------------|
| NOTE 10 | | |
| INVENTORIES | | |
| Inventories at the lower of cost and net realisable value | | |
| Raw Materials* | 49,10.06 | 40,90.08 |
| Finished goods | 57,30.01 | 93,08.25 |
| Stock in process | 78,13.17 | 45,51.95 |
| Stores, Spares and packing material | 17,87.72 | 15,65.65 |
| Total inventories | 2,02,40.96 | 1,95,15.93 |

* Includes goods in transit of raw materials amounting to Rs. 311.76 lakhs (31 March 2023:Rs 133.81 Lakhs)

Note 10.1: Carrying amount of inventories pledged as security for liabilities 2,02,40.96 1,95,15.93

Note 10.2: Write down/back to inventory recognised in cost during the year 12.89 11.38

Note 10.3: There are no raw materials and components with third parties as on 31st March 2024 (31st March 2023: Nil)

Note 10.4: Valuation of Inventories has been made as per Company's Accounting Policy No. 3.3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| NOTE 11 | | |
| TRADE RECEIVABLES | | |
| Current | | |
| (Unsecured) | | |
| (a) Considered Good* | 1,10,56.66 | 1,29,60.58 |
| Less: Allowance for doubtful trade receivables | - | - |
| | <u>1,10,56.66</u> | <u>1,29,60.58</u> |
| (b) Credit impaired | - | - |
| Less: Allowance for doubtful trade receivables | - | - |
| Total | <u>1,10,56.66</u> | <u>1,29,60.58</u> |

* includes receivable from subsidiary companies (Refer note 36)

| | | |
|--|----------|----------|
| Note 11.1: Dues from related parties includes dues from companies where directors are interested | 24,22.02 | 30,91.86 |
|--|----------|----------|

| | | |
|---|-------|---|
| Note 11.2: Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note No 43 | 13.30 | - |
|---|-------|---|

Note 11.3: Refer Note No. 41 for classification of Financial Instruments

The movement in allowance for bad and doubtful debts is as follows:

| | | |
|---|----------|----------|
| Opening provision for doubtful debts | - | - |
| Add- Provision made during the year (Net) | - | - |
| Less- Reversals made during the year | - | - |
| Closing provision for doubtful debts | <u>-</u> | <u>-</u> |

Trade Receivables ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars | As at | Outstanding for following periods from due date of payment | | | | | | |
|--|---------------------------------|--|--------------------|-------------------|--------------|-----------|-------------------|-------------------|
| | | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 31 st March 24 | - | 1,10,21.00 | - | 35.66 | - | - | 1,10,56.66 |
| | 31 st March 23 | 88,32.47 | 40,48.43 | 79.68 | - | - | - | 1,29,60.58 |
| Total | 31st March 24 | - | 1,10,21.00 | - | 35.66 | - | - | 1,10,56.66 |
| | 31st March 23 | 88,32.47 | 40,48.43 | 79.68 | - | - | - | 1,29,60.58 |
| Less : Allowance for Trade Receivable | 31 st March 24 | - | - | - | - | - | - | - |
| | 31 st March 23 | - | - | - | - | - | - | - |
| Net Trade Receivable | 31st March 24 | - | 1,10,21.00 | - | 35.66 | - | - | 1,10,56.66 |
| | 31st March 23 | 88,32.47 | 40,48.43 | 79.68 | - | - | - | 1,29,60.58 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 12 | | |
| CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 6.76 | 5.19 |
| Balances with bank in current account | 9,48.66 | 5,29.73 |
| Total Cash and cash equivalents as per balance sheet | 9,55.42 | 5,34.92 |

Note 12.1: There are no repatriation restrictions with respect to cash and cash equivalents

NOTE 12A

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with banks:

| | | |
|--|----------------|----------------|
| Margin money deposit* | 81.45 | 81.45 |
| Ear Marked balances - Unpaid dividend | 1,60.39 | 1,78.62 |
| Deposits with original maturity for more than 3 months but less than 12 months | 0.85 | 0.85 |
| Bank balances other than cash and cash equivalents | 2,42.69 | 2,60.92 |
| Less : Term deposit with bank maturing after 12 months from the Balance Sheet date | - | - |
| Total | 2,42.69 | 2,60.92 |

* Given as margin money for Letter of Credits & Bank Guarantees

Refer Note No. 41 for classification of Financial Instruments

NOTE 13

LOANS

Current at amortized cost

(Unsecured, considered good)

| | | |
|---|--------------|--------------|
| Loans to employees | 17.16 | 25.52 |
| Less: Allowances for credit Impaired loans to employees | - | - |
| Total | 17.16 | 25.52 |

Refer Note No. 41 for classification of Financial Instruments

NOTE 14

SHARE CAPITAL

A. Authorised Share Capital

| | | |
|--|----------|----------|
| 159,900,000 (31 March 2023: 159,900,000) equity shares of Rs. 1 each | 15,99.00 | 15,99.00 |
| 1,000 (31 March 2023: 1,000) - 12% Redeemable Cumulative Preference Shares of Rs.100 each | 1.00 | 1.00 |
| 3,000,000 (31 March 2023: 3,000,000)- 7% Redeemable Cumulative Preference Shares of Rs.10 each | 3,00.00 | 3,00.00 |

B. Issued, Subscribed & Paid Up

| | | |
|--|----------|----------|
| 152,284,000 (31 March 2023: 152,284,000) equity shares of Rs. 1 each | 15,22.84 | 15,22.84 |
|--|----------|----------|

C. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders

in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

D. Shares reserved under option and contract/commitments for sale of shares/disinvestment - Nil (31st March 2023 - Nil)

E. The aggregate value of calls unpaid (including Directors and Officers of the Company) - Nil (31st March 2023 - Nil)

F. There were no bonus share issue/ buy back of shares in the immediately preceding 5 years.

G. The Company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash.

H. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Number of shares | Amount |
|--|---------------------|-----------------|
| As at 1 April 2022 | 15,22,84,000 | 1,522.84 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance as at April 1, 2022 | 15,22,84,000 | 1,522.84 |
| Increase /(decrease) during the year | - | - |
| As at 31 March 2023 | 15,22,84,000 | 1,522.84 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance as at April 1, 2023 | 15,22,84,000 | 1,522.84 |
| Increase /(decrease) during the year | - | - |
| As at 31 March 2024 | 15,22,84,000 | 1,522.84 |

I. Disclosure of shareholding of promoters and percentage of change during the year.

| Promoters Name | 31-Mar-24 | | | 31-Mar-23 | | |
|--|---------------------|---------------|--------------------------|---------------------|---------------|--------------------------|
| | No. of Shares held | % of Holding | % Change During the year | No. of Shares held | % of Holding | % Change During the year |
| Neelamalai Agro Industries Limited | 6,09,13,600 | 40.00% | - | 6,09,13,600 | 40.00% | - |
| The Midland Rubber & Produce Company Limited | 4,54,52,175 | 29.85% | - | 4,54,52,175 | 29.85% | - |
| The Nelliampathy Tea & Produce Company Limited | 60,91,360 | 4.00% | - | 60,91,360 | 4.00% | - |
| Ajit Thomas | 15,22,840 | 1.00% | - | 15,22,840 | 1.00% | - |
| Shanthi Thomas | 1,81,000 | 0.12% | - | 1,81,000 | 0.12% | - |
| Ashwin Thomas | 52,000 | 0.03% | - | 52,000 | 0.03% | - |
| Total | 11,42,12,975 | 75.00% | - | 11,42,12,975 | 75.00% | - |

J. Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | 31-Mar-24 | | 31-Mar-23 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Neelamalai Agro Industries Limited | 6,09,13,600 | 40.00% | 6,09,13,600 | 40.00% |
| The Midland Rubber & Produce Company Limited | 4,54,52,175 | 29.85% | 4,54,52,175 | 29.85% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

K. Dividends - Refer Note No. 48 for the details relating to the dividends distributed during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 15 OTHER EQUITY

| Name of the reserve | Reserves & Surplus | | | | Items of Other Comprehensive Income | |
|--|--------------------|-------------------|-------------------|---|-------------------------------------|-------------------|
| | Capital Reserve | General Reserve | Retained Earnings | Remesurment of post employment benifit obligations through other comprehensive income | Cash flow Hedging Reserve | Total |
| At 1 April 2022 | 0.35 | 2,52,01.88 | 1,15,81.49 | (2,07.36) | (91.75) | 3,64,84.61 |
| Changes in accounting policy or prior period items | - | - | - | - | - | - |
| Restated balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,15,81.49 | (2,07.36) | (91.75) | 3,64,84.61 |
| Profit for the year | - | - | 75,04.07 | - | - | 75,04.07 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | 9.17 | - | 9.17 |
| Other Comprehensive income for the year, net of Income tax | - | - | - | - | 5.32 | 5.32 |
| Total comprehensive income for the year | - | - | 75,04.07 | 9.17 | 5.32 | 75,18.56 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - |
| Dividends paid including dividend distribution tax | - | - | (15,22.84) | - | - | (15,22.84) |
| As at 1st April 2023 | 0.35 | 2,77,01.88 | 1,50,62.72 | (1,98.19) | (86.43) | 4,24,80.33 |
| Changes in accounting policy or prior period items | - | - | - | - | - | - |
| Restated balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,50,62.72 | (1,98.19) | (86.43) | 4,24,80.33 |
| Profit for the year | - | - | 46,37.36 | - | - | 46,37.36 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | (13.17) | - | (13.17) |
| Other Comprehensive income for the year, net of Income tax | - | - | - | - | 57.81 | 57.81 |
| Total comprehensive income for the year | - | - | 46,37.36 | (13.17) | 57.81 | 46,82.00 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - |
| Dividend paid | - | - | (13,70.56) | - | - | (13,70.56) |
| At 31 March 2024 | 0.35 | 3,02,01.88 | 1,58,29.52 | (2,11.36) | (28.62) | 4,57,91.77 |

Nature and purpose of other reserves

- Capital Reserve** - Reserve of capital nature taken to this head under the erstwhile GAAP.
- General Reserve** - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Cash flow Hedging Reserve:** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| NOTE 16 | | |
| BORROWINGS | | |
| Non Current | | |
| Term Loans from banks | 8,05.00 | 11,85.00 |
| Total | 8,05.00 | 11,85.00 |
| Less: Current Maturities of Long Term Debt clubbed under "Short term borrowings" | 3,10.00 | 3,80.00 |
| Net Non Current Borrowings | 4,95.00 | 8,05.00 |
| Current | | |
| Loan repayable on demand | | |
| Current Maturities of Long Term Debt | 3,10.00 | 3,80.00 |
| Loan repayable on demand | | |
| Packing Credit from Banks (*) - floating rate - ~ 5.80 to ~ 7.00% p.a | - | - |
| Total | 3,10.00 | 3,80.00 |
| Aggregate secured loans | 8,05.00 | 11,85.00 |
| Aggregate unsecured loans | - | - |

Foot Note:

1. Term loan from banks

- (i) Term Loan 1: The company had availed a term loan for a period of five years with half yearly instalments, last instalment repayment date is July 2024. Secured by first charge on 27.01 acres of leasehold land and movable fixed assets and buildings (value of buildings and movable fixed assets being Rs. 3,498 Lakhs). Rate of Interest - 9.70% p.a (31st March 2023 - 9.45% p.a.)
- (ii) Term Loan 2: The company has taken an additional term loan for a period of six years including a moratorium of 1 year. The loan is repayable in 10 equal half yearly instalments with repayment commencing from February 2024 and the last instalment due being August 2028. Secured by first charge on assets created out of the term loan. Rate of Interest - 8.75% p.a. (31st March 2023 - 7.15% p.a)

Packing Credit from Banks (*)

Packing credit from banks secured by

- hypothecation of present and future current assets including stocks, semi-finished goods, finished goods, consumables, stores, spares, book debts.
- 15% margin on sight import letter of credit and performance guarantee
- In some cases second pari passu charge by way of hypothecation and mortgage of movable and immovable assets of the Company, second charge on entire fixed assets of the Company including EM, In some cases demand promissory note, hypothecation of book debts, letter of containing security, deposit of letter of credit

Period and amount of default as on 31st March 2024 - Nil (31st March 2023 - Nil)

No loans have been guaranteed by Directors or Others

2. The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| | | |
|-----------------------|-----------------|-----------------|
| Fund Based facilities | 85,55.00 | 89,35.00 |
| Non Fund facilities | 33,76.00 | 33,76.00 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| 3. Net debt reconciliation | | |
| Net debt | | |
| Cash and cash equivalents | 9,55.42 | 5,34.92 |
| Current Investment | 1,26,65.95 | 58,39.86 |
| Non Current & Current Borrowings | (8,05.00) | (11,85.00) |
| Non-current and current lease liabilities | (5,67.42) | (2,85.92) |
| Net (debt)/ Cash & Cash Equivalents | <u>1,22,48.95</u> | <u>49,03.86</u> |

| Finance Cost | Accrued during the Year | | Paid during the Year | |
|-------------------------------------|-------------------------|----------------|----------------------|----------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Interest on borrowings | 1,94.85 | 2,03.17 | 1,94.85 | 2,03.17 |
| Bank Charges on borrowings | 1,90.77 | 1,65.97 | 1,90.77 | 1,65.97 |
| Unwinding interest on finance lease | 34.57 | 18.76 | 34.57 | 18.76 |
| Total | 4,20.19 | 3,87.90 | 4,20.19 | 3,87.90 |

| | Other Assets | | Borrowings and leases | | Total Net borrowings |
|--|---------------------------|-----------------------|------------------------------|-------------------|----------------------|
| | Cash and cash equivalents | "Current Investments" | Short / Long Term Borrowings | Lease liabilities | |
| Net (debt)/ Cash & Cash Equivalents as at 1st April 2022 | 4,40.23 | 28,33.60 | (7,50.00) | (3,21.01) | 22,02.82 |
| Cash inflow | 94.69 | 30,06.26 | (4,35.00) | - | 26,65.95 |
| Cash Outflow | - | - | - | 53.85 | 53.85 |
| Unrealised fair value gains on current investments | - | - | - | - | - |
| Interest expense | - | - | 3,69.14 | (18.76) | 350.38 |
| Interest paid | - | - | (3,69.14) | - | (3,69.14) |
| (Net debt)/ Cash & Cash Equivalents as at 31 March 2023 | 5,34.92 | 58,39.86 | (11,85.00) | (2,85.92) | 49,03.86 |
| Net (debt)/ Cash & Cash Equivalents as at 1st April 2023 | 5,34.92 | 58,39.86 | (11,85.00) | (2,85.92) | 49,03.86 |
| Cash inflow | 4,20.50 | 68,26.09 | - | - | 72,46.59 |
| Cash outflow | - | - | 3,80.00 | (3,16.07) | 63.93 |
| Unrealised fair value gains on current investments | - | - | - | - | - |
| Interest expense | - | - | 3,85.62 | 34.57 | 4,20.19 |
| Interest paid | - | - | (3,85.62) | - | (3,85.62) |
| (Net debt)/ Cash & Cash Equivalents as at 31 March 2024 | 9,55.42 | 1,26,65.95 | (805.00) | (567.42) | 1,22,48.95 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 17 | | |
| LEASE LIABILITY | | |
| Non Current | | |
| Lease liability - fixed rate of 9.p.a. | 5,67.42 | 2,85.92 |
| Less: Current maturities of leases | 50.71 | 43.84 |
| | <u>5,16.71</u> | <u>2,42.08</u> |
| Current | | |
| Lease liability - fixed rate of 9.p.a. | 50.71 | 43.84 |
| | <u>5,67.42</u> | <u>2,85.92</u> |
| Note 17. 1 Lease Liability | | |
| Lease liability loan is for the period of 10 years. The same is payable in monthly instalments with last repayment date as July 2029. The lease liability is secured by Plant and Machinery taken on lease. | | |
| During the year, the company has taken various land on lease for a period of 5 years. The lease rents are payable as per the terms of the lease and the last repayment is for the year ended 31 st March 2029. | | |
| Note 17.2: Refer Note No. 6 for disclosure of ROU assets. | | |
| Note 17.3: Refer Note No. 38 for disclosure of leases | | |
| Note 17.4: Refer Note No. 41 for classification of Financial Instruments | | |
| NOTE 18 | | |
| PROVISIONS | | |
| Non Current | | |
| Provision for Gratuity (funded) | - | - |
| Provision for Compensated absences (unfunded) | 4,68.87 | 4,02.71 |
| Total non-current provisions | <u>4,68.87</u> | <u>4,02.71</u> |
| Current | | |
| Provision for Gratuity (funded) | 6,04.54 | 5,80.29 |
| Provision for Compensated absences (unfunded) | 1,34.06 | 1,20.30 |
| Provision for other taxes | 3,97.55 | 3,39.70 |
| Total current provisions | <u>11,36.15</u> | <u>10,40.29</u> |
| Note 18.1 : Refer Note 35 for disclosures on employee benefits | | |
| NOTE 19 | | |
| DEFERRED TAX LIABILITY | | |
| Components of Deferred tax | | |
| Deferred Tax Liability | | |
| On Account of depreciation | 1,76.07 | 3,07.40 |
| On account of fair valuation of investments | 2,32.61 | 93.48 |
| (A) | <u>4,08.68</u> | <u>400.88</u> |
| Deferred Tax Asset | | |
| Provisions for gratuity and compensated absences | 3,03.89 | 2,77.68 |
| On account of hedge reserve | 9.62 | 29.07 |
| On Account of Lease liabilities and right-of-use assets | 2.49 | - |
| (B) | <u>3,16.01</u> | <u>3,06.75</u> |
| Deferred Tax Liability (net) (A-B) | <u>92.67</u> | <u>94.13</u> |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 20 | | |
| TRADE PAYABLES | | |
| Current | | |
| Due to micro and small enterprises (Refer Foot notes (i)) | 4,08.26 | 70.16 |
| Due to other than micro and small enterprises | | |
| - Related parties (Refer note 36) | 8,37.11 | 1,09.13 |
| - Other payables | 57,72.57 | 29,04.34 |
| Total of due to other than micro and small enterprises | 66,09.68 | 30,13.47 |
| Total trade payables | 70,17.94 | 30,83.63 |

Footnotes:

- (i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Also, refer Note 39 for details on the required disclosures.

Refer Note No. 41 for classification of Financial Instruments

TRADE PAYABLE AGEING SCHEDULE FOR THE YEAR ENDED MARCH 31, 2024 AND MARCH 31, 2023 IS AS FOLLOWS:

| Particulars* | As at | Outstanding for following periods from date of transaction | | | | | |
|---|---------------------------------|--|---------------------|----------------|--------------|----------------------|-----------------|
| | | Unbilled | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed dues – Micro and small enterprises | 31 st March 24 | - | 4,08.26 | - | - | - | 4,08.26 |
| | 31 st March 23 | - | 70.16 | - | - | - | 70.16 |
| (ii) Undisputed dues – Medium enterprises | 31 st March 24 | - | 15,36.22 | - | - | - | 15,36.22 |
| | 31 st March 23 | - | - | - | - | - | - |
| (iii) Undisputed dues – Other than MSME | 31 st March 24 | 4,93.78 | 35,09.91 | 9,14.67 | 70.00 | 85.11 | 50,73.46 |
| | 31 st March 23 | 3,08.00 | 21,92.47 | 4,22.91 | 38.14 | 51.95 | 30,13.47 |
| Total | 31st March 24 | 4,93.78 | 54,54.38 | 9,14.67 | 70.00 | 85.11 | 70,17.94 |
| | 31st March 23 | 3,08.00 | 22,62.63 | 4,22.91 | 38.14 | 51.95 | 30,83.63 |

*There are not disputed dues to MSME or other than MSME vendors.

NOTE 21

OTHER FINANCIAL LIABILITIES

Current

| | | |
|---|----------------|---------------|
| Foreign exchange forward contracts | 6.81 | 2,41.53 |
| Employee related liabilities | 3,69.60 | 3,68.20 |
| Unpaid dividend | 1,60.39 | 1,78.62 |
| Other payables - Related to employee welfare | 1.87 | 1.81 |
| Refer Note 41 for classification of Financial Instruments | | |
| Total | 5,38.67 | 790.16 |

NOTE 22

OTHER LIABILITIES

Current

| | | |
|--|----------------|----------------|
| Statutory dues | 1,16.61 | 1,16.01 |
| Advance from customers | 1,95.80 | 2,40.73 |
| Other payables - Related to employee welfare | 3.78 | 4.04 |
| Deposits from contractors | 5.10 | 5.10 |
| Total | 3,21.29 | 3,65.88 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 23 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Products | 4,94,39.00 | 5,71,30.52 |
| Job work income | 8,92.32 | 10,94.75 |
| Total Revenue from Operations | 5,03,31.32 | 5,82,25.27 |
| Revenue disaggregated by products and services | | |
| Sale of products | | |
| Marigold extracts | 1,78,98.69 | 2,54,52.31 |
| Spices extracts | 1,40,22.02 | 1,49,86.48 |
| Instant Tea & de-Caffeinated Tea | 1,58,43.32 | 1,49,16.11 |
| Animal Nutrition | 16,74.97 | 17,75.62 |
| Sale of services | | |
| Job work income | 8,92.32 | 10,94.75 |
| | 5,03,31.32 | 5,82,25.27 |
| Revenue disaggregation by geography: | | |
| America | 2,13,76.10 | 2,94,43.27 |
| Europe | 1,16,90.04 | 1,85,16.13 |
| India | 30,09.94 | 43,17.96 |
| Others | 1,42,55.24 | 59,47.91 |
| | 5,03,31.32 | 5,82,25.27 |
| Geographical revenue is allocated based on the location of the customers. | | |
| Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price | | |
| Revenue as per contracted price | 5,06,94.76 | 5,85,42.17 |
| Less: Sales returns | (3,63.44) | (3,16.90) |
| Revenue from contracts with customers | 5,03,31.32 | 5,82,25.27 |
| Information on satisfaction of performance obligation is disclosed in Note No. 45 | | |
| NOTE 24 | | |
| OTHER INCOME | | |
| Net gain on disposal / fair valuation of investments carried at fair value through profit or loss | 7,36.42 | 2,10.07 |
| Foreign exchange differences (net) | 3,72.90 | 4.49 |
| Sundry creditors written back | 55.75 | - |
| Commission on Corporate Guarantee (Refer Note No.36) | 35.19 | - |
| Interest income on financial assets measured at amortised cost | 12.64 | 9.80 |
| Net gain on sale of property, plant and equipment | - | 0.25 |
| Insurance Claim | 4.67 | 3.47 |
| Miscellaneous income | 0.85 | 3.65 |
| Total other income | 12,18.42 | 2,31.73 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 25 | | |
| CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS | | |
| Inventory at the beginning of the year | | |
| Finished Goods | | |
| - Processed | 93,08.25 | 90,48.30 |
| Stock in process | 45,51.95 | 12,08.90 |
| | <u>1,38,60.20</u> | <u>1,02,57.20</u> |
| Less: inventory at the end of the year | | |
| Finished Goods | | |
| - Processed | 57,30.01 | 93,08.25 |
| Stock in process | 78,13.17 | 45,51.95 |
| Stock in transit of Finished Goods | - | - |
| | <u>1,35,43.18</u> | <u>1,38,60.20</u> |
| Net (Increase)/Decrease | <u>3,17.02</u> | <u>(36,03.00)</u> |
| NOTE 26 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages and bonus** | 49,38.33 | 50,21.33 |
| Contribution to provident and other funds* | 5,65.62 | 5,26.60 |
| Staff welfare expenses | 5,09.35 | 5,15.24 |
| Total | <u>60,13.30</u> | <u>60,63.17</u> |
| *Refer to Note 35 for details on employee benefits | | |
| The above includes | | |
| - Salaries, wages and bonus includes net incremental leave encashment provision | 79.92 | 3.19 |
| - Contribution to provident and other funds includes net incremental gratuity provision | 1,54.08 | 1,36.03 |
| **The above includes Directors sitting fee | 10.75 | 8.90 |
| NOTE 27 | | |
| FINANCE COSTS | | |
| Interest expense on financial liabilities measured at amortized cost: | | |
| On Term loans | 93.61 | 91.40 |
| On Packing credit | 1,01.24 | 1,11.77 |
| Other finance costs including bank charges | 1,90.77 | 1,65.97 |
| Interest on lease liabilities | 34.57 | 18.76 |
| Interest due to Micro and Small enterprises* | 0.26 | 0.15 |
| Interest on income tax | - | 27.28 |
| Total | <u>4,20.45</u> | <u>4,15.33</u> |

* The information regarding dues to Micro and small enterprises are disclosed in Note No. 39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 28 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation on property, plant and equipments | 12,42.39 | 12,82.14 |
| Amortisation on other Intangible assets | 34.34 | 14.28 |
| Depreciation on right-of-use assets | 1,07.61 | 39.17 |
| | <u>13,84.34</u> | <u>13,35.59</u> |
| NOTE 29 | | |
| OTHER EXPENSES | | |
| Consumption of stores, spares and packing materials | 34,07.57 | 44,29.53 |
| Freight and Forwarding charges | 16,83.27 | 22,99.60 |
| Power and fuel | 35,25.53 | 49,63.28 |
| Commission | 5,59.23 | 1,05.66 |
| Crop promotional and agro meeting expense | 3,81.93 | 18.87 |
| Product testing charges | 3,60.52 | 2,66.83 |
| Travelling and conveyance | 3,36.37 | 3,39.07 |
| Legal and professional fees | 2,79.94 | 2,74.77 |
| Processing Charges | 1,56.34 | 1,11.00 |
| Security Service Charges | 1,12.72 | 94.88 |
| Short term leases | 6,40.46 | 5,91.20 |
| Rates and taxes | 1,95.81 | 82.86 |
| Insurance | 1,53.09 | 1,71.97 |
| Repairs and maintenance | | |
| Plant and machinery | 6,92.38 | 9,73.84 |
| Buildings | 76.01 | 1,05.23 |
| Vehicles | 1,29.80 | 1,48.50 |
| Others | 4,17.24 | 6,02.12 |
| CSR expenditure (Refer Note No. 30) | 1,67.63 | 1,31.96 |
| Donations and charity | 51.05 | 1,00.49 |
| Advertisement | 7.15 | 5.48 |
| Postage and telephones | 46.75 | 55.09 |
| Printing and stationery | 55.18 | 46.10 |
| Payment to auditor (Refer Note No. 31) | 34.29 | 31.34 |
| Miscellaneous expenses | 10,50.99 | 6,49.91 |
| Total | <u>1,45,21.25</u> | <u>1,65,99.58</u> |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|---|---|
| NOTE 30 | | |
| CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE: | | |
| (a) Amount required to be spent as per Section 135 of the Act by the Company | 1,67.07 | 1,31.74 |
| (b) Amount spent during the year on: | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 1,67.63 | 1,31.96 |
| (c) shortfall at the end of the year | - | - |
| (d) total of previous years shortfall | - | - |
| (e) reason for shortfall | Not applicable | Not applicable |
| (f) nature of CSR activities | Support for Drinking water, scholarship programme, infrastructure support, support for children and old age | Support for Drinking water, scholarship programme, infrastructure support, support for children and old age |
| (g) details of related party transactions | - | - |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | N.A | N.A |
| Note 31 | | |
| PAYMENT MADE TO STATUTORY AUDITORS: | | |
| As Auditor: | | |
| Statutory Audit | 17.00 | 17.00 |
| Tax Audit | 5.65 | 5.65 |
| In Other Capacity | | |
| Taxation Matters | 5.00 | 4.85 |
| Certification | 5.29 | 3.09 |
| Reimbursement of expenses | 1.35 | 0.75 |
| Total | 34.29 | 31.34 |
| NOTE 32 | | |
| INCOME TAX | | |
| The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:: | | |
| Statement of profit and loss: | | |
| Income tax | 16,50.00 | 27,50.00 |
| Deferred tax | (16.48) | (32.04) |
| Income tax expense reported in the statement of profit or loss | 16,33.52 | 27,17.96 |
| Other Comprehensive Income | | |
| Net (gain)/loss on revaluation of cash flow hedges | (19.44) | (1.79) |
| Net loss/(gain) on remeasurements of defined benefit plans | 4.43 | (3.09) |
| Income tax charged to OCI | (15.01) | (4.88) |
| Reconciliation of tax expense and the accounting profit multiplied by Domestic tax rate for 31 March 2024 and 31 March 2023: | | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Accounting profit before tax (a) | 62,70.88 | 1,02,22.03 |
| Income Tax Rate (b) | 25.17% | 25.17% |
| Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] | 15,78.26 | 25,72.68 |
| Adjustments | | |
| On account of Income Tax relating to Remeasurement of the defined benefit plans | 26.22 | 14.69 |
| On account of Corporate Social Responsibility Costs | 42.19 | 33.21 |
| On account of interest on shortfall in advance tax paid | - | 6.87 |
| On account of donations | 12.85 | 25.29 |
| On account of non-deductible expenses | 1.26 | 5.49 |
| On account of other items | (27.24) | 59.74 |
| Income tax expense reported in the statement of profit and loss | 16,33.53 | 27,17.96 |
| The company has utilised the option given u/s 115BAA and accordingly the tax rate applicable is 25.17%. | | |
| Reconciliation of deferred tax liabilities (net): | | |
| Opening balance as of 1st April 2023 | (94.13) | (1,21.29) |
| Tax income/(expense) during the year recognised in profit or loss | (16.48) | 32.04 |
| Tax income/(expense) during the year recognised in OCI | (15.01) | (4.88) |
| Closing balance as at 31st March 2024 | (1,25.62) | (94.13) |

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Similarly, the Company does not have any intention to dispose of its free hold and lease hold land in the foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

NOTE 33

EARNINGS PER SHARE

| | | |
|---|---------------------|--------------|
| Profit after Taxation in Rs. In Lakhs | 46,37.36 | 75,04.07 |
| Weighted average number of Equity Shares outstanding at the end of the year * | 15,22,84,000 | 15,22,84,000 |
| Nominal value per Equity share | 1.00 | 1.00 |
| Earnings per share (Basic and Diluted) in Rs. | 3.05 | 4.93 |

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

NOTE 34

SEGMENT REPORTING

The Company operates in a single segment, namely solvent extracted products. Even geographically, there is no material separate segment.

Additional Information:

| | | |
|---|-------------------|------------|
| India | 30,09.94 | 43,17.96 |
| Rest of the World | 4,73,21.38 | 5,39,07.31 |
| Total Revenue from Sale of Products and services | 5,03,31.32 | 5,82,25.27 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| NOTE 35 | | |
| EMPLOYEE BENEFITS | | |
| (a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) : | | |
| Provident fund | 2,70.48 | 2,62.96 |
| Superannuation fund | 88.22 | 91.08 |
| (b) The Company operates post retirement defined benefit plans as follows :- | | |
| Gratuity Scheme: | | |
| This is a funded defined benefit plan for qualifying employees for which, the Company is making contributions to the Gratuity Fund managed by Life Insurance Corporation of India. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. | | |
| Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2024:- | | |
| (i) Expense recognized in the statement of profit and loss | | |
| Current Service Cost | 1,17.15 | 1,04.97 |
| Net Interest | 36.93 | 31.06 |
| Expense recognized in the statement of profit and loss | 1,54.08 | 1,36.03 |
| (ii) Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Loss recognized for the period | 25.83 | (1.35) |
| Return on Plan Assets excluding net interest | (8.22) | (10.91) |
| Total Actuarial (Gain)/Loss recognized in (OCI) | 17.61 | (12.26) |
| (iii) Reconciliation of Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 16,33.49 | 14,52.20 |
| Interest Cost | 114.36 | 91.49 |
| Current Service Cost | 117.15 | 1,04.97 |
| Benefits paid | (1,29.65) | (13.82) |
| Actuarial Losses / (Gain) on obligation | 25.83 | (1.35) |
| Closing Defined Benefit Obligation | 17,61.18 | 16,33.49 |
| (iv) Reconciliation of Fair Value of Plan Assets | | |
| Opening Fair Value of Plan Assets | 10,53.19 | 9,27.48 |
| Return on plan assets | 8.22 | 10.91 |
| Interest income | 77.43 | 60.43 |
| Contributions made | 1,47.44 | 68.19 |
| Benefits Paid | (1,29.65) | (13.82) |
| Closing Fair Value of Plan Assets | 11,56.63 | 10,53.19 |
| (v) Reconciliation of Net Liability/ Asset | | |
| Opening Net Benefit Liability | 5,80.30 | 5,24.72 |
| Expense charged to profit and loss | 1,54.08 | 1,36.03 |
| Amount recognized outside profit and loss (in OCI) | 17.61 | (12.26) |
| Employer Contribution | (1,47.44) | (68.19) |
| Closing Net Defined Benefit Liability/ (Asset) - Current | 6,04.55 | 5,80.30 |
| (vi) Amount to be recognized in Balance Sheet and movement in net liability | | |
| Present Value of Funded Obligations | 17,61.18 | 16,33.49 |
| Fair Value of Plan Assets | 11,56.63 | 10,53.19 |
| Net (asset) / Liability - Current | 6,04.55 | 5,80.30 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--|--|
| (vii) Description of Plan Assets | | |
| Funds managed by Insurer | 100% | 100% |
| Grand Total | 100% | 100% |
| (viii) Actuarial Assumptions | | |
| Discount rate (p.a.) | 7.09% | 7.29% |
| Salary Escalation Rate (p.a.) | 12.75% | 12.00% |
| Attrition Rate (p.a.) | 5.00% | 5.00% |
| Expected rate of return on Plan Assets (p.a.) | 7.09% | 7.29% |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Ult | Indian Assured Lives Mortality (2012-14) Ult |

The discount rates are based on the benchmark yields available on government bonds at the valuation date with terms matching that of the liabilities and salary increases rates take into account inflation, Seniority, Promotion and other relevant factors.

| | | | | | |
|---|-------------------|------------|------------|------------|------------|
| (ix) Assets liability comparison | 31-03-2024 | 31-03-2023 | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Present value obligation at the end of the period | 17,61.18 | 16,33.49 | 14,52.21 | 13,31.70 | 11,76.87 |
| Plan assets | 11,56.63 | 10,53.19 | 9,27.48 | 8,29.53 | 7,11.40 |
| Surplus/(Deficit) | (6,04.55) | (5,80.30) | (5,24.73) | (5,02.17) | (4,5.47) |
| Experience adjustments on plan assets | 8.22 | 10.91 | 8.11 | 4.04 | 2.46 |

| | | |
|-----------------------------|--------------------------------------|--------------------------------------|
| (x) Expected Pay-out | As at 31 st March 2024 | As at 31 st March 2023 |
| Year 1 | 3,00.20 | 2,97.16 |
| Year 2 | 88.68 | 1,08.04 |
| Year 3 | 92.68 | 84.85 |
| Year 4 | 1,47.49 | 1,04.04 |
| Year 5 | 2,19.63 | 1,37.92 |
| Next 5 years | 9,10.29 | 9,27.07 |

Average Duration of Defined Benefit Obligations - 6.10 years (31 March 2023: 6.39 years)

Projected service costs for next financial year is Rs. 124.50 Lakhs (31 March 2023: Rs. 117.15 Lakhs)

(xi) Effect of Change in Key Assumptions

Discount Rate

| | | |
|--------------------------------------|-----------|-----------|
| Impact of increase in 100 bps on DBO | 110.30 | 1,01.94 |
| Impact of decrease in 100 bps on DBO | (1,25.82) | (1,16.18) |

Salary Escalation Rate

| | | |
|--------------------------------------|-----------|-----------|
| Impact of increase in 100 bps on DBO | (1,15.60) | (1,07.62) |
| Impact of decrease in 100 bps on DBO | 1,03.85 | 96.66 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| (c) Other Long Term Employee Benefits :- | | |
| i) Leave Encashment: | | |
| The company also operates a non funded leave encashment scheme for its employees. | | |
| Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2024:- | | |
| (i) Amount to be recognized in Balance Sheet and movement in net liability | | |
| Present Value of Funded Obligations | 5,19.82 | 5,23.01 |
| Fair Value of Plan Assets | - | - |
| Net (asset) / Liability | 5,19.82 | 5,23.01 |
| (ii) Actuarial Assumptions | | |
| Discount rate (p.a.) | 7.09% | 7.29% |
| Salary Escalation Rate (p.a.) | 12.75% | 12.00% |
| Attrition Rate (p.a) | 5.00% | 5.00% |
| (iii) Effect of Change in Key Assumptions | | |
| Discount Rate | | |
| Impact of increase in 100 bps on DBO | (42.51) | 33.70 |
| Impact of decrease in 100 bps on DBO | (1,30.08) | (38.86) |
| Salary Escalation Rate | | |
| Impact of increase in 100 bps on DBO | (1,26.27) | (36.00) |
| Impact of decrease in 100 bps on DBO | (44.85) | 31.98 |

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Exposure to Risks:

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| As at | As at |
|-----------------------------|-----------------------------|
| 31 st March 2024 | 31 st March 2023 |

NOTE 36

RELATED PARTY TRANSACTIONS

A: Details of related parties:

(a) Directors who held the office during the year:

Mr. Ajit Thomas, Chairman
 Mr. Habib Hussain
 Mr. M.A.Alagappan
 Mr. P.Shankar
 Mr. A.D.Bopana
 Mrs. Shanthi Thomas
 Mrs. Kavitha Vijay

(b) Key Management Personnel (KMP):

Mr. Balasundaram Krishnakumar, President and Manager
 Mr. A. Ramadas, Sr. Vice President and Chief Financial Officer
 Mr. Sharon Josh, Company Secretary

(c) Subsidiaries

AVT Natural Europe Limited, UK
 AVT Natural S.A. DE C.V, Mexico
 AVT Natural North America Inc., USA (step down subsidiary)
 AVT Natural FZCO, Dubai

Entities/Persons with whom transactions carried out / were carried in current / previous year

(d) Entities having significant influence over the reporting entity

The Midland Rubber and Produce Company Limited
 Neelamalai Agro Industries Limited

(e) Entities with common control through board composition / shareholding

AVT Gavia Foods Private Limited
 The Nelliampathy Tea and Produce Company Limited
 A V Thomas & Company Limited
 Midland Corporate Advisory Services Private Limited
 AVT McCormick Ingredients Private Limited
 Midland Charitable Trust
 AVT Leather Inc.

(f) Relatives of the directors

Mr. Rahul Thomas - Son of Mr. Ajit Thomas
 Mr. Ashwin Thomas - Son of Mr. Ajit Thomas
 Mrs. Shabri Roberson - Daughter of Mrs Shanthi Thomas

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

B. Details of related party transactions during the year ended 31 March, 2024

(All amounts are in Rs. lakhs unless otherwise stated)

| S.No. | Particulars | Entities having significant influence | | Subsidiary - AVT Natural Europe Limited, UK | | Subsidiary - AVT Natural SA DE CV MEXICO | | Subsidiary - AVT Natural North America Inc., USA | | Subsidiary - AVT Natural FZCO Dubai | | Directors and other relatives | | "Key Management Personnel (KMP)" | | Entities with common control through board composition / shareholding | |
|-------|---|---------------------------------------|-----------|---|-----------|--|-----------|--|-----------|-------------------------------------|-----------|-------------------------------|-----------|----------------------------------|-----------|---|-----------|
| | | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | <u>Transactions during the year:</u> | | | | | | | | | | | | | | | | |
| 1 | Purchase of finished goods/raw materials | 97.60 | 1,35.73 | 14,26.58 | 14,04.03 | 6,50.17 | - | - | - | - | - | - | - | - | - | 99.11 | 47.97 |
| 2 | Sale of goods / consumables and ingredients | - | - | 90,74.73 | 89,51.40 | 3,75.89 | 2,74.72 | 2.56 | 2.29 | 14,47.15 | - | - | - | - | - | 67.90 | 59.60 |
| 3 | Freight & Transport Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,65.32 | 1,59.55 |
| 4 | Dividend Paid | 9,57.29 | 10,63.66 | - | - | - | - | - | - | - | - | - | - | - | - | 54.82 | 60.91 |
| 5 | Expense reimbursement from related party | - | 0.03 | - | - | - | - | - | - | - | - | - | - | - | - | 7.33 | 15.82 |
| 6 | Expense reimbursement to related party | 94.92 | 12.03 | 1,47.41 | 72.67 | 16.87 | - | 3,16.05 | 2,27.98 | 2,66.21 | - | - | - | - | - | 28.43 | 23.50 |
| 7 | Sales Commission | - | - | - | 43.06 | - | 6.38 | - | - | - | - | - | - | - | - | - | - |
| 8 | Commission on Corporate Guarantee | - | - | 20.70 | - | 14.49 | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Director sitting fees | - | - | - | - | - | - | - | - | - | - | 10.75 | 8.90 | - | - | - | - |
| 10 | Donation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Rent and Maintenance | - | - | - | - | - | - | - | - | - | - | 30.00 | 30.00 | - | - | 50.00 | 1,00.00 |
| 12 | Remuneration* | - | - | - | - | - | - | - | - | - | - | 45.00 | 98.06 | 1,98.47 | 1,79.94 | - | - |
| 13 | Investment in subsidiary | - | - | - | - | - | - | - | - | 5,04.13 | - | - | - | - | - | - | - |

C. Outstanding Balances at the year end

| S.No. | Particulars | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
|-------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Trade receivables | - | 16,59.88 | 30,01.67 | 90.18 | 0.66 | - | 5,88.63 | - | - | - | - | - | 17.11 | - |
| 2 | Trade advance | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Trade payables | 39.46 | 10.33 | 18.01 | - | 70.09 | 41.60 | 1,11.95 | - | - | - | - | - | 1,31.16 | 39.18 |
| 4 | Investments | - | - | - | 1,85.91 | - | - | 5,04.13 | - | - | - | - | - | - | - |

For details relating to corporate guarantees given for subsidiaries, refer Note No 37(e)

* The above figures do not include provisions for compensated leave and gratuity as separate actuarial valuation / premium paid are not available.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 37 | | |
| COMMITMENTS AND CONTINGENCIES | | |
| a) On account of Sales Tax / Value Added tax matters in dispute: | 1,45.16 | 1,45.16 |
| Amount paid to statutory authorities - Rs.71.23 lakhs (31 March 2023: - Rs.71.23 lakhs) | | |
| b) On account of income tax matters in dispute: | 1,73.94 | 1,73.94 |
| Amount paid to statutory authorities - Rs.100.89 lakhs (31 March 2023: - Rs.100.89 lakhs) | | |
| c) On account of Customs Duty matters in dispute: | 77.79 | 77.79 |
| Amount paid to statutory authorities - Rs.30.00 lakhs (31 March 2023: - Rs. 30.00 lakhs) | | |
| d) On account of Goods and Service tax matters in dispute | 16,92.66 | 2,79.30 |
| Amount paid to statutory authorities - Rs.57.68 lakhs (31 March 2023: - Nil) | | |
| e) Corporate Guarantee given for Subsidiaries | 35,30.90 | 34,69.28 |
| Company has given a Corporate Guarantee to a Bank for a loan to the Subsidiaries* (31 March 2024: US \$ 4.25 Million; 31 March 2023: US \$ 4.25 Million) | | |

In all these cases, the company does not foresee any financial implications.

* Exchange rates used as on reporting date 31 March 2024 (PY: exchange rate as on 31 March 2023)

Contractual Commitments

Estimated amount of contracts remaining to be executed on capital account (Property, plant and equipments and other intangible assets net of capital advances and not provided for is Nil (31 March 2023: Rs. 51.60 lakhs).

NOTE 38

LEASES

Company as a lessee

Note 38.1 : The Company has taken on lease equipment and warehouses. Most of the leases include renewal and escalation clauses.

Note 38.2: The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

Operating Lease

| | | |
|--|----------------|----------------|
| Due within one year | 62.46 | 59.24 |
| Due in a period between one year and five years | 5,52.98 | 2,43.88 |
| Due after five years | - | 14.81 |
| Total minimum lease commitments | 6,15.44 | 3,17.93 |
| Lease commitment for short term leases | | |
| Lease commitment for short term leases for non-cancellable period* | 2,18.81 | 1,52.93 |
| Due in a period between one year and five years | - | - |
| Due after five years | - | - |
| Total minimum lease commitments | 2,18.81 | 1,52.93 |

* The leases of Godowns expire on various dates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

Note 38.3 :- The following amounts has been recognised in statement of profit and loss

| | | |
|---|---------|---------|
| Depreciation - Refer Note No. 28 | 1,07.61 | 39.17 |
| Interest expenses - Refer Note No. 27 | 34.57 | 18.76 |
| Expenses relating to short term lease - Refer Note No. 29 | 6,40.46 | 5,91.20 |

Note 38.4 : Net debt reconciliation on leases - Refer Note No. 16(3)

Note 38.5: Leases not yet commenced to which lease is committed. As at 31st March 2024 is Nil
(31st March 2023: Rs. 70.43 lakhs)

NOTE 39

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 19,44.47 | 69.70 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 0.27 | 0.46 |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of the accounting year | 0.27 | 0.46 |
| (v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |

* The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have submitted information to the Company in this regard.

NOTE 40

GUARANTEE GIVEN BY THE COMPANY

Bank Guarantees (other than guarantee given for subsidiaries as detailed in Note 37) of Rs.64.71 Lakhs (31 March 2023: Rs.34.28 Lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the margin money kept with bank of Rs. 6.56 Lakhs (31 March 2023: Rs. 3.75 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

As at
31st March 2024 **As at**
31st March 2023

NOTE 41

FAIR VALUE MEASUREMENT

Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

Financial assets and liabilities

| Particulars | “As at 31 st March 2024” | | | “As at 31 st March 2023” | | |
|--|--|-------------|-------------------|--|----------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial assets (other than investment in subsidiary): | | | | | | |
| Non Current | | | | | | |
| Investments* | - | - | - | 1.00 | - | - |
| Other financial assets | - | - | 3,54.14 | - | - | 2,95.82 |
| Current | | | | | | |
| Investments | 1,26,65.95 | - | - | 58,39.86 | - | - |
| Trade Receivables | - | - | 1,10,56.66 | - | - | 1,29,60.58 |
| Cash and Cash Equivalents | - | - | 9,55.42 | - | - | 5,34.92 |
| Bank Balances other than Cash & Cash Equivalents | - | - | 2,42.69 | - | - | 2,60.92 |
| Loans | - | - | 17.16 | - | - | 25.52 |
| Other financial assets | - | - | 2,71.40 | - | - | 2,59.17 |
| Total | 1,26,65.95 | - | 1,28,97.47 | 58,40.86 | - | 1,43,36.93 |
| Financial liabilities: | | | | | | |
| Borrowings - Non Current | - | - | 4,95.00 | - | - | 8,05.00 |
| Lease liabilities - Non-current | | | 5,16.71 | - | - | 2,42.08 |
| Borrowings - Current | - | - | 3,10.00 | - | - | 3,80.00 |
| Lease liabilities - Current | - | - | 50.71 | - | - | 43.84 |
| Trade Payables | - | - | 70,17.94 | - | - | 30,83.63 |
| Other financial liabilities - Current | - | 6.81 | 5,31.86 | - | 2,41.53 | 5,48.63 |
| Total | - | 6.81 | 89,22.22 | - | 2,41.53 | 51,03.18 |

* Does not include investments in subsidiary companies at cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

NOTE42

FAIR VALUE HIERARCHY

A.1 Fair value of Financial Instruments measured through FVTPL:

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2024

| | Notes | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|-------|------------|---------|---------|------------|
| Investment in Mutual Funds | A.2 | 1,26,65.95 | - | - | 1,26,65.95 |
| Investment in Equity Shares | A.2 | - | - | - | - |

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2023:

| | | | | | |
|-----------------------------|-----|----------|---|------|----------|
| Investment in Mutual Funds | A.2 | 58,39.86 | - | - | 58,39.86 |
| Investment in Equity Shares | A.2 | - | - | 1.00 | 1.00 |

A.2 Valuation inputs and relationship to fair value

The fair value of investment in mutual funds is determined using the Net Asset Value (NAV) per unit at the balance sheet date. In respect of the investment in equity share, considering the nature of the investment, fair value is considered close to the carrying value by the management.

B.1 Fair value of Financial Instruments measured through FVTOCI:

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2024:

| | | | | | |
|--|-----|---|------|---|------|
| Derivatives designated as hedges - Liability | | | | | |
| - Foreign exchange forward contracts | B.2 | - | 6.81 | - | 6.81 |

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2023:

| | | | | | |
|--|-----|---|---------|---|---------|
| Derivatives designated as hedges - Asset | | | | | |
| - Foreign exchange forward contracts | B.2 | - | 2,41.53 | - | 2,41.53 |

B.2 Valuation inputs and relationship to fair value

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, borrowings-current, financial liabilities and assets the management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

D. Valuation inputs and relationship to fair value

There are no material level 3 fair value measurements in respect of the financial assets and liabilities of the company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

NOTE 43

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2024 and 31 March 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2024.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023 including the effect of hedge accounting.

(a) 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 short-term debt obligations with fixed & floating interest rates.

Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings at the floating rate as a result of change in interest rates.

| | Effect on profit before tax in Rs. lakhs | |
|----------------|--|-----------|
| | 31-Mar-24 | 31-Mar-23 |
| 100bp increase | (8.05) | (11.85) |
| 100bp decrease | 8.05 | 11.85 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

The Company manages its foreign currency risk by using foreign currency forward contracts.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

(1) Foreign Currency Risk Exposure

The Company exposure to foreign currency risk at the end of the year expressed in Rs. as follows:

| | Amount in foreign currency | | Amount in Rs. | |
|-------------------------------|----------------------------|------------|---------------|------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | In '000 | | Rs. In Lakhs | |
| Financial Assets | | | | |
| Trade Receivables - USD | 1,23,94.21 | 1,51,84.71 | 1,02,63.65 | 1,23,95.28 |
| Derivative assets | | | | |
| Forward Cover Contracts - USD | 73,86.00 | 2,33,97.69 | 61,16.35 | 1,90,99.53 |
| Financial Liabilities | | | | |
| Trade Payables - USD | 35,23.54 | 7,61.35 | 29,55.90 | 6,29.56 |
| Trade Payables - GBP | 41.25 | 5.69 | 43.75 | 5.84 |
| Trade Payables-SGD | 28.26 | - | 17.77 | - |
| Trade Payables-EURO | 8.05 | - | 7.28 | - |
| Net Exposure - USD | 14,84.67 | (89,74.33) | 11,91.40 | (73,33.81) |
| Net Exposure - GBP | (41.25) | (5.69) | (43.75) | (5.84) |
| Trade Payables-SGD | (28.26) | - | (17.77) | - |
| Trade Payables-EURO | (8.05) | - | (7.28) | - |

(2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD & GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

| | Effect on profit before tax in Rs. lakhs | |
|----------------------------|--|-----------|
| Sensitivity Analysis | 31-Mar-24 | 31-Mar-23 |
| USD Exposure in Rs. | | |
| 1% -Strengthening | 11.91 | (73.34) |
| 1% -Weakening | (11.91) | 73.34 |
| GBP Exposure in Rs. | | |
| 1% -Strengthening | (0.44) | (0.06) |
| 1% -Weakening | 0.44 | 0.06 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|-----------------------------|--------------------------------------|--------------------------------------|
| SGD Exposure in Rs. | | |
| 1% -Strengthening | (0.18) | - |
| 1% -Weakening | 0.18 | - |
| EURO Exposure in Rs. | | |
| 1% -Strengthening | (0.07) | - |
| 1% -Weakening | 0.07 | - |

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position :

The following are outstanding foreign currency forward contracts, which have been designated as cash flow hedges:

| | Number of contracts | Notional amount of contracts (Rs. In Lakhs) | Fair value (Amount in Lakhs) |
|------------------|------------------------|---|------------------------------------|
| 31-Mar-24 | | | |
| US Dollar | 85 | 61,16.35 | 6.81 |
| 31-Mar-23 | | | |
| US Dollar | 3,08 | 1,90,99.53 | 2,41.53 |

For notional amount of contracts, amounts in foreign currency are converted at 31 March 2024 and 31 March 2023 rate respectively.

Movements in Cash Flow Hedge Reserve

| Derivative Instruments | Foreign Exchange Forward Contracts |
|--|---------------------------------------|
| (i) Cash Flow Hedge Reserve | |
| As at 1 April 2022 | (91.75) |
| Add: Changes in discounted spot element of foreign exchange forward contracts (net of deferred tax) | 5.32 |
| As at 31st March 2023 | (86.43) |
| Add: Changes in discounted spot element of foreign exchange forward contracts (net of deferred tax) | 57.81 |
| As at 31st March 2024 | (28.62) |

(c) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the company is exposed to commodity price risk to the extent its open sales are not balanced by the purchase contracts and inventory. The company has in place in a risk management policy to manage such risk by hedging the sales by direct purchases of the commodity and strategic stocking policies.

(B) Credit risk

"Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness' of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Company is exposed to credit risk to credit risk from its operating activities (primarily trade receivables)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

and from its financing activity, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept within the credit limits fixed for each customer.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|-----------|-----------|
| No of Customers to whom Sales made is more than 10% of the Turnover (includes subsidiary company) | 2 | 2 |
| Contribution of Customers in Sales more than 10% of Turnover | 53.34% | 58.87% |

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|-----------|-----------|
| No of Customers who owed more than 10% of the Total receivables | 3 | 2 |
| Contribution of Customers in owing more than 10% of Total receivables | 56.15% | 73.41% |

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as mentioned in Notes.

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease liabilities. Approximately, 26% of the Company's debt will mature in less than one year at 31 March 2024 (31 March 2023: 29% Company's debt will mature in less than one year) based on the carrying

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|--|-----------|-----------------------|-------------------|--------------|-----------|----------|
| Year ended 31 March 2024 | | | | | | |
| Interest-bearing loans and borrowings* | - | 1,50.00 | 1,60.00 | 4,95.00 | - | 8,05.00 |
| Lease liabilities** | - | 15.62 | 46.85 | 5,52.98 | - | 6,15.44 |
| Other financial liabilities | 1,60.39 | 1.87 | 3,69.60 | - | - | 5,31.86 |
| Trade and other payables | - | 70,17.94 | - | - | - | 70,17.94 |
| Year ended 31 March 2023 | | | | | | |
| Interest-bearing loans and borrowings* | - | 1,50.00 | 2,30.00 | 8,05.00 | - | 11,85.00 |
| Lease liabilities** | - | 14.81 | 44.43 | 2,43.88 | 14.81 | 3,17.93 |
| Other financial liabilities | 1,78.62 | 1.81 | 3,68.20 | - | - | 5,48.63 |
| Trade and other payables | - | 30,83.63 | - | - | - | 30,83.63 |

* Amount outstanding for less than 12 months represent current maturities of long term debt

** Leases not yet commenced to which lease is committed is not considered for this calculation

NOTE 44

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits and current investments.

| | 31-Mar-24 Rs. lakhs | 31-Mar-23 Rs. lakhs |
|--|------------------------|------------------------|
| Interest-bearing borrowings (Refer Note No. 16) | 8,05.00 | 11,85.00 |
| Interest bearing lease liabilities (Refer Note No. 17) | 5,67.42 | 2,85.92 |
| Less: cash and short-term deposits (Refer Note No. 12) | (9,55.42) | (5,34.92) |
| Less: current investments (Refer Note No. 7) | (1,26,65.95) | (58,39.86) |
| Net debt | (1,22,48.95) | (49,03.86) |
| Equity (Refer Note No. 14) | 15,22.84 | 15,22.84 |
| Reserves (Refer Note No. 15) | 4,57,91.77 | 4,24,80.33 |
| Total capital | 4,73,14.61 | 4,40,03.17 |
| Gearing ratio | -26% | -11% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | | |
|--|-----------------------------------|-----------------------------------|
| | As at | As at |
| | 31st March 2024 | 31st March 2023 |

NOTE 45

PERFORMANCE OBLIGATION ON REVENUE

In majority of the contracts performance obligation is satisfied “at a point in time” which is primarily determined on customer obtaining the control of the asset.

Contract with the customer normally do not contain significant financing component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.

Variable consideration primarily consists of discounts, rebates, price concessions which are reduced from the transaction price, if specified in the contract with customer/ based on customary business practices.

For revenue recognition in respect of performance obligation satisfied at a “point in time” the following criteria is used for determining whether the customer has obtained “Control on asset”

- i. Transfer of significant risk and rewards
- ii. Customer has legal right/title to the asset
- iii. The entity has transferred the physical possession of the asset
- iv. Customer has accepted the asset
- v. Entity has the present right to payment for the asset

NOTE 46

CODE ON SOCIAL SECURITY, 2020

The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

NOTE 47 : RATIOS

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

| Sr. No. | Ratio | Numerator | Denominator | Current Period | Previous Period | % Vari- ance | Reason for vari- ance |
|---------|--|---|--|----------------|-----------------|-----------------|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabil- ities | 5.07 | 7.05 | 28% | Year end pur- chases were higher compared to the earlier years leading to an increase in current liabilities and the variation |
| 2 | Debt Equity Ratio (in %) | Total Debt (including lease liability) | Total share- holder equity | 3% | 3% | 13% | |
| 3 | Debt Service Coverage Ratio (in times) | “Earning available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)” | Debt Service = Interest & Lease Payments + Principal Repayments | 14.35 | 11.14 | 29% | Reduction in the profits compared to the earlier years leading to a change in the earnings |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| As at 31 st March 2024 | | | | | | | As at 31 st March 2023 |
|--------------------------------------|--|--------------------------------------|---|----------------|----------------|----------------|--|
| 4 | Return on Equity Ratio (in %) | Profit after Tax | Average Shareholders Equity | 10% | 18% | 45% | Decrease in the profits has led to a reduction in return on equity |
| 5 | Inventory Turn over Ratio (in times) | Cost of goods sold | Average inventory | 1.15 | 1.30 | 11% | |
| 6 | Trade Receivable Turn over Ratio (in times) | Net Credit Sales | Average Accounts Receivable | 4.19 | 4.96 | 16% | |
| 7 | Trade Payable Turn over Ratio (in times) | Net Credit Purchases | Average Accounts Payable | 3.22 | 8.89 | 64% | Increase in trade payables at the end of the year led to a reduction in the trade payable turnover ratio |
| 8 | Net Capital Turn over Ratio (in times) | Net Sales (Sales minus sales return) | Average Working Capital | 1.37 | 1.80 | 24% | |
| 9 | Net Profit Ratio (in %) | Net Profit (Net profit after tax) | Net Sales (Sales minus sales return) | 9% | 13% | 29% | Decrease in the profits has led to a lower ratio |
| 10 | Return on Capital Employed Ratio (in %) | EBIT | Capital Employed (Tangible net worth+Total debt+Deferred Tax Liability) | 14% | 23% | 41% | Reduction in the EBIT has led to a decrease in ratio |
| 11 | Return on Investment (in %) | | | | | | |
| | - Current (amounts invested in mutual funds) | Time weighted fair value gains | Average investment | 7.96% | 4.22% | 89% | Increase in fair value of investments has led to a higher return on investment |
| | - Non-current * | Net return on investment | Average investment | Not applicable | Not applicable | Not applicable | |

NOTE 48

DIVIDENDS

Dividends paid during the year 2023-24 represent 60% final dividend for the financial year 2022-23 amounting to Rs.913.70 Lakhs and interim dividend of 30% declared in the financial year 2023-24 Rs.456.85 Lakhs.

The dividends declared by the Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Company. Subsequent to March 31, 2024, the Board of Directors of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

Company have proposed a final dividend of Re. 0.50 per share (50%) in respect of financial year 2023-24. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 761.42 Lakhs.

NOTE 49 : IMPAIRMENT OF ASSETS

Company has analysed indications of impairment of assets/financial instruments. On the basis of assessment of internal and external factors, none of the assets/financial instruments has found indications of impairment of its assets/financial instruments.

NOTE 50 : CONTINGENT ASSETS

Contingent assets are neither recognised nor disclosed in the financial statements..

NOTE 51 : OTHER STATUTORY INFORMATION

- (a) The company has identified transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.
- (b) 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 person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) The company has done registration of charges or satisfaction with ROC within the statutory period during the year.
- (d) Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (e) The differences between the quarterly return of inventories and receivables submitted to the banks and the books of account, did not affect the drawing power for the actual borrowing and the required security cover computed in accordance with the sanctioned terms.
- (f) Details of benami property held - No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (g) Wilful defaulter - The company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (h) Compliance with number of layers of companies - The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (i) Compliance with approved scheme(s) of arrangements - The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (j) Undisclosed income -There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (k) Details of crypto currency or virtual currency - The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (l) Valuation of Property, Plant and Equipment - The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | |
|-----------------------------------|-----------------------------------|
| As at | As at |
| 31st March 2024 | 31st March 2023 |

NOTE 52

DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES & OTHERS:

| International Subsidiaries | 31-Mar-24 | | 31-Mar-23 | |
|--------------------------------|--|---------------------|---|---------------------|
| | Maximum amount outstanding during the year | Balance Outstanding | Maximum amount outstanding during the previous year | Balance Outstanding |
| AVT Natural Europe Limited, UK | - | - | - | - |
| AVT Natural S.A. DE C.V | - | - | - | - |
| AVT Natural North America Inc | - | - | - | - |
| AVT Natural FZCO, Dubai | - | - | - | - |
| Others* | - | - | - | - |

* There were no deposits and advances in the nature of loans made by company to the firms/companies in which directors are interested.

NOTE 53

The parent subsidiaries at March 31, 2024 are set out below under otherwise stated, they have share Capital Consisting solely of equity share that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

| International Subsidiaries | Country of Incorporation | Held directly by Parent or through its subsidiaries & Effective Holding | |
|---|--------------------------|---|-----------|
| | | 31-Mar-24 | 31-Mar-23 |
| AVT Natural Europe Limited | United Kingdom | 100% | 100% |
| AVT Natural S.A. DE C.V, | Mexico | 100% | 100% |
| AVT Natural North America Inc., (step down subsidiary) | USA | 100% | 100% |
| AVT Natural FZCO | Dubai | 100% | - |

NOTE 54

Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period.

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.**,
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place: Chennai
Date: 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

Form AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A" : Subsidiaries

| 1. | Name of subsidiary | AVT Natural Europe Ltd., U.K | AVT NATURAL S.A. DE C.V, Mexico | AVT Natural FZCO, Dubai | AVT Natural North America, Inc. (wholly owned subsidiary of AVT Natural Europe Ltd.,) |
|-----|---|---|---|---|---|
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1 st April 2023 to 31 st March 2024 | 1 st April 2023 to 31 st March 2024 | 1 st April 2023 to 31 st March 2024 | 1 st April 2023 to 31 st March 2024 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries | "US\$ - Reporting Currency (1\$ = 'Rs. 82.81')" | "MXN Peso- Reporting Currency (1\$ MXN = 'Rs. 5.0304')" | "USD- Reporting Currency (1\$ USD = 'Rs. 82.81')" | "USD- Reporting Currency (1\$ USD = 'Rs. 82.81')" |
| 4. | Share Capital | \$ 21,97,842 | \$ 5,416,855 | \$ 6,06,588 | \$ 60,000 |
| 5. | Reserves & Surplus | \$ 2,77,356 | \$ (10,247,261) | \$ 2,32,585 | \$ 214,011 |
| 6. | Total Assets | \$ 63,63,351 | \$ 28,982,666 | \$ 15,63,076 | \$ 963,010 |
| 7. | Total Liabilities | \$ 38,88,287 | \$ 33,915,995 | \$ 7,23,903 | \$ 688,999 |
| 8. | Investments | \$ 60,000 | - | - | - |
| 9. | Turnover | \$ 13,182,199 | \$ 32,938,676 | \$ 21,82,737 | \$ 1,550,984 |
| 10. | Profit/(Loss) before taxation | \$ 4,73,362 | \$ (897,842) | \$ 2,32,585 | \$ 148,011 |
| 11. | Provision for taxation | \$ (1,19,750) | \$ (361,854) | - | \$ (35,201) |
| 12. | Profit/(Loss) after taxation | \$ 3,53,612 | \$ (1,259,696) | \$ 2,32,585 | \$ 1,12,810 |
| 13. | Proposed Dividend | | | | |
| 14. | % of shareholding | 100 | 100 | 100 | 100 |

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

Place: Chennai
Date: 29th May 2024

FINANCIAL HIGHLIGHTS FOR THE LAST FIVE YEARS

| Particulars | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
|---|------------------|------------------|------------------|------------------|-------------------|
| Sales and Services (Rs.Lakhs) | 3,85,00.33 | 4,70,42.89 | 4,70,42.89 | 5,82,25.27 | 5,03,31.32 |
| Net Profit after OCI relating to Remeasurement of Post employment benefit obligations only (Rs.Lakhs) | 37,30.96 | 42,08.81 | 42,08.81 | 75,13.24 | 46,24.18 |
| Net Worth (Rs.Lakhs) | 2,88,67.02 | 3,22,44.78 | 3,22,44.78 | 4,40,03.17 | 4,73,14.61 |
| Fixed Assets (Rs.Lakhs) | 99,19.68 | 88,96.07 | 88,96.07 | 78,26.82 | 80,40.97 |
| Interim Dividend % | 25 | 30.00 | 30.00 | 40.00 | 30.00 |
| Final Dividend % | 35 | 40.00 | 40.00 | 60.00 | 50.00* |
| Interim Dividend Amount | 3,80.71 | 4,56.85 | 4,56.85 | 6,09.14 | 4,56.85 |
| Final Dividend Amount (Rs.Lakhs) | 532.99 | 6,09.14 | 6,09.14 | 9,13.70 | ** |
| Earnings per share (Rs.) | 2.45 | 2.76 | 2.76 | 4.93 | 3.04 |
| Interim Dividend per share (Rs.) | 0.25 | 0.30 | 0.30 | 0.40 | 0.30 |
| Dividend per share (Rs.) | 0.35 | 0.40 | 0.40 | 0.60 | 0.50 |
| Book value per share (Rs.) | 18.96 | 21.07 | 21.17 | 28.90 | 31.07 |
| Return on Networth (%) | 12.92 | 13.05 | 13.05 | 17.07 | 9.77 |
| PAT/Sales (%) | 9.69 | 8.95 | 8.95 | 12.90 | 9.19 |
| Fixed Assets Turnover (times) | 3.88 | 5.29 | 5.29 | 7.44 | 6.26 |

* Final dividend of 50% subject to approval of the shareholders at the ensuing Annual General Meeting.

** Proposed dividend on Equity Shares has not been recognised as a distribution of profit in the current year accounts.

CONSOLIDATED STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of AVT Natural Products Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AVT Natural Products Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2024, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2024, and their consolidated profit, consolidated total comprehensive income, their consolidated statement of

changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sl. No. | Key audit matters | How our audit addressed the key audit matter |
|---------|--|--|
| 1. | <p>Revenue recognition:</p> <p>Revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer.</p> <p>Disclosure note 23 and the accounting policies provide additional information on how the Company accounts for its revenue in compliance with Ind AS 115.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considering the appropriateness of the Company's accounting policies regarding revenue recognition, by comparing with applicable accounting standards. Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (also before and after the financial year end) by verifying the underlying documents, which include sales invoices/contracts and shipping documents. Selecting a sample on test check basis of revenue transactions and contracts with customers to re-check that sales accounting was calculated in accordance with the contract conditions. Selecting a sample of credit note issued to the customers during the year and verifying the same is in accordance with terms of agreement with the customers. Performed data analytical procedures to identify and evaluate a sample of manual journal entries. Traced disclosure information from accounting records and other supporting documentation. |

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the

respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of

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

Other Matters

(a) We did not audit the financial statements / financial information of three subsidiaries and one step down subsidiary company whose financial statements / financial information reflect total assets of Rs.8801.74 Lakhs and net assets of Rs. 2717.97 Lakhs as at 31 March 2024, total revenues of Rs.15861.22 Lakhs and net cash flows amounting to Rs.108.47 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act. All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company.
- f) With respect to adequacy of the internal financial controls over financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Holding company has not made any payments which are covered under section 197 read with Schedule V of the Act.
- h) 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 our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on consolidated financial statements as also the other financial

information of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 42 to the consolidated financial statements in respect of such items as it relates to the Group.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. (a) The management of Holding Company has represented that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, 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 Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company.
- (b) The management of the Holding Company has represented, that, to the best of it's knowledge and belief, as disclosed in the Note 48(b) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of

the Ultimate Beneficiaries. All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company.

- (c) Based on such audit procedures that we have 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 (a) and (b) contain any material misstatement.
- v. All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company. As stated in Note 46 to the Consolidated financial statements
- a. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Companies Act 2013 as applicable.
- b. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013 as applicable.
- c. The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Companies Act 2013 as applicable.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023:

Based on our examination which included test checks, except for the instances mentioned below, the holding company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature

being tampered with:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

Further, the subsidiaries are incorporated outside India. Hence, we are not required to report on these matters since the provisions of the Act do not apply to them.

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

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Suri & Co
Chartered Accountants
Firm's Registration No.004283S

G Rengarajan
Partner
Membership No. 219922
UDIN : 24219922BKCLRX3679

Place of Signature: Chennai

Date: 29th May 2024

ANNEXURE A

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of AVT Natural Products Limited

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of AVT Natural Products Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of the Holding Company. All subsidiaries are incorporated outside India hence our opinion is restricted to Holding company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Holding Company (which is the only company in the group incorporated in India). We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the Holding Company has in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suri & Co
Chartered Accountants
Firm's Registration No.004283S

G.Rengarajan
Partner
Membership No. 219922
UDIN: 24219922BKCLRX3679

Place of Signature: Chennai
Date: 29th May 2024

CONSOLIDATED BALANCE SHEET

(All amounts are in Rs. lakhs unless otherwise stated)

| | Note No. | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-------------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 74,57.04 | 74,81.75 |
| (b) Capital work-in-progress | 4 | - | - |
| (c) Right-of-use assets | 6 | 5,83.83 | 1,80.43 |
| (d) Other intangible assets | 5 | 1,31.74 | 1,66.08 |
| (e) Intangible assets under development | 5 | - | - |
| (f) Financial assets | | | |
| i) Investments | 7 | - | 1.00 |
| ii) Other financial assets | 8 | 3,58.16 | 2,98.74 |
| (g) Other non-current assets | 9 | 2,17.22 | 1,71.15 |
| Total non-current assets | | 87,47.99 | 82,99.15 |
| Current assets | | | |
| (a) Inventories | 10 | 2,21,14.51 | 2,12,00.86 |
| (b) Financial assets | | | |
| i) Investments | 7 | 1,26,65.95 | 58,39.86 |
| ii) Trade receivables | 11 | 1,09,97.01 | 1,21,39.57 |
| iii) Cash and cash equivalents | 12 | 25,43.73 | 20,14.76 |
| iv) Bank balances other than (iii) above | 12A | 2,42.69 | 2,60.92 |
| v) Loans | 13 | 24.17 | 25.52 |
| vi) Other financial assets | 8 | 2,72.89 | 2,60.64 |
| (c) Current tax assets (Net) | | 64.23 | - |
| (d) Other current assets | 9 | 21,35.78 | 23,14.93 |
| Total current assets | | 5,10,60.96 | 4,40,57.06 |
| Total Assets | | 5,98,08.95 | 5,23,56.21 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 14 | 15,22.84 | 15,22.84 |
| (b) Other Equity | 15 | 4,54,28.71 | 4,15,10.08 |
| Total equity | | 4,69,51.55 | 4,30,32.92 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 16 | 4,95.00 | 8,05.00 |
| ii) Lease liabilities | 17 | 5,16.71 | 2,42.08 |
| (b) Provisions | 18 | 4,68.87 | 4,02.71 |
| (c) Deferred tax liabilities (Net) | 19 | 92.68 | 39.81 |
| Total non-current liabilities | | 15,73.26 | 14,89.60 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 16 | 31,97.30 | 26,09.14 |
| ii) Lease liabilities | 17 | 50.71 | 43.84 |
| iii) Trade payables | 20 | | |
| (A) Total outstanding dues of micro and small enterprises | | 4,08.26 | 70.16 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | 54,60.48 | 26,88.32 |
| iv) Other financial liabilities | 21 | 5,38.67 | 7,90.16 |
| (b) Other current liabilities | 22 | 4,70.40 | 3,90.37 |
| (c) Provisions | 18 | 11,58.32 | 10,60.93 |
| (d) Current tax liabilities (Net) | | - | 1,80.74 |
| Total current liabilities | | 1,12,84.14 | 78,33.66 |
| Total liabilities | | 1,28,57.40 | 93,23.26 |
| Total Equity and Liabilities | | 5,98,08.95 | 5,23,56.21 |
| Corporate Information and Basis of preparation | 1&2 | | |
| Material accounting policies | 3 | | |

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.,**

Chartered Accountants

FRN : 004283S

G Rengarajan

Partner

Membership No. 219922

Place: Chennai

Date: 29th May 2024

Ajit Thomas

Chairman

DIN: 00018691

A. Ramadas

Sr. Vice President & CFO

M.A. Alagappan

Director

DIN: 00031805

Sharon Josh

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in Rs. lakhs unless otherwise stated)

| | Note No. | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|-------------|---|---|
| I Revenue From Operations | 23 | 5,17,25.92 | 5,82,16.57 |
| II Other Income | 24 | 12,55.42 | 2,34.87 |
| III Total Income (I+II) | | 5,29,81.34 | 5,84,51.44 |
| IV EXPENSES | | | |
| Cost of materials consumed | | 2,05,69.31 | 2,51,66.71 |
| Purchase of Stock in Trade | | 14,03.54 | 16,10.02 |
| Changes in inventories of finished goods and work-in-progress | 25 | 1,28.40 | (41,27.61) |
| Employee benefits expense | 26 | 67,29.85 | 64,71.56 |
| Finance costs | 27 | 6,96.22 | 5,35.41 |
| Depreciation and amortization expense | 28 | 13,87.73 | 13,38.52 |
| Other expenses | 29 | 1,49,59.18 | 1,70,03.93 |
| Total expenses (IV) | | 4,58,74.23 | 4,79,98.55 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | 71,07.11 | 1,04,52.89 |
| VI Exceptional Items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | 71,07.11 | 1,04,52.89 |
| VIII Tax expense: | | | |
| (1) Current tax | | 17,40.45 | 27,99.38 |
| (2) Deferred tax | 32 | 37.84 | (86.35) |
| IX Profit / (Loss) for the year (VII-VIII) | | 53,28.82 | 77,39.87 |
| X Other Comprehensive Income | | | |
| A Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurement of the post-employment benefit obligations | | (17.60) | 12.26 |
| (ii) Deferred tax relating to items that will not be reclassified to profit or loss | | 4.43 | (3.09) |
| B Items that will be reclassified to profit or loss | | | |
| (i) Deferred gains / (losses) on cash flow hedges | | 77.25 | 7.11 |
| Exchange differences on translation of foreign operations | | (84.26) | (74.25) |
| (ii) Deferred tax relating to items that will be reclassified to profit or loss | 32 | (19.44) | (1.79) |
| Other comprehensive Income for the year, net of tax | | (39.62) | (59.76) |
| XI Total Comprehensive Income for the year (IX+X) | | 52,89.20 | 76,80.10 |
| XII Earnings per equity share: | | | |
| Equity share of par value of Re.1 each | | | |
| (1) Basic | 33 | 3.50 | 5.08 |
| (2) Diluted | 33 | 3.50 | 5.08 |
| Corporate Information and Basis of preparation | 1&2 | | |
| Material accounting policies | 3 | | |

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.,**

Chartered Accountants

FRN : 004283S

G Rengarajan

Partner

Membership No. 219922

Place: Chennai

Date: 29th May 2024

Ajit Thomas

Chairman

DIN: 00018691

A. Ramadas

Sr. Vice President & CFO

M.A. Alagappan

Director

DIN: 00031805

Sharon Josh

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are in Rs. lakhs unless otherwise stated)

| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|---|---|
| A. Cash flow from operating activities | | |
| Profit before tax | 71,07.11 | 1,04,52.89 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 13,87.73 | 13,38.52 |
| (Profit) / Loss on sale of property, plant and equipment (net) | - | (0.25) |
| Write off/Discard of Property, Plant and Equipment | 24.93 | - |
| Exchange differences on Translating the Financial Statement of Foreign Operations | (84.26) | (73.52) |
| Fair value gains recognised on investments | (7,36.42) | (1,83.15) |
| Interest Income | (12.64) | (9.80) |
| Finance costs | 6,96.22 | 5,35.41 |
| Sundry Creditors written back | (55.75) | - |
| Investment Written Off | 1.00 | - |
| Unrealised foreign exchange differences | (55.16) | 1.07 |
| Operating profit before working capital changes | 82,72.76 | 1,20,61.17 |
| Adjustments for working capital changes: | | |
| (Increase) / Decrease in inventories | (9,13.65) | (28,67.97) |
| (Increase) / Decrease in loans | 1.35 | 1.88 |
| (Increase) / Decrease in other current assets | 1,79.15 | 5,77.09 |
| (Increase) / Decrease in other current financial assets | (12.25) | 47.53 |
| (Increase) / Decrease in other non-current assets | (46.07) | (8.37) |
| (Increase) / Decrease in other non-current financial assets | (59.42) | (0.87) |
| (Increase) / Decrease in trade receivables | 11,42.54 | (19,23.93) |
| Increase / (Decrease) in other financial liabilities | (1,74.24) | 317.22 |
| Increase / (Decrease) in other liabilities | 80.02 | (84.66) |
| Increase / (Decrease) in trade payables | 32,20.91 | (4,08.93) |
| Increase / (Decrease) in provisions | 1,45.95 | 57.57 |
| | 1,18,37.06 | 77,67.00 |
| Net income tax paid | (19,85.42) | (26,49.47) |
| Net cash (used) / generated in operating activities (A) | 98,51.64 | 51,17.53 |
| B. Cash flow from investing activities | | |
| Payments for purchase of property, plant & equipment | (17,57.01) | (7,93.08) |
| Proceeds from disposal of property, plant & equipment | - | 3.76 |
| Payments for purchase of intangible assets including intangible assets under developments | - | (16.96) |
| Purchase of current investments | (60,89.67) | (28,23.11) |
| Interest received during the year | 12.64 | 9.80 |
| Changes in bank balances other than cash & cash equivalents | 18.23 | (62.15) |
| Net cash generated / (used in) from investing activities (B) | (78,15.81) | (36,81.74) |

CONSOLIDATED CASH FLOW STATEMENT (contd.)

| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|---|---|
| C. Cash flow from Financing activities* | | |
| Proceeds from term loan from banks (net) | (3,10.00) | 3,55.00 |
| Payment of lease liabilities (including unwinding of interest) | 2,81.50 | (35.09) |
| (Repayment) / Proceeds from short term borrowings (net) | 5,88.16 | 8,60.81 |
| Interest Paid | (6,95.96) | (5,07.98) |
| Dividend Paid | (13,70.56) | (15,22.84) |
| Net cash generated / (used in) from financing activities (C) | (15,06.85) | (8,50.10) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 5,28.98 | 5,85.70 |
| Cash and cash equivalents at the beginning of the year | 20,14.76 | 14,29.06 |
| Cash and cash equivalents at the end of the year (Refer note 12) | 25,43.73 | 20,14.76 |

Components of cash and cash equivalents:

Cash and bank balances (Refer note no. 10)

Notes:

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.
- 2 The figures in brackets represent cash outflow.

The accompanying notes are an integral part of these consolidated financial statements.

* Refer foot note no.3 under Borrowings (Note 16) for Net Debt Reconciliation.

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.**,
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place: Chennai
Date: 29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31st March 2024

A. Equity Share Capital

(All amounts are in Rs. lakhs unless otherwise stated)

| Balance as at 1 st April 2022 | Note No | Amount |
|--|---------|-----------------|
| Changes in equity share capital due to prior period errors | 14 | |
| Restated balance as at April 1, 2022 | | 15,22.84 |
| Changes in equity share capital during the year | | - |
| Balance as at 1st April 2023 | | 15,22.84 |
| Changes in equity share capital due to prior period errors | | - |
| Restated balance as at April 1, 2023 | | 15,22.84 |
| Changes in equity share capital during the year | | - |
| Balance as at 31st March 2024 | | 15,22.84 |

B. Other Equity

| Particulars | Reserves and Surplus | | | | Other items of Other Comprehensive Income | | Total other equity |
|--|----------------------|-----------------|-------------------|---|---|--------------------------------------|--------------------|
| | Capital Reserve | General Reserve | Retained Earnings | Remeasurement of post employment benefit obligations through other comprehensive income | Effective portion of cash flow Hedges | Foreign Currency Translation Reserve | |
| Balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,03,87.71 | (2,07.36) | (91.75) | 61.97 | 3,53,52.81 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - |
| Restated balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,03,87.71 | (2,07.36) | (91.75) | 61.97 | 3,53,52.81 |
| Profit for the year | - | - | 77,39.87 | - | - | - | 77,39.87 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | 9.18 | - | - | 9.18 |
| Other comprehensive income net of tax for the year | - | - | - | - | 5.32 | (74.25) | (68.93) |
| Total comprehensive income for the year | - | - | 77,39.87 | 9.18 | 5.32 | (74.25) | 76,80.12 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - | - |
| Dividends paid | - | - | (15,22.84) | - | - | - | (15,22.84) |
| Balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,41,04.74 | (1,98.18) | (86.43) | (12.28) | 4,15,10.08 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - |
| Restated balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,41,04.74 | (1,98.18) | (86.43) | (12.28) | 4,15,10.08 |
| Profit for the year | - | - | 53,28.82 | - | - | - | 53,28.82 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | (13.17) | - | - | (13.17) |
| Other comprehensive income for the year | - | - | - | - | 57.81 | (84.26) | (26.45) |
| Total comprehensive income for the year | - | - | 53,28.82 | (13.17) | 57.81 | (84.26) | 52,89.19 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - | - |
| Dividends paid | - | - | (13,70.56) | - | - | - | (13,70.56) |
| Balance as at 31 st March 2024 | 0.35 | 3,02,01.88 | 1,55,63.00 | (2,11.35) | (28.62) | (96.55) | 4,54,28.71 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **FOR SURI & CO.**,
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922
Place: Chennai
Date: 29th May 2024

Ajit Thomas
Chairman
DIN: 00018691
A. Ramadas
Sr. Vice President & CFO

M.A. Alagappan
Director
DIN: 00031805
Sharon Josh
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

1. General information

AVT Natural Products Limited (referred as the “the Holding Company”) and its subsidiaries (referred collectively as the “Group”) is primarily engaged in the business in the production, trading and distribution of Oleoresins, value-added Teas and Animal Nutrition.

The Group has its business operations mainly in India, USA, UK and UAE. The parent was incorporated on 12th March 1986 under the Indian Companies Act 1956. The address of its registered office is 60, Rukmani Lakshmipathy Salai Egmore, Chennai – 600 008. The Holding Company has its listings on the Bombay stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The consolidated financial statements for the year ended March 31, 2024, were approved by the Board of Directors and authorised for issue on May 29, 2024.

2. Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (“Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and guidelines issued by the Securities and Exchange Board of India (SEBI), under the historical cost convention on the accrual basis except for certain items which are measured at fair values.

The accounting policies as set out below have been applied consistently except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Division II of the Schedule III to the Companies Act 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. As per the requirement of schedule III to the companies act 2013, the operating cycle has been determined at company level, as applicable.

2.1 Critical judgements & Estimates in applying accounting policies

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumptions having the most material effect on the amounts recognized in financial statements are as follows:

- **Useful lives of property, plant and equipment and intangible assets:**

The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Taxation:**

Significant judgement is involved in determining the tax liability for the Group which includes interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Also, there are many transactions and calculation during the ordinary course of business for which the ultimate tax determination is uncertain. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. Further judgement is involved in determining the deferred tax position on the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

• Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

• Provisions & Contingencies:

Provisions and contingencies are based on the Group Management's best estimate of the liabilities based on the facts known at the balance sheet date.

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances

• Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

2.2 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Functional and Presentation Currency

Items included in financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the functional currency of the Group.

The Financial Statements are presented in Indian Rupees which is Group's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

- 2.4 Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 Summary of material accounting policies

3.1 Property, plant and equipment:

a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

loss based on cost model. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost also includes taxes and duties which are not refundable, freight and other direct or allocated expenses during construction period, net of any income earned. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Holding Company had elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

b. Depreciation:

With respect to Holding Company:

Tangible property, plant & equipment are depreciated on Written Down Value Method by adopting the useful life & residual value specified in Schedule II of the Companies Act 2013, except for in the case of electrical equipment and plant and machinery relating to Continuous Processing Plant at Vazhakulam for which useful life is based on technical evaluation. Assets costing individually less than Rs.5000/- are depreciated at 100%. Useful life considered are as follows:

| Description of assets | Useful life of assets |
|--------------------------|---|
| Leasehold Land | Lease Period |
| Buildings | 30 years/5 years (for fences and wells) |
| Plant & Machinery | 15 years |
| Continuous Process Plant | 25 years |
| Office Equipment | 5 years |
| Furniture & Fittings | 10 years |
| Vehicles | 10 years |

Freehold land is not depreciated.

In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

No depreciation is provided for leasehold land since as per the lease agreements, these leases are renewable at the option of the Holding company with marginal payment of further premium.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

With respect to subsidiary companies

Depreciation is provided on a straight-line method as per table below

| Description of assets | Useful life of assets |
|------------------------|-----------------------|
| Office equipment | 5 years |
| Fixtures and fittings | 3 years |
| Leasehold improvements | Lease period |
| Vehicles | 10 years |

3.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance such as technical knowhow, software. It is capitalised if the future economic benefits attributable to the asset will probably flow to the Group and the cost of acquisition or generation of the asset can be reliably measured. It is amortised from the point at which the asset is available for use.

Initial recognition and amortisation

Intangible assets are stated at the cost of acquisition less accumulated depreciation and impairment losses based on cost model. Cost comprises the purchase price and any directly attributable cost.

Intangible assets with determinable useful life are amortised on a straight-line basis over a period of up to ten years in case of software. Determination of the expected useful lives of such assets and the amortisation patterns is based on estimates of the period for which they will generate cash flows.

Subsequent costs

Subsequent expenditure related to intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Impairment

Any impairment losses are recognised in the Statement of Profit and Loss. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised for the asset in prior years.

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.3 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

3.4 Inventories

Inventories are valued as under:

a. Raw materials, Packing materials, Stores & Spares:

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis except for tea which is valued based on first in first out (FIFO). The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

b. Work in Progress:

At cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

c. Stock - in - trade and Finished Goods

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Cost includes direct material cost, direct labour cost, taxes and duties other than duties and taxes for which credit is available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

3.5 Employee benefits - Retirement benefit costs and termination benefits

3.4.1 Defined Contribution Plans

Payment to defined contribution retirement benefit plans i.e. Provident Fund, pension costs & Superannuation Schemes are recognised as an expense in the statement of profit and loss when an employee have rendered service entitling them to the contributions. The provident fund and superannuation scheme are funded with an insurance Group in the form of a qualifying insurance policy.

3.4.2 Defined Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 21 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

Remeasurement, comprising actuarial gains and losses 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. Defined benefit cost are categorised as follows:

- Service cost (including current service cost, as well as gains and losses on curtailments and settlement)
- Net interest expense or income
- Remeasurement

The Group presents the first two components of defined benefit cost in profit or loss in the line item 'employee benefit expense'. Curtailment gains or losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.4.3 Compensated Absences

The Holding Company has a scheme for compensated absences for employees which is a long-term employee benefits, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date. The subsidiary companies have measured compensated absences at undiscounted salary costs of future holiday entitlement so accrued at the balance sheet date.

3.4.4 Short term benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

3.6 Financial Instruments

3.5.1 Financial Assets

a) Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are at fair value are adjusted through profit or loss. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent Measurement

i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

For equity investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

d) Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

In accordance with Ind-AS 109, the Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

e) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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

3.5.2 Financial Liabilities

a) Initial Recognition and Measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

d) Derivative financial instruments and Hedge Accounting

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

(i) Financial assets or financial liabilities, at fair value through profit and loss

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

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

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income / other expenses. Assets / liabilities in this category are presented as current assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

/ current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet Date.

(ii) Cash flow hedges

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risks of foreign exchanges exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

d) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

e) Offsetting of financial instruments

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

f) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group 's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group 's own equity instruments.

3.7 Foreign currency

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year-end exchange rates and the resultant loss or gain, is recognised as income or expense in the statement of the profit and loss.

The Group uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

3.8 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

3.9 Revenue recognition:

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

Sale of Goods and services:

Revenue from the sale of goods and services is recognised when the performance obligations towards customers have been met at an amount that reflects the consideration to which the Group believes it is entitled to in exchange for the transfer of goods and services to customers, net of any sales returns, excise duty and GST. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer / benefit from the service is delivered to the customer, depending on the individual terms of the contract of sale. Considering the general terms of sales of goods and services, there is no significant financing element included in the sales consideration.

Subsidies and export incentives:

Government incentive in the form of MEIS, Transportation and marketing allowance ('TMA') and refund of goods and service tax input credit is recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

3.10 Leases :

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.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for Machineries and premises. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

3.11 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred Income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.12 Provisions & contingent liability:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. The Group does not recognise contingent liability but discloses its existence in financial statements.

3.13 Dividends:

Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

3.14 Segment Reporting:

The Group identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. 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. The Group operates in a single segment namely solvent extracted products and geographically operates primarily in a single segment.

3.15 Research and Development:

Expenditure on research phase is recognised as an expense as and when it is incurred. Expenditure on development phase is recognized as intangible assets if it is identifiable, capable of being controlled and from which future economic benefits are expected to flow to the enterprise. Intangible assets are stated at cost net of tax / duty credits availed, if any, less accumulated amortisation and cumulative impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

NOTE 4

PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK IN PROGRESS

(All amounts are in Rs. lakhs unless otherwise stated)

| | Freehold land | Leasehold Land (Note 4.1) | Buildings | Plant & Machinery | Office Equipments | Furniture & Fittings | Vehicles | Total | Capital work-in-progress |
|----------------------------------|----------------|---------------------------|-----------------|-------------------|-------------------|----------------------|----------------|-------------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| At 1 April 2022 | 3,57.47 | 16.42 | 24,09.95 | 1,07,14.57 | 2,09.91 | 60.72 | 1,43.84 | 1,39,12.88 | 7.59 |
| Additions/Transfers | - | - | 1,40.01 | 5,48.49 | 42.64 | - | 45.88 | 7,77.02 | - |
| Disposals/ Transfers | - | - | - | - | - | - | 14.29 | 14.29 | 7.59 |
| At 31 March 2023 | 3,57.47 | 16.42 | 25,49.96 | 1,12,63.06 | 2,52.55 | 60.72 | 1,75.43 | 1,46,75.61 | - |
| Additions/Transfers | - | - | 1,35.74 | 9,04.99 | 19.33 | - | 1,85.94 | 12,46.00 | - |
| Disposals/ Transfers | - | - | 0.09 | 21.17 | 0.61 | 1.64 | 1.42 | 24.93 | - |
| At 31 March 2024 | 3,57.47 | 16.42 | 26,85.61 | 1,21,46.88 | 2,71.27 | 59.08 | 3,59.95 | 1,58,96.68 | - |
| Accumulated Depreciation | | | | | | | | | |
| At 1 April 2022 | - | - | 7,93.81 | 48,61.08 | 1,89.20 | 24.64 | 50.84 | 59,19.57 | - |
| Depreciation charge for the year | - | - | 1,72.20 | 10,50.46 | 23.76 | 9.78 | 28.87 | 12,85.07 | - |
| Disposals/Transfers | - | - | - | - | - | - | 10.78 | 10.78 | - |
| At 31 March 2023 | - | - | 9,66.01 | 59,11.54 | 2,12.96 | 34.42 | 68.93 | 71,93.85 | - |
| Depreciation charge for the year | - | - | 1,93.04 | 9,93.99 | 17.60 | 7.72 | 33.43 | 12,45.78 | - |
| Disposals/Transfers | - | - | - | - | - | - | - | - | - |
| At 31 March 2024 | - | - | 11,59.05 | 69,05.53 | 2,30.56 | 42.14 | 1,02.36 | 84,39.64 | - |
| Net carrying amount | | | | | | | | | |
| At 31 March 2024 | 3,57.47 | 16.42 | 15,26.56 | 52,41.35 | 40.71 | 16.94 | 2,57.59 | 74,57.04 | - |
| At 31 March 2023 | 3,57.47 | 16.42 | 15,83.95 | 53,51.52 | 39.59 | 26.30 | 1,06.50 | 74,81.75 | - |
| At 31 March 2022 | 3,57.47 | 16.42 | 16,16.14 | 58,53.49 | 20.70 | 36.08 | 93.00 | 79,90.30 | 7.59 |

Note 4.1 - Leasehold land Land

at Tiptur of Holding company acquired under registered lease-cum-sale agreement for twenty one years with option to the Company to convert the lease into absolute sale at the expiry of the lease subject to fulfilment of the terms and conditions specified and payment of additional consideration, if any, to be fixed at that time, has now crossed the lease period in 2021. The company is in the process of getting this land transferred as a freehold land in its name.

Note 4.2 - Property, plant and equipments pledged as security

Refer to note 16 for the information on property, plant and equipments pledged as security by the group.

Note 4.3 - Deemed Cost Exemption availed on transition to Ind AS

The group has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block.

Note 4.4 - Title deeds

Title deeds of all Immovable Properties are held in the name of the group

Note 4.5 - Depreciation/Amortisation

Depreciation/amortisation is calculated over the estimated useful life of the asset. Refer Accounting policy no. 3.1(b) of the company for the method of depreciation and estimated useful life of the assets

Note 4.6 - Contractual Commitments

Refer Note No. 37 for outstanding contractual commitments.

Note 4.7 - Impairment of assets

Refer Note No. 48 for disclosure relating to impairment of assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

Note 4.8 - Capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars | Amount in CWIP for a period of | | | | | |
|----------------------|---------------------------------|---------|-----------|-----------|-------------------|-------|
| | As at | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 31 st March 24 | - | - | - | - | - |
| | 31st March 23 | - | - | - | - | - |

There are no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 5. Other intangible assets including intangible assets under development

| | Other Intangible Assets - Software | Intangible assets under development |
|------------------------------|------------------------------------|-------------------------------------|
| Gross carrying amount | | |
| At 1 April 2022 | - | 1,49.12 |
| Additions/Transfers | 1,80.36 | 31.24 |
| Disposals/ Transfers | - | 1,80.36 |
| At 31 March 2023 | 1,80.36 | - |
| Additions/Transfers | - | - |
| Disposals/ Transfers | - | - |
| At 31 March 2024 | 1,80.36 | - |
| Accumulated Amortization | - | - |
| At 1 April 2022 | - | - |
| Amortisation | 14.28 | - |
| Disposals/Transfers | - | - |
| At 31 March 2023 | 14.28 | - |
| Amortisation | 34.34 | - |
| Disposals/Transfers | - | - |
| At 31 March 2024 | 48.62 | - |
| Net carrying amount | - | - |
| At 31 March 2024 | 1,31.74 | - |
| At 31 March 2023 | 1,66.08 | - |
| At 31 March 2022 | - | 1,49.12 |

Note 5.1 - Amortisation

Amortisation is calculated over the estimated useful life of the asset. Refer Accounting policy no. 3.1.2 of the company for the method of amortisation. The group is amortizing the other intangible assets - software over a period of 5 years

Note 5.2 - Impairment of assets

Refer Note No. 49 for disclosure relating to impairment of assets

Note 5.3 - Restriction on title - Nil

Note 5.4 - Contractual Commitments

Refer Note No. 37 for outstanding contractual commitments.

Note 5.5: Intangible assets under development ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars | Amount in intangible assets under development for a period of | | | | | |
|----------------------|---|---------|-----------|-----------|-------------------|-------|
| | As at | <1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 31 st March 24 | - | - | - | - | - |
| | 31st March 23 | - | - | - | - | - |

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 6 : Right-of-use assets

| | Leasehold Land | Plant and Machinery | Total |
|------------------------------------|----------------|---------------------|----------------|
| Cost | | | |
| At 1 April 2022 | - | 4,43.00 | 4,43.00 |
| Additions/Transfers | 9.35 | - | 9.35 |
| Disposals/ Transfers | - | - | - |
| At 31 March 2023 | 9.35 | 4,43.00 | 4,52.35 |
| Additions/Transfers | 5,11.01 | - | 5,11.01 |
| Disposals/ Transfers | - | - | - |
| At 31 March 2024 | 5,20.36 | 4,43.00 | 9,63.36 |
| Depreciation and impairment | | | |
| At 1 April 2022 | - | 2,32.76 | 2,32.76 |
| Depreciation charge for the year | 1.10 | 38.06 | 39.16 |
| Disposals/Transfers | - | - | - |
| At 31 March 2023 | 1.10 | 2,70.82 | 2,71.92 |
| Depreciation charge for the year | 76.45 | 31.16 | 1,07.61 |
| Disposals/Transfers | - | - | - |
| At 31 March 2024 | 77.55 | 3,01.98 | 3,79.53 |
| Net Block | | | |
| At 31 March 2024 | 4,42.81 | 1,41.02 | 5,83.83 |
| At 31 March 2023 | 8.25 | 1,72.18 | 1,80.43 |
| At 31 March 2022 | - | 2,10.24 | 2,10.24 |

Note 6.1

Depreciation has been charged to ROU assets over the useful life of the assets and is included under depreciation and amortisation expenses in statement of profit and loss. Refer Accounting policy no. 3.11 of the company

Note 6.2:-

Disclosures relating to lease and ROU assets - Refer Note No. 38

| Category of ROU asset | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-24 | | 31-Mar-23 | |
|-----------------------|---------------------------|--------------------------|---------------------------|--------------------------|------------------------|--------------------|------------------------|--------------------|
| | Depreciation for the year | Accumulated depreciation | Depreciation for the year | Accumulated depreciation | Additions for the year | Net carrying value | Additions for the year | Net carrying value |
| Land | 76.45 | 77.55 | 1.10 | 1.10 | 5,11.01 | 4,42.81 | 9.35 | 8.25 |
| Plant and Machinery | 31.16 | 3,01.98 | 38.06 | 2,70.82 | - | 1,41.02 | - | 1,72.18 |
| Total | 1,07.61 | 3,79.53 | 39.16 | 2,71.92 | 5,11.01 | 5,83.83 | 9.35 | 1,80.43 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 7

INVESTMENTS

| | Currency | Face value | Number of units | | Amount | |
|--|----------|------------|-----------------|--------------|-------------------|-----------------|
| | | | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Non Current | | | | | | |
| (i) Investment stated at fair value through profit and loss | | | | | | |
| Investments in Equity Instruments | | | | | | |
| A) In others (Unquoted) | | | | | | |
| Kerala Enviro Infrastructure Limited fully paid up | Rs. | 10 | - | 10,000 | - | 1.00 |
| Total | | | | | - | 1.00 |
| Aggregate amount of unquoted investments | | | | | - | 1.00 |
| Aggregate amount of impairment in value of investments | | | | | - | - |
| Current | | | | | | |
| (i) Investment at fair value through profit and loss (at NAV) | | | | | | |
| A) Investment in Mutual Funds (unquoted) | | | | | | |
| Equity Arbitrage Fund - Growth (Bandhan Mutual Fund) | Rs. | | 11,38,840.58 | 26,48,918.00 | 4,00.64 | 8,70.71 |
| Money Market Fund - Growth (HDFC Mutual Fund) | Rs. | | 23,858.64 | 23,858.64 | 12,42.59 | 11,55.77 |
| Equity Arbitrage Fund - Growth (HDFC Mutual Fund) | Rs. | | 1,17,71,497.05 | 49,95,520.95 | 33,06.26 | 13,04.58 |
| Equity Arbitrage Fund - Growth (ICICI Mutual Fund) | Rs. | | 1,06,59,720.87 | 42,89,618.64 | 33,51.63 | 12,54.37 |
| Equity Arbitrage Fund - Growth (Kotak Mutual Fund) | Rs. | | 97,94,813.82 | 39,42,893.20 | 33,60.23 | 12,54.43 |
| Equity Arbitrage Fund - Growth (SBI Mutual Fund) | Rs. | | 32,42,085.68 | - | 10,04.60 | - |
| Total | | | | | 1,26,65.95 | 58,39.86 |
| For Related Party disclosure, refer Note No. 36 | | | | | | |
| Refer Note No. 40 for classification of Financial Instruments | | | | | | |
| Aggregate carrying amount of unquoted investments | | | | | 1,26,65.95 | 58,39.86 |
| Aggregate amount of impairment in value of investments | | | | | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 8 | | |
| OTHER FINANCIAL ASSETS | | |
| (Unsecured, considered good unless stated otherwise) | | |
| A) Non Current | | |
| Deposits with Govt. Authorities - Refer Note 37 | 2,59.80 | 30.00 |
| Deposits with Others | 98.36 | 96.62 |
| Total | 3,58.16 | 1,26.62 |
| B) Current | | |
| Deposits for short term leases | 2,11.32 | 2,07.32 |
| Interest accrued on deposits | 61.57 | 53.32 |
| Total | 2,72.89 | 260.64 |
| Refer Note No. 40 for classification of Financial Instruments | | |
| NOTE 9 | | |
| OTHER ASSETS | | |
| (Unsecured, considered good) | | |
| A) Non Current | | |
| Capital Advances | 1.84 | 11.36 |
| Deposits with Govt Authorities | 1,96.64 | 1,41.05 |
| Receivable from Govt. Authorities | 18.74 | 18.74 |
| Total non-current assets | 2,17.22 | 1,71.15 |
| B) Current | | |
| Export incentive receivable | - | 1.85 |
| Advance to suppliers | 4,69.02 | 2,32.04 |
| Other Advances | 18.18 | 58.58 |
| Prepaid expenses | 3,24.08 | 2,73.20 |
| GST Input Receivable | 13,09.48 | 16,39.79 |
| VAT Input | 15.02 | 1,09.47 |
| Total current assets | 21,35.78 | 23,14.93 |
| NOTE 10 | | |
| INVENTORIES | | |
| Inventories at the lower of cost and net realisable value | | |
| Raw Materials* | 49,10.06 | 40,90.08 |
| Finished goods | 76,03.56 | 1,09,93.18 |
| Stock in process | 78,13.17 | 45,51.95 |
| Stores, Spares and packing material | 17,87.72 | 15,65.65 |
| Total inventories | 2,21,14.51 | 2,12,00.86 |

* Includes goods in transit of raw materials in C.Y Nil (31 March 2023:Rs 133.81 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2020 | As at 31 st March 2019 |
|--|--------------------------------------|--------------------------------------|
| Note 10.1: | | |
| Carrying amount of inventories pledged as security for liabilities | 2,21,14.51 | 2,12,00.86 |
| Note 10.2: | | |
| Write down/back to inventory recognised in cost during the year | 12.89 | 3,77.94 |
| Note 10.3: | | |
| There are no raw materials and components with third parties as on 31st March 2024 (31st March 2023: Nil) | | |
| Note 10.4: | | |
| Valuation of Inventories has been made as per Group's Accounting Policy No. 3.3 | | |
| NOTE 11 | | |
| TRADE RECEIVABLES | | |
| Current (Unsecured) | | |
| (a) Considered Good* | 1,09,97.01 | 1,21,39.57 |
| Less: Allowance for doubtful trade receivables | - | - |
| | <u>1,09,97.01</u> | <u>1,21,39.57</u> |
| (b) Credit impaired | - | - |
| Less: Allowance for doubtful trade receivables | - | - |
| Total | <u>1,09,97.01</u> | <u>1,21,39.57</u> |
| Note 11.1: Dues from related parties includes dues from companies where directors are interested | 13.30 | - |
| Note 11.2: Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note No 42 | | |
| Note 11.3: Refer Note No. 40 for classification of Financial Instruments | | |
| The movement in allowance for bad and doubtful debts is as follows: | | |
| Opening provision for doubtful debts | - | - |
| Add- Provision made during the year (Net) | - | - |
| Less- Reversals made during the year | - | - |
| Closing provision for doubtful debts | <u>-</u> | <u>-</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

Trade Receivables ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| “Particulars” | As at | Outstanding for following periods from due date of payment | | | | | |
|--|---------------------------|--|----------------------|-------------------|-----------|---------------------|------------|
| | | Not due | “Less than 6 months” | 6 months - 1 year | 1-2 years | “More than 3 years” | Total |
| (i) Undisputed Trade receivables – considered good | 31 st March 24 | 36,74.45 | 72,44.33 | 11.33 | 66.90 | - | 1,09,97.01 |
| | 31 st March 23 | 51,01.65 | 68,55.34 | 1,64.91 | 17.67 | - | 1,21,39.57 |
| Total | 31 st March 24 | 36,74.45 | 72,44.33 | 11.33 | 66.90 | - | 1,09,97.01 |
| | 31 st March 23 | 51,01.65 | 68,55.34 | 1,64.91 | 17.67 | - | 1,21,39.57 |
| Less : Allowance for Trade Receivable | 31 st March 24 | - | - | - | - | - | - |
| | 31 st March 23 | - | - | - | - | - | - |
| Net Trade Receivable | 31 st March 24 | 36,74.45 | 72,44.33 | 11.33 | 66.90 | - | 1,09,97.01 |
| | 31 st March 23 | 51,01.65 | 68,55.34 | 1,64.91 | 17.67 | - | 1,21,39.57 |

NOTE 12

CASH AND CASH EQUIVALENTS

| | | |
|---|-----------------|-----------------|
| Cash on hand | 6.76 | 5.19 |
| Balances with bank in current account | 25,36.97 | 20,09.57 |
| Cash and cash equivalents as per balance sheet | 25,43.73 | 20,14.76 |

Note 12.1: There are no repatriation restrictions with respect to cash and cash equivalents

NOTE 12A

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS:

| | | |
|--|----------------|----------------|
| Balances with banks: | | |
| Margin money deposit* | 81.45 | 81.45 |
| Ear Marked balances - Unpaid dividend | 1,60.39 | 1,78.62 |
| Deposit with original maturity for more than 3 months but less than 12 months | 0.85 | 0.85 |
| Bank balances other than cash and cash equivalents | 2,42.69 | 2,60.92 |
| Less : Term deposit with bank maturing after 12 months from the Balance Sheet date | | |
| Total | 2,42.69 | 2,60.92 |

* Given as margin money for Letter of Credits & Bank Guarantees

Refer Note No. 40 for classification of Financial Instruments

NOTE 13

LOANS

Current at amortized cost (Unsecured, considered good)

| | | |
|---|--------------|--------------|
| Loans to employees | 24.17 | 25.52 |
| Less; Allowances for credit Impaired loans to employees | - | - |
| Total | 24.17 | 25.52 |

Refer Note No. 40 for classification of Financial Instruments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 14

SHARE CAPITAL

A. Authorised Share Capital

| | | |
|--|-----------------|----------|
| 159,900,000 (31 March 2023: 159,900,000) equity shares of Rs. 1 each | 15,99.00 | 15,99.00 |
| 1,000 (31 March 2023: 1,000) - 12% Redeemable Cumulative Preference Shares of Rs.100 each | 1.00 | 1.00 |
| 3,000,000 (31 March 2023: 3,000,000)- 7% Redeemable Cumulative Preference Shares of Rs.10 each | 3,00.00 | 3,00.00 |

B. Issued, Subscribed & Paid Up

| | | |
|--|-----------------|----------|
| 152,284,000 (31 March 2023: 152,284,000) equity shares of Rs. 1 each | 15,22.84 | 15,22.84 |
|--|-----------------|----------|

C. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

D. Shares reserved under option and contract/commitments for sale of shares/disinvestment - Nil (31st March 2023 - Nil)

E. The aggregate value of calls unpaid (including Directors and Officers of the Company) - Nil (31st March 2023 - Nil)

F. There were no bonus share issue/ buy back of shares in the immediately preceding 5 years.

G. The Company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash.

H. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Number of shares | Amount |
|--|---------------------|----------|
| As at 1 April 2022 | 15,22,84,000 | 1,522.84 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance as at April 1, 2022 | 15,22,84,000 | 1,522.84 |
| Increase /(decrease) during the year | - | - |
| As at 31 March 2023 | 15,22,84,000 | 1,522.84 |
| Increase /(decrease) during the year | - | - |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance as at April 1, 2023 | 15,22,84,000 | 1,522.84 |
| Increase /(decrease) during the year | - | - |
| As at 31 March 2024 | 15,22,84,000 | 1,522.84 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

I. Disclosure of shareholding of promoters and percentage of change during the year.

| Promoters name | 31-Mar-24 | | | 31-Mar-23 | | |
|--|---------------------|---------------|--------------------------|---------------------|---------------|--------------------------|
| | No. of Shares held | % of Holding | % Change During the year | No. of Shares held | % of Holding | % Change During the year |
| Neelamalai Agro Industries Limited | 6,09,13,600 | 40.00% | - | 6,09,13,600 | 40.00% | - |
| The Midland Rubber & Produce Company Limited | 4,54,52,175 | 29.85% | - | 4,54,52,175 | 29.85% | - |
| The Nelliampathy Tea & Produce Company Limited | 60,91,360 | 4.00% | - | 60,91,360 | 4.00% | - |
| Ajit Thomas | 15,22,840 | 1.00% | - | 15,22,840 | 1.00% | - |
| Shanthi Thomas | 1,81,000 | 0.12% | - | 1,81,000 | 0.12% | - |
| Ashwin Thomas | 52,000 | 0.03% | - | 52,000 | 0.03% | - |
| Total | 11,42,12,975 | 75.00% | - | 11,42,12,975 | 75.00% | - |

J. Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | 31-Mar-24 | | 31-Mar-23 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Neelamalai Agro Industries Limited | 6,09,13,600 | 40.00% | 6,09,13,600 | 40.00% |
| The Midland Rubber & Produce Company Limited | 4,54,52,175 | 29.85% | 4,54,52,175 | 29.85% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

K. Dividends - Refer Note No. 46 for the details relating to the dividends distributed during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 15

OTHER EQUITY

| Name of the reserve | Reserves & Surplus | | | | Items of Other Comprehensive Income | | Total |
|--|--------------------|-----------------|-------------------|---|-------------------------------------|--------------------------------------|------------|
| | Capital Re-serve | General Reserve | Retained Earnings | Remea-surments of post employment benefits obligations through other comprehensive income | Cash flow Hedging Reserve | Foreign Currency Translation Reserve | |
| As at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,03,87.71 | (2,07.36) | (91.75) | 61.97 | 3,53,52.81 |
| Changes in accounting policy or prior period items | - | - | - | - | - | - | - |
| Restated balance as at 1 st April 2022 | 0.35 | 2,52,01.88 | 1,03,87.71 | (2,07.36) | (91.75) | 61.97 | 3,53,52.81 |
| Profit for the year | - | - | 77,39.87 | - | - | - | 77,39.87 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | 9.18 | - | - | 9.18 |
| Other Comprehensive income for the year, net of Income tax | - | - | - | - | 5.32 | (74.25) | (68.93) |
| Total comprehensive income for the year | - | - | 77,39.87 | 9.18 | 5.32 | (74.25) | 76,80.12 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - | - |
| Dividends paid including dividend distribution tax | - | - | (15,22.84) | - | - | - | (15,22.84) |
| As at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,41,04.74 | (1,98.18) | (86.43) | (12.28) | 4,15,10.08 |
| Changes in accounting policy or prior period items | - | - | - | - | - | - | - |
| Restated balance as at 1 st April 2023 | 0.35 | 2,77,01.88 | 1,41,04.74 | (1,98.18) | (86.43) | (12.28) | 4,15,10.08 |
| Profit for the year | - | - | 53,28.82 | - | - | - | 53,28.82 |
| Remeasurement of the post-employment benefit obligations and tax thereon | - | - | - | (13.17) | - | - | (13.17) |
| Other Comprehensive income for the year, net of Income tax | - | - | - | - | 57.81 | (84.26) | (26.45) |
| Total comprehensive income for the year | - | - | 53,28.82 | (13.17) | 57.81 | (84.26) | 52,89.19 |
| Transfer to General Reserve | - | 25,00.00 | (25,00.00) | - | - | - | - |
| Dividend paid | - | - | (13,70.56) | - | - | - | (13,70.56) |
| At 31 March 2024 | 0.35 | 3,02,01.88 | 1,55,63.00 | (211.35) | (28.62) | (96.55) | 4,54,28.71 |

Nature and purpose of other reserves

- Capital Reserve** - Reserve of capital nature taken to this head under the erstwhile GAAP.
- General Reserve** - General Reserve is created out of the profits earned by the group by way of transfer from surplus in the statement of profit and loss. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Cash flow Hedging Reserve:** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 16 | | |
| BORROWINGS | | |
| Non Current | | |
| Term Loans from banks | 8,05.00 | 11,85.00 |
| Total | 8,05.00 | 11,85.00 |
| Less: Current Maturities of Long Term Debt clubbed under Other Current Financial liabilities | 3,10.00 | 3,80.00 |
| Net Non Current Borrowings | 4,95.00 | 8,05.00 |
| Current | | |
| Current Maturities of Long Term Debt | 3,10.00 | 3,80.00 |
| Loan repayable on demand | | |
| Packing Credit from Banks (*) - floating rate - ~ 5.80 to ~7.00% p.a | - | - |
| Working Capital Loan in foreign currency | 28,87.30 | 22,29.14 |
| Total | 31,97.30 | 26,09.14 |
| Aggregate secured loans | 36,92.30 | 34,14.14 |
| Aggregate unsecured loans | - | - |

Foot Note:

1. Term loan from banks

- (i) Term Loan 1: The company had availed a term loan for a period of five years with half yearly instalments, last instalment repayment date is July 2024. Secured by first charge on 27.01 acres of leasehold land and movable fixed assets and buildings (value of buildings and movable fixed assets being Rs.3,498 Lakhs). Rate of Interest - 9.70% p.a (31st March 2023 - 9.45% p.a.)
- (ii) Term Loan 2: The company has taken an additional term loan for a period of six years including a moratorium of 1 year. The loan is repayable in 10 equal half yearly instalments with repayment commencing from February 2024 and the last instalment due being August 2028. Secured by first charge on assets created out of the term loan. Rate of Interest - 8.75% p.a. (31st March 2023 - 7.15% p.a)

Packing Credit from Banks (*)

"Packing Credit from Banks (*)

Packing credit from banks secured by

- hypothecation of present and future current assets including stocks, semi-finished goods, finished goods, consumables, stores, spares, book debts.
- 15% margin on sight import letter of credit and performance guarantee
- In some cases second pari passu charge by way of hypothecation and mortgage of movable and immovable assets of the Company, second charge on entire fixed assets of the Company including EM, In some cases demand promissory note, hypothecation of book debts, letter of containing security, deposit of letter of credit

Working capital loan (*)

Working capital loan availed by AVT Natural Europe Limited and AVT Natural S.A DE C.V. (Subsidiary Companies) are secured by a fixed and floating charges against the present & future assets of the subsidiary Companies. Further, the parent has given a corporate guarantee for the same.

Working Capital Loan 1 - Interest Rate 7.50% (USD) (31st March 2023 - 6.75%)

Working Capital Loan 2 - Interest Rate 9.83% (USD) (31st March 2023 - 4.60%)

Working Capital Loan 3 - Interest Rate 14.70% (Peso) (31st March 2023 - 8.93%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

Period and amount of default as on 31st March 2024 - Nil (31st March 2023 - Nil)

No loans have been guaranteed by Directors or Others

2. The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| | | |
|-----------------------|----------|----------|
| Fund Based facilities | 85,55.00 | 89,35.00 |
| Non Fund facilities | 33,76.00 | 33,76.00 |

3. Net debt reconciliation

Net debt

| | | |
|--|-------------------|-----------------|
| Cash and cash equivalents | 25,43.73 | 20,14.76 |
| Current Investment | 1,26,65.95 | 58,39.86 |
| Non Current & Current Borrowings | (36,92.30) | (34,14.14) |
| Non-current and current lease liabilities | (5,67.42) | (2,85.92) |
| Net (debt)/ Cash & Cash Equivalents | 1,09,49.96 | 41,54.56 |

| Finance Cost | Accrued during the year | | Paid during the year | |
|-------------------------------------|-------------------------|----------------|----------------------|----------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Interest on borrowings | 4,70.62 | 2,03.17 | 4,70.62 | 2,03.17 |
| Bank Charges on borrowings | 1,90.77 | 2,21.06 | 1,90.77 | 2,21.06 |
| Unwinding interest on finance lease | 34.57 | 18.76 | 34.57 | 18.76 |
| Total | 6,95.96 | 4,42.99 | 6,95.96 | 4,42.99 |

| | Other Assets | | Borrowings and leases | |
|---|---------------------------|-----------------------|------------------------------|-------------------|
| | Cash and cash equivalents | "Current Investments" | Short / Long Term Borrowings | Lease liabilities |
| Net (debt)/ Cash & Cash Equivalents as at 1st April 2022 | 14,29.06 | 28,33.60 | (21,98.33) | (3,21.01) |
| Cash inflow | - | - | (12,15.81) | - |
| Cash Outflow | 5,85.70 | 30,06.26 | - | 53.85 |
| Unrealised fair value gains on current investments | - | - | - | - |
| Interest expense | - | - | 4,24.23 | (18.76) |
| Interest paid | - | - | (4,24.23) | - |
| (Net debt)/ Cash & Cash Equivalents as at 31 March 2023 | 20,14.76 | 58,39.86 | (34,14.14) | (2,85.92) |
| Net (debt)/ Cash & Cash Equivalents as at 1st April 2023 | 20,14.76 | 58,39.86 | (34,14.14) | (2,85.92) |
| Cash inflow | - | - | (2,78.16) | - |
| Cash outflow | 5,28.97 | 68,26.09 | - | (2,46.93) |
| Unrealised fair value gains on current investments | - | - | - | - |
| Interest expense | - | - | 6,61.39 | (34.57) |
| Interest paid | - | - | (6,61.39) | - |
| (Net debt)/ Cash & Cash Equivalents as at 31 March 2024 | 25,43.73 | 1,26,65.95 | (36,92.30) | (5,67.42) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 17 | | |
| Lease liability | | |
| Non Current | | |
| Lease liability - fixed rate of 9%.p.a. | 5,67.42 | 2,85.92 |
| Less: Current maturities of leases | <u>50.71</u> | <u>43.84</u> |
| | <u>5,16.71</u> | <u>2,42.08</u> |
| Current | | |
| Lease liability - fixed rate of 9%.p.a. | <u>50.71</u> | <u>43.84</u> |
| | <u>5,67.42</u> | <u>2,85.92</u> |

Note 17. 1 Lease Liability

Lease liability loan is for the period of 10 years. The same is payable in monthly instalments with last repayment date as July 2029. The lease liability is secured by Plant and Machinery taken on lease.

During the year, the company has taken various land on lease for a period of 5 years. The lease rents are payable as per the terms of the lease and the last repayment is for the year ended 31st March 2029.

Note 17.2:

Refer Note No. 6 for disclosure of ROU assets.

Note 17.3:

Refer Note No. 38 for disclosure of leases

Note 17.4:

Refer Note No. 40 for classification of Financial Instruments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| NOTE 18 | | |
| PROVISIONS | | |
| Non Current | | |
| Provision for Gratuity (funded)* | - | - |
| Provision for Compensated absences (unfunded)* | 4,68.87 | 4,02.71 |
| Total non-current provisions | 4,68.87 | 4,02.71 |
| Current | | |
| Provision for Gratuity (funded)* | 6,04.54 | 5,80.29 |
| Provision for Compensated absences (unfunded)* | 1,34.06 | 1,20.30 |
| Provision for other taxes | 3,58.62 | 1,67.58 |
| Provision for Savings Fund | 61.10 | 20.64 |
| Total current provisions | 11,58.32 | 8,88.81 |
| Note 18.1 : Refer Note 35 for disclosures on employee benefits | | |
| NOTE 19 | | |
| DEFERRED TAX LIABILITY | | |
| Components of Deferred Tax | | |
| Deferred Tax Liability | | |
| On Account of depreciation | 1,76.07 | 3,07.40 |
| On account of fair valuation of investments | 2,32.61 | 93.48 |
| (A) | 4,08.68 | 400.88 |
| Deferred Tax Asset | | |
| Provisions for gratuity and compensated absences | 3,03.89 | 2,77.68 |
| On account of hedge reserve | 9.62 | 29.07 |
| On Account of c/f losses | - | 54.32 |
| On Account of Lease liabilities and right-of-use assets | 2.49 | - |
| (B) | 3,16.00 | 3,61.07 |
| Deferred Tax Liability (net) | | |
| (A-B) | 92.68 | 39.81 |
| NOTE 20 | | |
| TRADE PAYABLES | | |
| Current | | |
| Due to micro and small enterprises (Refer Foot notes (i)) | 4,08.26 | 70.16 |
| Due to other than micro and small enterprises | - | - |
| - Related parties (Refer note 36) | 1,70.62 | 49.52 |
| - Other payables | 52,89.86 | 26,38.80 |
| Total of due to other than micro and small enterprises | 54,60.48 | 26,88.32 |
| Total trade payables | 58,68.74 | 27,58.48 |

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Also, refer Note 39 for details on the required disclosures.

Refer Note No. 41 for classification of Financial Instruments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

As at
31st March 2024 As at
31st March 2023

Trade payable ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

| Particulars* | | Outstanding for following periods from date of transaction | | | | | |
|---|---------------------------|--|------------------|------------|-----------|-------------------|----------|
| | | Unbilled | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed dues – Micro and Small Enterprises | 31 st March 24 | - | 4,08.26 | - | - | - | 4,08.26 |
| | 31 st March 23 | - | 70.16 | - | - | - | 70.16 |
| (i) Undisputed dues – Medium enterprises | 31 st March 24 | - | 15,36.22 | - | - | - | 15,36.22 |
| | 31 st March 23 | - | - | - | - | - | - |
| (ii) Undisputed dues – Other than MSME | 31 st March 24 | 5,39.55 | 23,14.94 | 9,14.66 | 70.00 | 85.11 | 39,24.26 |
| | 31 st March 23 | 3,51.15 | 18,24.17 | 4,22.91 | 38.14 | 51.95 | 26,88.32 |
| Total | 31 st March 24 | 5,39.55 | 42,59.42 | 9,14.66 | 70.00 | 85.11 | 58,68.74 |
| | 31 st March 23 | 3,51.15 | 18,94.33 | 4,22.91 | 38.14 | 51.95 | 27,58.48 |

* There are no disputed dues to MSME or other than MSME vendors

NOTE 21

OTHER FINANCIAL LIABILITIES

CURRENT

| | | |
|---|----------------|---------------|
| Foreign exchange forward contracts | 6.81 | 2,41.53 |
| Employee related liabilities | 3,69.60 | 3,68.20 |
| Unpaid dividend | 1,60.39 | 1,78.62 |
| Other payables- Related to employee welfare | 1.87 | 1.81 |
| Total | 5,38.67 | 790.16 |

NOTE 22

OTHER LIABILITIES

Current

| | | |
|---|----------------|----------------|
| Statutory dues | 1,16.61 | 1,17.32 |
| Advance from customers | 1,95.80 | 2,40.73 |
| Other payables- Related to employee welfare | 1,52.89 | 27.22 |
| Deposits from contractors | 5.10 | 5.10 |
| Total | 4,70.40 | 3,90.37 |

NOTE 23

REVENUE FROM OPERATIONS

| | | |
|---|-------------------|-------------------|
| Sale of Products | 5,08,33.60 | 5,71,21.82 |
| Job work income | 8,92.32 | 10,94.75 |
| Total Revenue from Operations | 5,17,25.92 | 5,82,16.57 |
| Revenue disaggregated by products and services | | |
| Marigold extracts | 1,78,29.36 | 2,56,22.95 |
| Spices extracts | 1,37,68.37 | 1,49,86.48 |
| Instant Tea & de-Caffeinated Tea | 1,62,03.97 | 1,51,81.39 |
| Animal Nutrition | 30,31.90 | 13,31.00 |
| Sale of services | | |
| Job work income | 8,92.32 | 10,94.75 |
| | 5,17,25.92 | 5,82,16.57 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Revenue disaggregation by geography: | | |
| America | 2,64,97.98 | 2,98,62.05 |
| Europe | 35,77.37 | 1,80,88.65 |
| India | 30,02.90 | 43,17.96 |
| Others | 1,86,47.67 | 59,47.91 |
| | <u>5,17,25.92</u> | <u>5,82,16.57</u> |

Geographical revenue is allocated based on the location of the customers.

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

| | | |
|--|-------------------|-------------------|
| Revenue as per contracted price | 5,20,52.10 | 5,85,33.47 |
| Less: Sales returns | <u>(3,26.18)</u> | <u>(3,16.90)</u> |
| Revenue from contracts with customers | <u>5,17,25.92</u> | <u>5,82,16.57</u> |

Information on satisfaction of performance obligation is disclosed in Note No. 44

NOTE 24

OTHER INCOME

| | | |
|---|-----------------|----------------|
| Net gain on disposal / fair valuation of investments carried at fair value through profit or loss | 7,36.42 | 2,10.07 |
| Interest income on financial assets measured at amortised cost | - | - |
| Foreign exchange differences (net) | 4,32.33 | 4.49 |
| Sundry creditors written back | 55.75 | - |
| Commission | 12.76 | - |
| Interest income on financial assets measured at amortised cost | 12.64 | 9.80 |
| Net gain on sale of property, plant and equipment | - | 0.25 |
| Insurance Claim | 4.67 | 3.47 |
| Miscellaneous income | <u>0.85</u> | <u>6.79</u> |
| Total other income | <u>12,55.42</u> | <u>2,34.87</u> |

NOTE 25

CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

Inventory at the beginning of the year

| | | |
|------------------|------------------|-------------------|
| Finished Goods | | |
| - Processed | 93,08.25 | 90,48.30 |
| - Trade | 16,84.93 | 11,60.32 |
| Stock in process | 45,51.95 | 12,08.90 |
| | <u>15,545.13</u> | <u>1,14,17.52</u> |

Less: inventory at the end of the year

| | | |
|------------------------------------|-------------------|-------------------|
| Finished Goods | | |
| - Processed | 57,30.01 | 93,08.25 |
| - Trade | 18,73.55 | 16,84.93 |
| Stock in process | 78,13.17 | 45,51.95 |
| Stock in transit of Finished Goods | - | - |
| | <u>1,54,16.73</u> | <u>1,55,45.13</u> |
| Net (Increase)/Decrease | <u>1,28.40</u> | <u>(41,27.61)</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| NOTE 26 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages and bonus** | 56,54.88 | 54,29.72 |
| Contribution to provident and other funds* | 5,65.62 | 5,26.60 |
| Staff welfare expenses | 5,09.35 | 5,15.24 |
| Total | 67,29.85 | 6,471.56 |
| *Refer to Note 35 for details on employee benefits | | |
| The above includes | | |
| - Salaries, wages and bonus includes net incremental leave encashment provision | 79.92 | 3.19 |
| - Contribution to provident and other funds includes net incremental gratuity provision | 154.08 | 136.03 |
| **The above includes Directors sitting fee | 10.75 | 8.90 |
| NOTE 27 | | |
| FINANCE COSTS | | |
| Interest expense on financial liabilities measured at amortized cost: | | |
| On Term loans | 93.61 | 91.40 |
| On Packing credit | 1,01.24 | 1,11.77 |
| On Working Capital Loan | 2,75.77 | 64.99 |
| Other finance costs including bank charges | 1,90.77 | 2,21.06 |
| Interest on lease liabilities | 34.57 | 18.76 |
| Interest due to Micro and Small enterprises | 0.26 | 0.15 |
| Interest on income tax | - | 27.28 |
| Total | 6,96.22 | 5,35.41 |
| NOTE 28 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation on property, plant and equipments | 12,45.78 | 12,85.07 |
| Amortisation on other Intangible assets | 34.34 | 14.28 |
| Depreciation on right-of-use assets | 1,07.61 | 39.17 |
| | 13,87.73 | 13,38.52 |
| NOTE 29 | | |
| OTHER EXPENSES | | |
| Consumption of stores, spares and packing materials | 34,07.57 | 44,29.53 |
| Freight and Forwarding charges | 17,35.34 | 23,27.94 |
| Power and fuel | 35,25.53 | 49,63.28 |
| Commission | 2,25.86 | 90.52 |
| Crop promotional and agro meeting expense | 3,81.93 | 18.87 |
| Product testing charges | 3,60.68 | 2,66.81 |
| Travelling and conveyance | 5,16.69 | 3,98.39 |
| Legal and professional fees | 5,09.61 | 4,43.49 |
| Processing Charges | 1,56.34 | 1,11.00 |
| Security Service Charges | 1,12.72 | 94.88 |
| Short term leases | 7,73.85 | 7,32.87 |
| Rates and taxes | 1,95.87 | 82.86 |
| Insurance | 1,61.72 | 1,77.04 |
| Repairs and maintenance | | |
| Plant and machinery | 6,92.38 | 9,73.84 |
| Buildings | 78.21 | 1,07.23 |
| Vehicles | 1,32.23 | 1,49.03 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Others | 4,17.24 | 6,02.12 |
| CSR expenditure (Refer Note No. 30) | 1,67.63 | 1,31.96 |
| Donations and charity | 51.05 | 1,00.49 |
| Advertisement | 8.01 | 6.27 |
| Postage and telephones | 58.78 | 63.72 |
| Printing and stationery | 55.96 | 48.22 |
| Payment to auditor (Refer Note No. 31) | 77.29 | 64.74 |
| Uncollectable Account | - | 2.47 |
| Miscellaneous Expenses | 1,156.70 | 616.37 |
| Total | 1,49,59.18 | 1,70,03.93 |

NOTE 30

CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

| | | |
|--|---|---|
| (a) Amount required to be spent as per Section 135 of the Act by the Holding Company | 1,67.07 | 1,31.74 |
| (b) Amount spent during the year on: | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 1,67.63 | 1,31.96 |
| (c) shortfall at the end of the year | - | - |
| (d) total of previous years shortfall | - | - |
| (e) reason for shortfall | Not applicable | Not applicable |
| (f) nature of CSR activities | Support for Drinking water, scholarship programme, infrastructure support, Children & old age | Support for Drinking water, scholarship programme, infrastructure support, Children & old age |
| (g) details of related party transactions | - | - |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | N.A | N.A |

NOTE 31

PAYMENT MADE TO STATUTORY AUDITORS*:

As Auditor:

| | | |
|-----------------|-------|-------|
| Statutory Audit | 60.00 | 50.40 |
| Tax Audit | 5.65 | 5.65 |

In Other Capacity

| | | |
|---------------------------|------|------|
| Taxation Matters | 5.00 | 3.10 |
| Certification | 5.29 | 2.99 |
| Reimbursement of expenses | 1.35 | 2.60 |

| | | |
|--------------|--------------|--------------|
| Total | 77.29 | 64.74 |
|--------------|--------------|--------------|

* Includes payments to auditors of the subsidiaries

NOTE 32

INCOME TAX

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

Statement of profit and loss:

| | | |
|---|-----------------|-----------------|
| Income tax | 17,40.45 | 27,99.38 |
| Deferred tax | 37.84 | (86.35) |
| Income tax expense reported in the statement of profit or loss | 17,78.29 | 27,13.02 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Other Comprehensive Income | | |
| Net (gain)/loss on revaluation of cash flow hedges | (19.44) | (1.79) |
| Net loss/(gain) on remeasurements of defined benefit plans | 4.43 | (3.09) |
| Income tax charged to OCI | (15.01) | (4.88) |
| Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2024 and 31 March 2023: | | |
| Accounting profit before tax (a) | 71,07.11 | 1,04,52.89 |
| Income Tax Rate (b) | 25.17% | 25.17% |
| Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] | 17,88.72 | 26,30.78 |
| ADJUSTMENTS | | |
| On account of Income Tax relating to Remeasurement of the defined benefit plans | 26.22 | 14.69 |
| On account of Corporate Social Responsibility Costs | 42.19 | 33.21 |
| On account of interest on shortfall in advance tax paid | - | 6.87 |
| On account of donations | 12.85 | 25.29 |
| On account of non-deductible expenses | 1.26 | 5.49 |
| On account of other items | (92.93) | (3.30) |
| Income tax expense reported in the statement of profit and loss | 17,78.30 | 27,13.02 |

AVT Natural Europe Limited- a Subsidiary company, has tax losses of Rs.Nil (31 March 2023: 217.27 Lakhs) to carry forward and offset against future profits.

The Group has not recognized deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries where the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future. The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised.

Reconciliation of deferred tax liabilities (net):

| | | |
|---|---------|----------|
| Opening balance as of 1 April | (39.82) | (121.29) |
| Tax income/(expense) during the year recognised in profit or loss | (37.84) | 86.35 |
| Tax income/(expense) during the year recognised in OCI | (15.01) | (4.88) |
| Closing balance as at 31 March | (92.67) | (39.82) |

The Holding Company does not have any intention to dispose of its free hold and lease hold land in the foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

NOTE 33

EARNINGS PER SHARE

| | | |
|---|--------------|--------------|
| Profit after Taxation in Rs. In Lakhs | 53,28.82 | 77,39.87 |
| Weighted average number of Equity Shares outstanding at the end of the year * | 15,22,84,000 | 15,22,84,000 |
| Nominal value per Equity share | 1.00 | 1.00 |
| Earnings per share (Basic and Diluted) in Rs. | 3.50 | 5.08 |

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

NOTE 34

SEGMENT REPORTING

The Group operates in a single segment, namely solvent extracted products. Even geographically, there is no material separate segment.

Additional Information:

SEGMENT REVENUE

| | | |
|---|-------------------|------------------|
| India | 30,02.90 | 4,317.96 |
| Rest of the World | 4,87,23.02 | 53,898.61 |
| Total Revenue from Sale of Products and services | 5,17,25.92 | 58,216.57 |

NOTE 35

EMPLOYEE BENEFITS

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :

| | | |
|---------------------|---------|---------|
| Provident fund | 2,70.48 | 2,62.96 |
| Superannuation fund | 88.22 | 91.08 |

(b) The Company operates post retirement defined benefit plans as follows :-

Gratuity Scheme:

This is a funded defined benefit plan for qualifying employees for which, the Company is making contributions to the Gratuity Fund managed by Life Insurance Corporation of India. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2024:-

i) Expense recognized in the statement of profit and loss

| | | |
|---|----------------|----------------|
| Current Service Cost | 1,17.15 | 1,04.97 |
| Net Interest | 36.93 | 31.06 |
| Expense recognized in the statement of profit and loss | 1,54.08 | 1,36.03 |

ii) Other Comprehensive Income (OCI)

| | | |
|--|--------------|----------------|
| Actuarial (Gain)/Loss recognized for the period | 25.83 | (1.35) |
| Return on Plan Assets excluding net interest | (8.22) | (10.91) |
| Total Actuarial (Gain)/Loss recognized in (OCI) | 17.61 | (12.26) |

iii) Reconciliation of Defined Benefit Obligation

| | | |
|---|-----------------|-----------------|
| Opening Defined Benefit Obligation | 16,33.49 | 14,52.20 |
| Interest Cost | 1,14.36 | 91.49 |
| Current Service Cost | 1,17.15 | 1,04.97 |
| Benefits paid | (1,29.65) | (13.82) |
| Actuarial Losses / (Gain) on obligation | 25.83 | (1.35) |
| Closing Defined Benefit Obligation | 17,61.18 | 16,33.49 |

iv) Reconciliation of Fair Value of Plan Assets

| | | |
|-----------------------------------|----------|---------|
| Opening Fair Value of Plan Assets | 10,53.19 | 9,27.48 |
| Return on plan assets | 8.22 | 10.91 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 | | | |
|---|---|--|-------------------|-------------------|-------------------|
| Interest income | 77.43 | 60.43 | | | |
| Contributions made | 1,47.44 | 68.19 | | | |
| Benefits Paid | (1,29.65) | (13.82) | | | |
| Closing Fair Value of Plan Assets | 11,56.63 | 1,053.19 | | | |
| v) Reconciliation of Net Liability/ Asset | | | | | |
| Opening Net Benefit Liability | 5,80.30 | 5,24.72 | | | |
| Expense charged to profit and loss | 1,54.08 | 1,36.03 | | | |
| Amount recognized outside profit and loss (in OCI) | 17.61 | (12.26) | | | |
| Employer Contribution | (1,47.44) | (68.19) | | | |
| Closing Net Defined Benefit Liability/ (Asset) - Current | 6,04.55 | 5,80.30 | | | |
| vi) Amount to be recognized in Balance Sheet and movement in net liability | | | | | |
| Present Value of Funded Obligations | 17,61.18 | 16,33.49 | | | |
| Fair Value of Plan Assets | 11,56.63 | 10,53.19 | | | |
| Net (asset) / Liability - Current | 6,04.55 | 5,80.30 | | | |
| vii) Description of Plan Assets | | | | | |
| Funds managed by Insurer | 100% | 100% | | | |
| Grand Total | 100% | 100% | | | |
| viii) Actuarial Assumptions | | | | | |
| Discount rate (p.a.) | 7.09% | 7.29% | | | |
| Salary Escalation Rate (p.a.) | 12.75% | 12.00% | | | |
| Attrition Rate (p.a) | 5.00% | 5.00% | | | |
| Expected rate of return on Plan Assets (p.a.) | 7.09% | 7.29% | | | |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Ult | Indian Assured Lives Mortality (2012-14) Ult | | | |
| The discount rates are based on the benchmark yields available on government bonds at the valuation date with terms matching that of the liabilities and salary increases rates take into account inflation, Seniority, Promotion and other relevant factors. | | | | | |
| ix) Assets liability comparison | 31-03-2024 | 31-03-2023 | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Present value obligation at the end of the period | 17,61.18 | 16,33.49 | 14,52.21 | 13,31.70 | 11,76.87 |
| Plan assets | 11,56.63 | 10,53.19 | 9,27.48 | 8,29.53 | 7,11.40 |
| Surplus/(Deficit) | (6,04.55) | (5,80.30) | (5,24.73) | (5,02.17) | (4,65.47) |
| Experience adjustments on plan assets | 8.22 | 10.91 | 8.11 | 4.04 | 2.46 |
| x) EXPECTED PAY-OUT | | | | | |
| Year 1 | 3,00.20 | | | | 2,97.16 |
| Year 2 | 88.68 | | | | 1,08.04 |
| Year 3 | 92.68 | | | | 84.85 |
| Year 4 | 1,47.49 | | | | 1,04.04 |
| Year 5 | 2,19.63 | | | | 1,37.92 |
| Next 5 years | 9,10.29 | | | | 9,27.07 |

Average Duration of Defined Benefit Obligations - 6.10 years (31 March 2023: 6.39 years)

Projected service costs for next financial year is Rs. 124.50 Lakhs (31 March 2023: Rs. 117.15 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

xi) Effect of Change in Key Assumptions

Discount Rate

| | | |
|--------------------------------------|-----------|-----------|
| Impact of increase in 100 bps on DBO | 110.30 | 101.94 |
| Impact of decrease in 100 bps on DBO | (1,25.82) | (1,16.18) |

Salary Escalation Rate

| | | |
|--------------------------------------|-----------|-----------|
| Impact of increase in 100 bps on DBO | (1,15.60) | (1,07.62) |
| Impact of decrease in 100 bps on DBO | 1,03.85 | 96.66 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(c) Other Long Term Employee Benefits :-

i) Leave Encashment:

The company also operates a non funded leave encashment scheme for its employees.

Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2024:-

ii) Amount to be recognized in Balance Sheet and movement in net liability

| | | |
|-------------------------------------|---------|---------|
| Present Value of Funded Obligations | 5,19.82 | 5,23.01 |
| Fair Value of Plan Assets | - | - |
| Net (asset) / Liability | 5,19.82 | 5,23.01 |

iii) Actuarial Assumptions

| | | |
|-------------------------------|--------|--------|
| Discount rate (p.a.) | 7.09% | 7.29% |
| Salary Escalation Rate (p.a.) | 12.75% | 12.00% |
| Attrition Rate (p.a) | 5.00% | 5.00% |

iv) Effect of Change in Key Assumptions

Discount Rate

| | | |
|--------------------------------------|-----------|---------|
| Impact of increase in 100 bps on DBO | (42.51) | 33.70 |
| Impact of decrease in 100 bps on DBO | (1,30.08) | (38.86) |

Salary Escalation Rate

| | | |
|--------------------------------------|-----------|---------|
| Impact of increase in 100 bps on DBO | (1,26.27) | (36.00) |
| Impact of decrease in 100 bps on DBO | (44.85) | 31.98 |

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Exposure to Risks:

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

36 RELATED PARTY TRANSACTIONS

A: Details of related parties:

(a) Directors who held the office during the year:

Mr. Ajit Thomas, Chairman
Mr. Habib Hussain
Mr. M.A.Alagappan
Mr. P.Shankar
Mr. A.D.Bopana
Mrs. Shanthi Thomas
Mrs. Kavitha Vijay

(b) Key Management Personnel (KMP):

Mr. Balasundaram Krishnakumar, President and Manager
Mr. A. Ramadas, Sr. Vice President and Chief Financial Officer
Mr. Sharon Josh, Company Secretary

Entities/Persons with whom transactions carried out were carried out in current / previous year

(c) Entities having significant influence over the reporting entity

The Midland Rubber and Produce Company Limited
Neelamalai Agro Industries Limited

(d) Entities with common control through board composition / shareholding

AVT Gavia Foods Private Limited
The Nelliampathy Tea and Produce Company Limited
A V Thomas & Company Limited
Midland Corporate Advisory Services Private Limited
AVT McCormick Ingredients Private Limited
Midland Charitable Trust
AVT Leather Inc.

(e) Relatives of the directors

Mr. Rahul Thomas - Son of Mr. Ajit Thomas
Mr. Ashwin Thomas - Son of Mr. Ajit Thomas
Mrs. Shabri Roberson - Daughter of Mrs Shanthi Thomas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

B. Details of related party transactions during the year ended 31 March, 2024

| S. No. | Particulars | Entities having significant influence | | Directors and other relatives | | Key Management Personnel (KMP) | | Entities with common control through Board composition / shareholding | |
|--------|---|---------------------------------------|-----------|-------------------------------|-----------|--------------------------------|-----------|---|-----------|
| | | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | Transactions during the year: | | | | | | | | |
| 1 | Purchase of finished goods/raw materials | 97.60 | 1,35.73 | - | - | - | - | 99.11 | 47.97 |
| 2 | Sale of goods / consumables and ingredients | - | - | - | - | - | - | 87.90 | 59.60 |
| 3 | Freight & Transport Expenses | - | - | - | - | - | - | 1,65.32 | 1,59.55 |
| 4 | Dividend Paid | 9,57.29 | 10,63.66 | 24.14 | 26.83 | 0.01 | 0.01 | 54.82 | 60.91 |
| 5 | Expense reimbursement from related party | - | 0.03 | - | - | - | - | 7.33 | 15.82 |
| 6 | Expense reimbursement to related party | 94.92 | 12.03 | - | - | - | - | 28.43 | 23.50 |
| 7 | Sales Commission | - | - | - | - | - | - | - | - |
| 8 | Director sitting fees | - | - | 10.75 | 8.90 | - | - | - | - |
| 9 | Investment made in Subsidiary company during the current year | - | - | - | - | - | - | - | - |
| 10 | Donation | - | - | - | - | - | - | 50.00 | 1,00.00 |
| 11 | Rent and Maintenance | - | - | 30.00 | 30.00 | - | - | - | - |
| 12 | Remuneration* | - | - | 45.00 | 98.06 | 4,05.37 | 1,79.94 | - | - |

Outstanding Balances at the year end

| S. No. | Particulars | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
|--------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Trade receivables | - | - | - | - | - | - | 17.11 | - |
| 2 | Trade advance | - | - | - | - | - | - | - | - |
| 3 | Trade payables | 39.46 | 10.33 | - | - | - | - | 1,31.16 | 39.18 |
| 4 | Investments | - | - | - | - | - | - | - | - |

*The above figures do not include provisions for compensated leave and gratuity as separate actuarial valuation / premium paid are not available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

| | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| NOTE 37 | | |
| COMMITMENTS AND CONTINGENCIES | | |
| a) On account of Sales Tax / Value Added tax matters in dispute: | 1,45.16 | 1,45.16 |
| Amount paid to statutory authorities - Rs.71.23 lakhs (31 March 2023: - Rs.71.23 lakhs) | | |
| b) On account of income tax matters in dispute: | 1,73.94 | 1,73.94 |
| Amount paid to statutory authorities - Rs.100.89 lakhs (31 March 2023: - Rs.100.89 lakhs) | | |
| c) On account of Customs Duty matters in dispute: | 77.79 | 77.79 |
| Amount paid to statutory authorities - Rs.30.00 lakhs (31 March 2023: - Rs. 30.00 lakhs) | | |
| d) On account of Goods and Service tax matters in dispute | 16,92.66 | 2,79.30 |
| Amount paid to statutory authorities - Rs.57.68 lakhs (31 March 2023: - Nil) | | |

In all these cases, the company does not foresee any financial implications.

Contractual Commitments

Estimated amount of contracts remaining to be executed on capital account (Property, plant and equipments and other intangible assets net of capital advances and not provided for is Rs. Nil (31 March 2023: Rs. 51.60 Lakhs).

NOTE 38

LEASES

Company as a lessee

Note 38.1 : The Company has taken on lease equipment and warehouses. Most of the leases include renewal and escalation clauses.

Note 38.2: The table below provides details regarding the contractual maturities of lease liabilities as of March 31st, 2024 on an undiscounted basis:

Operating Lease

| | | |
|---|----------------|----------------|
| Due within one year | 62.46 | 59.24 |
| Due in a period between one year and five years | 5,52.98 | 2,43.88 |
| Due after five years | - | 14.81 |
| Total minimum lease commitments | 6,15.44 | 3,17.93 |

Lease commitment for short term leases

| | | |
|--|----------------|----------------|
| Lease commitment for short term leases for non-cancellable period* | 2,18.81 | 1,52.93 |
| Due in a period between one year and five years | - | - |
| Due after five years | - | - |
| Total minimum lease commitments | 2,18.81 | 1,52.93 |

* The leases of Godowns expire on various dates.

Note 38.3 :- The following amounts has been recognised in statement of profit and loss

Particulars

| | | |
|---|---------|---------|
| Depreciation - Refer Note No. 28 | 1,07.61 | 39.17 |
| Interest expenses - Refer Note No. 27 | 34.57 | 18.76 |
| Expenses relating to short term lease - Refer Note No. 29 | 7,73.85 | 7,32.87 |

Note 38.4 : Net debt reconciliation on leases - Refer Note No. 16(3)

Note 38.5: Leases not yet commenced to which lease is committed. As at 31st March 2024 is Nil (31st March 2023: Rs. 70.43 lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 39

GUARANTEE GIVEN BY THE HOLDING COMPANY

Bank Guarantees (other than guarantee given for subsidiaries as detailed in Note 37) of Rs.64.71 Lakhs (31 March 2023: Rs.34.28 Lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the margin money kept with bank of Rs. 6.56 Lakhs (31 March 2023: Rs. 3.75 Lakhs).

NOTE 40

FAIR VALUE MEASUREMENT

Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

Financial assets and liabilities

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|--|-----------------------------------|-------------|-------------------|-----------------------------------|----------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial assets (other than investment in subsidiary): | | | | | | |
| Non Current | | | | | | |
| Investments* | - | - | - | 1.00 | - | - |
| Other financial assets | - | - | 3,58.16 | - | - | 1,26.62 |
| Current | | | | | | |
| Investments | 1,26,65.95 | - | - | 58,39.86 | - | - |
| Loans | - | - | 24.17 | - | - | 25.52 |
| Trade Receivables | - | - | 1,09,97.01 | - | - | 1,21,39.57 |
| Cash and Cash Equivalents | - | - | 25,43.73 | - | - | 20,14.76 |
| Bank Balances other than Cash & Cash Equivalents | - | - | 2,42.69 | - | - | 2,60.92 |
| Other financial assets | - | - | 2,72.89 | - | - | 2,60.64 |
| Total | 1,26,65.95 | - | 1,44,38.65 | 58,40.86 | - | 1,48,28.02 |
| Financial liabilities: | - | - | - | - | - | - |
| Non-current | - | - | - | - | - | - |
| Borrowings | - | - | 4,95.00 | | | 8,05.00 |
| Lease liabilities | - | - | 5,16.71 | - | - | 2,42.08 |
| Current | - | - | - | - | - | - |
| Borrowings | - | - | 31,97.30 | - | - | 26,09.14 |
| Lease liabilities | - | - | 50.71 | - | | 43.84 |
| Trade Payables | - | - | 58,68.74 | - | - | 27,58.48 |
| Other financial liabilities | - | 6.81 | 5,31.86 | - | 2,41.53 | 5,48.63 |
| Total | - | 6.81 | 1,06,60.32 | - | 2,41.53 | 70,07.18 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 41

FAIR VALUE HIERARCHY

A.1 Fair value of Financial Instruments measured through FVTPL:

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2024:

| | Notes | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|-------|------------|---------|---------|------------|
| Investment in Mutual Funds | A.2 | 1,26,65.95 | - | - | 1,26,65.95 |
| Investment in Equity Shares | A.2 | - | - | - | - |

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2023:

| | Notes | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|-------|----------|---------|---------|----------|
| Investment in Mutual Funds | A.2 | 58,39.86 | - | - | 58,39.86 |
| Investment in Equity Shares | A.2 | - | - | 1.00 | 1.00 |

A.2 Valuation inputs and relationship to fair value

The fair value of investment in mutual funds is determined using the Net Asset Value (NAV) per unit at the balance sheet date. In respect of the investment in equity share, considering the nature of the investment, fair value is considered close to the carrying value by the management.

B.1 Fair value of Financial Instruments measured through FVTOCI:

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31st, 2024:

| | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|---------|-------|
| Derivatives designated as hedges - Liability | | | | | |
| - Foreign exchange forward contracts | B.2 | - | 6.81 | - | 6.81 |

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31st, 2023:

| | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|---------|---------|
| Derivatives designated as hedges - Asset | | | | | |
| - Foreign exchange forward contracts | B.2 | - | 2,41.53 | - | 2,41.53 |

B.2 Valuation inputs and relationship to fair value

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, borrowings-current, financial liabilities and assets the management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

D. Valuation inputs and relationship to fair value

There are no material level 3 fair value measurements in respect of the financial assets and liabilities of the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 42

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Holding Company also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2024 and 31 March 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2024.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023 including the effect of hedge accounting.

(a) 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with fixed & floating interest rates.

Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings at the floating rate as a result of change in interest rates.

| | Effect on profit before tax in Rs. lakhs | |
|----------------|--|-----------|
| | 31-Mar-24 | 31-Mar-23 |
| 100bp increase | 36.92 | 34.14 |
| 100bp decrease | (36.92) | (34.14) |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Holding Company manages its foreign currency risk by using foreign currency forward contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

When a derivative is entered into for the purpose of being a hedge, the Holding Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

(1) Foreign Currency Risk Exposure

The Holding company exposure to foreign currency risk at the end of the year expressed in Rs. as follows:

| | Amount in foreign currency | | Amount in Rs. | |
|-------------------------------|----------------------------|------------|---------------|------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | In '000 | | Rs. In Lakhs | |
| Financial Assets | | | | |
| Trade Receivables - USD | 1,29,37.40 | 1,77,02.08 | 1,07,13.46 | 1,44,50.21 |
| Trade Receivables - GBP | - | - | - | - |
| Other Receivables - USD | - | - | - | - |
| Derivative assets | | | | |
| Forward Cover Contracts - USD | 73,86.00 | 2,33,97.69 | 61,16.35 | 1,90,99.53 |
| Financial Liabilities | | | | |
| Trade Payables - USD | 28,65.11 | 12,26.13 | 24,03.54 | 10,08.96 |
| Trade Payables - GBP | 35.63 | 5.69 | 37.78 | 5.84 |
| Trade Payables - SGD | 28.26 | - | 17.89 | - |
| Trade Payables - EURO | 8.05 | - | 7.35 | - |
| Net Exposure - USD | 26,86.29 | (69,21.74) | 21,93.58 | (56,58.28) |
| Net Exposure - GBP | (35.63) | (5.69) | (37.78) | (5.84) |
| Net Exposure - SGD | (35.63) | - | (17.89) | - |
| Net Exposure - EURO | (28.26) | - | (7.35) | - |

(2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD & GBP exchange rates, with all other variables held constant. The impact on the Holding Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Holding Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Holding Company's exposure to foreign currency changes for all other currencies is not material.

| Sensitivity Analysis | Effect on profit before tax in Rs. lakhs | |
|-----------------------------|--|-----------|
| | 31-Mar-24 | 31-Mar-23 |
| USD Exposure in Rs. | | |
| 1% -Strengthening | 21.94 | (56.58) |
| 1% -Weakening | (21.94) | 56.58 |
| GBP Exposure in Rs. | | |
| 1% -Strengthening | (0.38) | (0.06) |
| 1% -Weakening | 0.38 | 0.06 |
| SGD Exposure in Rs. | | |
| 1% -Strengthening | (0.18) | - |
| 1% -Weakening | 0.18 | - |
| EURO Exposure in Rs. | | |
| 1% -Strengthening | (0.07) | - |
| 1% -Weakening | 0.07 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position :

The following are outstanding foreign currency forward contracts, which have been designated as cash flow hedges:

| | Number of contracts | Notional amount of contracts (Rs. In Lakhs) | Fair value (Amount in Lakhs) |
|------------------|------------------------|---|------------------------------------|
| 31-Mar-24 | | | |
| US Dollar | 85 | 61,16.35 | 6.81 |
| 31-Mar-23 | | | |
| US Dollar | 308 | 1,90,99.53 | 2,41.53 |

For notional amount of contracts, amounts in foreign currency are converted at 31 March 2024 and 31 March 2023 rate respectively.

| Derivative Instruments | Foreign Exchange Forward Contracts (Rs In Lakhs) |
|---|--|
| (i) Cash Flow Hedge Reserve | |
| As at 1 April 2022 | (91.75) |
| Add: Changes in discounted spot element of foreign exchange forward contracts (net of deferred tax) | 5.32 |
| As at 31st March 2023 | (86.43) |
| Add: Changes in discounted spot element of foreign exchange forward contracts (net of deferred tax) | 57.81 |
| As at 31st March 2024 | (28.62) |

(c) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the group is exposed to commodity price risk to the extent its open sales are not balanced by the purchase contracts and inventory. The group has in place in a risk management policy to manage such risk by hedging the sales by direct purchases of the commodity and strategic stocking policies.

(B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and 'creditworthiness' of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Group is exposed to credit risk to credit risk from its operating activities (primarily trade receivables) and from its financing activity, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept within the credit limits fixed for each customer.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

sensitivity of the Holding Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Holding Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|-----------|-----------|
| No of Customers to whom Sales made is more than 10% of the Turnover | 1 | 1 |
| Contribution of Customers in Sales more than 10% of Turnover | 34.00% | 43.57% |

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|-----------|-----------|
| No of Customers who owed more than 10% of the Total receivables | 2 | 1 |
| Contribution of Customers in owing more than 10% of Total receivables | 41.00% | 43.57% |

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Holding Company does not hold collateral as security. The Holding Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets..

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is the carrying amounts as mentioned in Notes.

(C) Liquidity risk

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease liabilities. Approximately, 82% of the group's debt will mature in less than one year at 31 March 2024 (31 March 2023: 72% group's debt will mature in less than one year) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|--|-----------|--------------------|----------------|--------------|-----------|----------|
| Year ended 31 March 2024 | | | | | | |
| Interest-bearing loans and borrowings* | 28,87.30 | 1,50.00 | 1,60.00 | 4,95.00 | - | 36,92.30 |
| Lease liabilities | - | 15.62 | 46.85 | 5,52.98 | - | 6,15.44 |
| Other financial liabilities | 1,60.39 | 1.87 | 3,69.60 | - | - | 5,31.86 |
| Trade and other payables | - | 58,68.74 | - | - | - | 58,68.74 |
| Year ended 31 March 2023 | | | | | | |
| Interest-bearing loans and borrowings* | 22,29.14 | 1,50.00 | 2,30.00 | 8,05.00 | - | 34,14.14 |
| Lease liabilities | - | 14.81 | 44.43 | 2,43.88 | 14.81 | 3,17.93 |
| Other financial liabilities | 1,78.62 | 1.81 | 3,68.20 | - | - | 5,48.63 |
| Trade and other payables | - | 27,58.48 | - | - | - | 27,58.48 |

* Amount outstanding for less than 12 months represent current maturities of long term debt

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 43

CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits and current investments.

| | 31-Mar-24 Rs. lakhs | 31-Mar-23 Rs. lakhs |
|--|------------------------|------------------------|
| Interest-bearing loans and borrowings (Refer Note 16) | 36,92.30 | 11,85.00 |
| Interest bearing lease liabilities (Refer Note No. 17) | 5,67.42 | 2,85.92 |
| Less: cash and short-term deposits (Refer Note 12) | 25,43.73 | 20,14.76 |
| Less: current investments (Refer Note No. 7) | 1,26,65.95 | 58,39.86 |
| Net debt | (1,09,49.96) | (63,83.70) |
| Equity (Refer Note 14) | 15,22.84 | 15,22.84 |
| Reserves (Refer Note 14) | 4,54,28.71 | 4,15,10.08 |
| Total capital | 4,69,51.55 | 4,30,32.92 |
| Gearing ratio | -23% | -15% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

NOTE 44

PERFORMANCE OBLIGATION ON REVENUE

In majority of the contracts performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining the control of the asset.

Contract with the customer normally do not contain significant financing component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.

Variable consideration primarily consists of discounts, rebates, price concessions which are reduced from the transaction price, if specified in the contract with customer/ based on customary business practices.

For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether the customer has obtained "Control on asset"

- i. Transfer of significant risk and rewards
- ii. Customer has legal right/title to the asset
- iii. The entity has transferred the physical possession of the asset
- iv. Customer has accepted the asset
- v. Entity has the present right to payment for the asset

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 45

CODE ON SOCIAL SECURITY, 2020

The implementation of the Code on Social Security, 2020 is getting postponed. The holding company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

NOTE 46

DIVIDENDS

Dividends paid by the holding company during the year 2023-24 represent 60% final dividend for the financial year 2022-23 amounting to Rs.913.70 Lakhs and interim dividend of 30% declared in the financial year 2023-24 Rs.456.85 Lakhs.

The dividends declared by the Holding Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Company. Subsequent to March 31, 2024, the Board of Directors of Company have proposed a final dividend of Re. 0.50 per share (50%) in respect of financial year 2023-24. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 761.42 Lakhs.

NOTE 47

OTHER STATUTORY INFORMATION

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 person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 48

IMPAIRMENT OF ASSETS

Company has analysed indications of impairment of assets. On the basis of assessment of internal and external factors, none of the assets has found indications of impairment of its assets.

NOTE 49

CONTINGENT ASSETS

Contingent assets are neither recognised nor disclosed in the financial statements.

NOTE 50

THE LIST OF INVESTMENTS IN SUBSIDIARIES ARE AS GIVEN BELOW:

The parent's subsidiaries at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

| International Subsidiaries | Country of Incorporation | Held directly by Parent or through its subsidiaries & Effective Holding | |
|---|--------------------------|---|-----------|
| | | 31-Mar-24 | 31-Mar-23 |
| AVT Natural Europe Limited, UK | United Kingdom | 100% | 100% |
| AVT Natural S.A. DE C.V | Mexico | 100% | 100% |
| AVT Natural North America Inc., (step down subsidiary) | USA | 100% | 100% |
| AVT Natural FZCO | Dubai | 100% | 100% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2024 (Contd.)

(All amounts are in Rs. lakhs unless otherwise stated)

NOTE 51

Additional Informations as required under Schedule III to the Companies Act, 2013 of the Enterprises consolidated as subsidiaries on net basis :

| Name of the entity in the group | Net Assets i.e. total assets - total liabilities | | Share in Profit or loss | | Share in other Comprehensive income | | Share in total Comprehensive income | |
|------------------------------------|---|-------------------|-------------------------------------|-------------------|---|-------------------|-------------------------------------|-------------------|
| | As % of consolidated net | Amount (In lakhs) | As % of Consolidated profit or loss | Amount (In lakhs) | As % of Consolidated other Comprehensive income | Amount (In lakhs) | As % of total comprehensive income | Amount (In lakhs) |
| Consolidated | 1,00.00% | 4,69,51.52 | 100% | 53,28.79 | 100.00% | (39.62) | 100.00% | 52,89.17 |
| Parent | | | | | | | | |
| AVT Natural Products Limited | 1,00.77% | 4,73,14.60 | 87.02% | 46,37.34 | (1,12.65%) | 44.63 | 88.52% | 46,81.98 |
| Subsidiary Foreign | | | | | | | | |
| AVT Tea Services Limited | (0.37%) | (172.81) | 0.71% | 37.76 | 43.85% | (17.37) | 0.39% | 20.39 |
| AVT Natural SA DE CV | (1.20%) | (5,62.35) | 6.96% | 3,70.91 | 1,84.39% | (73.05) | 5.63% | 2,97.86 |
| AVT Natural FZCO, Dubai. | 0.41% | 193.97 | 3.57% | 190.02 | (9.99%) | 3.96 | 3.67% | 1,93.98 |
| Step down Subsidiary | | | | | | | | |
| AVT Tea Services North America LLC | 0.38% | 178.11 | 1.74% | 92.75 | (5.60%) | 2.22 | 1.80% | 94.97 |
| Total | 100% | 4,69,51.52 | 100% | 53,28.79 | 100% | (39.62) | 100% | 52,89.17 |

Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period.

See accompanying notes to the financial statements

As per our report of even date attached

For **FOR SURI & CO.,**
Chartered Accountants
FRN : 004283S

G Rengarajan
Partner
Membership No. 219922

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
DIN: 00018691

M.A. Alagappan
Director
DIN: 00031805

Place: Chennai
Date :29th May 2024

A. Ramadas
Sr. Vice President & CFO

Sharon Josh
Company Secretary