



# SIR SHADI LAL ENTERPRISES LTD.

SHAMLI-247776, DISTT SHAMLI (U.P.) ♦ TEL : (01398) 250064, 250082 ♦ FAX : 01398-250032 ♦ E-mail : [uds\\_m\\_shamli@sirshadilal.com](mailto:uds_m_shamli@sirshadilal.com)  
CIN : L51909UP1933PLC146675

To,

Date: 01.09.2022

The Department of Corporate Affairs  
The BSE Limited  
25Th Floor P J Towers,  
Dalal Street, Mumbai -400001, India

Sir Shadi Lal Enterprises Limited – Scrip Code- **532879**

Sub: Notice of 88th Annual General Meeting and Annual Report for the year ended 31st March, 2022 ('AGM') of the Company

Dear Sir,

Please find attached herewith the Notice of the 88th Annual General Meeting ("AGM") of the Company along with the Annual Report for the year ended 31st March, 2022 in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. This is to inform you that the 88th Annual General Meeting ('AGM') of the Members of the Company will be held on Monday, September 26, 2022 at 11.00 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in accordance with the Ministry of Corporate Affairs (MCA) has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No.02/2021 dated January 13, 2021 ('MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 General Circular No. 2/2022 dated May 5, 2022 ('MCA Circulars') and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ('SEBI Circulars').

In compliance with the above-mentioned circulars, the Notice of the AGM and Annual Report inter alia, containing the Financial Statements and other statutory reports for the year ended March 31, 2022, has been sent electronically to all the Members of the Company whose email addresses are registered with the Company/Depository Participant(s). The Notice of the AGM and Annual Report for the Financial Year 2021-22 will also be available on the Company's website at [www.sirshadilal.com](http://www.sirshadilal.com). Sir Shadi Lal Enterprises Limited, Upper Doab Sugar Mill, Shamli -247776 India Tel: +91-01398-250032, Tele Fax +91-01398-250032 E-Mail: [cs@sirshadilal.com](mailto:cs@sirshadilal.com) Website: [www.sirshadilal.com](http://www.sirshadilal.com) CIN: L51909DL1933PLC009509 Regd. Office: Upper Doab Sugar Mill, Shamli -247776. The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e- voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2022, to Monday, September 26, 2022 (both days inclusive) for the purpose of the AGM. Further, the Company has fixed Monday, September 19, 2022, as the Cut-off date for reckoning the voting rights of the members.

This is for your kind information and Record

Thanking You,

Yours Faithfully  
For Sir Shadi Lal Enterprises Limited

(Ajay Kumar Jain)

---

**88th**

---

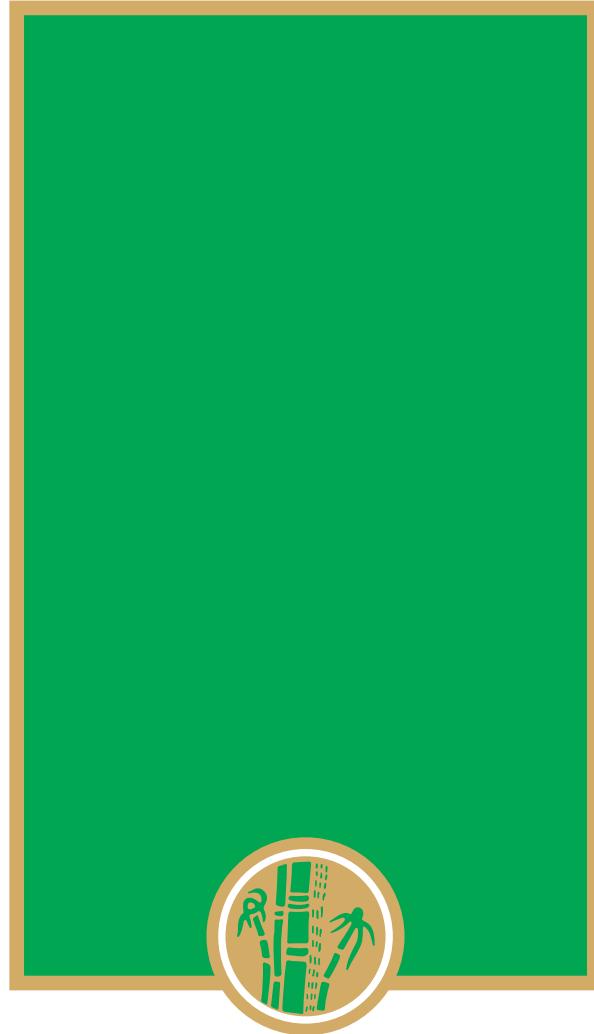
**ANNUAL**

---

**REPORT**

---

**2021-2022**



*Sir Shadi Lal  
Enterprises Ltd.*



## SIR SHADI LAL ENTERPRISES LIMITED

<b>BOARD OF DIRECTOR</b>	:	Shri Ravi Malhotra – Chairman (DIN No. 08811471) Shri Rajat Lal – Managing Director (DIN No. 00112489) Shri Vivek Viswanathan – Joint Managing Director (DIN No. 00141053) Shri Rahul Lal – Joint Managing Director (DIN No. 06575738) Mrs. Radhika Viswanathan Hoon – Non Executive Director (DIN No. 06436444) Shri Neeraj Gupta – Non Executive Director (DIN No. 00317395) Shri Tanmay Sharma – Non Executive Independent Director (DIN No. 08811485) Shri Udit Pat Singhania – Non Executive Independent Director (DIN No. 07984594)
<b>BANKERS</b>	:	Punjab National Bank Zila Sahkari Bank Ltd.
<b>AUDITORS</b>	:	M/S M. Sharan Gupta & Co. B-3, Ground Floor, Hotel Suryaa, New Friends Colony, New Delhi – 110 025
<b>REGISTERED OFFICE</b>	:	Upper Doab Sugar Mills, Shamli – 247 776 (U.P.)
<b>MANUFACTURING UNITS</b>	:	Upper Doab Sugar Mills, Shamli – 247 776 (U.P.)  Shamli Distillery & Chemical Works, Shamli – 247 776 (U.P.)



## **SIR SHADI LAL ENTERPRISES LIMITED**

(Corporate Identity No. L51909UP1933PLC146675)

Regd. Office: UPPER DOAB SUGAR MILL SHAMLI UP 247776

Ph.: 01398-250064 Fax: 01398-250032 Email Id: [uds\\_m\\_shamli@sirshadilal.com](mailto:uds_m_shamli@sirshadilal.com) Website: [www.sirshadilal.com](http://www.sirshadilal.com)

### **NOTICE FOR THE 88TH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 88TH ANNUAL GENERAL MEETING OF SIR SHADI LAL ENTERPRISES LIMITED WILL BE HELD THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS ON MONDAY, SEPTEMBER 26, 2022 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2022, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajat Lal, (DIN: 00112489) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rahul Lal, (DIN: 06575738) who retires by rotation and being eligible, offers himself for re-appointment
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time; M/s Basant Ram & Sons, Chartered Accountants New Delhi be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (88th Annual General Meeting) till the conclusion of the 93th Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus GST, out-of-pocket and traveling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### **SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 be and is hereby ratified and approved.”

“RESOLVED FURTHER that Sh. Rajat Lal, Managing Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Udit Pat Singhania (DIN 07984594), who was appointed as an Additional Director of the Company by the Board of Directors by Circular Board Resolution on 01.10.2021 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive Independent Director of the Company not liable to retire by rotation from 26.09.2022 to 25.09.2027.”

“RESOLVED FURTHER THAT Mr. Rajat Lal, Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby given to re-appoint Mr. Vivek Viswanathan as Joint Managing Director for a further period of five years w.e.f. 01.01.2023 to 31.12.2027 on the terms & conditions and remuneration including commission and perquisites as set out in the explanatory statement.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions under the Companies Act, 2013 or Schedule appended thereto, for the time being in force or any statutory modification or re-enactment



thereof and/or in rules or regulations promulgated thereunder.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby given to re-appoint Sh. Rahul Lal as Joint Managing Director of the Company for a further period of five years w.e.f. 01.07.2023 to 30.06.2028 on the terms & conditions and remuneration including commission and perquisites as set out hereunder.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions under the Companies Act, 2013 or Scheduled appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder.”

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

“RESOLVED that pursuant to section 188 and other applicable provisions of the Companies Act, 2013 if any and regulation 23 of the SEBI (LODR) Regulations 2015, consent of the members of the Company be & is hereby accorded for related party transactions made by the Company with the Directors, Promoters and other related party at arm length Basis in the ordinary Course of Business to the extent as decided by the Board of Directors.”

By order of the Board

**Ajay Kumar Jain**  
Company Secretary  
FCS-5826

Place : Shamli  
Dated : 30th July, 2022

**NOTES:**

**GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 88th AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING:**

In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020, 17/2020, 20/2020, 02/2021 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, December 14, 2021, January 13, 2021 May 05/2022 respectively (“MCA Circulars”), permitted the holding of AGM through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’) facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, 88th AGM of the Company is being held through VC/OAVM facility.

The registered office of the Company shall be deemed to be the venue for the AGM.

The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy/ proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip and route map of the venue of AGM are not annexed to this Notice.

However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to sunil.jain.sk@gmail.com with a copy marked to cs@sirshadilal.com.

1. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act.
3. 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. For this purpose, the Company has entered into an agreement with National Securities Depository Ltd (NSDL) 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 AGM will be provided by NSDL.
4. The Members can join the AGM in the VC/OAVM mode 30 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 AGM through VC/OAVM will be made available to at least 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 Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and circular no. 20/2020 dated May 5, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sirshadilal.com](http://www.sirshadilal.com). The **CONTD.....**



### *NOTICE CONTD.....*

#### PURSUANT TO ABOVE SAID SEBI CIRCULAR, LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

6. The Instructions to Shareholders for Remote e-Voting and e-Voting during AGM and for joining Meeting through VC/OAVM is mentioned at Point No. B hereinafter.
7. The Instructions for Shareholders Attending the AGM Through VC/OAVM & E-Voting during Meeting is mentioned at Point no. C hereinafter.
8. The process for those shareholders whose email addresses are not registered with the depositories and for obtaining login credentials for e-voting for the resolutions proposed in this notice is mentioned at Point no. D hereinafter.

#### **B. THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Friday, September 23, 2022 at 09:00 AM (IST) and ends on Sunday, September 25, 2022 at 05:00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, September 19, 2022, may cast their vote electronically. The e-voting module shall be disabled by NSDL 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.

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.

#### **Type of shareholders Login Method**

Individual Shareholders holding securities in Demat mode with CDSL

- 1) Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are <https://web.cDSLindia.com/myeasi/home/login> or [www.cDSLindia.com](http://www.cDSLindia.com) and click on Login icon and select New System Myeasi.
- 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cDSLindia.com/myeasi/Registration/EasiRegistration>
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in [www.nsdlindia.com](http://www.nsdlindia.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 provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

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

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.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.
- 2) 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 on the following NSDL website link- <https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp>

#### **Type of shareholders Login Method**

- 3) 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.

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

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s 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 above mentioned 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-voting and joining virtual meeting for shareholders other than **Individual Shareholders & physical shareholders**.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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 step given below :  
For Shareholders holdings shares in Demat Form other than Individual and Physical Form.  
Enter your 10 digit alpha-numeric “PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  
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. #ensure the communication of sequence number.

(v) After entering these details appropriately, click on “SUBMIT” tab.

(vi) 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.

(vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVEN for the relevant company on which you choose to vote.

(ix) 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.

(x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xi) 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.

(xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xiv) 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.

*CONTD.....*

**(xv) Facility for Non – Individual Shareholders and Custodians - Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.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 should be mailed to [helpdesk.evoting@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.com) and on approval of the accounts they would be able to cast their vote.
- 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 scrutizer to verify the same.
- Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to [sunil.jain.sk@gmail.com](mailto:sunil.jain.sk@gmail.com) with a copy marked to [cs@sirshadilal.com](mailto:cs@sirshadilal.com).

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote 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 Remote 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. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least 3 (Three) days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@sirshadilal.com](mailto:cs@sirshadilal.com). The

shareholders who do not wish to speak during the AGM but have queries may send their queries 3(Three) days in advance prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [cs@sirshadilal.com](mailto:cs@sirshadilal.com). These queries will be replied to by the company suitably by email. Those members who have registered themselves as a speaker shall be allowed to ask questions during the 88th AGM, depending upon the availability of time.

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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES AND FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- i. 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 i.e. [maheshcp@alankit.com](mailto:maheshcp@alankit.com)
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP). 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 meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the NSDL e-Voting System, you can write an email to [helpdesk.evoting@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.com) or toll free no. 18001020990, 1800224430.

All grievances connected with the facility for voting by electronic means may be addressed to Trade World, A Wing, 4 & 5th Floor, Kamala Mills, Compound Lower Parel, Mumbai - 400013. Senior Manager, (NSDL) or send an email to [helpdesk.evoting@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.com) or call on 022- 24994200.

**OTHER GUIDELINES FOR MEMBERS:**

- a. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 20, 2022 to Monday, September 26, 2022 (both days inclusive) for the purpose of the Annual General Meeting.
- b. The Company has fixed Monday, September 19, 2022 as the ‘Cut-off Date’ for determining entitlement of members to Vote for the financial year ended March 31, 2022.



c. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

d. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that many of the Members holding physical shares have not updated the said information. Therefore, such Members are requested to send the following documents to the Company's RTA:

- Self-attested copy of PAN card including that of joint Members; and
- An original cancelled cheque of 1st Member (Name of 1st Member should be printed on cheque leaf). If name of 1st Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).

e. SEBI vide its notifications dated June 8, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members are requested to dematerialize the shares held by them in physical form.

f. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH- 13 in terms of Section 72 of the Act to the RTA. Members holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company's website [www.sirshadilal.com](http://www.sirshadilal.com), under the investor relations section. Members who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.

g. Non-Resident Indian Members are requested to inform RTA, immediately of:

- Change in their residential status on return to India for permanent settlement.
- Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.

h. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.

i. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., Monday September 19, 2022.

j. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.

k. Any person, who acquires shares of the Company and becomes the member of the Company after the Company sends the Notice of the AGM and would be holding shares of the Company as on the cut-off date i.e Monday, September 19, 2022 may obtain the User ID and password by sending a request at [helpdesk.evoting@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.com) or [cs@sirshadilal.com](mailto:cs@sirshadilal.com). Alternatively, the shareholder can create their user name and password by entering the valid credentials, as mentioned in point no (viii) mentioned above in the remote e-voting instructions.

l. Mr. Sunil Jain , Practicing Company Secretary (Membership No. FCS 4089) of M/s. Sunil K. Jain & Associates, Company Secretaries, New Delhi, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

m. During the 88th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 88th AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 88th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 88th AGM.

n. The Scrutinizer shall after the conclusion of e-Voting at the 88th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within two working days of the conclusion of the 88th AGM, who shall then countersign and declare the result of the voting forthwith.

o. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, [www.sirshadilal.com](http://www.sirshadilal.com) and on the website of NSDL immediately after the results are declared and communicated to the Stock Exchange, where the shares of the Company are listed, viz. BSE Limited.

p. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Monday, September 26, 2022.

q. SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655, dated 03.11.2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14.12.2021 has

*CONTD.....*



stated that it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, KYC details and Nomination. SEBI has now simplified the norms for processing the investors service request by RTAs i.e. norms for dealing the minor mismatch of signatures, major mismatch of signatures, mismatch in name. Shareholders holding shares in physical form should now compulsory furnish PAN, KYC and nomination details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code) and specimen signatures. Upon receipt of the KYC document or updation of bank details, the RTA shall suo-moto, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. The folios wherein any one of the cited document / details is not available on or after April 01, 2023, shall be frozen by the RTA. The securities in the frozen folios shall be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.

The Physical shareholders are hereby requested to furnish the details as mentioned above on or before March 31, 2023 to avoid the frozen of the folios thereafter. The shareholder can reach out to [cs@sirshadilal.com](mailto:cs@sirshadilal.com) or [maheshcp@alankit.com](mailto:maheshcp@alankit.com) for any queries or assistance in this regard.

1. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and up to the financial year ended 31st March 1995 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.
2. Pursuant to Section 205A and 205C of the Companies Act, 1956, unpaid/ unclaimed dividends for the year 1995-96, 1996-97, 1997-98, 1998-99, interim and final dividend of 1999-2000, 2000-2001, 2001-2002, 2003-04, 2004-05 & 2005-06, 2009-10 have been transferred by the Company to “Investor Education & Protection Fund”(IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2017 on the website of the Company ([www.sirshadilal.com](http://www.sirshadilal.com)).

The Central Government has notified the constitution of Investor Education and Protection Fund Authority with effect from 7th September 2016 and in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 (“IEPF Rules”), the company has transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years by any shareholder, to the IEPF Demat A/c as identified by the IEPF Authority. Any Shareholder who want to get refund the shares can claim the same by applying to the Investor Education and Protection Fund Authority on their website at [www.iepf.gov.in/IEPFA/refund.html](http://www.iepf.gov.in/IEPFA/refund.html)

SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares held by them in physical form.

#### **ANNEXURE TO NOTICE**

#### **(Explanatory Statement under Section 102 (1) of the Companies Act, 2013)**

#### **ITEM NO. 4**

Mr. M. S. Gupta- Proprietor M/s M. Sharan Gupta & Co. was appointed as Statutory Auditors of the Company by Circular Board resolution dated 14.03.2018, after sad demise of Mr. Jugal Kishore Chadha, Proprietor M/s Jugal Kishore & Associates, Statutory Auditors of the Company on 3rd March 2018. His period of office expires at the ensuing Annual General Meeting. As per provisions of the Companies Act, 2013 M/s M. Sharan Gupta & Co. (Registration No.06430N) Chartered Accountants can not be reappointed as Statutory Auditors of the Company.

The Company has received consent letter from M/s Basant Ram & Sons, Chartered Accountant, New Delhi for appointment as Statutory Auditors of the Company. The Board of Directors hereby recommends for appointment of the Statutory Auditors of the Company. The members are requested to approve the appointment of M/s Basant Ram & Sons, Chartered Accountants, New Delhi as Statutory Auditor of the Company, subject to such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors for the year 2022-23 onward.

#### **Present Remuneration of Statutory Auditors**

Audit Fee:	Rs. 3,30,000/-
------------	----------------

Certification fee Review of Quarterly/Half Yearly

Results, per Certificate	Rs. 20,000/-
--------------------------	--------------

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### **ITEM NO.5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 as per the following details:

#### **Remuneration of Cost Auditor**

For the product “Sugar”

for Upper Doab Sugar Mills

Cost Audit Fee (Inclusive of all incidental and traveling expenses)	Rs. 30,000 per annum
---	-------------------------

For the product “Industrial Alcohol”  
for Shamli Distillery & Chemical Works

Cost Audit Fee	Rs. 20,000 per annum
----------------	-------------------------

Extra Travelling Expenses and  
Incidental Expenses  
for attending Audit Committee/  
Board Meeting(s)

Actual Rs. 2,000 per day
--------------------------------



In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

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

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

#### ITEM NO. 6

The Board of Directors by Circular Resolution on 01.10.2021 approved the appointment of Mr. Udit Pat Singhania as an Independent Director of the Company up to the date of ensuing Annual General Meeting . In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment)Regulations, 2018, consent of the Members is required by way of Ordinary Resolution for appointment of Independent Director. The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Mr. Udit Pat Singhania counsel and advice, it would be appropriate that he continues to serve on the Board for next five years. Accordingly, the Board at the meeting held on 30.07.2022, on the recommendation of the Committee, recommended for the approval of the Members, appointment of Mr. Udit Pat Singhania as an Independent Director of the Company.

Mr. Udit Pat Singhania and his relatives are interested in this Ordinary Resolution.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution. The Board recommends this Ordinary Resolution for your approval.

#### ITEM NO. 7

Shri Vivek Viswanathan, aged 52 years, graduated with B.A. (Hons) degree in History from St. Stephen's College, Delhi University in 1992. He subsequently acquired an MBA degree from the International Management Institute (IMI), New Delhi in 1995. Shri Vivek Viswanathan has over 8 years of work experience with VST Industries (British American Tobacco), and Coca-Cola India in various functions including Sales, Marketing, Brand Management, Key Account Management and Corporate Strategy. Shri Vivek Viswanathan also earned a Masters Degree in International Affairs (MIA), with specialization in International Finance and Business from Columbia University, NY in 2005. Shri Vivek Viswanathan is highly qualified and have experience of more than 20 years in the management of the company. Shri Vivek Viswanathan has been discharging responsibilities of the office of the Joint Managing Director efficiently. Therefore, the Nomination and Remuneration Committee of Directors at the meeting held on 30.07.2022 and Board of Directors at its meeting held on 30.07.2022 had approved to re-appoint Mr. Vivek Viswanthan as Joint Managing Director for

a further period of Five years w.e.f. 01.01.2023 to 31.12.2027 on the terms & conditions and remuneration including commission and perquisites as set out hereunder:

- (a) Salary : Rs.1,15,500 per month.
- (b) Commission: Remuneration by way of commission will also be allowed subject to the limits of total remuneration as laid down in section 197 read with Schedule V of the Companies Act, 2013 subject to the maximum of 4.5% of the net profits as reduced by the amount paid to him by way of salary and perquisites.
- (c) Perquisites: Shri Vivek Viswanathan, Joint Managing Director will be entitled to the following perquisites in addition to the above remuneration: -

#### PART-A:

1) Housing :	60% of the salary.
2) Gas, Electricity & Water :	5% of the salary.
3) Medical Reimbursement :	Expenses incurred for self and family, subject to a ceiling of one month's salary per year or five months salary in a period of five years.
4) Personal Accident & : Medi-claim Insurance	Premium not to exceed Rs.10,000/- per year.

#### PART -B:

1) Company's contribution :	Company's contribution towards Provident Fund @ 12% of Salary and Superannuation Fund @ 15% of Salary.
2) Gratuity :	As per Rules of the Company.

#### PART-C:

1) Car :	Provision of a chauffeur driven car for office use.
2) Telephone :	Free telephone facility at residence, personal long distance calls to be paid by him.
3) Entertainment Expenses :	Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Payments in Part-C will not be considered as perquisites for the purpose of ceiling under Sections 197, 198 of the Companies Act, 2013.

#### OTHER TERMS APPLICABLE TO THE APPOINTMENT & MINIMUM REMUNERATION:

1. He will not be paid any "Sitting fee" for attending the meetings of the Board of Directors or Committee's thereof.
2. The Board/‘Remuneration Committee’ may revise the existing terms or allow any other facilities/perquisites, from time to time, within the overall ceiling.
3. In the event of absence or inadequacy of profits in any financial

*CONTD.....*



year, he will be paid the above remuneration excluding commission as minimum remuneration, subject to the overall ceilings laid down in Section-II of Part-II of Schedule V. (In that event, contribution to Provident Fund and Superannuation Fund to the extent these are exempted under the Income-Tax Act, 1961 and gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites).

4. The appointment may be terminated by either party by giving six calendar months' notice in writing or lesser notice as may be agreed to. In the event of termination of the appointment by the Company, he will be entitled to receive compensation in accordance with the Provisions of section 191 & 202 of the Companies Act, 2013.

Shri Vivek Viswanathan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Joint Managing Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Vivek Viswanathan under Section 190 of the Act.

Brief resume of Shri Vivek Viswanathan, Joint Managing Director nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has not defaulted in debt servicing. Hence, the proposed remuneration could be sanctioned by the shareholders, without need for the approval of Central Government, by way of special resolution. Statement containing prescribed information for this purpose is furnished hereunder.

Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee and the Board and the written memorandum setting out the terms of re-appointment of Joint Managing Director vide Section 190 (1) (b) are available for inspection by members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day and will also be available at the meeting.

Shri Vivek Viswanathan and Smt. Radhika Viswanathan Hoon being related are interested in this resolution.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend reappointment of Shri Vivek Viswanathan as the Joint Managing Director of the Company.

Statement containing required information as per Part II of Section II of Schedule V of the Companies Act, 2013

**I. General Information:**

(1)	Nature of industry	:	Manufacture of Sugar and all kind of Alcohol, Ethanol
(2)	Date or expected date of commencement of commercial production	:	26.6.1933
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.

(4)	Financial performance based on given indicators		
-----	---	--	--

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Total Revenue	47029.67	55140.57	49824.78
b)	Profit (Loss) before providing for Exceptional Item and Depreciation	(915.55)	(1018.97)	982.94
c)	Less: Exceptional Item	-	-	-
d)	Less: Provision for Depreciation	(736.95)	(631.97)	(697.22)
e)	Profit (Loss) before Tax	(1652.50)	(1650.94)	285.72
f)	Less : Excess Provision of Income Tax relating to earlier year	-	221.69	-
g)	Profit (Loss) from Continuing Operation	(1652.50)	(1429.25)	285.72
h)	Profit (Loss) from discontinuing Operation	-	-	-
i)	Profit (Loss) for the year	(1652.50)	(1429.25)	285.72



j)	Other Comprehensive Income	95.64	18.63	99.19
k)	Gain on Revaluation of Land	-	44559.14	-
l)	Total Comprehensive Income for the period	(1556.86)	43148.52	384.91
m)	Basic earnings per share of Rs 10/-each (Rs)	(31.476)	(27.223)	5.442
n)	Diluted earnings per share of Rs.10/-each (Rs)	(31.476)	(27.223)	5.442
(5)	Foreign investments or collaborations, if any.	:	N.A.	

**II. Information about the appointee:**

(1)	Background details	:	Shri Vivek Viswanathan, aged 52 years, graduated with B.A. (Hons) degree in History from St. Stephen's College, Delhi University in 1992. He subsequently acquired an MBA degree from the International Management Institute (IMI), New Delhi in 1995. Mr. Vivek Viswanathan has over 8 years of work experience with VST Industries (British American Tobacco), and Coca-Cola India in various functions including Sales, Marketing, Brand Management, Key Account Management and Corporate Strategy. Mr. Vivek Viswanathan also earned a Masters Degree in International Affairs (MIA), with specialization in International Finance and Business from Columbia University, NY in 2005.				
(2)	Past remuneration	:					

Name of the Director	Financial Year	Category	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
Mr. Vivek Viswanathan, Joint Managing Director	2021-22	Executive	1386000	1285120	-	2671120	Contractual
	2020-21		1386000	1285330	-	2671330	Contractual
	2019-20		1386000	1311277	-	2697277	Contractual

(3)	Recognition or awards	:	N.A.
(4)	Job profile and his suitability	:	Mr. Vivek Viswanathan was appointed as a Director of the Company on 24th March, 2001. He was taken in the active management by the Board of Directors and was appointed as Whole time Director w.e.f. 1st January, 2005. He was re-appointed as Executive Director of the Company in the Annual General Meeting held on 22.9.2009 for a period of five years w.e.f. 1.1.2010 to 31.12.2014. He was appointed as Joint Managing Director for a further period of three years w.e.f. 1.1.2015 to 31.12.2017 on the recommendation of the Nomination and Remuneration Committee of the Board of Directors in their meeting held on 12.7.2014. He was appointed for a further period of five years w.e.f. 01.01.2018 to 31.12.2022 on the recommendation of the Nomination and Remuneration Committee of the Board of Directors in their meeting held on 08.08.2017. Mr. Vivek Viswanathan has been discharging responsibilities of the office of the Joint Managing Director efficiently.
(5)	Remuneration proposed	:	As set out in the Statement under Section 102 (1) of the Companies Act, 2013.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	Considering the profile and experience of Mr. Vivek Viswanathan and current trend of compensation package in Sugar Industry and other Corporate, the remuneration proposed is in line with comparable remuneration levels in the industry.

CONTD.....



(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	:	Mr. Vivek Viswanathan holds 1296004 equity shares in the Company. Other than the remuneration stated above, he has no pecuniary relationship directly or indirectly with the Company. Smt. Radhika Viswanathan Hoon is a relative of him.
-----	--	---	---

**III. Other information:**

(1)	Reasons of loss or inadequate profits	:	Sugar industry is intrinsically cyclical with huge swings in production between years. Since sugar and sugarcane are essential commodities and politically sensitive, they are subject to State intervention like arbitrary cane price fixation as against Fair and Remunerative Price of Central Government. The Company has suffered losses in preceding financial years due to less early variety cane, lower sugar recovery and higher cost of production as against unviable sugar sales realization. But earned profit during FY 2016-17 and 2019-20.
(2)	Steps taken or proposed to be taken for improvement	:	To encourage farmers to do autumn planting on a large scale for facilitating multiple cropping which would in turn maximize their returns and would result in better recovery. Company had installed equipment for saving in steam, power consumption and better operational efficiencies.
(3)	Expected increase in productivity and profits in measurable terms.	:	The Company maintains commendable control over its operations that are however subject to climatic challenges, State intervention for fixing sugar cane price on linkage to sale realization formula.

**IV. DISLOSURES**

The following disclosures shall be mentioned in the Board of the Director's Report under the heading "Corporate Governance", attached to the financial statement :

Sl. No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contact/ Notice Period/ Severance fees
1.	Mr. Rajat Lal, Managing Director	Executive	1512000	1413000	-	2925040	Contractual
2.	Mr. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1285120	-	2671120	Contractual
3.	Sh. Rahul Lal, Joint Managing Director	Executive	3000000	2942738	-	5942738	Contractual
	Total		5898000	5440898	-	11338898	

(ii)	details of fixed components and performance linked incentives along with the performance criteria N.A.
------	--

(iii)	service contacts, notice period, severance fees;	:	The period of appointment was 5 years from 01.01.2018 to 31.12.2022. The appointment may be terminated either party by giving six calendar month notice in writing or lesser notice as may be agreed to. In the event of the termination of the appointment by the company, he will be entitled to receive compensation in accordance with the provisions of sections 191 and 202 of the companies act, 2013.
(iv)	stock option details, if any and whether the same has been issued as a discount as well as the period over which approved and over which exercisable	:	N.A.



### ITEM NO. 8

The Nomination and Remuneration Committee of Directors and Board of Directors have approved the reappointment of Mr. Rahul Lal, Joint Managing Director from 01.07.2018 to 30.06.2023, on the terms and conditions of appointment and remuneration including commission and perquisites as under: -

Salary Per Month : Rs. 250000/-

#### Commission

1% of the net profits as reduced by the amount paid to him by way of salary and perquisites.

House Rent Allowance : 60% of the salary

Gas, Electricity & Water charges : 5% of the salary

Medical Reimbursement : Expenses incurred for self & family, subject to a ceiling of one-month salary per year or five months' salary in a period of five years.

Personal Accident Insurance and Mediclaim Insurance : Premium not to exceed Rs.10,000 per year

#### PART-B:

Company's contribution : Company's contribution towards Provident Fund @12% of Salary and Superannuation Fund @15% of Salary

Gratuity : As per Rules of the Company.

Encashment of leave : As per Rules of the Company.

#### PART-C:

Car : Provision of a chauffeur driven car for office use.

Telephone : Free telephone facility at residence, personal long distance calls to be paid by him.

Entertainment Expenses : Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Payments under Part-C will not be considered as perquisites for the purpose of ceiling under Section 197, 198 of the Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms of reappointment of Shri Rahul Lal under Companies Act, 2013

Brief resume of Shri Rahul Lal, Joint Managing Director nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has not defaulted in debt servicing. Hence, the proposed remuneration could be sanctioned by the shareholders, without need for the approval of Central Government, by way of special resolution. Statement containing prescribed information for this purpose is furnished hereunder.

Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee and the Board and the written memorandum setting out the terms of reappointment of Joint Managing Director vide Section 190 (1) (b) are available for inspection by members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day.

Shri Rahul Lal and Sh. Rajat Lal being related are interested in this resolution.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend reappointment of Shri Rahul Lal as Joint Managing Director of the Company.

Statement containing required information as per Part II of Section II of Schedule V of the Companies Act, 2013

#### I. General Information:

(1)	Nature of industry	:	Manufacture of Sugar and all kind of Alcohol, Ethanol
(2)	Date or expected date of commencement of commercial production	:	26.6.1933
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.

CONTD....



## (4) Financial performance based on given indicators

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Total Revenue	47029.67	55140.57	49824.78
b)	Profit (Loss) before providing for Exceptional Item and Depreciation	(915.55)	(1018.97)	982.94
c)	Less: Exceptional Item	-	-	-
d)	Less: Provision for Depreciation	(736.95)	(631.97)	(697.22)
e)	Profit (Loss) before Tax	(1652.50)	(1650.94)	285.72
f)	Less : Excess Provision of Income Tax relating to earlier year	-	221.69	-
g)	Profit (Loss) from Continuing Operation	(1652.50)	(1429.25)	285.72
h)	Profit (Loss) from discontinuing Operation	-	-	-
i)	Profit (Loss) for the year	(1652.50)	(1429.25)	285.72
j)	Other Comprehensive Income	95.64	18.63	99.19
k)	Gain on Revaluation of Land	-	44559.14	-
l)	Total Comprehensive Income for the period	(1556.86)	43148.52	384.91
m)	Basic earnings per share of Rs 10/- each (Rs)	(31.476)	(27.223)	5.442
n)	Diluted earnings per share of Rs.10/- each (Rs)	(31.476)	(27.223)	5.442

(5)	Foreign investments or collaborations, if any.	:	N.A.
-----	--	---	------

**II. Information about the appointee:**

(1)	Background details	:	Shri Rahul Lal is the Son of Sh. Rajat Lal, Managing Director of the Company. Born on 18.07.1989, aged about 33 years. He has done his Graduation (B.Com.) from Delhi University in 2011. He has completed his MBA from New Haven University, USA. He has 16 months experience with M/s KPMG, Mumbai, Earnest & Young, Gurgaon, J.P. Morgan, Mumbai and as Management Trainee with our Company.
(2)	Past Remuneration	:	

Name of the Director	Financial Year	Category	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
Sh. Rahul Lal, Joint Managing Director	2021-22	Executive	3000000	2994738	-	5994738	Contractual
	2020-21		3000000	2878071	-	5878071	Contractual
	2019-20		2626000	2506253	-	5132253	Contractual
	Total		3226000	8379062	-	11605062	



(3)	Recognition or awards	:	N.A.
(4)	Job profile and his suitability	:	The Board of Directors on the recommendations of the Remuneration Committee of Directors in their meeting held on 30.5.2013 had appointed as Executive Director for a period of five years w.e.f. 1.7.2013. Sh. Rahul Lal has done his graduation (B.Com.) from Delhi University in 2011. He has completed his MBA from New Haven University, USA. He has 16 months experience with M/s KPMG, Mumbai, Earnest Young, Gurgaon, J.P. Morgan, Mumbai. He was appointed as Joint Managing Director on 26.05.2018 upto 30.06.2023.
(5)	Remuneration proposed	:	As set out in the Statement under Section 102 (1) of the Companies Act, 2013.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	Considering the profile and experience of Sh. Rahul Lal and current trend of compensation package in Sugar Industry and other Corporate, the remuneration proposed is in line with comparable remuneration levels in the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	:	Sh. Rahul Lal holds 5 equity shares in the Company. Other than the remuneration stated above, he has no pecuniary relationship directly or indirectly with the Company. No managerial personnel in the Company is a relative of him.

### III. Other information:

(1)	Reasons of loss or inadequate profits	:	Sugar industry is intrinsically cyclical with huge swings in production between years. Sugar price precariously fall both in the global and local markets during glut in supply. Since sugar and sugarcane are essential commodities and politically sensitive, they are subject to State intervention like arbitrary cane price fixation as against Fair and Remunerative Price of Central Government. The Company has suffered losses in preceding financial years due to less early variety cane, lower sugar recovery and higher cost of production as against unviable sugar sales realization. But earned profit during F.Y. 2016-17 and 2019-20.
(2)	Steps taken or proposed to be taken for improvement	:	To encourage farmers to do autumn planting on a large scale for facilitating multiple cropping which would in turn maximize their returns and would result in better recovery. Company had installed equipment for saving in steam, power consumption and better operational efficiencies.
(3)	Expected increase in productivity and profits in measurable terms.	:	The Company maintains commendable control over its operations that are however subject to climatic challenges, State intervention for fixing sugar cane price on linkage to sale realization formula.

### IV. DISLOSURES

The following disclosures shall be mentioned in the Board of the Director's Report under the heading "Corporate Governance", attached to the financial statement :

*CONTD.....*



Sl. No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contact/ Notice Period/ Severance fees
1.	Mr. Rajat Lal, Managing Director	Executive	1512000	1413000	-	2925040	Contractual
2.	Mr. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1285120	-	2671120	Contractual
3.	Mr. Rahul Lal, Joint Managing Director	Executive	3000000	2942738	-	5942738	Contractual
	<b>Total</b>		<b>5898000</b>	<b>5440898</b>	-	<b>11338898</b>	

(ii)	details of fixed components and performance linked incentives along with the performance criteria N.A.
------	--

(iii)	service contacts, notice period, severance fees;	:	He was appointed for a period of 5 years i.e. from 01.07.2018 to 30.06.2023. The appointment may be terminated either party by giving six calendar month notice in writing or lesser notice as may be agreed to. In the event of the termination of the appointment by the company, he will be entitled to receive compensation in accordance with the provisions of sections 191 and 202 of the companies act, 2013.
(iv)	stock option details, if any and whether the same has been issued as a discount as well as the period over which approved and over which exercisable	:	N.A.



## ANNEXXURE TO AGM NOTICE

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Rajat Lal	Mr. Vivek Viswanathan	Mr. Rahul Lal	Mr. Udit Pat Singhania
DIN	00112489	00141053	06575738	07984594
Date of Birth	04.09.1959	07.11.1970	18.07.1989	25.06.1980
Category of the Director	Managing Director	Joint Managing Director	Joint Managing Director	Non-Executive Independent Director
Educational Qualifications	B.com, B.S. (USA) M.B.A. (USA)	B.A (Hons.) Post Graduate Programme in Management, MBA (USA) More than six year service experience with MS VST Industries Ltd. & Coca-Cola India Ltd.	B.Com, MBA	M.B.A, Manchester Business School (University Of Manchester), England. 2003 - Certified Treasury Manager (CTM), the Institute of Chartered Financial Analysts of India, (ICFAI), Hyderabad. 2002 -Diploma in Business Finance (DBF), (ICFAI) Hyderabad. 2001- Bachelor of Commerce (B.Com), Sydenham College, Mumbai
Experience	39 years	28 years	18 years	21 years
Expertise in specific functional areas	General Management	Finance & Administration	Expertise in specific functional areas	Expertise in specific functional areas
Date of Appointment on the Board	16.05.1983	24.03.2001	27.04.2013	01.10.2021
Terms and conditions of appointment	As per Details annexed	As per Details annexed	As per Details annexed	As per Details annexed
Remuneration last drawn	As per Details annexed	As per Details annexed	As per Details annexed	Only Sitting Fee
Remuneration proposed to be given	As per Details annexed	As per Details annexed	As per Details annexed	Only Sitting Fee
Number of shares held in the Company as on date	1088190	1296004	5	0
List of Directorships held in other companies (excluding foreign, private and Section 8 companies)	nil	nil	nil	nil
Chairmanship/ Membership of Committees Audit and Stakeholders' Relationship Committees across Public Companies	1	1	1	1
Relationship between Directors inter se	Father of Mr. Rahul Lal	Brother of Smt. Radhika Viswanathan Hoon	Son of Mr. Rajat Lal	nil
Number of meetings of the Board attended during the Financial year	4	4	4	2



## DIRECTORS' REPORT

### DEAR SHAREHOLDERS,

Your Directors hereby present the 88th Annual Report and the Financial Statements of the Company for the financial year ended March 31, 2022.

### FINANCIAL RESULTS

During the year under review, the sugar segment of your Company passed through a difficult period. However the Distillery unit has worked satisfactorily. The summarized financial results of the Company are presented below:

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Total Revenue	47029.67	55140.57
b)	Profit (Loss) before providing for Exceptional Item and Depreciation	(915.55)	(1018.97)
c)	Less: Exceptional Item	-	-
d)	Less: Provision for Depreciation	(736.95)	(631.97)
e)	Profit (Loss) before Tax	(1652.50)	(1650.94)
f)	Less : Excess Provision of Income Tax relating to earlier year	-	221.69
g)	Profit (Loss) from Continuing Operation	(1652.50)	(1429.25)
h)	Profit (Loss) from discontinuing Operation	-	-
i)	Profit (Loss) for the year	(1652.50)	(1429.25)
j)	Other Comprehensive Income	95.64	18.63
k)	Gain on Revaluation of Land	-	44559.14
l)	Total Comprehensive Income for the period	(1556.86)	43148.52
m)	Basic earnings per share of Rs 10/-each (Rs)	(31.476)	(27.223)
n)	Diluted earnings per share of Rs.10/-each (Rs)	(31.476)	(27.223)

### TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriation.

### DIVIDEND

In view of the Current year loss and carry forward losses, the Company does not have any divisible profits available for payment of dividend to equity shareholders. The Directors have therefore not recommended payment of any dividend for the year ended March 31, 2022. Dividend Distribution Policy of the Company has been hosted on the website of the Company i.e., [www.sirshadilal.com](http://www.sirshadilal.com).

### FINANCE

Due to increase in Sugar cane prices, the Sugar Mills in Uttar Pradesh suffered heavy Losses. However, The Company is regularly paying

its debts as a result of which Company Interest Cost is decreasing, which is viewed favorably by the Bankers. The Banks, however, continue to be cautious in increasing their exposure to the sugar industry, keeping in view the risk of Government intervention in the form of raw material pricing.

### INDIAN ACCOUNTING STANDARDS

Pursuant to notification dated February 16,2015 issued by the Ministry of Corporate affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as applicable to it with effect from April 01,2017 with the transition date April 01, 2016. Accordingly, the Financial Statements have been prepared in compliance with Ind AS and the comparative information of the previous years has been provided as per the prescribed requirements.

### CREDIT RATING

The rating of the company for the financial year 2021-22 was B+ and the company had assigned the work of credit rating to Informerics Rating & Research Pvt Ltd. and the same is awaited for the Financial Year 2022-23. This reflects improvement in the business risk profile which is expected to remain steady with moderate growth over the medium term. The rating however remains constrained on account of working capital intensive operation with significant accumulated losses and a high degree of regulatory risk in sugar industry.

### Material changes and commitments affecting the financial position between end of the financial year and date of the report

There have been no material changes or commitments made which affect the financial position of the Company between end of the financial year and date of the report.

### Indian sugarcane production and cost trends

As per Indian Sugar Mills Association (ISMA) 136 sugar mills were in operation in the country as on 15th May 2022 of total and produced 34.9.7 Million Metric Tonnes of sugar, as compared to 30.36 Million Metric Tonnes produced by 44 sugar mills as on 15th May' 2021. This is 4.61 Million Metric Tonnes or 15.2% higher as compared to the last season's production for the corresponding period.

Sugar exports are estimated to increase to over 10 Million Metric Tonnes in the current sugar year ending September, from 7.1-7.2 Million Metric Tonnes in the previous year, on better demand for the Indian sweetener from Indian subcontinent, Middle East and Indonesia. About 7.7 Million Metric Tonnes of sugar have been either physically exported out of the country or lying at the ports during October 2021-May 2022 period, as compared to about 4.824 Million Metric Tonnes exported in the last sugar year during the same period.

We revised India's production estimate to 35.6 Million Metric Tonnes for the 2021-22 sugar year. Export estimates has also been revised to over 10 Million Metric Tonnes. Considering the above and domestic consumption of 27.6 Million Metric Tonnes, there will be a closing balance of 7.1 Million Metric Tonnes at the end of the sugar season on 30th September 2022. With Brazilian crops getting affected by frost in their 2021-22 crushing season,

Indian mills have used the opportunity well without any government support and Indian sugar so far has been exported to 74 countries in the current sugar season.

### Statewise Analysis

**Uttar Pradesh:** Sugarcane is cultivated on about 2.7 million hectares in Uttar Pradesh. The whole of northern UP is a Ganna Pradesh.



The impact of sugarcane isn't only geographic. Taking an average one-hectare landholding, UP would have 2.7 million cane farmer families. The state produces 200 Million Metric Tonnes –plus of cane annually. All in all, some 4.5 million families in UP are directly dependent on sugarcane. Inclusive of their members, they add up to 20 million persons - one in every 12 of UP's total estimated 240 million populations.

The state has overtaken Maharashtra to be India's top sugar producer in the last five seasons (October–September) from 2016-17. It has also become the largest ethanol producer and the only state to achieve 10 per cent blending in petrol in 2020-21, one year ahead of the target for all-India.

**Maharashtra :** Maharashtra is expected to produce the most sugar in its history in the 2021-22 season, with a projected output of 13.8 Million Metric Tonnes, up 29% from the previous year. Maharashtra will be the nation's top sugar producer, surpassing Uttar Pradesh

Sugar cultivation in the state increased by 90,000 hectares last year due to a bountiful monsoon. From SS 2020-21 to SS 2021-22, the area under cane increased from 1.14 million hectares to 1.23 million hectares. As a result, sugar production is expected to increase from 10.6 Million Metric Tonnes in SS 2021-22 to 13.8 Million Metric Tonnes in SS 21-22. Maharashtra will approximately produce 39 percent of the country's total output.

Maharashtra has had a good monsoon for the past three years. Sugarcane production in Uttar Pradesh has decreased

#### COMPANY OPERATIONS:

The operating performance of the sugar unit for crushing season 2021-22, as compared to the previous crushing season 2020-21, is as under:

	Particulars	2021-22	2020-21
i)	Gross working days	190	190
ii)	Cane crushed (lakh/qtls.)	107.51	113.20
iii)	Average cane crush (qtls./day)	56582	59580
iv)	Manufacturing losses (%)	3.56	2.11
v)	Steam Consumption (% cane)	48.48	50.58
vi)	Average sugar recovery (% cane)	9.63	11.04
vii)	Downtime (%)	6.74	5.24
viii)	Sugar production (lakh/qtls)	10.35	12.49

The Company cane crush was 107.51 Lakhs qtrs. The Recovery during the period was 9.63% as the Company Produced B heavy Molasses in place of C Heavy Molasses. The recovery % cane was higher mainly due to higher pol in cane which resulted from improved varietal mix and implementation of other cane development activities.

#### CANE DEVELOPMENT

- Due to vigorous efforts made by the management in the area of sugarcane development, the area under cultivation of high sugar varieties of cane increased from 99% in season 2020-21 & maintain 100% in the season 2021-22. In addition, the management focused

on execution of both extensive and intensive cane development activities comprising of appropriate usage of insecticides, pesticides and optimum use of fertilizers. Consequently, the Pol % cane increased by 0.04% i.e, from 13.15% in crushing season 2020-21 to 13.19% in crushing season 2021-22.

- The management is further making efforts to maintain the area under high sugar variety cane upto 100% in the next season 2022-23. The management is also making efforts to increase the supply of cane at factory gate from 71.78% in crushing season 2021-22 to about 75% in crushing season 2022-23.
- Extraneous materials such as trashes, green tops, diseased cane, mud with cane supplies have been found 2.72% against target of 2.60% for the season 2021-22.
- Management plans to continue these efforts in the next crushing season 2022-23 and consequently the Pol % cane is expected to further increase to about 13.35% from 13.19% in crushing season 2021-22.
- The Company has undertaken vigorous cane development activities by encouraging high yielding variety cane i.e. Co 15023, Co 118 & CoS 13235. The early variety area of cane will be maintaining 100%. This has resulted in the improvement in the Sugar pol% cane from 13.19 to 13.35. The recovery in the Sugar has found 9.63% as production of B-heavy molasses during the season 2021-22. It is expected that we will achieve recovery to 10% in the next season 2022-23.

#### DISTILLERY UNIT (SHAMLI DISTILLERY AND CHEMICAL WORKS) :

##### INDUSTRY PROFILE:

Government policy continues to focus on increasing the percentage of mixing ethanol with petrol. Consequently, the demand for ethanol continues to increase, which has a positive effect on the financial performance of the distilleries like yours, which are focused on production of industrial alcohol

#### COMPANY OPERATIONS:

##### I) DISTILLERY EXPANSION PROJECT:

The Company undertook an expansion project of distillery, whereby the production capacity of the distillery was increased from 70 KL per day to 100 KL per day, and is now running on full capacity.

##### OPERATING PERFORMANCE:

The operating performance for the financial year 2021-22 as compared to the previous financial year 2020-21 is as under:

	Particulars	2020-21	2021-22
i)	Gross working days (days)	262.00	157.00
ii)	Production – RS (lakh/ltrs)	167.35	119.38
iii)	Production – Ethanol (lakh/ltrs)	139.05	91.10
iv)	Alcohol recovery/qt. molasses (AL)	21.48	24.11
v)	Fermentation efficiency (%)	89.05	89.05
vi)	Distillation efficiency (%)	98.57	98.57

*CONTD.....*



Distillery production was slightly low during 2021-22 as compared to last year as the Distillery Unit Expansion was under progress and distillery cannot work full year.

Further analysis of operating performance for sugar and distillery segments are covered under “Management Discussion and Analysis Report” at Annexure 5 of this Report.

### DIRECTORS

In accordance with the provisions of Companies Act, 2013 (the Act) and the Company’s Article of Association, Mr. Rajat Lal, Managing Director and Mr. Rahul Lal, Joint Managing Director retire by rotation under section 152 of the Act, and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Necessary resolutions for re-appointment of aforesaid Directors have been included in the notice convening the ensuing annual general meeting.

The Board of Directors in its meeting held on 01.10.2021 appointed Mr. Ravi Malhotra as the Chairman of the Board and also appointed Mr. Udit Pat Singhania as Independent Director on 01.10.2021.

We regret to inform you, sad and sudden demise of Mr. Onke Aggarwal, as Independent Director on 16.08.2021. His sad demise is an irreparable loss to the company.

The required information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) providing the experiences, qualifications, name of the Company in which the above Directors hold Directorship and membership of the Committee of the Board are detailed in the notice convening the Annual General Meeting, against the relevant items of the agenda, which forms part of this annual report.

None of the Directors of the Company is disqualified from being appointed as Director as specified in terms of section 164(1) and of the Companies Act, 2013.

### POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS

#### **The guidelines for selection of Directors are set out below:**

The Nomination and Remuneration Committee of the Board of Directors oversees the Company’s nomination process for Directors. The Committee identifies and reviews individual qualified candidates to serve as a Director on the Board. The Committee may act on its own for identifying the potential candidates. The Committee reviews and discusses each candidate and conducts evaluation of candidates in accordance with the process that it deems fit and appropriate, discusses with the Promoters, and sends its recommendation for nomination to the Board of Directors based on the following guidelines:

#### **ATTRIBUTES**

1. For Independent Directors, the Committee seeks candidates who are not a nominee or related to the Promoters of the Company. Such candidates shall possess integrity, leadership, skill, managerial qualities, foresight abilities and competency required to direct and oversee the Company’s management in the best interest of stake holders i.e. shareholders, consumers, employees and the community it serves.
2. The candidate must be willing to regularly attend meetings of the Board and develop a strong understanding of the

### ***DIRECTOR’S REPORT Contd.....***

Company, its business and its need. He must contribute his/ her time and knowledge for the Company and be prepared to exercise his/her duties with skill and care. Candidates should have understanding of governance concept and legal duties of a Director.

The candidate should preferably have sufficient experience on the Board of a listed Company.

For appointment of Executive Directors, the Committee also seeks opinion of Promoters.

### **KEY MANAGERIAL PERSONNEL**

The Details of Key Managerial Personnel under section 203 of the Companies Act, 2013 and changes therein during the year are as under:

1. Mr. Rajat Lal, Managing Director
2. Mr. Vivek Viswanathan, Joint Managing Director
3. Mr. Rahul Lal, Joint Managing Director
4. Mr. Gajendra Kumar Sharma, Chief Financial Officer
5. Mr. Ajay Kumar Jain, Company Secretary

### **STATEMENT ON DECLARATIONS GIVEN BY THE INDEPENDENT DIRECTORS**

All Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### **INDEPENDENT DIRECTORS MEETING**

A separate meeting of the Independent Directors (Annual Independent Directors Meeting) was convened on February 12, 2022 which reviewed the performance of the Board as a whole and of the Non-Independent Directors on the basis of the report of the Nomination and Remuneration Committee. The collective feedback of each Independent Director was discussed with the Board, covering performance of the Board as a whole and performance of Non-Independent Directors.

### **PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES**

Pursuant to the provisions of section 178 of the Companies Act, 2013 and Regulations 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the performance evaluation of Non-Independent Directors, the Board and Committee was undertaken by the Nomination and Remuneration Committee for the year under review. The performance evaluation report of the Non-Independent Directors, as done by the Nomination and Remuneration Committee, has been reviewed by the Independent Directors.

The performance evaluation of the Chairman and Independent Directors is done by the Board and the report of Nomination and Remuneration Committee for the Non-Independent Directors, as reviewed by the Independent Directors, is placed before the Board of Directors. The criteria for the performance evaluation are detailed in the report on Corporate Governance attached as Annexure 5 of this Report.

The evaluation framework for assessing the performance of Directors, the Board and Committees is done on the following parameters:



#### A) BOARD PERFORMANCE

1. Attendance and active participation
2. Knowledge of working of industry, experience in related issues Leadership and initiative
3. Independent judgments on the Board discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management
4. Commitment to role and fiduciary responsibility as a Board member
5. Understanding the nature of Director's role, demonstrate awareness and concern about norms related to Corporate Governance, disclosure and legal compliance
6. Contribute new ideas / advise to management on business issues

#### B) COMMITTEE PERFORMANCE

1. The Committee is delivering on the defined objectives
2. The Committee has the right composition to deliver the objective

#### REMUNERATION POLICY

The Board, on the recommendations of the Nomination and Remuneration Committee, has framed a policy for selection and appointment of Directors, senior management and their remuneration. The remuneration policy is stated in the report on Corporate Governance attached at Annexure 5 of this Report.

#### MEETINGS

The calendar of meetings is prepared and circulated in advance to Directors.

During the financial year 2021-22, Four Board Meetings were held on 29.06.2021, 07.08.2021, 11.11.2021 and 12.02.2022. The details of the same are given in the Corporate Governance report attached at Annexure 5 of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of sub-section 134(3)(c) of the Companies Act, 2013 with respect to Director's Responsibility Statement, the Directors confirm that:

- i) In the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards, read with requirements set out under the Act, have been followed and there are no material departures from the same.
- ii) They 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 as at March 31, 2022 and of the Loss of the Company for the financial year ended on that date.
- iii) They have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the Annual Accounts of the Company on a "going concern" basis.
- v) They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are

adequate and operating effectively.

- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and other designated persons which may have potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and also Board of Directors for approval. The form for disclosure of particulars of contract /arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act 2013 in form AOC -2 is given below:

#### FORM NO. AOC-2

#### (PURSUANT TO CLAUSE (B) OF SUB-SECTION OF SECTION 134 OF THE ACT 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 of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

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

S.No.	Particulars	Details
a)	Names(s) of the related party & nature of relationship	N.A
b)	Nature of contracts /arrangements/ transaction	None
c)	Duration of the contracts/arrangements/ transactions	N.A
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A

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

S.No.	Particulars	Details
a)	Name(s) of the related party & relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts/ arrangements/transactions	N.A

CONT'D.....



d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	N.A
e)	Date of approval by the Board for renewal	N.A
f)	Advance paid, if any	N.A

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not made any loans or investments or given any guarantee during the year under review.

#### **SUBSIDIARY COMPANIES/ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint venture or associate Company.

#### **Compliance with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 by forming a Disciplinary Committee as per provisions of the Act. The Company confirms that there is no complaint / case filed against or pending with the Company during the financial year 2021-22.

#### **CODE OF CONDUCT**

Code of Conduct for the Directors as well as for the members of the senior management of the Company was adopted in the Board meeting held on April 4, 2005 which was subsequently amended from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and members of senior management and the compliance of the same has been affirmed by them in respect of the financial year 2022-23. A copy of the Code of Conduct has been put up on the Company's website [www.sirshadilal.com](http://www.sirshadilal.com). A declaration regarding compliance of Code of Conduct is given by the Managing Director, under the head "Code of Conduct", that Board members and senior management team have complied with the same under Corporate Governance and forms part of this Report.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any.

A vigilance Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The details are given in the report on Corporate Governance attached as Annexure 5 of this Report.

#### **PREVENTION OF INSIDER TRADING CODE**

The Company has adopted Code of Practices & Procedures for Fair

Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, designated employees of the Company and other related parties. The code requires pre clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the code.

All Directors and the designated employees have confirmed compliance with the code.

#### **AUDITORS**

Mr. M. S. Gupta- Proprietor M/s M. Sharan Gupta & Co. was appointed as Statutory Auditors of the Company by Circular Board resolution dated 14.03.2018, after sad demise of Mr. Jugal Kishore Chadha, Proprietor M/s Jugal Kishore & Associates, Statutory Auditors of the Company on 3rd March 2018. His period of office expires at the ensuing Annual General Meeting. As per provisions of the Companies Act, 2013 M/s M. Sharan Gupta & Co. (Registration No.06430N) Chartered Accountants cannot be reappointed as Statutory Auditors of the Company.

The Company has received consent letter from M/s Basant Ram & Sons, for appointment as Statutory Auditors of the Company. The Board of Directors hereby recommends for appointment of the Statutory Auditors of the Company. The members are requested to approve the appointment of M/s Basant Ram & Sons, Chartered Accountants, New Delhi as Statutory Auditor of the Company, subject to such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors for the year 2022-23 onward.

#### **COMMENTS ON AUDITOR'S OBSERVATIONS**

##### **(i) Reply to paragraph no. 1 of "Other Matter" in Auditor's report relating to non-maintenance of accounts on accrual basis:**

As stated in the note no. 35 of the financial statement in respect of interest liability on delayed payment of sugar cane price. The company has not provided towards interest liability of late payment of cane price for the sugar season 2011-12 to 2014-15, Rs. 607.19 Lakh and also for Rs. 12351.23 Lakhs relating to subsequent year 2015-16 to 2021-22, in the view of the Supreme Court order no. 35113/2017 dated 23.04.2018.

##### **Auditor comments to report is self explanatory**

##### **(ii) Reply to paragraph no. 2 of "Other Matter" in Auditor's Report relating to bonus liability:**

As stated in note no. 36 of the financial statement in respect of bonus liability, due to amendment in Payment of Bonus (Amendment) Act 2015, in terms of which the ceiling of payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed implementation of revision of bonus Act from retrospective effect. Indian Sugar Mills Association to retrospective effect from 1st April, 2014. The matter is subjudice.

##### **Auditor comments to report is self explanatory**

##### **(iii) Reply to paragraph no. 3 of "Other Matter" in Auditor's report non provision of deferred tax assets**

As Stated in Note No.37 to the Standalone Financial Statements, the



managements has decided, not to make any further provision this year for Deferred Tax Assets. The management in view of current year loss and accumulated losses and in absence of virtual certainty about future profitability, has decided not to account for the effect of Deferred Taxation for this year, and continuing to carry forward the Deferred Tax Assets Rs.6881.11 lakhs already accounted for in earlier years.

#### **Auditor comments to report is self explanatory**

#### **COST AUDITOR**

The Board of Directors of the Company approved appointment of Mr. Rishi Mohan Bansal, Cost Auditor, for conducting the cost Audit for sugar and industrial alcohol business for the financial year 2022-23.

The Cost Audit reports for the last Audited accounts for the financial year ended March 31, 2022 were filed by the cost Auditor with respect to sugar and industrial alcohol business on 09.08.2022, which is within the due date. There was no adverse or negative remark in the reports.

As per the Companies Act, 2013, cost Auditors need to be appointed within 180 days from the commencement of every financial year. Accordingly, the Company has appointed Mr. Rishi Mohan Bansal as cost Auditor for conducting the cost Audit of sugar and industrial alcohol for the financial year 2022-23. The appointment is subject to ratification in the next Annual General Meeting.

#### **SECRETARIAL AUDITOR**

The Board of Directors of the Company appointed M/s Rahul Saini & Co., Company Secretaries (Membership No. ACS 16716, C.P.No. 7009), as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2022.

The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith as Annexure-1 to this Report. There is no qualification, reservation or adverse remark or disclaimer in the report.

#### **FIXED DEPOSITS**

The Company has not invited or accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 during the year under report. In terms of proviso to Rule 2 (1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Board hereby report that the Company has not borrowed any unsecured loans from the Directors/ Relatives or any other related parties.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in form MGT-9 is annexed with Annexure-2 of this Report and also on the web site of the Company, [www.sirshadilal.com](http://www.sirshadilal.com)

#### **FRAUD REPORTING**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

#### **DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONS**

As required under section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the details of the ratio of the remuneration of each Director to the median employee's remuneration and such other details as prescribed therein are given in Annexure-3 of this Report.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) rules, 2014, in respect of the employees of the Company are given in Annexure-3 of this Report.

#### **DETAIL OF SHARES WITH DIFFERENTIAL VOTING RIGHT, SWEAT EQUITY SHARE AND ESOP SCHEME**

The Company has not issued shares with differential voting right and sweat equity shares. There was no scheme of ESOP during the financial year.

#### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

#### **RISK MANAGEMENT**

Pursuant to section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a business Risk Management Committee. The details of the Committee, its terms of reference, risks associated and their mitigation are set out in the report on Corporate Governance attached at Annexure-5 of this Report.

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

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments and such policies and procedures adopted by the Company 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.

The Audit Committee evaluates the Internal Financial Control system periodically. An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances. The details of the internal Financial control system and their adequacy are given in the report on Corporate Governance attached at Annexure-5 of this Report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company had constituted CSR Committee in the Board Meeting held on 08.08.2017 as the Company has earned profits more than 5 Crore in the preceding financial years. The Board of Directors of the Company has approved the CSR Policy in the Board of Directors meeting held on August 8, 2017. As per the provisions of Section 135 of the Companies Act 2013, there is no liability of the Company to spend in CSR Activity as the Company's Average profits during last three financial years are negative and its Net Worth is completely eroded.

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

The particulars relating to energy conservation, technology

*CONTD....*



absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts), Rules, 2014, are provided in Annexure-4 of this Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The performance of both the business segments of the Company i.e. Sugar and Alcohol, for the year ended March 31, 2022 and current year prospects, as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been detailed in the "Management Discussion and Analysis Report" in the report on Corporate Governance attached at Annexure-5 of this Report.

### CORPORATE GOVERNANCE

The Company complies with all the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The separate section on Corporate Governance, including a certificate from a practicing Company secretary confirming compliance of the conditions of Corporate Governance, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), is given in Annexure-5 of this Report.

### DISCLOSURE POLICY

In line with requirements under regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at <https://www.sirshadilal.com/> corporate governance.

### LISTING ARRANGEMENT

The shares of the Company are listed with the BSE Limited. The annual listing fee for the year 2022-23 has been paid to the Exchange.

### DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013

The Company confirms that there is no complaint / case filed against or pending with the Company during the financial year 2021-22.

### INDUSTRIAL RELATIONS

The industrial relations remained generally cordial during the year at both the plants of the Company.

### APPRECIATION

Your Director's wish to place on record their sincere thanks and appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, Punjab National Bank, Zila Sahkari Bank Ltd., Other Business Associates and Government Authorities for their valuable cooperation and support from time to time. We would also like to express our thanks to our Shareholders for their continued confidence in the Company.

For and on behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.,

Place: Shamli	Rajat Lal (Managing Director)	Ravi Malhotra (Chairman)
Dated: 30.07.2022	(Din: 00112489)	(Din-08811471)



## ANNEXURE '1' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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

Sir Shadi Lal Enterprises Limited,

Upper Doab Sugar Mills

Shamli (U.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sir Shadi Lal Enterprises Limited (CIN: L51909UP1933PLC146675) (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 the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial Year ended on 31st March, 2022, according to 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, External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- (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, 2009; (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company:
  - (a) Sugar Cess Act, 1982,
  - (b) Food Safety and Standards Act, 2006,
  - (c) Essential Commodities Act, 1955, and
  - (d) Sugar Development Fund Act, 1982

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

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

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 RAHUL SAINI & CO.  
Company Secretaries

RAHUL SAINI

Proprietor

ACS 16716; C.P. No. 7009

Place: MEERUT

Date: 30th July, 2022



## **‘ANNEXURE A’**

To,

The Members

Sir Shadi Lal Enterprises Limited,  
Upper Doab Sugar Mills  
Shamli-247776 U.P.

Our Secretarial Audit Report for the financial year ended 31st March, 2022 of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 process 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RAHUL SAINI & CO.  
Company Secretaries

RAHUL SAINI  
Proprietor  
ACS 16716; C.P. No. 7009

Place: MEERUT  
Date: 30th July, 2022



## ANNEXURE '2' TO DIRECTORS' REPORT

**Form No. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended March 31, 2022**

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

**I. Registration & Other details :**

1.	CIN	L51909UP1933PLC146675
2.	Registration Date	13.01.1933
3.	Name of the Company	SIR SHADI LAL ENTERPRISES LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	Upper Doab Sugar Mills, SHAMLI 247 776 (UP) Tel.No. 01398-250063 Website-www.sirshadilal.com E-mail: udsm_shamli@sirshadilal.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Alankit Assignments Ltd., Alankit House, 4E/2, Jhanedewalan Extn. NEW DELHI 110 055 Tel.No. 011-42541956 & 42541234

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10 % OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED)**

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of
1	SUGAR	10721	85.99
2	ALCOHOL	1101	14.01

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding Subsidiary/ associate	% of shares held	Applicable Section
	NIL				



## II. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	2980675	—	2980675	56.775	3242884		3242884	61.770	4.995
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(1)</b>	<b>2980675</b>	—	<b>2980675</b>	<b>56.775</b>	<b>3242884</b>		<b>3242884</b>	<b>61.770</b>	<b>4.995</b>
(2) Foreign									
a) NRI Individuals	—	—	—	—	—	—	—	—	—
b) Bodies Corp.	—	—	—	—	—	—	—	—	—
c) Institutions	—	—	—	—	—	—	—	—	—
d) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(2)</b>	<b>—</b>	—	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>
Total shareholding of Promoter (A)	2980675	—	2980675	56.775	3242884		3242884	61.770	4.995
<b>B. Public Shareholding</b>									
1. Institutions	—	—	—	—	—	—	—	—	—
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Financial Institutions/Banks	340228	—	340228	6.480	23228		23228	0.442	(6.038)
c) Central Govt.	130536	—	130536	2.486	129964		129964	2.476	(.010)
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Insurance Companies	—	—	—	—	—	—	—	—	—
f) Foreign Institutional Investors	—	—	—	—	—	—	—	—	—
g) Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
h) Any Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	<b>470764</b>	—	<b>470764</b>	<b>8.966</b>	<b>153192</b>		<b>153192</b>	<b>2.918</b>	<b>(6.048)</b>
a) Bodies Corp.	230303	18676	248979	4.743	272050	18676	290726	5.537	0.794
i) Indian	—	—	—	—					—
Central Govt.	—	—	—	—					—
State Govt.	—	—	—	—					—
HUF	76354	—	76354	1.454	37893		37893	0.722	(.732)
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	936268	251700	1187968	22.628	635753	238549	874302	16.653	(5.976)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	278735	—	278735	5.310	547021	0	547021	10.419	5.109
c) Others (specify)	—	—	—	—	—	—	—	.001	.001
Non Resident Indians	2177	2277	4454	0.085	100635	2277	102912	1.961	1.876
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Non Resident non repatriate	—	—	—	—	—	-68	—	68	.001



Clearing Members	2071	—	2071	0.039	1002	--	1002	.0190	(-.02)
Trusts		—	—	—	—	—	—	—	—
Foreign Bodies – D R	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):—	1525908	272653	1798561	34.259	1594422	259502	1853924	35.312	(+)1.053
<b>Total Public Shareholding (B)=(B) (1) + (B)(2)</b>	<b>1996672</b>	<b>-</b>	<b>2269325</b>	<b>43.225</b>	<b>1747614</b>	<b>259502</b>	<b>2007116</b>	<b>38.230</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>4977347</b>	<b>272653</b>	<b>5250000</b>	<b>100.000</b>	<b>4990498</b>	<b>259502</b>	<b>5250000</b>	<b>100</b>	<b>—</b>

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

**(i) Category-wise Share Holding**

**B) SHAREHOLDING OF PROMOTER**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2021)			Shareholding at the end of the year (As on March 31, 2022)			% Change in share holding during the year
		No. of Shares	% Of total Shares of the company	% Of Shares Pledged / encumbered to total shares	No. of Shares	% Of total Shares of the company	% Of Shares Pledged / encumbered to total shares	
1	Sh. Rajat Lal	1070043	20.381	—	1332252	25.376	—	4.995
2	Smt. Poonam Lal W/o Sh. Rajat Lal	287745	5.481	—	575486	10.962	—	5.481
3	Sh. Rahul Lal S/o Sh. Rajat Lal	287746	5.481	—	5	—	—	-5.481
4	Miss. Pooja Lal D/o Sh. Rajat Lal	5	—	—	5	—	—	—
5	Sh. Vivek Viswanathan	1296004	24.686	—	1296004	24.686	—	—
6	Smt. Radhika Viswanathan Hoon Sister of Sh. Vivek Viswanathan	39132	0.746	—	39132	0.746	—	—
	<b>Total</b>	<b>2980675</b>	<b>56.775</b>	<b>—</b>	<b>3242884</b>	<b>61.769</b>	<b>—</b>	<b>4.995</b>

**Change in Promoters' Shareholding (please specify)**

S. No.	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year :				
1	Rajat Lal	1070043	20.381	—	—
	Add: Purchase:	262209	4.995	—	—
	At the end of the year	1332252	25.376	1332252	25.376
2.	Sh. Rahul Lal	287746	5.481	—	—
	Less: Gift	287741	5.481	—	—
	At the end of the year	5	—	5	—
3	Poonam Lal	287745	5.481	—	—
	Add: Gift	287741	5.481	—	—
	At the end of the year	575486	10.962	575486	10.962

*CONTD.....*



## D) Shareholding Pattern of top ten Shareholders:

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

S.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Investor Education & Protection Fund Authority				
	At the beginning of the year 01.04.2021	130436	2.484	130436	2.484
	At the end of the year 31.03.2022	129964	2.475	129964	2.475
2	ANUSHREE HIMANSHUBHAI SHAH				
	At the beginning of the year 01.04.2021	0	0	0	0
	At the end of the year 31.03.2022	122400	2.331	122400	2.331
3	ASHISH BHARATKUMAR SHAH				
	At the beginning of the year 01.04.2021	0	0	0	0
	At the end of the year 31.03.2022	135024	2.5719	135024	2.5719
4	P. PRABHAKAR REDDY				
	At the beginning of the year 01.04.2021	0	0	0	0
	At the end of the year 31.03.2022	100000	1.9048	100000	1.9048
5	Sh. Arun Nahar				
	At the beginning of the year 01.04.2021	48750	0.929	48750	0.929
	At the end of the year 31.03.2022	48750	0.929	48750	0.929
6	Sh. Mahendra Girdhari Lal				
	At the beginning of the year 01.04.2021	63933	1.218	63933	1.218
	At the end of the year 31.03.2022	47640	0.9074	47640	0.9074
7	Madhulika Chandra				
	At the beginning of the year 01.04.2021	43485	0.828	43485	0.828
	At the end of the year 31.03.2022	43485	0.828	43485	0.828
8	Fortress Advisors LLP				
	At the beginning of the year 01.04.2021	42190	0.803	42190	0.803
	At the end of the year 31.03.2022	42190	0.803	42190	0.803
9	ATRUN FISCAL PRIVATE LIMITED				
	At the beginning of the year 01.04.2021	6027	0.1148	6027	0.1148
	At the end of the year 31.03.2022	36198	0.6895	36198	0.6895
10	RAXIT VINODBHAI SHAH				
	At the beginning of the year 01.04.2021	4510	0.0859	4510	0.0859
	At the end of the year 31.03.2022	35828	0.6824	35828	0.6824



**E) Shareholding of Directors and Key Managerial Personnel**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Name of the Directors				
1	Sh. Rajat Lal	1070043	20.381	1332252	25.376
2	Sh. Vivek Viswanathan	1296004	24.686	1296004	24.686
3	Sh. Rahul Lal	287746	5.481	5	—
4	Smt. Radhika Viswanathan Hoon	39132	0.745	39132	0.745
<b>Total</b>		<b>2692925</b>	<b>51.293</b>	<b>2667393</b>	<b>50.807</b>
Shareholding of KMP Other than MD/Manager /WTD					
	Sh. Ajay Kumar Jain	—	—	—	—
	Sh. Gajendra Kumar Sharma	—	—	—	—

**V) INDEBTEDNESS—Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13757.50	1982.89	95.02	15835.41
ii) Interest due but not paid	94.64	0.00	0.00	94.64
iii) Interest accrued but not due	286.16	0.00	0.00	286.16
<b>Total (i+ii+iii)</b>	<b>14138.30</b>	<b>1982.89</b>	<b>95.02</b>	<b>16216.21</b>
Change in Indebtedness during the financial year				
* Addition	2623.82	0.00	0.00	2623.82
* Reduction	3970.19	8.54	0.02	3978.75
Net Change	-1346.37	-8.54	-0.02	-1354.93
Indebtedness at the end of the financial year				
i) Principal Amount	12465.77	1974.35	95.00	14535.12
ii) Interest due but not paid	48.90	0.00	0.00	48.9
iii) Interest accrued but not due	277.26	0.00	0.00	277.26
<b>Total (i+ii+iii)</b>	<b>12797.93</b>	<b>1974.35</b>	<b>95.00</b>	<b>14861.28</b>

CONTD.....



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Sh. Rajat Lal	Sh. Vivek Viswanathan	Sh. Rahul Lal	
	Designation	M.D.	Jt. M.D.	Jt. M.D.	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1512000	1386000	3000000	5898000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1004800	910900	2132738	4048438
	(c) Profits in lieu of salary under section 17(3)Income- tax Act, 1961	408240	374220	810000	1592460
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission – as % of profit – others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
<b>Total (A)</b>		<b>2925040</b>	<b>2671120</b>	<b>5942738</b>	<b>11538898</b>
Ceiling as per the Act		60,00,000	60,00,000	60,00,000	60,00,000

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors					
		Sh. Onke Aggarwal	Sh. R.C. Sharma	Sh. Ravi Malhotra	Sh. Tanmay Sharma	Sh. Udit Pat Singhania	Total
1	Fee for attending board committee meetings	80000	80000	160000	160000	80000	560000
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (1)	80000	80000	160000	160000	80000	560000
2	Other Non-Executive Directors	Smt. Radhika Viswanathan Hoon	Sh. Neeraj Gupta				
	Fee for attending Board committee meetings	80000	60000				140000
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (2)	80000	60000				140000
	Total (B)=(1+2)	160000	140000	160000	160000	80000	700000
	Total Managerial Remuneration	—	—	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—	—	—



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

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Sh. Gajendra Kumar Sharma	Sh. Ajay Kumar Jain	Total Amount (Rs.)
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	613743	1180740	1794483
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	– as % of profit	—	—	—
	Others specify...	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	<b>613743</b>	<b>1180740</b>	<b>1794483</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.,

Place: Shamli  
Dated: 30th July 2022

Rajat Lal  
(Managing Director)  
(Din: 00112489)

Ravi Malhotra  
(Chairman)  
(Din-08811471)



## **ANNEXURE '3' TO THE DIRECTORS' REPORT**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year:

Sl. No	Name of Directors	Commission	Sitting Fee	Salary	Perquisite	Others	Total	Ratio (Times)
A	Median Employee	257111*						
1	Sh. Rajat Lal	NIL		1512000	1004800	408240	2925040	11.38
2	Sh. Vivek Viswanathan	NIL		1386000	910900	374220	2671120	10.39
3	Sh. Rahul Lal	NIL		3000000	2132738	810000	5942738	23.11
4	Sh. Onke Aggarwal	NIL	80000					0.31
5	Sh R. C. Sharma	NIL	80000					0.31
6	Smt. Radhika Viswanathan Hoon	NIL	80000					0.31
7	Sh. Neeraj Gupta	NIL	60000					0.23
8	Sh. Ravi Malhotra	NIL	160000					0.62
9	Sh. Tanmay Sharma	NIL	160000					0.62
10	Sh. Udit Pat Singhania	NIL	80000					0.31

Perquisites include HRA, Electricity & Fuel Charges, Medical reimbursement, Mediclaim and personal accident insurance premium, Company's Contribution to P.F.

\*Median salary of employee is the average of the median salary of officers and workers 257111

ii) Percentage increase in remuneration of Directors / Key Management Personnels.

Sl. No.	Name of Directors/KMPs	% increase / (Decrease) in Remuneration
1	Sh. Rajat Lal, MD	1.046
2	Sh. Vivek Viswanathan, Jt. MD	-0.008
3	Sh. Rahul Lal, , Jt. MD	1.100
4	*Sh. Onke Aggarwal, Director	-55.556
5	**Sh. R C Sharma, Director	-55.556
6	Smt. Radhika Viswanathan Hoon, Director	-33.333
7	Sh. Neeraj Gupta, Director	0.000
8.	Sh. Tanmay Sharma, Director	100.000
9.	Sh. Ravi Malhotra, Director	100.000
10.	Sh. Udit Pat Singhania, Director ***	N.A.
11.	Sh. Ajay Kumar Jain, CS	9.740
12.	Sh. Gajendra Sharma, CFO	12.441

\*Sh. Onke Aggarwal, Director office was vacated due to his sad demise on 16.08.2021

\*\* Sh. R C Sharma, Director had resigned on 01.10.2021

\*\*\* Sh. Udit Pat Singhania was appointed w.e.f. 01.10.2021 as Independent Director.

The Percentage increase in median remuneration of Employees in the financial year is NIL

iii) Total No. of permanent employees as on 31.03.2022 was 748

iv) The Explanation on the relationship between average increase in remuneration and Company Performance—

The average increase in remuneration cannot be compared with the revenue/profit of the Company, as the Company has accumulated losses, but it takes into account the inflation rate in the market, and package offered by other Companies of Industry.

v) Comparison of remuneration of Key Managerial Personnel against the performance of the Company:



The average increase in remuneration cannot be compared with the revenue/profit of the Company as the Company is incurring losses in past years, but it takes into account the inflation rate in the market as well as keeping in view remuneration package offered by the other corporate houses of the industry and increase in the responsibility.

vi) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	2021-22	2020-21	2019-20
Market Capitalisation (Rs. in Lacs)	8974.88	1866.37	1522.50
Price Earnings Ratio	-5.43	-1.31	5.33

vii) Price increase over decrease in the market quotations of the shares of the Company in Comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.

Particulars	31.03.2022	Public Offer (Buy Back) EGM 27th May, 1999 in Rs	% Change
Market Price (BSE) in Rs.	170.95	40	327.375%

viii) 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:

NO such differentiation was followed in giving the increment during the last financial year. The average increment in salary was on the basis of individual performance.

ix) The Key parameters for any variable component of remuneration availed by the directors:

The Members had, at the AGM of the Company held on 30th September, 2002 approved payment of commission to the non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. In case of profit the said commission is decided each year by the Board of Directors. The Company has accumulated losses; hence no such commission is paid during the year.

x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The highest paid Director is the Joint Managing Director. No employee has received remuneration in excess of the Joint Managing Director.

Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce and engaged workforce. The Company follows a compensation of Salary and perquisites on the basis of individual performance through annual appraisal process and business performance. The Company affirms remuneration is as per the Remuneration Policy of the Company.

CONTD.....



**STATEMENT CONTAINING INFORMATION AS PER SECTION 197 READ WITH THE RULE 5(2) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014, AS AMENDED UP-TO-DATE AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.**

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experience (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
1.	Rambir Khokhar	57	CHIEF OPERATING OFFICER	M.Tech, AMIE	25	02.06.2015	2585476	Mawana Group
2.	Anil Gupta	59	G.M.(ENGG.)	Diploma in Mech, BOE	38	04.03.2020	2288496	Bajaj Group
3.	Praveen Kumar Srivastava	54	Sr. G.M. (Distillery)	B.Sc., DIFAT	31	01.07.2017	2130936	Jubilant Group
4.	Kuldeep Pilania	47	G.M. (CANE)	M.Sc., Ph.D	28	26.08.2017	1916132	Komuna Sugar
5.	Rajnikant Mishra	58	G.M. (EHS & QUALITY)	M.Sc. (Chemistry)	35	12.11.2018	1634725	Mawana Group
6.	V.C. Tyagi	55	PRESIDENT	B.Tech (Mech.) Sugar Engg. NSI	34	10.11.2021	1952922	Bajaj Hindusthan Ltd.
7.	Pankaj Kumar Agarwal	54	GM (PRODUCTION)	ANSI (SUGAR TECH)	29	21.12.1991	1343840	SVP Industries Ltd.
8.	Abhishek Mishra	42	MANAGER (COMMERCIAL)	MBA Marketing	15	19.03.2021	1270020	DCM Sriram
9.	Tarsem Singh	58	Asstt. G.M. (Engineering)	Diploma in Engg.	32	07.01.2019	1301364	Bajaj Hindusthan Ltd.
10.	Mukesh Mishra	46	G.M.(FIN & A/CS)	(M.com) C.A.	26	04.08.2021	1712376	Balarampur Sugar

i) **EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 1,02,00,000 PER ANNUM.**

**-NIL-**

ii) **EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN Rs. 8,50,000 PER MONTH.**

**-NIL-**

iii) **EMPLOYED THROUGHOUT THE FINANCIAL YEAR OR PART THERE OF, WAS IN RECEIPT OF REMUNERATION IN THAT YEAR WHICH, IN THE AGGREGATE, OR AS THE CASE MAY BE, AT A RATE WHICH, IN THE AGGREGATE, IS IN EXCESS OF THAT DRAWN BY THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR OR MANAGER AND HOLDS BY HIMSELF OR ALONG WITH THE SPOUSE AND DEPENDENT CHILDREN, NOT LESS THAN TWO PERCENT OF THE EQUITY SHARES OF THE COMPANY**

For and on Behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.

Place : Shamli  
Dated: 30th July, 2022

Rajat Lal  
Managing Director  
DIN-(00112489)

Ravi Malhotra  
Chairman  
DIN (008811471)



## ANNEXURE '4' TO THE DIRECTORS' REPORT

Information as per section 134 (3) (m) and forming part of the Directors' Report for the year ended 31st March, 2022.

### A. CONSERVATION OF ENERGY

#### 1) ENERGY CONSERVATION MEASURES TAKEN:

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing on a regular basis. Details of measures taken for energy conservation during the financial year 2021-22 at the units are provided as below.

#### UPPER DOAB SUGAR MILLS

Rs. Nil expenditure incurred on energy Conservation during the year 2021-22

#### SHAMLI DISTILLERY & CHEMICAL WORKS

Rs. Nil expenditure incurred on energy Conservation during the year 2021-22

2) Additional investments and proposals, if any, being implemented for reduction of consumption of energy	<p><b>Upper Doab Sugar Mills</b> NIL</p> <p><b>Shamli Distillery &amp; Chemical Works</b></p> <ol style="list-style-type: none"> <li>1. Turbine 3.525MW had been Installed</li> <li>2. 36 TPH incineration Boiler had been Installed.</li> <li>3. Distillery expansion from 70 KLPD to 100 KLPD had been completed</li> <li>4. Expansion of MEE Plant from 70 KLPD to 100 KLPD had been completed</li> </ol>
3) Impact of the measure at (1) & (2) above for reduction of energy consumption and consequent impact on the cost of production.	<p><b>Upper Doab Sugar Mills</b> NIL</p> <p><b>Shamli Distillery &amp; Chemical Works</b></p> <p>After installing incineration boiler we are burning spent wash in boiler. Thus we are achieving saving of approx 1500 qt. Bagasse/day</p> <p>As distillery will run continuously, it will impact on reducing production cost</p>
<b>B. Technology Absorption</b>	
<b>I) Technology absorption measures taken :</b>	
<p><b>Research &amp; Development (R&amp;D)</b></p> <p>1. Specific Areas :</p>	<p><b>i) Upper Doab Sugar Mills</b></p> <ul style="list-style-type: none"> <li>• Varietal balance – To avoid any future set back on account of mono variety i.e. Co 0238 to promote Co15023, Co 0118 &amp; CoS 13235 as new promising cane varieties such as Co 15023 &amp; CoS 13235.</li> <li>• Future sustainability of Co 15023 Co 0118 &amp; CoS 13235</li> <li>Cane varieties – Campaigning for healthy seed programme, rearing seed nurseries of these varieties and phase out of Co 0238 gradually due to occurring of fungal disease such as Red Rot &amp; Smut.</li> <li>• Crop age – Convince to growers for better return in Autumn planting, campaigning to shift the cane planting in Autumn as well as maximized planting in Spring season before wheat harvesting.</li> <li>• Maximise the cane yield per unit area – We are educating to cane growers towards wide row planting</li> <li>• Crop health – to protect the cane crop from borers, White Grub &amp; Pucca Boing &amp; others fungal diseases.</li> <li>• Soil health – Optimum use of phosphatic and potassic fertilizers.</li> <li>• Extension &amp; communication strategy – To maximize the concept of wide row and spaced planting, insuring the better crop health and future sustainability of Co 15023, Co 0118 &amp; CoS 13235 or upcoming new variety also</li> </ul> <p><b>ii) Shamli Distillery &amp; Chemical Works</b></p> <p>Nil</p>



2. Benefits derived as a results of the above R & D	<p><b>i) Upper Doab Sugar Mills</b></p> <ul style="list-style-type: none"> <li>● To maintain the area under early variety upto 100% for the season 2022-23.</li> <li>● Supply of insect pest, disease &amp; trash free quality cane to the factory thereby maintaining quality of cane to optimum level</li> <li>● In the season 2021-22, Pol in cane increased by 0.04% compared to season 2020-21. As we are focusing to cover up maximum area by application of required fertilizers, sulphur &amp; zink sulphate etc. to increase Pol% cane, therefore we are hoping that Pol% in cane would be 13.35% in coming season 2022-23</li> <li>● Reduction in supply of extraneous matter as per target 2.60%.</li> </ul>
3. Expenditure on R & D: (Cane Development)	
a) Capital	Nil
b) Recurring	Rs. 88.33 Lacs
c) Total	Rs. 88.33 Lacs
d) Total R & D expenditure as a percentage of total turnover	0.188 %
4. Pollution Control measures in Sugar and Distillery Units	<p><b>i) Upper Doab Sugar Mills</b></p> <ol style="list-style-type: none"> <li>1. We are installing flow meters in various water consumption points</li> <li>2. We are installing 100 KLPD STP Plant</li> </ol> <p><b>ii) Shamli Distillery &amp; Chemical Works</b></p> <ol style="list-style-type: none"> <li>1. The Company had installed 36 TPH incineration boiler, and now we are burning brix spent wash, which result in zero liquid/effluent discharge along with Bagasse.</li> <li>2. Bag filter will be use as a pollution controlling device.</li> <li>3. We are in Process of Installing CPU to treat condensate of MEE plant which will be reuse in process.</li> </ol>
5. Future plan of action	<p><b>Upper Doab Sugar Mills</b></p> <p>Nil</p>
II. Technology absorption, adaptation and innovation:	
i) Efforts, in brief, made towards technology absorption, adaptation and innovation	<p><b>Upper Doab Sugar Mills</b></p> <p>Nil</p>
ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc	<p><b>Upper Doab Sugar Mills</b></p> <p>Extra revenue of about Rs. 11.50 crores per season from 2023-24 onwards which will help to increase the net profit of the sugar unit and the quality of sugar will improve which will improve realization.</p>
iii) In case of imported technology (imported last five years reckoned from the beginning of the financial year), following information may be furnished:	<p>a) Technology imported</p> <p>b) Year of import</p> <p>c) Has technology been fully absorbed?</p> <p>d) If not fully absorbed, areas where this has not taken place, reasons there for, and future plans of action</p> <p>No technology has been imported during the last five years</p>

<b>C. FOREIGN EXCHANGE EARNINGS AND OUT GO</b>	
a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.	The company did not make any export during the year
b) Total Foreign Exchange used and earned	
Used	Nil
Earned	Nil

For and on Behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.

Place : Shamli  
Dated: 30th July, 2022

Rajat Lal  
Managing Director

DIN-(00112489)

Ravi Malhotra  
Chairman

DIN (008811471)



## ANNEXURE '5' TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTOR'S REPORT

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The detailed report on the Corporate Governance, as prescribed by SEBI and incorporated in Regulation 15 of SEBI (LODR) Regulations 2015, is set out below:

### (1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company continues to believe that good Corporate Governance is the function of adherence to ethical business practices and introduction of value based systems and procedures in the organization. The Corporate Governance in this way shall usher in an era of enhancement of intrinsic strength of the organization as also of its stakeholders. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, Independent monitoring and environmental consciousness. The Company makes its best endeavor to uphold and nurture these core values in all aspects of its operations.

### (2) BOARD OF DIRECTORS: COMPOSITION AND CATEGORY:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Directors is 8, out of which 3 are Independent Directors. The Chairman of the Board is an Independent Director. The Board meets the requirement of not less than one-third being Independent Directors. All the Directors inform the Company Secretary every year about the Directorship / Chairmanship of the Board and Board Committee membership which they hold in other Companies. They also inform any change as and when it takes place. Company Secretary places these disclosures before the Board. The category, composition, attendance of each Director at the Board meetings / last Annual General Meeting and number of Directorship / Chairmanship and membership of Board Committees in other Companies is given hereunder:

S. No.	Name	Category	Attendance at Board meetings*	Attendance at last AGM	No. of other Directorships		Membership/ Chairmanship in Board Committees of other Companies	
					Public	Private	Chairman	Member
1.	Mr. Ravi Malhotra (Chairman)	Non-Executive Independent	4	Yes	—	—	—	—
2.	Mr. Rajat Lal Managing Director	Promoter, Executive	4	Yes	—	—	—	—
3.	Mr. Vivek Viswanathan, Joint Managing Director	Promoter, Executive	4	Yes	—	—	—	—
4.	Mr. Rahul Lal, Joint Managing Director	Promoter, Executive	4	Yes	—	—	—	—
5.	Smt. Radhika Viswanathan Hoon	Non-Executive	4	Yes	—	—	—	—
6.	Mr. Neeraj Gupta	Non-Executive	3	Yes	—	2	—	—
7.	Mr. Tanmay Sharma	Non-Executive Independent	4	Yes	—	—	—	—
8	Mr. Udit Pat Singhania	Non-Executive Independent	2	NO	—	—	—	—

\*During the financial year 2021-22, 4 Board meetings were held on 29.06.2021, 07.08.2021, 11.11.2021 and 12.02.2022,

Brief profile of all the Directors, nature of their expertise in specific functional area etc. are available on the Company's website [www.sirshadilal.com](http://www.sirshadilal.com)

The composition and structure of the Board is reviewed regularly by the Board, keeping in mind its overall size, the balance between Non-Executive, Independent and Executive Directors, age, experience and other attributes of the Directors, and changes in the Board

Mr. Ravi Malhotra was appointed as Chairman by Circular Resolution on 01.10.2021

Mr Udit Pat Singhania was appointed by Circular Resolution on 01.10.2021

### BOARD PROCEDURE:

All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters

*CONTD.....*



requiring discussions / approval / decisions in the Board and Committee meetings. All such matters are communicated to the Company Secretary in advance by the departments / divisions. The Company Secretary, in consultation with the Chairman, Managing Director and/ or Joint Managing Director, segregates the ones that can be discussed and decided internally and ones that need to be put up before the Board.

The Board meets at least once in a quarter to review the quarterly performance, operational performance and the financial results of the Company. The Board and the Committee meetings are scheduled well in advance and a calendar for these meetings in a year is circulated at the beginning of the year. The notice and agenda of each meeting along with supporting papers giving comprehensive information on the agenda items is given in writing to each Director in advance. The agenda papers submitted to the Board clearly indicate what decision is required. In special and exceptional circumstances, additional or supplementary item(s) beyond the agenda are presented with the permission of Chairman.

### THE KEY FUNCTIONS AND RESPONSIBILITIES OF THE BOARD ARE AS UNDER:

#### FUNCTIONS:

1. Reviewing and guiding on corporate strategy, major plans of action, risk policy, Annual budgets and business plans, setting performance targets, monitoring implementation, overseeing major capital expenditures, acquisitions and divestments and reviewing financing plans and progress thereon.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing Key Managerial Personnel and overseeing succession planning.
4. Aligning Key Managerial Personnel and remuneration of Board of Directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
6. Monitoring and Managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's control systems, accounting and financial reporting systems, including the Independent audit and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board of Director's evaluation framework.

#### RESPONSIBILITIES:

1. Members of the Board of Directors and Key Managerial Personnel disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
2. The Board of Directors and Senior management conduct

#### CORPORATE GOVERNANCE CONTD.....

themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information, in order to foster a culture of good decision making.

3. The Board of Directors provide strategic guidance to the listed entity, ensure effective monitoring of the management and is accountable to the listed entity and the shareholders.
4. The Board of Directors set a corporate culture and the values by which Executives throughout the Company shall behave.
5. Members of the Board of Directors act on fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
6. The Board of Directors encourage continuing – training of Directors to ensure that the members of Board of Directors are kept up to date.
7. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
8. The Board of Directors maintains high ethical standards and shall take into account the interests of stakeholders.
9. The Board of Directors exercise objective Independent judgment on corporate affairs.
10. The Board of Directors consider assigning sufficient number of Non-Executive members of the Board of Directors, capable of exercising Independent judgment, to tasks where there is a potential for conflict of interest.
11. The Board of Directors ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk.

The Board's Nomination & Remuneration Committee oversees the Company's nomination process for Directors and in that connection it identifies and reviews individuals qualified to serve as a Director on the Board.

The information as specified in Schedule-II, Corporate Governance Part A of Regulation 17 (7) of SEBI (LODR) Regulation 2015 is regularly made available to the Board. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the Company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory/regulatory requirements etc., are considered by the Board. The Board has established procedures to periodically review reports on compliance of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance.

The Chairman and/or Managing Director or Joint Managing Director explains the proposal put up before the Board, the background and the expectations of the proposal in the short as well as the long term to contribute to the growth of the Company. If needed, a presentation is made by the concerned Executive and clarifications given. The Board then deliberates all these issues and comes to a decision. The Chairman encourages participation and considers the views of all the Directors.

Company Secretary records the Minutes of the proceedings of each meeting of the Board of Directors and Committees. The Minutes



recorded are self-explanatory and decisions arrived at the meeting are properly recorded. Draft Minutes are circulated to all the members of the Board/ Committee for their comments. The Minutes are entered in the Minute Book within 15 days from conclusion of the meeting and are confirmed at the subsequent meeting.

Board decisions are promptly and clearly communicated to the operating management for implementation. An action taken report is submitted to the Board/Committee at the subsequent meetings till the decisions are fully implemented.

The Company Secretary, while preparing the agenda, notes on agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 / 2013 read with the Rules issued there under, any amendment thereof and the secretarial standards recommended by the Institute of Company Secretaries of India.

#### **DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:**

In respect of Directors seeking appointment or re-appointment, the notice for the Annual General Meeting contains all the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and name of the Companies in which they hold Directorship and / or membership of any Committee of the Board.

#### **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT TEAM:**

Code of Conduct for the Directors as well as for the members of the Senior management of the Company was adopted in the Board

meeting held on 4th April, 2005 and amended subsequently from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and members of Senior management and the compliance of the same has been affirmed by them in respect of the financial year 2022-23 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's website – [www.sirshadilal.com](http://www.sirshadilal.com)

#### **DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

As provided under Regulation 17(5) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, all Board members and Senior management personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2022.

For and on behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.

Place: Shamli	Rajat Lal (Managing Director)	Ravi Malhotra (Chairman)
Dated: 30.07.2022	(Din: 00112489)	(Din-08811471)

**COMMITTEES OF THE BOARD**

The Company has constituted following Board Level Committees:

**(3) AUDIT COMMITTEE:****(a) Composition:**

The Board has constituted Audit Committee consisting of following Directors:

Sr.	Name	Category	Designation	Attendance*
1.	Mr. Ramesh Chandra Sharma	Non-Executive Independent Director	Chairman	2
2.	Mr. Onke Aggarwal	Non-Executive Independent Director	Member	2
3.	Mr. Tanmay Sharma	Non-Executive Independent Director	Member	4
4.	Mr. Ravi Malhotra	Non-Executive Independent Director	Chairman	4
5.	Mr. Udit Pat Singhania**	Non-Executive Independent Director	Member	2

All the members of the Audit Committee are financially literate and more than one member possess accounting and related financial management expertise. The concerned officials responsible for the finance function and the head of Internal audit are invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 27.09.2021 to answer shareholders' queries. The composition of the Audit Committee meets the requirements of section 177 of the Companies Act, 2013.

\*During the year four meetings of Audit Committee were held on 27.06.2021, 07.08.2021, 11.11.2021 and 12.02.2022.

\*\*Mr. Udit Pat Singhania was appointed the member of the Committee vide Circular Resolution dated 01.10.2021

**(B) TERMS OF REFERENCE:**

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee include exercising powers and discharge of functions as stipulated in Regulation 18 of SEBI (LODR) Regulations 2015 read with Section 177 of the Companies Act, 2013.

The primary purpose of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely, accurate and proper disclosure and the transparency, integrity and quality of financial reporting. The Audit Committee, besides other activities, reviews the quarterly / Annual financial results, Cost Auditors reports, capital expenditures, Internal Auditor reports which thereafter are sent to the Board with recommendations.

The Audit Committee also reviews management discussion and analysis of financial conditions and results of operations, statement of significant related party transactions, Directors' responsibility statement included in the Board's report in terms of clause (3c) of section 134 of the Companies Act 2013, appointments of Statutory Auditor, Cost Auditor, Chief Financial Officer and Chief Internal Auditor.

The role of Audit Committee is summarized hereunder:

1. Oversight of financial report process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the Annual financial statement and Auditors' reports thereon before submission to the Board for approval with particular reference to:
  - a) Matters being included in the Directors' responsibility statement in the Boards' report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.



6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
7. Review and monitor the Auditors' Independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of Internal financial controls and risk management systems.
12. Reviewing with the management, the performance of statutory and Internal Auditors, adequacy of the Internal Control Systems.
13. Reviewing the adequacy of Internal audit function.
14. Discussion with Internal Auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any Internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Look into the reasons for substantial defaults.
18. Review the functioning of the whistle blower mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also recommends the appointment of Cost Auditor pursuant to the notification no. 774 dated March 27, 2014 of Government of India, Ministry of Corporate Affairs, New Delhi. The Audit Committee also ensures that the cost Auditor is free from any disqualification u/s 148 read with sub section (3) or sub section (4) of section 141 of the Companies Act, 2013. The Audit Committee also obtains a certificate from the cost Auditor certifying its Independence and arm's length relationship with the Company.

#### **(4) NOMINATION & REMUNERATION COMMITTEE:**

##### **a) COMPOSITION:**

The Nomination & Remuneration Committee consisting of the following Non-Executive Independent Directors was constituted/ reconstituted by the Board with agreed terms of reference to determine, on their behalf and on behalf of the shareholders, the Company's policy on specific remuneration package for Executive Directors. The Chairman of the nomination Committee is an Independent Director other then Chairman of the Company.

S.No.	Name	Category	Designation	Attendance *
1.	Mr. Tanmay Sharma	Non-Executive Independent Director	Chairman	2
2.	Mr. Ramesh Chandra Sharma**	Non-Executive Independent Director	Member	1
3.	Mr. Onke Aggarwal***	Non-Executive Independent Director	Member	1
4.	Mr. Ravi Malhotra	Non-Executive Independent Director	Member	2
5.	Mr. Udit Pat Singhania****	Non-Executive Independent Director	Member	1

\*During the year two meetings of Nomination & Remuneration Committee were held on 06.09.2021 and 12.02.2022.

\*\* Mr. Ramesh Chandra Sharma had resigned on 01.10.2021

\*\*\* Mr. Onke Aggarwal office was vacated due to his sad demise on 16.08.2021

\*\*\*\* Mr. Udit Pat Singhania was appointed the member of the Committee vide Circular Resolution dated 01.10.2021

##### **b) TERMS OF REFERENCE:**

The terms of reference of the Nomination & Remuneration Committee is in accordance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 which, inter alia, includes, to formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees, formulate criteria for evaluation of Independent Directors and the Board, Identifying 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.

##### **c) REMUNERATION POLICY:**

The Committee shall lay down the policy of remuneration to Directors, Key Managerial Personnel and Senior management which involves a balance between fixed and incentive pay, reflecting short term and long term performance objectives appropriate to the working of the company.

*CONTD.....*

**NON-EXECUTIVE DIRECTORS**

On the recommendation of the Nomination & Remuneration Committee, the remuneration to the Non-Executive Directors is decided and approved by the Board of Directors. The Non-Executive Directors are paid remuneration by way of sitting fees and commission not exceeding the limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

The Non-Executive Directors are entitled to commission @ 1% of the net profit as approved by the shareholders and sitting fees @ Rs.20,000/- w.e.f. 01.08.2014 for each meeting of the Board or any Committee thereof attended by them. All the Non-Executive Directors are entitled for equal commission. Those who have worked for part of the year would be entitled for commission proportionately.

No commission was paid to the Non-Executive Directors during the year because of brought forward losses.

**EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Nomination & Remuneration Committee frames and implements on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors. The Nomination & Remuneration Committee also considers, approves and recommends to the Board of Directors the designation and increase in salaries for the Executive Directors and Kmps, keeping in view the remuneration package offered by the other Corporate houses of the industry. The policy, inter-alia, provides for the following:

- salary and commission not to exceed limits prescribed under the Companies Act, 2013.
- revision from time to time depending upon the performance of the Company, individual Director's performance and prevailing industry norms.
- no sitting fees.

The remuneration paid to the Executive Directors and Kmps of the Company is approved by the Board of Directors on the recommendations of the Remuneration Committee.

Presently, as the Company does not have any scheme of stock option, the incentive by way of commission on profits is considered for the Directors / Executive Directors in the remuneration package.

**d) DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2022****(1) NON-EXECUTIVE DIRECTORS**

During the financial year, there was no pecuniary relationship or transaction between the Company and any of its Non Executive Directors.

S. No.	Name	Category	Commission (Rs.)	Sitting fee(Rs.)	Total (Rs.)	Service Contract/Notice period/ Severance fees	No.of shares held
1.	Mr. R.C. Sharma **	Non-Executive Independent	–	80000	80000	Not liable to retirement by rotation	–
2.	Mr. Onke Aggarwal *	Non-Executive Independent	–	80000	80000	Not liable to retirement by rotation	–
3.	Smt. Radhika Viswanathan Hoon	Non-Executive	–	80000	80000	Retirement by rotation	39132
4.	Mr. Neeraj Gupta	Non-Executive	–	60000	60000	Retirement by rotation	–
5.	Mr. Ravi Malhotra	Non-Executive Independent	–	160000	160000	Not liable to retirement by rotation	–
6.	Mr. Tanmay Sharma	Non-Executive Independent	–	160000	160000	Not liable to retirement by rotation	–
7.	Mr. Udit Pat. Singhania***	Non-Executive Independent	–	80000	80000	Not liable to retirement by rotation	–
	Total			700000	700000		–

\*Mr. Onke Aggarwal office was vacated due to his sad demise on 16.08.2021

\*\* Mr. R.C. Sharma had resigned on 01.10.2021



\*\*\* Mr. Udit Pat. Singhania was appointed by Circular Resolution on 01.10.2021

## (II) MANAGING AND WHOLE-TIME DIRECTORS

S. No.	Name	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs)	Total (Rs.)	Service Contract/Notice period/Severance fees	Period for Appointment
1.	Mr. Rajat Lal, Managing Director	Executive	1512000	1413040	-	2925040	Contractual**	5 years
2.	Mr. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1285120	-	2671120	Contractual**	5 years
3.	Mr. Rahul Lal, Joint Managing Director	Executive	3000000	2342738	-	5942738	Contractual**	5 years
	<b>Total</b>		<b>5898000</b>	<b>5640898</b>	-	<b>11538898</b>		

perquisites include house rent allowance, electricity & fuel charges, medical reimbursement, medi-claim and personal accident insurance premium, company's contribution to provident fund and superannuation fund.

\*\* notice period is six calendar months, on either side.

## I) KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

S. No.	Name	Category	Salary (Rs.)	Perquisites*(Rs.)	Commission (Rs)	Total (Rs.)	Service Contract
1.	Mr. Gajendra Kumar Sharma*	CFO	613743	-	-	613743	Contractual
2.	Mr. Ajay Kumar Jain	CS	1180740	-	-	1180740	Contractual
	<b>Total</b>		<b>1794483</b>		-	<b>1794483</b>	

\*Perquisites include Company's contribution to Provident Fund

## 5. INDEPENDENT DIRECTORS' MEETING:

A meeting of the Independent Directors was held on 12.02.2022 to review the performance of Non Independent Directors / members of the management without the attendance of Non Independent Directors and the Board as a whole, on parameters of active participation, effectiveness and to assess the promptness of flow of information between the management and the Board.

Mr. Ravi Malhotra, Chairman of the Independent Directors meeting, placed the proceedings of the meeting before the Board of Directors.

## 6. EVALUATION AND PERFORMANCE OF INDEPENDENT DIRECTORS:

The performance evaluation of the Independent Directors was done by the Board, except the Directors being evaluated. The criteria adopted for performance evaluation were as follows:

### ROLE & ACCOUNTABILITY

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offering constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

### OBJECTIVITY

- Attendance and active participation.
- Knowledge of the working of industry, experience and related issues.
- Understanding of risks associated with the business.
- Understanding the nature and Directors' role.
- Commitment to role & fiduciary responsibilities as a Board member.
- Leadership & initiative.
- Application of knowledge for rendering advice to management for resolution of business issues and competition challenges.
- Independent judgment.
- Non-partisan appraisal of issues.
- Compliance, due diligence and financial control
- Safeguarding the interest of the Company and its minority shareholders.

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As per section 135 of the Companies Act 2013 every Company having net worth of Rs. Five hundred crore or more or turnover of Rs. One thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors out of which at least one Director shall be an Independent Director. The Company has constituted CSR Committee on 08.08.2017.

*CONTD.....*



**(a) Composition:**

The Board has constituted CSR Committee consisting of following Directors:

S. No.	Name	Category	Designation	Attendance *
1.	Mr. Ravi Malhotra	Independent Director	Chairman	1
2.	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
3.	Mr. Rahul Lal	Joint Managing Director	Member	1

The composition of the CSR Committee meets the requirements of section 135 of the Companies Act, 2013. One meeting of CSR Committee was held on 12.02.2022

**(b) TERMS OF REFERENCE:**

Formulating and recommending to the Board of Directors CSR Policy and indicating activities to be undertaken.

1. Recommending the amount of expenditure for CSR activities.
2. Monitoring CSR activities from time to time.

**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR):**

The CSR Committee has framed CSR Policy and the Board of Directors of the Company has approved the policy in the Board of Directors meeting held on 08.08.2017. The details of CSR policy are as follows;

Sir Shadi Lal Enterprises Limited firmly believes and lives the values of Corporate and Social Responsibility and pledges to sustain its effort towards being responsible and accountable for its business at all times. The Policy displays the Company and its employee's commitment to the community we work with and the environment from which we extract resources. We will ensure that our CSR initiatives integrate social and environmental considerations into our businesses apply to all our operations, is incorporated into our governance, management, business strategy, and daily decisions and actions.

Our vision is to actively contribute to the social and economic development of the communities in which it operates. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

**BASIC PRINCIPLES**

- a) Striving towards improving accessibility to education amongst underprivileged communities.
- b) Promoting Education
- c) Work for providing solutions to better and sustained livelihood, infrastructure development, healthcare, sanitation and hygiene and limiting/eradicating prevalent social issues like hunger, poverty and malnutrition in our community.
- d) Taking necessary steps for Ensuring environmental sustainability
- e) Agriculture development and better farmer focus.
- f) Efforts for reducing social and economic inequality

**CORPORATE GOVERNANCE CONTD.....**

including gender inequality.

- g) Promoting Sports through various events.
- h) Regular monitoring and implementation of this policy, outcomes of the initiatives and publicly report on the progress in a transparent and effective manner.
- i) Continually review of the CSR policy, business practices and governance to encourage evolution.

**IMPLEMENTATION PROCESS**

The projects identified for focus by the Company will emanate from the core value of 'support and participation in addressing societal and environmental concerns'. The projects will have solidified with the participation of the business units, employees and the community they work with and the prioritization and focus areas emerged as sustained livelihood, improved quality of life, rural development, education and empowerment of marginalized section of the community, especially women and children.

**OPERATING MECHANISM**

The company shall carry out the CSR activities:

1. Taking up the activities as detailed in its focus area directly; or
2. Through a Registered Trust or a Registered Society or an outfit established by the company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or otherwise; or
3. Through a trust, society or company which is not established by the company or its holding or subsidiary or associate company, having an established track record of at least three years in undertaking similar programs or projects;

Provided that the company shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

**COMPANY'S FOCUS AREAS/ACTIVITIES:**

Therefore, the causes in alignment with our businesses and values are:

1. Promoting Education
2. Promoting Sports through various events
3. Good Agricultural Practices
4. Model Village/Habitation Development- Co Community Development
5. Skill Development and Women Empowerment
6. Health care: supporting various medical initiatives aiming at reducing mortality rate of children, regular health check-ups for poor's including children in schools of neighboring regions, promoting preventive health care etc.
7. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Govt. for socio economic development and relief and welfare of the weaker section of the society and women.
8. **SHAREHOLDERS' GRIEVANCE COMMITTEE/ STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Board of Directors has constituted the following Committees to look after the issues related to Shareholders:

- a. Shareholders /Investors Grievance Committee/ Stakeholders Relationship Committee.



b. Share Transfer Committee.

The Shareholders / Investors Grievance Committee looks after maintaining cordial – relations with shareholders and other investors and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of Annual report, non-receipt of declared dividend warrants and non-transfer of shares. Share transfers / transmissions are approved by the Share Transfer Committee and are placed at the Board meeting from time to time.

**A. COMPOSITION OF SHAREHOLDERS / INVESTORS  
GRIEVANCE COMMITTEE/ SHAREHOLDERS  
RELATIONSHIP COMMITTEE:**

S. No.	Name	Category	Designation	Attendance*
1.	Mr. Tanmay Sharma	Non-Executive Director	Chairman	1
2.	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
3.	Mr. Rahul Lal	Joint Managing Director	Member	1

Mr. Tanmay Sharma was appointed the Chairman of the Committee vide Circular Resolution dated 15.10.2020

\* During the year one meeting of Shareholder/Investor Grievances Committee was held on 12.02.2022. There was no investor complaint pending as on 31.03.2022.

**B. COMPOSITION OF SHARE TRANSFER COMMITTEE**

S. No.	Name	Category	Designation	Attendance*
1.	Mr. Rajat Lal	Managing Director	Chairman	3
2.	Mr. Vivek Viswanathan	Joint Managing Director	Member	3
3.	Mr. Rahul Lal	Joint Managing Director	Member	3

\*During the year three meeting of Share Transfer Committee meeting was held on 07.08.2021, 10.09.2021 and 10.03.2022. Mr. Ajay Kumar Jain, Company Secretary, had been appointed as Secretary / Compliance officer of the Share Transfer Committee.

The Company has registered and delivered to the shareholders all the valid applications received for transfer / transmission / remat / split/ consolidation of shares during the year within the stipulated time and there were no shares pending for transfer as on 31.03.2022.

**a) RISK MANAGEMENT COMMITTEE:**

The Board of Directors has constituted risk management

**Committee comprising of following Directors /member:**

S. No.	Name	Category	Designation	Attendance*
1.	Mr. Rajat Lal	Managing Director	Member	1
2.	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
3.	Mr. Rahul Lal	Joint Managing Director	Member	1
4.	Mr. Gajendra Kumar Sharma	Chief Financial Officer	Member	1
5.	Mr. Ajay Kumar Jain	Company Secretary	Member	1

During the year, one meeting of Risk Management Committee was held on 12.02.2022.

**(b) VIGILANCE COMMITTEE:**

The Board of Directors has constituted a Vigilance Committee comprising of following Directors/members:

S. No.	Name	Category	Designation	Attendance*
1	Mr. Rajat Lal	Managing Director	Member	1
2	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
3	Mr. Rahul Lal	Joint Managing Director	Member	1
4	Mr. Gajendra Kumar Sharma	Chief Financial Officer	Member	1
5	Mr. Ajay Kumar Jain	Company Secretary	Vigilance Officer	1

\*During the year one meeting of Vigilance Committee was held on 12.02.2022

**10. GENERAL BODY MEETINGS:**

**Location and time where last three Annual General Meetings were held is given below:**

Sl. No.	Particulars of Annual General Meeting	Date	Location of the Meeting	Time
1.	85th A.G.M. in respect of the year 2018-19	23.09.2019	P.H.D. House, Opp. Asian Games Village, New Delhi – 110 016.	11.00 A.M.
2.	86th A.G.M. in respect of the year 2019-20	28.09.2020	Through Video Conferencing	11.00 A.M.
3.	87th A.G.M. in respect of the year 2020-21	27.09.2021	Through Video Conferencing	11.00 A.M.

*CONTD.....*



In the last Annual General Meeting, the following resolutions containing special business were passed through e-voting.

**SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 be and is hereby ratified and approved.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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

“RESOLVED that pursuant to section 188 and other applicable provisions of the Companies Act, 2013 if any and regulation 23 of the SEBI (LODR) Regulations 2015, consent of the members of the Company be & is hereby accorded for related party transactions made by the Company with the Directors and other related party at arm length Basis in the ordinary Course of Business to the extent as decided by the Board of Directors.

In the last Annual General Meeting, following resolutions containing ordinary business were passed through e-voting:

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2021, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Radhika Viswanathan Hoon, (DIN: 06436444) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Neeraj Gupta, (DIN: 00317395) who retires by rotation and being eligible, offers himself for re-appointment

**11. OTHER DISCLOSURES:**

**A. RELATED PARTY TRANSACTIONS**

There are no transactions of the company of material nature with promoters, Directors, management, subsidiaries or relatives etc. which would have potential conflict with the interests of the company at large. Attention of members is drawn to the related party transaction with the related party in the main Directors report and note no. 50 in the financial statement.

**B. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

In the preparation of the financial statements, the Company has followed with Indian Accounting Standards (Ind AS) notified under

**CORPORATE GOVERNANCE CONTD.....**

Section 133 of the Companies Act, 2013 (the Act) [Companies(Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Accounting entries passed on the exercise of the judgment by the management are correct and reasonable.

**C. RISK MANAGEMENT**

To comply with the requirement of Companies Act 2013 and Regulation 21 of SEBI (LODR) Regulations, 2015, the Board of Directors have approved the Risk Management Policy and constituted a risk management Committee to monitor the implementation thereof. Salient features of the Risk Management Policy are as under:

- (i) Risk management is an intrinsic part of the strategic management of the Company.
- (ii) Risk management process comprises of – identification of risks, analyzing the same, deciding on the transfer or retention thereof and initiation of actions to mitigate the risks.
- (iii) Risks faced by the Company are classified into External and Internal risks.
- (iv) The external risks cover the political environment risks, government policies related risks, technological and product obsolescence risks.
- (v) The Internal risks cover the operating risks, financial risks, human risks, system risk, and credit risk.

**RISKS IDENTIFICATION:**

The Board of Directors has identified following risks to the Company:

**EXTERNAL RISKS OR UNCONTROLLABLE RISKS**

- (a) Raw Material Risk
- (b) Sugar Price Risk
- (c) Regulatory Risk
- (d) Cyclical Risk

**(a) RAW MATERIAL RISK**

Sugarcane is the principal raw material used for the production of Sugar. Business depends on the availability of Sugarcane and any shortage thereof adversely affects operations. A variety of factors beyond the Company's control may contribute to a shortage of Sugarcane in any given harvest period. Some of the main factors that could contribute to a shortage of Sugarcane are set forth below:

- i) Cane cultivation area and availability of irrigation facility.
- ii) Availability of higher yielding crop.
- iii) Diversion from cane production to other cash crops.
- iv) Diversion of Sugarcane to other industries like khandsari or gur and to neighboring factories etc.
- v) Adverse weather conditions, crop disease.
- vi) Cane procurement price declared by the state government and / or central government.
- vii) Cane price payment delays to the growers.

**RISK MITIGATION**

The risk can be mitigated by steps such as government encouragement for promotion of various irrigation schemes (lift irrigation, drip irrigation, improved canal system etc.), cane development schemes, improved infrastructure for road and communication, provision of better quality and higher yielding



seeds as well as fertilizers and pesticides, prompt clearance of cane dues of farmers and steps to improve their goodwill by adoption of social development measures. As regard cane procurement price by the state Govt. and / or central Govt., this is a systems risk which cannot be alleviated unless the Sugar cane price has linkage with the Sugar price on the basis of established and recognized formula and the Govt. announces subsidy and relief to the Sugar industry to facilitate timely cane price payment to the growers so that there is no fear among the growers either for cultivation /agitation or for diversion of the cane from area.

#### **(B) SUGAR PRICE RISK**

The price of Sugar has a significant impact on Company's profits. Like other agricultural commodities, Sugar is subject to price fluctuations resulting from availability and price of raw material, weather, natural disasters, domestic and foreign trade policies, shifting supply and demand and other factors beyond the Company's control. Additionally, 15% to 30% of the total global Sugar production is traded on commodity exchanges which are speculative in nature and can adversely affect the global Sugar prices and in turn the price of Sugar in domestic market.

#### **RISK MITIGATION**

The Company is unable to mitigate this risk because it does not have control on the market forces and the regulatory prices. However, Sugar price can be improved to some extent by producing bolder grain of Sugar. Further, there appears to be a realization by the government that a reasonable level of Sugar price is necessary for survival of both the farmers and the Sugar industry.

#### **REGULATORY RISKS**

##### **I) ENVIRONMENTAL RISK**

The Industry & Company is subject to environmental regulations which are becoming more and more stringent and the Company may be exposed to liability as a result of handling of hazardous materials. Recently, the Central Pollution Control Board (CPCB) has directed the State Pollution Control Board to ensure zero liquid discharge in Sugar plants and distilleries. It involves installation of advance process technology with multi pressure distillation and integrated evaporator and incineration system in distillery unit. In the Sugar plants, the CPCB has directed to reduce waste water generation to 40 liters per ton of cane crush and installation of cooling tower. CPCB has also revised waste water generation to 200 liters for Sugar unit per ton. The regulations of pollution control have become extremely stringent along with time bound implementation plan and non-compliance includes non-renewal of the Annual factory license especially in distillery unit. It involves potential cost for installation of pollution control system in distillery and Sugar plants.

#### **RISK MITIGATION**

The only way to mitigate this risk is to follow the instructions of pollution control Board. However, the cost of installation of pollution control system is very high. Making huge investment in such systems raises the cost of production resulting in substantially reduced margin on sales. Moreover, borrowings from banks for investing in these equipment's is very difficult due to accumulated losses and negative net worth still being faced by the Company due to financial crisis faced by the Sugar industry in recent years. The Company is however continuing to take all measures to comply with the pollution control guidelines of the CPCB in both Sugar plant

and distillery. In distillery unit, the Company, while expanding its capacity from 25 klpd to 45 klpd in the year 2016/17, has installed the required equipment's to meet the norms of pollution. Now the Company capacity is 100 klpd and it had installed Incineration Boiler during the F.Y. 2021-22

#### **GOVERNMENT POLICY RELATED RISKS**

The Sugar industry is highly regulated and hence the Company operates in a highly regulated environment. Central and State Government policies and regulations are such as:

- i) State Advised Price (SAP) and Fair Remuneration Price (FRP) for Sugarcane.
- ii) Control on sale of molasses
- iii) High weightage of Sugar in wholesale price index vis-à-vis with other commodities

These affect the agricultural sector and related industries and affect our operations and our profitability. Ethanol business is highly dependent on government policy. Sugarcane price is controlled both by the State and Central Governments.

#### **RISK MITIGATION**

This is a systematic risk which cannot be alleviated unless the Sugar cane price has linkage with the Sugar price on the basis of established and recognized formula. The government should revise minimum support price of Sugar as it revises for other crops like wheat paddy etc.

#### **D. CYCLICAL RISK**

Being an agro based industry, the production and realization is very much dependent on the monsoon and other environmental factors which are cyclic in nature. At the same time switchover of the farmers from Sugarcane to some other cash crops for better realization badly affect the industry.

#### **RISK MITIGATION**

Although the Company has no control over the monsoon and other environmental factors, the results can be better if proper irrigation arrangements are made for the farmers which can be facilitated through state Govt. agencies.

#### **2. CONTROLLABLE RISKS:**

##### **THESE RISKS INCLUDE:**

1. Productivity risks
2. Drawal rate risks
3. Management bandwidth risks

Apart from the external reasons, there are risks associated with operational limitations i.e. old plant & machinery and no cogeneration facility, low recovery in comparison to the central and eastern region Sugar mills and higher conversion cost due to higher wage bill and higher maintenance cost.

#### **RISK MITIGATION**

1. Selection of appropriate machinery and maintenance of the same is critical for continuous operations during the crushing season. The Company has consistently operated at an optimum capacity of around 90% to 95% in most of the years.
2. For mitigating the poor drawal risk, Company is focusing on stable crushing rate and improving cane price payments.

*CONT'D.....*



However, it is getting constrained in its all out efforts due to accumulated losses and negative net worth.

3. With its respected track record in the industry and professional work practices, the Company is able to hire and retain appropriate talent.
4. The key recommendations of the Rangrajan Committee on Sugar decontrol have garnered positive responses and are in line with industry expectations. The government has already implanted a number of steps barring the cane pricing policy. The linkage of the Sugarcane price with Sugar realization will bring in structural changes in the industry.
5. The Company is working as various options for taking up small projects in Sugar unit, for improvement of Sugar quality, saving in steam & bagasse consumption, Sugar cane development and improvement in processes efficiency, which can be taken up in phases over a period for 2 to 3 years. The Company had already expanded the capacity of its distillery unit from 70KL per day to 100KL per day.

#### 3. FINANCE RISK:

The industry is highly dependent on timely availability of working capital as well as long term finance at competitive rate of interest for day to day operation, timely cane payment, cane development as well as modernization, technology development, expansion of Sugar and distillery and installation of pollution control systems.

Further there is also physical risk associated with the assets of the Company due to loss by fire, riot, strikes, malicious damages, thunderstorm, flood, theft, burglary, earthquake etc.

#### RISK MITIGATION

The lenders have generally been reluctant to take additional financial exposure in the Company mainly due to its low rating and due to negative net worth. The Company has been working on improving its operational and financial performance. The rating of the company for the financial year 2020-21 was B+ and the company had assigned the work of credit rating to Informerics Rating & Research Pvt. Ltd. and the same is awaited for the Financial Year 2022-23.

The Company has taken appropriate insurance policies for all its assets and against all standard risks except earthquakes.

#### 4. HUMAN RESOURCES RISK

The Company's plants are located in Semi-rural area. This creates a challenge firstly in recruiting high level professional skills and secondly in retaining them.

#### RISK MITIGATION

Company has developed appropriate human resources policies to attract skills and to retain them. Continuous learning represents the cornerstone of the Company's human resource policy. The Company has adopted a progressive human resource policy to meet the aspirations of employees. It organizes training programmes and motivates its employees to attain greater efficiency and competence leading to effective retention. Value-centric management helps enhance loyalty. The Company provides various compensation packages and performance-based incentives. The Company is committed to provide equal employment opportunities and working conditions for attracting and retaining best available talent ensuring cosmopolitan workforce and does not make any discrimination on any basis.

#### 5. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's Internal Control System is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency. The Internal audit function, which is an important tool of Internal control process, is managed Internally by an in house Internal audit department. The Internal audit process reviews the in-system checks, covering significant operational areas regularly. The Company's Audit Committee is responsible for reviewing the audit report submitted by the Internal Auditor department. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of Internal Control Systems. The Audit Committee keeps the Board of Directors informed of its observations from time to time.

#### THE PRIME RESPONSIBILITIES OF THE INTERNAL AUDIT DEPARTMENT ARE:

1. Coordination with various departments for planning and executing audit work, discussion of draft audit reports with the auditee, obtain their comments on each observation, placing the audit report to the Audit Committee and following up on the implementation of decisions taken by the Committee.
2. Presenting a detailed audit programme for next year to the Audit Committee for approval at the beginning of the year.
3. Conducting regular audits as per the scope and timeline approved by the Audit Committee.
4. Carrying on special investigations as per the request of management and submission of the report to the management and the Audit Committee.

#### D) WHISTLE BLOWER POLICY / VIGIL MECHANISM

A Vigilance Committee has been constituted by the Board of Directors as per statutory provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, of the Listing Agreement i.e. every listed company or such class or classes of Companies, as may be prescribed, to establish a vigil mechanism and formulate a whistle blower policy for Directors and employees to report genuine concerns in such manner as may be prescribed, to report concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or ethics policy which is applicable from 1st October, 2014.

The vigil mechanism under sub-section (9) of Section 177 of the Companies Act, 2013, shall provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases, provided that the details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report.

- 4) THERE HAVE BEEN NO INSTANCES OF NON-COMPLIANCE, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE OR SEBI OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS.

#### E. LISTING AGREEMENT/ (LODR) COMPLIANCE:

The Company has fully complied with all the mandatory requirement



of SEBI(LODR) Regulations 2015 of the Stock Exchange. The Company has submitted the quarterly compliance status report to the BSE Limited within the prescribed time limit.

**F. Adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015** is being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Regulation15 of SEBI (LODR) Regulations, 2015 viz. (i) Remuneration Committee of the Board which has been constituted to recommend / review the remuneration package for the Executive Directors (ii) Nomination Committee to consider proposals for searching, evaluating and recommending appropriate Independent Directors and Non-Executive Directors to the Board, based on an objective and transparent set of guidelines.

#### **B. SUBSIDIARIES:**

**The Company does not have any subsidiary.**

#### **12. MEANS OF COMMUNICATION:**

**Newspaper publications:** The Company's Quarterly Financial results are normally published in the "Financial Express in English and "Jansatta" in Hindi, Newspapers. The abstract of Quarterly/ Half yearly/Annual financial results of the Company are regularly submitted to the BSE Limited, where the shares of the Company are listed.

**Website:** The Company's financial results are also displayed on the Company's website – [www.sirshadilal.com](http://www.sirshadilal.com). As per the requirements of Regulation 29(1)(a) of the SEBI (LODR) Regulation, 2015, all the data related to Quarterly financial results, Shareholding pattern etc. is posted on LISTING BSE and also on the Company's website. The website also provides the basic information about the Company e.g. details of its business, financial information, compliance with Corporate Governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances.

The information provided on the website is being updated regularly. In pursuance of circular bearing no.17/2012 dated 21.04.2012 and 18/2012 dated 29.04.2012 issued by the Ministry, various notices/documents (including notice calling Annual General Meeting, audited financial statements, Directors' report, Auditors' report, etc.) are being sent to the shareholders through electronic mode to the registered e-mail addresses of the shareholders.

#### **MANAGEMENT DISCUSSION & ANALYSIS AN OVERVIEW**

Company's operations are broadly divided into two business segments i.e. "Sugar" and "Alcohol." The by-product molasses is used in the distilleries for manufacture of alcohol & ethanol. The segment-wise performance has already been reported vide note no. 51 of notes attached to the Annual accounts under report.

Segment-wise detailed management discussion and analysis is stated below:

#### **SEGMENT SUGAR (UNIT – UPPER DOAB SUGAR MILLS)**

In the crushing season 2021-22, Sugar unit started crushing on 08.11.2021 and closed on 16.05.2022. The factory crushed 107.50 lac/ quintals of cane at an average recovery of 9.63% producing 10.35 lac / quintals of Sugar in 190 days of working.

The last crushing season 2020-21, Sugar unit started crushing on 07.11.2020 and closed on 15.05.2021. The factory crushed 113.20 lac/ quintals of cane at an average recovery of 11.04% producing

12.49 lac / quintals of Sugar in 190 days of working

The average cost of cane for the financial year 2021-22 was Rs. 354.17 per quintal as against Rs. 334.47 per quintal for the financial year 2020-21. The average Sugar realization during the financial year 2021-22 was Rs. 3319.86 per quintal as against Rs. 3244.17 per quintal during the financial year 2020-21

#### **SEGMENT ALCOHOL (UNIT SHAMLI DISTILLERY & CHEMICAL WORKS)**

During the financial year 2021-22, the distillery produced 119.38 lac/ BL of Rectified Spirit (RS) (last year 167.35 lac / BL).

During the year 2021-22, fermentation efficiency was 89.05% (last year 89.05), distillation efficiency was 98.57 % (last year 98.57 %). During the year 2021-22, the recovery from B Heavy Molasses was 27.94 AL/ quintal and from C Heavy Molasses 21.21 AL/ quintal (last year 21.48 AL/ quintal).

During the year 2021-22 Distillery unit earned profit of Rs. 498.46 lacs. (last year profit Rs. 1665.54 lacs).

#### **SUGAR PRODUCTION AND CONSUMPTION: OPPORTUNITIES AND THREATS SUGAR PRICE:**

##### **Global sugar industry overview**

Rallying energy markets, tight sugar availability, COVID lockdowns in China and logistical issues from the fallout of Russia's military invasion of Ukraine have led to a surge in spot sugar prices across the globe. This may result in higher sugar price volatility in the near future due to uncertainty about how the war progresses. The geopolitical events have increased input costs for growers. These costs need to be absorbed by producers and passed on to end-users, which has resulted in high spot sugar prices.

Global production for Marketing Year (MY) 2021-22 is estimated flat at 181 million tons, with the drop in Brazil expected to be offset by gains in the European Union, India, Russia, and Thailand. Consumption is expected to rise due to growth in markets including China, India, and Russia. Stocks are lowered due to a drop in China, Indonesia, and Thailand. Exports are expected to be flat as the steep rise in Thailand trade is offset by lower shipments from Brazil.

The average ex-works realization of Company's Sugar during first quarter till June 2022 was Rs. 3409.13 (last period Rs. 3182.99) per quintal. The price of Sugar is currently ruling around Rs. 3400/- 3500/- per quintal.

#### **CANE PRICE:**

The state government had increased Sugar cane price during the crushing season 2021-22 from 325 per quintal to Rs 350 per quintal.

#### **OUTLOOK AND CHALLENGES BEFORE THE SUGAR INDUSTRY:**

As on May 15, 2022 as per Indian Sugar Mills Association (ISMA) 136 sugar mills were in operation in the country as on 15th May 2022 of total and produced 34.97 Million Metric Tonnes of sugar, as compared to 30.36 Million Metric Tonnes produced by 44 sugar mills as on 15<sup>th</sup> May' 2021. This is 4.61 Million Metric Tonnes or 15.2% higher as compared to the last season's production for the corresponding period.

Sugar exports are estimated to increase to over 10 Million Metric Tonnes in the current sugar year ending September, from 7.1-7.2

*CONTD....*



Million Metric Tonnes in the previous year, on better demand for the Indian sweetener from Indian subcontinent, Middle East and Indonesia. About 7.7 Million Metric Tonnes of sugar have been either physically exported out of the country or lying at the ports during October 2021-May 2022 period, as compared to about 4.824 Million Metric Tonnes exported in the last sugar year during the same period.

We revised India's production estimate to 35.6 Million Metric Tonnes for the 2021-22 sugar year. Export estimates has also been revised to over 10 Million Metric Tonnes. Considering the above and domestic consumption of 27.6 Million Metric Tonnes, there will be a closing balance of 7.1 Million Metric Tonnes at the end of the sugar season on 30th September 2022. With Brazilian crops getting affected by frost in their 2021-22 crushing season,

Indian mills have used the opportunity well without any government support and Indian sugar so far has been exported to 74 countries in the current sugar season.

**Indian sugar cane production and cost trends**

The sugar cane production in the country during 2021- 22 has been around 455 Million Metric Tonnes, which is projected to increase by more than 10% and cross the 500 Million Metric Tonnes mark in the next crop cycle that will start in October. Furthermore, the 10% increase will bring the production of sugar to 36 Million Metric Tonnes with a diversion of 4.5 Million Metric Tonnes, giving India an edge to bolster its ethanol production needs due to the growing crude oil prices.

**Statewise analysis**

**Uttar Pradesh:** Sugarcane is cultivated on about 2.7 million hectares in Uttar Pradesh. The whole of northern UP is a Ganna Pradesh. The impact of sugarcane isn't only geographic. Taking an average one-hectare landholding, UP would have 2.7 million cane farmer families. The state produces 200 Million Metric Tonnes –plus of cane annually. All in all, some 4.5 million families in UP are directly dependent on sugarcane. Inclusive of their members, they add up to 20 million persons — one in every 12 of UP's total estimated 240 million populations.

The state has overtaken Maharashtra to be India's top sugar producer in the last five seasons (October-September) from 2016-17. It has also become the largest ethanol producer and the only state to achieve 10 per cent blending in petrol in 2020-21, one year ahead of the target for all-India.

**Maharashtra :** Maharashtra is expected to produce the most sugar in its history in the 2021-22 season, with a projected output of 13.8 Million Metric Tonnes, up 29% from the previous year. Maharashtra will be the nation's top sugar producer, surpassing Uttar Pradesh.

Sugar cultivation in the state increased by 90,000 hectares last year due to a bountiful monsoon. From SS 2020-21 to SS 2021-22, the area under cane increased from 1.14 million hectares to 1.23 million hectares. As a result, sugar production is expected to increase from 10.6 Million Metric Tonnes in SS 2021-22 to 13.8 Million Metric Tonnes in SS 2021-2022. Maharashtra will approximately produce 39 percent of the country's total output. Maharashtra has had a good monsoon for the past three years.

**14. GENERAL SHAREHOLDERS INFORMATION:****a) Annual General Meeting:**

Date, time and venue of next Annual General Meeting : 26th September, 2022 at 11.00 a.m. (through Video Conference/ other Audio Visual means)

**b) Financial Calendar (2022–2023)**

Financial reporting for the quarter ending 30th June, 2022 : upto 14th August, 2022

Financial reporting for the quarter ending 30th September, 2022 : upto 14th November, 2022

Financial reporting for the quarter ending 31st December, 2022 : upto 14th February, 2023

Financial reporting for the quarter ending 31st March, 2023 : 30th May, 2023

**c) Date of Books closure**

: 20th September, 2022 to 26th September, 2022 (both days inclusive)

**d) Dividend payment date**

: NIL

**e) Listing on Stock Exchange**

: BSE Ltd. 25th Floor, P.J. Tower, Dalal Street, Mumbai – 400 001.

The Company has paid the listing fee to BSE Ltd. for the Financial year 2022-23.

**f) Stock Code**

: 532879 of BSE Ltd.

**g) Corporate Identity Number (CIN)**

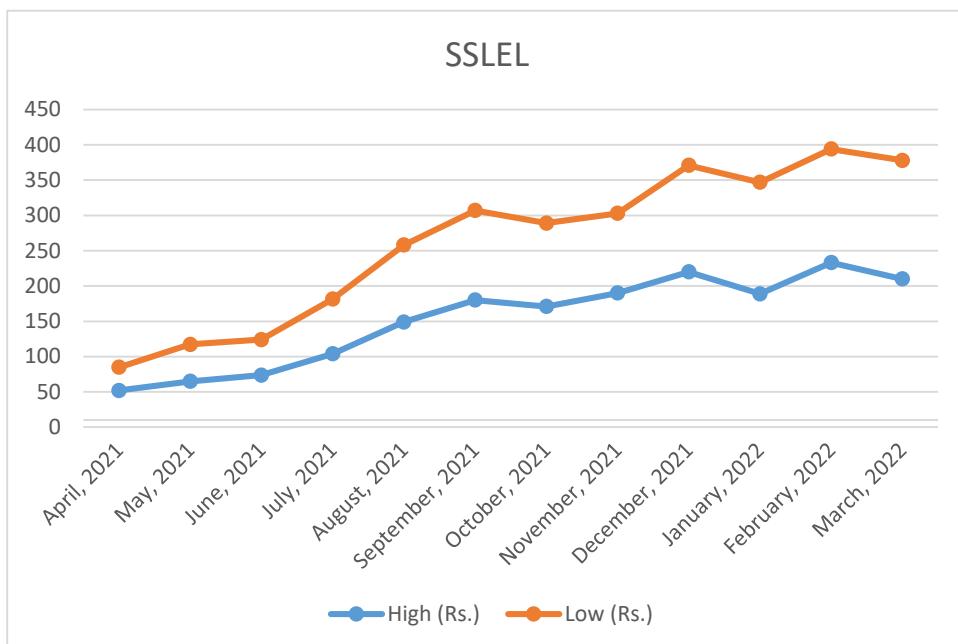
: Our Corporate Identity No. is L51909UP1933PLC146675, allotted by the Ministry of Company Affairs, Government of India and our Company Registration No. is 146675. (Old registration number was 9509.)


**MARKET PRICE DATA:**

The Market Price Data and Volume from 1st April, 2021 to 31st March, 2022 on the BSE Ltd, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)
April, 2021	52.00	32.80
May, 2021	64.80	52.40
June, 2021	73.70	50.30
July, 2021	104	77.40
August, 2021	149	109
September, 2021	180	127
October, 2021	171	118
November, 2021	190	113
December, 2021	220	151
January, 2022	189	158
February, 2022	233	161
March, 2022	210	168

i) **BSE Sensex, Crisil Index etc:** Performance of share price of the Company in comparison to BSE Sensex during the period 01-04-2021 to 31-03-2022 is given below:



j) **Registrar & Transfer Agent :** M/s Alankit Assignment Ltd., Alankit House, 4E/2, Jhandewalan Extension, New Delhi- 110 055 have been acting as the Registrar and Share Transfer Agent for shares of the company.

k) **Share Transfer System :** The transfer of shares in physical form is processed by the Secretarial Department of the Company on the basis of data forwarded by the Share Transfer Agent, M/s Alankit Assignment Ltd. within the prescribed time. The Share Transfer Committee/Board of Directors approves transfer of shares in physical form, transmission of shares, transposition of name, consolidation/split of share Certificates, remat of shares and issue of duplicate share certificates in lieu of the lost/misplaced share certificates. The Share Transfer Committee of the Board of Directors meet as and when required to consider and approve the share transfer transmission applications.

In case of shares in Electronic form the transfers are processed through Share Transfer Agent by NSDL/CDSL through respective Depository participants and the details on a regular basis are placed before the Share Transfer Committee of the Board of Directors.

*CONT'D.....*



## DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31.03.2022

## (I) PAN CONSOLIDATED DISTRIBUTION OF SHAREHOLDING:

Category	Total			Physical		Demat		Both	
	Cases	%	Shares	%	Cases	Share	Cases	Share	Total
1-500	2190	85.92	153248	2.92	496	47466	1752	105782	58
501-1000	145	5.69	100718	1.92	51	32680	94	68038	0
1001-2000	87	3.41	126447	2.41	19	24949	68	101498	0
2001-3000	31	1.22	77526	1.48	6	14834	25	62692	0
3001-4000	14	0.55	49436	0.94	1	3492	13	45944	0
4001-5000	14	0.55	63033	1.20	3	13277	11	49756	0
5001-10000	25	0.98	181924	3.47	4	36699	21	145225	0
10001 and above	43	1.69	4497668	85.67	6	86105	37	4411563	0
<b>Total</b>	<b>2549</b>	<b>100.00</b>	<b>5250000</b>	<b>100.00</b>	<b>586</b>	<b>259502</b>	<b>2021</b>	<b>4990498</b>	<b>58</b>

## SHAREHOLDING PATTERN:

	Physical Form		Demat Form		Total	
	No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
A. Promoters' Holding						
1. Indian Promoters	—	—	3242884	61.770	3242884	61.770
2. Foreign Promoters	—	—	—	—	—	—
<b>Total (A)</b>	<b>—</b>	<b>—</b>	<b>3242884</b>	<b>61.770</b>	<b>3242884</b>	<b>61.770</b>
B. Non-Promoters Holding						
(i) Institutional Investors						
1. Mutual Funds and UTI	—	—	—	—	—	—
2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	—	—	23228	0.442	23228	0.442
3. FIIs	—	—	—	—	—	—
<b>Sub-total (B-i)</b>	<b>—</b>	<b>—</b>	<b>23228</b>	<b>0.442</b>	<b>23228</b>	<b>0.442</b>
(ii) Non-Institutional						
1. Private Corporate Bodies	18676	0.355	272050	5.182	290726	5.537
2. Indian Public	238549	4.543	1182774	22.529	1421323	27.072
3. NRIs	2277	0.043	100635	1.917	102912	1.960
4. Clearing Member	-	-	1002	0.019	1002	0.019
5. Resident HUF	-	-	37893	0.0721	37893	0.0721
6. IEPF	-	-	129964	2.476	129964	2.476
7. Overseas Corporate Bodies	-	-	68	0.001	68	0.001
<b>Sub Total (B-ii)</b>	<b>259502</b>	<b>4.941</b>	<b>1724386</b>	<b>32.845</b>	<b>1983888</b>	<b>37.788</b>
<b>Total (B)</b>	<b>259502</b>	<b>4.941</b>	<b>1747614</b>	<b>33.288</b>	<b>2007116</b>	<b>38.230</b>
<b>Grand Total (A+B)</b>	<b>259502</b>	<b>4.941</b>	<b>4990498</b>	<b>95.057</b>	<b>5250000</b>	<b>100.00</b>



**(m) DEMATERIALIZATION**

The Shares of the Company can be held in dematerialized mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. As on 31.3.2022, 95.06% of the Equity Shares of the company were in dematerialized form and the balance 4.94% shares in physical form.

**STATUS OF DEMATERIALIZATION AS ON MARCH 31, 2022**

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	3474343	66.18	1594
Central Depository Services (India) Limited	1516155	28.88	1210
<b>TOTAL DEMATERIALIZED</b>	<b>4990498</b>	<b>95.06</b>	<b>2804</b>
<b>PHYSICAL</b>	<b>259502</b>	<b>4.94</b>	<b>4748</b>
<b>GRAND TOTAL</b>	<b>5250000</b>	<b>100.00</b>	<b>7552</b>

**n) Outstanding GDRs/ADRs/ warrants or any convertible Instruments, Conversion Dates and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**EQUITY SHARES IN THE SUSPENSE ACCOUNT**

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued to the shareholders of the Company:

	Number of shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2021	141	27524
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	141	27524

No share was transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

**p) Plant Location**

Address for Correspondence	Registered Office	Share Transfer Agent
	Upper Doab Sugar Mills Shamli- U.P.-247776 Telephones: 01398-250064 Fax: 01398-250032	M/s. Alankit Assignments Ltd., Alankit House' 4E/2, Jhandewalan Extn. New Delhi-110 055 Telephones: 011-23541234, 011-42541234 Fax: 011-42540064

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

**r) Secretarial Auditor** : As a measure of good Corporate Governance practice, the Board of Directors of the Company appointed M/s Rahul Saini & Co., Company Secretaries, to conduct the Secretarial Audit for the financial year ended March 31, 2022.

**s) Secretarial Audit for reconciliation of capital** : As stipulated by SEBI, a Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed.

*CONTD.....*



The said Audit Reports confirm that the total issue / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**15. Compliance officer**

: Mr. Ajay Kumar Jain is the Compliance officer for complying with the requirement of SEBI (LODR) Regulations 2015 with the BSE Limited.

**16. Compliance Certificate of the Auditors**

: The Secretarial Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in (LODR) Regulations, 2015 and the same is annexed to the Directors' Report on Corporate Governance.

The certificate from the Secretarial Auditors will be sent to the listed Stock Exchanges along with Annual Report of the Company.

**17. CEO/CFO Certification**

: Pursuant to SEBI (LODR) Regulations, 2015, the CEO/CFO have submitted the desired certificate to the Board of Directors & the same has been taken on record by the Board of Directors in their meeting held on 30.07.2022

For and on behalf of the Board of Directors of  
Sir Shadi Lal Enterprises Ltd.

Place: Shamli  
Dated: 30th July, 2022

Rajat Lal  
(Managing Director)  
(Din: 00112489)

Ravi Malhotra  
(Chairman)  
(Din-08811471)



## CEO / CFO CERTIFICATION

The Board of Directors  
Sir Shadi Lal Enterprises Limited  
Shamli- U.P. -247776

**Reg.: Financial Statements for the year ended 31st March, 2022—Certification by Managing Director/CEO and Chief Financial Officer**

We, Rajat Lal, Managing Director/CEO and Gajendra Kumar Sharma, CFO of Sir Shadi Lal Enterprises Limited, do hereby certify that to the best of our knowledge and belief:

- A. We have reviewed the Balance Sheet as at 31st March, 2022, Statement of Profit & Loss for the year ended on that date along with its Notes, Notes to Accounts and the Cash Flow Statement for the year and that to the best of our knowledge and information, confirm that:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining Internal Control Systems for financial reporting and that we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee of the Company, the following:
  - i) Significant changes in Internal control over financial reporting during the year
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
  - iii) Instances of significant fraud , of which we have become aware, and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting

Place : Shamli

Dated: 30th July, 2022

Gajendra Kumar Sharma

Chief Financial Officer

Rajat Lal

Managing Director (CEO)



## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Sir Shadi Lal Enterprises Limited  
Upper Doab Sugar Mills Shamli - U.P. 247776

We have examined the compliance of the conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited ("the Company") for the year ended 31st March 2022 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the state of affairs of the Company.

For Rahul Saini & Co.  
Company Secretaries

**RAHUL SAINI**  
Proprietor FCS 16716 C.P. No.7009

Place: Meerut

Date: 30th July, 2022

### **DECLARATION BY THE CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

[Regulation 34 (3) read with schedule V (Part D) of the SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015]

I, Rajat Lal Managing Director and CEO of Sir Shadi Lal Enterprises Ltd. here by declare that all the members of Board of Directors and senior management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Place: Shamli

Date: 30th July, 2022

**Rajat Lal**  
**Managing Director and CEO**



## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF

SIR SHADI LAL ENTERPRISES LIMITED

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Sir Shadi Lal Enterprises Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as "the 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, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the loss, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Sr.No	Key Audit Matters	Auditor's Response
	<p>The net worth of the company has since been eroded on account of operational losses incurred by the company up to the FY-2014-15, which was basically on account of low recovery of sugar from sugarcane. Whereas on account of improvement in the sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. The company has also reported profit during the year ending on 31.03.2020 Rs.384.91 Lakhs as compare to loss Rs.1410.62 Lakhs during the year ending on 31.03.2021. The company is continuously striving for improvement in the operational efficiencies in other parameters. The company continues to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, increase of production of alcohol through using B Heavy molasses, reduction of overheads, finance and other cost. The Government has taken different measures to improve the financial health of sugar industry to fix obligation for export of sugar (MIEQ-minimum indicative export quota) to reduce sugar availability, fixation of minimum support price(MSP) for sugar.</p> <p>All these measures are expected to turnaround the operations of sugar industry on sustainable basis. As such the company will remain as a going concern and is likely to pay it's liabilities including cane dues from expected generation of cash flow. However the accumulated losses of the company as at 31.03.2022 were Rs. 13027.85 Lakhs(excluding revaluation reserve) as against the paid up capital of Rs 525 Lakhs.</p>	<p>Attention is invited to note no-55 of the financial statement where in it is explained that the company has significant losses which has resulted in erosion of net worth of the company as on 31.03.2022.</p> <p>The reason for improvement explained by the company in the said note -55 that it will continue as a going concern and it will likely to pay it's liabilities from expected generation of cash flow, are in our opinion uncertain. We are unable to comment up on the said uncertainties.</p>

CONT'D



## OTHER MATTER

1. The Company has not maintained accounts on "Accrual Basis" to the extent:
  - i) of Rs.12351.23 Lacs in respect of interest on late payment of cane price, which have not been provided as Stated by the Company in Note No.35 of the aforesaid Standalone Financial Statements.
  - ii) of liability (which is not determined by the Company) towards bonus relating to Financial Year 2014-15 in accordance with revised Bonus Notification dated 1<sup>st</sup> January 2016, as Stated by the Company in Note No.36 of the aforesaid Financial Statements.
2. As Stated in Note No.37 to the Standalone Financial Statements, the managements has decided, not to make any further provision this year for Deferred Tax Assets. The management in view of current year loss and accumulated losses and in absence of virtual certainty about future profitability, has decided not to account for the effect of Deferred Taxation for this year, and continuing to carry forward the Deferred Tax Assets Rs.6881.11 lakhs already accounted for in earlier years.

## OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. This Comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies(Indian Accounting Standards)Rules,2015,as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of accounting policies; 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of standalone financial statement

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the



standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the companies Act, we give in the "Annexure A" a Statement on the matters specified in paragraphs 3 and 4 of the Order.
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 .
  - c) The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income),the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified

under Section 133 of the Act,

- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 Control over financial reporting 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) as amended
 

In our opinion and to the best of our information and according to the explanations given to us , the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 34 of the Standalone financial statements);
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M. SHARAN GUPTA & CO.  
Chartered Accountants  
(Firm's Registration No. 06340N)**

**(M.S. GUPTA)**

**Place: New Delhi  
Date: 30.05.2022**

Proprietor  
(Membership No. 084721)

*CONTD.....*



**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**Annexure "A" To The Independent Auditor's Report of even date of the Standalone Ind AS Financial Statements of Sir Shadi Lal Enterprises Limited for the year ended on 31st March, 2022**

(Referred to in paragraph 1 of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of **Sir Shadi Lal Enterprises Limited** on the standalone Ind AS financial statements as of and for the year ended March 31, 2022.)

- i. In respect of the Company's Property, Plant and Equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.
  - b) The Company's programme of physical verification of all its property, plant and equipment once in three years, is in our opinion, reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to such programme, a physical verification of property, plant and equipment has not been carried out during the year.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are stated to be held in the name of the company, except in the following cases. The original Title Deeds were not produced to us for our verification and we were told that same are deposited as security with Bank.

**Title Deeds of Immovable property not held in name of the Company.**

Relevant line item in the Balance Sheet	Area (in Sqm)	Reason for not being held in the name of the company
Land	2050 & 6150	Lease agreement with Shivalya Thakurdwara jasanwala on 10.04.1943 for 58 years. Matter is pending in the court.
Land	820	Lease agreement with puran chand & others with company on 25.08.1944 till 30.06.2002 .
Land	20707.25	Lease Agreement with SS Light Railway Co. Court order in company's favour.

**Remark:-** The value of above land has been taken nil in the books of company.

- d) The company has revalued its Freehold land during the previous year by a registered valuer. As explained to us that the company has programme of revaluation of land once in three year.
- e) As explained to us that the company does not have any Benami Property, therefore no proceedings have been initiated or are pending against the company for holding

any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under;

- ii. a) During the year, the inventories have been physically verified by the management except material sent for job work and lying with third party. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and the book records were not material, however, the discrepancies noticed have been properly accounted for in the books of account.
- b) Reconciliation of quarterly returns/statements with books of account submitted to banks were produced to us the said reconciliation duly certified by the management in their management representation letter and also incorporated in the Internal Audit Report has been relied upon by us. On the basis of such reconciliation we have not noticed any material discrepancies.
- iii. The Company has not made investment in, provided any guarantee or security or granted any loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 with respect to loans, investments, guarantees, and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit or seemed to be deposit from the public during the year, therefore, the provisions of clause (v) of paragraph 3 of the Order, is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under Section 148 (1) (d) of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, there is no undisputed amounts payable in respect of provident fund, employees' State insurance, income-tax, value added tax, wealth-tax, Goods and service-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date of becoming payable.
- b) According to the records of the Company and the information and explanations given to us, there are no



amounts in respect of income-tax, value added tax, sales tax, wealth-tax, Goods and service-tax, customs duty, excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in 'Annexure-1' to this report.

c) Except Goods & Service Tax, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

viii. There were no transactions relating to previously unrecorded income that have been surrendered are disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (143 of 1961).

ix. a) Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks/lenders during the year.

b) The company has not been declared willful defaulter by any bank or financial institution or Government or any government authority.

c) The company has taken term loan during the year and utilized the same for the purpose for which it has been taken.

d) On and overall examination of the financial statement of the company funds raised on short term basis have prime facie, not been used during the year for long term purposes by the company.

e) The company does not have any subsidiaries/Joint venture. Hence reporting under clause-3 (ix) (e) of the order is not applicable.

f) The company does not have any subsidiaries/Joint ventures or associate companies, hence reporting under clause-3(ix) (f) of the order is not applicable.

x. a) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year, and hence reporting under clause-3(x)(a) of the order is not applicable.

b) During the year the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause-3(x)(b) of the order is not applicable.

xi. a) According to the information and explanation given to us no fraud, by the company and no material fraud on the company has been noticed or reported during the year.

b) According to the information and explanation given to us, 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 up to the date of this report.

c) According to the information and explanations given to us, that no whistle -blower complaints has been received by the company, therefore not produced to us for consideration.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause (xii) of the order is not applicable

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, 2013 where applicable and details of such transactions have been disclosed in the financial Statements as required by the applicable Accounting Standards.

xiv. a) In our opinion, the company has an adequate internal control system commensurate with the size and nature of its business.

b) We have considered, the internal audit report for the year under audit, issued to the company during the year, in determining nature, timing and extent of our audit procedures.

xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore reporting under clause -3(xvi)(a), (b), (c) & (d) of the order is not applicable

xvii The company has incurred cash losses amounting to Rs. 745.98 Lakhs during the financial year ending on 31st march 2022 and also Rs. 705.51 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors during the year.

xix On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of the directors and management plans and based on our examination of the evidence, supporting the assumption and also negative net worth of the company as on 31st March 2022, we are unable to comment on any material uncertainty exists as on the date of the audit report. We cannot comment and give any guarantee or assurance that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx The company's net worth is negative and it has incurred losses during the year , therefore section 135 of the companies act, 2013 is not applicable. Hence reporting under clause-3(xx)(a) & (b) of the order is not applicable.

xxi This clause is not applicable to the company.

**For M. SHARAN GUPTA & CO.  
Chartered Accountants  
(Firm's Registration No. 06340N)**

**(M.S. GUPTA)**

Proprietor

(Membership No. 084721)

**Place: New Delhi**

**Date: 30.05.2022**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

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")

We have audited the internal financial controls over financial reporting of **SIR SHADI LAL ENTERPRISES LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M. SHARAN GUPTA & CO.  
Chartered Accountants  
(Firm's Registration No. 06340N)**

**(M.S.GUPTA.)**

Proprietor

(Membership No. 084721)

**Place: New Delhi**

**Date: 30.05.2022**



(Annexure-1 as referred to in Para vii (b) of Annexure 'A' to the Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2022).

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2022 on account of Income-Tax, Sales-Tax, and Excise matters that have not been deposited on account of dispute:-

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the Amounts relates	Forum where dispute is pending
Central Excise Act	Duty/Penalty	0.68	2005-2006	Commissioner Appeal, Muzaffarnagar
U.P. Excise Act	Penalty for Low	1.85	1991-1992	Excise Commissioner ,Allahabad
	Recovery duty/Penalty	55.42	1988-1989	Weight & Measurement Department Saharanpur, High Court, Allahabad
National Company Law Tribunal	Security Deposit for Appeal	37.46	2011-2012 2012-2013 2013-2014	Competition Commission of India.

We have been informed that apart from above; there are no dues in respect of Wealth-tax, Goods and Service-tax, and Custom Duty which have not been deposited on account of any dispute.

For M. SHARAN GUPTA & CO.  
Chartered Accountants  
(Firm's Registration No. 06340N)

(M.S. GUPTA)

Proprietor

(Membership No. 084721)

Place: New Delhi

Date: 30.05.2022

BALANCE SHEET  
AS AT 31ST MARCH, 2022

Particulars	Note No.	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
[a] Property, Plant and Equipment	3	54,290.39	49,686.76
[b] Capital work-in-progress	3.2	45.93	2,027.79
[c] Other intangible assets	3.3	0.27	0.41
[d] Financial assets			
[i] Investments	4	-	-
[ii] Trade receivables	5	1.64	1.48
[iii] Loans	6	0.50	0.50
[iv] Other financial assets	7	96.02	62.88
[e] Deferred tax assets (net)	8	6,881.11	6,881.11
[f] Other Non-current assets	9	58.01	426.40
<b>Sub Total (Non-current assets)</b>		<b>61,373.87</b>	<b>59,087.33</b>
<b>(2) Current assets</b>			
[a] Inventories	10	17,324.30	18,747.33
[b] Financial assets			
[i] Trade receivables	11	1,107.53	729.41
[ii] Cash and cash equivalents	12	720.72	681.43
[iii] Bank Balance other than cash and cash equivalents	13	129.84	172.51
[iv] Other financial assets	14	7.77	11.98
[c] Other current assets	15	688.94	3,905.24
<b>Sub Total (Current assets)</b>		<b>19,979.10</b>	<b>24,247.90</b>
<b>Total Assets</b>		<b>81,352.97</b>	<b>83,335.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
[a] Equity Share capital	16	525.00	525.00
[b] Other Equity			
(i) Capital redemption reserve		35.70	35.70
(ii) Retained earnings		(13,063.55)	(11,506.69)
(iii) Revaluation surplus		44,559.14	44,559.14
<b>Sub Total Other Equity</b>	17	<b>31,531.29</b>	<b>33,088.15</b>
<b>Sub Total (Equity)</b>		<b>32,056.29</b>	<b>33,613.15</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
[a] Financial Liabilities			
[i] Borrowings	18	5,077.88	4,715.51
[b] Provisions	19	922.03	1,022.99
[c] Other non current liabilities	20	387.50	632.42
<b>Sub Total (Non-current liabilities)</b>		<b>6,387.41</b>	<b>6,370.92</b>
<b>(2) Current liabilities</b>			
[a] Financial Liabilities			
[i] Borrowings	21	6,747.14	8,983.63
[ii] Trade payables	22	29,215.51	28,456.29
[iii] Other financial liabilities	23	2,438.12	1,743.43
[iv] Other Current Liabilities	24	4,339.41	4,049.74
[b] Provisions	25	169.09	118.07
<b>Sub Total (Current liabilities)</b>		<b>42,909.27</b>	<b>43,351.16</b>
<b>Total Equity and Liabilities</b>		<b>81,352.97</b>	<b>83,335.23</b>

Notes on Financial Statements

1 to 57

As per our report of even date  
for M.SHARAN GUPTA & CO.  
Chartered Accountants  
Firm Registration No. 06340N

M.S. GUPTA  
Proprietor  
Membership No. 084721  
Place : New Delhi  
Date : 30 May, 2022

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTPS8501G)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

A.K. JAIN  
Company Secretary  
(M. No. FCS5826)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

Directors :  
Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)

Udit Pat Singhania (DIN : 07984594)

Radhika Viswanathan

Hoon (DIN : 06436444)

Neeraj Gupta (DIN : 00317395)



## STATEMENT OF PROFIT & LOSS

### FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note No.	For the year ended March 31, 2022 Rs. in Lakhs	For the year ended March 31, 2021 Rs. in Lakhs
<b>Continuing Operations</b>			
I. Revenue from operations	26	46,998.97	54,925.20
II. Other Income	27	30.70	215.37
<b>III. Total Income (I+II)</b>		<b>47,029.67</b>	<b>55,140.57</b>
<b>IV. Expenses</b>			
Cost of material consumed	28	38512.44	44215.34
Changes in Inventories Finished goods, Work-in-Progress and Stock-in-Trade	29	1351.72	2631.19
Employee Benefits Expense	30	3071.11	3229.90
Finance costs	31	1150.41	1518.08
Depreciation and amortization expenses	32	736.95	631.97
Other expenses	33	3859.54	4565.03
<b>Total Expenses (IV)</b>		<b>48,682.17</b>	<b>56,791.51</b>
<b>V. Profit / (Loss) before exceptional items and tax</b>		<b>(1,652.50)</b>	<b>(1,650.94)</b>
<b>VI. Exceptional items</b>			
<b>VII. Profit / (Loss) before tax from continuing operations</b>		<b>(1,652.50)</b>	<b>(1,650.94)</b>
<b>VIII. Tax expense:</b>			
Current tax			
Excess Provision of Income Tax relating to Earlier Year Written Back		-	(221.69)
Deferred tax			
<b>Total tax expenses (VIII)</b>			
<b>IX. Profit / (Loss) from continuing operations (VII-VIII)</b>		<b>(1,652.50)</b>	<b>(1,429.25)</b>
<b>X. Profit / (Loss) from discontinued operation</b>			
<b>XI. Tax expenses of discontinued operations</b>			
<b>XII. Profit / (Loss) from discontinued operation (after tax) (X-XI)</b>		<b>(1,652.50)</b>	<b>(1,429.25)</b>
<b>XIII. Profit / (Loss) for the year</b>		<b>(1,652.50)</b>	<b>(1,429.25)</b>
<b>XIV. Other Comprehensive Income (Refer Note No. 30.4)</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of Post employment benefit obligations		95.64	18.63
(ii) income tax relating to items that will not be reclassified to profit or loss			
B Gain on Revaluation of Land		-	44559.14
<b>XV. Total Comprehensive Income for the period (XIII+XIV)</b>		<b>(1,556.86)</b>	<b>43,148.52</b>
<b>XVI. Earnings per equity share</b>			
- Basic		(31.476)	(27.224)
- Diluted		(31.476)	(27.224)

Figures in bracket ( ) denote minus figures.

Notes on Financial Statements

1 to 57

As per our report of even date  
for M.SHARAN GUPTA & CO.  
Chartered Accountants  
Firm Registration No. 06340N

M.S. GUPTA  
Proprietor  
Membership No. 084721  
Place : New Delhi  
Date : 30 May, 2022

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTPS8501G)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

A.K. JAIN  
Company Secretary  
(M. No. FCS5826)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

Directors :  
Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)

Udit Pat Singhania (DIN : 07984594)

Radhika Viswanathan

Hoon (DIN : 06436444)

Neeraj Gupta (DIN : 00317395)



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### Note No.1: Corporate Information

Sir Shadi Lal Enterprises Limited (“the Company”) is a company limited by shares, incorporated and domiciled in India. The Company’s equity shares are listed at one recognised stock exchanges in India (BSE). The registered office of the company is situated at Upper Doab Sugar Mills, Shamli, Muzaffarnagar, U.P. 247776. The Company is engaged in diversified businesses mainly categorised into two segments – Sugar business and Distillery business. Sugar businesses primarily comprise manufacture of sugar. Distillery business primarily comprises manufacture of Spirit, Alcohol and Ethanol.

### Note No.2: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation and presentation

##### (a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time) and other relevant provisions of the Act.

##### (b) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities that are measured at fair values or revalued amount at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets. Land is carried in the balance sheet on the basis of revaluation model. Land is measured at fair value. The financial statements are prepared in INR and all values are rounded off to the nearest Lakhs except when stated otherwise.

##### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note-51 for segment information presented.

##### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rebates, other similar allowances and goods and services tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company’s activities as described below.

###### (i) Recognising revenue from major business activities

###### a) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### 2.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.3 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expended in the period in which they are incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

### 2.5 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 asset to be recovered.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### c) Current and deferred tax for 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.6 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment

*CONT'D....*

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended March 31, 2022**

shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at revalued amount. A revaluation surplus is recorded in OCI and credited to the assets revaluation surplus in other equity. Upon disposal any revaluation reserve relating to the particular land being sold is transferred directly to retained earning. Revaluation of freehold land will be conducted once in three years. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure and borrowing cost that is directly attributable to the acquisition of the items including borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The revaluation will be conducted every three year by the company.

Expenditure during construction period incurred on the projects under implementation are treated as pre- operative expenses pending allocation to the assets, and are included under "Capital Work-in-Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work-in-Progress is stated at the amount incurred up to the date of Balance Sheet.

"Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred."

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value**

Depreciation commences when the assets are available for their intended use. Depreciation on Fixed Assets is provided on the written down value method in accordance with Schedule II of the Companies Act, 2013 and adopted useful life as stated in Schedule II along with residual value of 5% of the cost of assets except, fixed assets individually costing upto Rs. 5000 is being fully depreciated in the year of purchase.

Intangible Assets are recognized as specified in the applicable Accounting Standard and are amortized in 36 Months

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**2.7 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**Estimated useful lives of the intangible assets are as follows:**

Assets	Estimated useful life
Computer software	36 months

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

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### 2.8 Inventory Valuation

- a) Raw materials and stores & spares are valued at average cost.
- b) Work-in-Progress is valued at estimated cost.
- c) Finished stocks are valued at "Lower of Cost and net Realisable Value" as prescribed by Indian Accounting Standard-2 issued by the Institute of Chartered Accountants of India except that the by product of Molasses and Bagasse has been valued at net realisable value because their cost price is not ascertainable.

### 2.9 Provisions, contingent liabilities and contingent assets

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- b) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. It becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the standalone financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- c) A contingent liability is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.10 Employee Benefits

#### a) Short term employee benefits:

All employee benefits falling due wholly with in twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognized as expenditure at the undiscounted value in the period in which the employee renders the related service.

#### b) Post- employment benefits :

Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc. are recognized as expenses in the period in which the employee renders the related service in respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

- c) In Govt. administered fund, company has no further obligations beyond its monthly contributions.
- d) The Company is also contributing to superannuation fund for certain key managerial personnel, at pre determined rates to the Superannuation Fund Trust, which is recognised as expenses in the period in which employee renders the related service, and there are no other obligations with regard to superannuation fund of key managerial personnel.
- e) Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC). The present value of the obligation is determined based on an actuarial valuation, using the projected unit credit method. Actuarial gains and losses in respect of post- employment and other long-term benefits are charged to the Other Comprehensive Income. The amount funded by the trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

### 2.11 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

CONT'D.....

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended March 31, 2022****2.12 Current and non-current classification:**

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

- a) An asset is treated as current when it is:
  - a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
  - b) Held primarily for the purpose of trading,
  - c) Expected to be realised within twelve months after the reporting period,
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
  - e) Carrying current portion of non-current financial assets.
- b) Liability is current when:
  - a) It is expected to be settled in normal operating cycle,
  - b) It is held primarily for the purpose of trading,
  - c) It is due to be settled within twelve months after the reporting period,
  - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
  - e) It includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**2.13 Operating cycle :**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

**2.14 Government grants :**

Subsidy related to Sugar Cane purchased are recognised, where there is a reasonable assurance that grant will be received & all attached condition will be complied. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**2.15 Compensation :**

Compensation to employees under Voluntary Retirement Scheme is charged to statement of profit and loss account in the year of accrual.

**2.16 Impairment of Assets :**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

**2.17 Investment :**

Unquoted Investments are Stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**2.18 Earning per share :**

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity share outstanding during the year.

**2.19 Cash and Cash Equivalent**

Cash and cash equivalents includes cash in hand and deposits maturing within twelve months from the date of acquisition and which are subject to an insignificant risk of change in value.



Notes to the Financial Statements for the year ended March 31,2022

**Note 3. PROPERTY, PLANT AND EQUIPMENT**

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As per last balance sheet 31.03.2021	Revaluation during the year	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2022	Depreciation written off Upto 31.03.2021	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2022	As at 31.03.2022
<b>FIXED ASSETS</b>										
Land (Free hold)	44,560.53	-	-	-	44,560.53	-	-	-	44,560.53	44,560.53
Buildings	924.10	-	134.78	158.19	900.69	625.97	35.62	1.60	659.99	240.70
Plant & Equipments	11,735.34		5,222.37	47.66	16,960.05	7,043.26	669.65	139.79	7,573.12	9,386.93
Electric Installation	89.70	-	14.48	0.53	103.65	71.77	4.93	0.50	76.20	27.45
Office Equipments	37.39	-	8.96	-	46.35	20.82	8.55	-	29.37	16.98
Laboratory Equipments	16.59	-	0.05	-	16.64	8.34	2.14	-	10.48	6.16
Computer	98.13	-	1.61	-	99.74	90.28	2.92	-	93.20	6.54
Railway sidings & Trolley lines	0.19	-	-	-	0.19	0.19	-	-	0.19	-
Furniture & Fixtures	32.25	-	1.68	0.43	33.50	27.28	2.09	0.42	28.95	4.55
Vehicles	99.06	-	21.01	0.01	120.06	68.61	10.91	0.01	79.51	40.55
Structure on rented Land	109.99	-	-	-	109.99	109.99	-	-	109.99	-
<b>Total :</b>	<b>57,753.27</b>	<b>-</b>	<b>5,404.94</b>	<b>206.82</b>	<b>62,951.39</b>	<b>8,066.51</b>	<b>736.81</b>	<b>142.32</b>	<b>8,661.00</b>	<b>54,290.39</b>
<b>Previous Year</b>	<b>13,414.40</b>	<b>44,559.14</b>	<b>233.97</b>	<b>454.24</b>	<b>57,753.27</b>	<b>7,858.21</b>	<b>631.96</b>	<b>423.66</b>	<b>8,066.51</b>	<b>49,686.76</b>

Note: 3.1. Title deeds of land are lodged as security with Punjab National Bank, Shamli and District Co.-Operative Bank, Ghaziabad.

Note: 3.1.1. Land has been revalued previous year (date of valuation: 5th February, 2021), and surplus due to revaluation is credited to Revaluation Reserve. Previous year the company has appointed an independent valuer to determine the fair value of land. As an outcome of this process the company recognized increase in gross block of land of Rs. 44,559.14 Lakhs. The company recognized this increase within the revaluation reserve and statement of comprehensive income. The fair value of land is determined using market approach. The fair value of land is based on condition, location, demand & supply in and around and other infrastructure facilities available at and around the land.

**NOTE 3.1.2. SIGNIFICANT UNOBSERVABLE VALUATION INPUT:**

Asset	Valuation technique	Significant unobservable inputs	(RS. IN LAKHS)	
Freehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land.	(RS. IN LAKHS)	
<b>NOTE 3.2 CAPITAL WORK IN PROGRESS</b>				
Plant & Machinery	2,027.79	-		
Total :	2,027.79	-		
Previous Year	415.42	0.42		
<b>NOTE 3.3 OTHER INTANGIBLE ASSETS</b>				
Computer Software	16.84	-		
Total :	16.84	-		
Previous Year	16.42	0.42		



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended March 31, 2022

**P A R T I C U L A R S****As at March 31, 2022****Rs. in Lakhs****As at March 31, 2021****Rs. in Lakhs****NOTE 4: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS****Investment****Equity instruments (at cost)**

- a) Shamli Co-operative Cane Development Union Limited (One Share) - -
- b) Saharanpur Co-operative Cane Development Union Limited (One share) - -

**Total****-****-****Note 4.1: All the above investment are unquoted****NOTE 5: NON-CURRENT FINANCIAL ASSETS – TRADE-RECEIVABLES****Unsecured considered goods**

Trade receivable	1.64	1.48
- Unsecured, considered doubtful	56.45	56.45
Less : Allowance for bad and doubtful debts	(56.45)	(56.45)
<b>Total</b>	<b>1.64</b>	<b>1.48</b>

**NOTE 6: NON-CURRENT FINANCIAL ASSETS - LOANS****Loans**

Co-operative Society bearing no interest	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**NOTE 7: NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS****Unsecured, considered good**

- Security Deposit		
- Others (Security Lodged)	75.94	46.55
- Bank fixed deposits lodged as security / Margin money having maturity of more than twelve months	20.08	16.33

**Unsecured, considered doubtful**

- Advances recoverable in cash or in kind	3.85	4.95
Less : Allowance for bad and doubtful debts	(3.85)	(4.95)
<b>Total</b>	<b>96.02</b>	<b>62.88</b>

**Note 7.1: Confirmation of Security Lodged with different Government Department are awaited.****Note 7.2: Fixed deposits Rs. 20.08 Lakhs lodged as Security.****Note 8: Non-current financial assets - Deferred tax assets (Net)****Deferred tax assets (Net)**

At the year end comprising timing difference on account of :

Depreciation	236.51	236.51
Less: Expenditure/Provisions allowable on account of :		
Employees Benefits	57.40	57.40
Taxes, duties, cess etc	131.73	131.73
Provision for Bad & doubtful debts.		
Assessed loss under Income Tax Act, 1961.	6928.49	6928.49
<b>Total</b>	<b>6,881.11</b>	<b>6,881.11</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

## PARTICULARS

As at March 31, 2022

Rs. in Lakhs

As at March 31, 2021

Rs. in Lakhs

## NOTE 9: OTHER NON-CURRENT ASSETS

## Other non-current assets

Capital Advance

58.01

426.40

Total

58.01

426.40

## NOTE 10 : CURRENT ASSETS – INVENTORIES

## Raw Material

Raw materials (at average cost) 58.18 94.08

## Work - in - progress

Sugar &amp; Distillery products (at estimated cost) 580.09 802.13

## Finished goods

Sugar &amp; Distillery products (at lower of cost or net realizable value) 16215.39 17345.07

## Stores and spares

Stores &amp; spares (at average cost) 467.93 503.35

## Others

Loose tools and others (at average cost) 2.71 2.70

Total 17,324.30 18,747.33

## NOTE 11 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

- Unsecured, considered good

Trade receivable 1107.53 729.41

Total 1,107.53 729.41

## NOTE 12 : CURRENT FINANCIAL ASSETS- CASH &amp; CASH EQUIVALENTS

- Balances with banks

- In current accounts 715.74 622.45

- Cheques, Drafts on hand - 53.46

- Cash on hand 4.98 5.52

Total 720.72 681.43

## NOTE 13 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCE

- Balance with banks:

- In fixed deposit lodged as security / margin money saving maturing of less

then twelve month (refer note no. 13.1) 72.94 141.73

- Earmarked - molasses storage facility fund 51.74 25.65

- Earmarked - dharmada account 1.10 1.07

- Earmarked - unpaid dividend accounts 4.06 4.06

Total 129.84 172.51

Note 13.1 : Fixed Deposits includes Rs.72.94 Lakhs lodged as Security

Note 13.2 : Confirmation of Fixed Deposit Lodged as Securities with different government departments are awaited

CONTD.....



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

PARTICULARS	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
<b>NOTE 14 : CURRENT FINANCIAL ASSETS -OTHERS</b>		
Others		
Interest accrued	7.77	11.98
<b>Total</b>	<b>7.77</b>	<b>11.98</b>
<b>NOTE 15 : OTHER CURRENT ASSETS</b>		
<b>Advances other than capital advances</b>		
Advances to suppliers / Contractors	112.75	102.19
Government grant receivable	155.17	15.31
Advance to Employees	0.39	0.23
Pre-paid expenses	49.98	16.10
<b>Balance with government department</b>		
- Income Tax	36.10	9.76
- Sales tax paid	5.53	5.53
- Subsidy/Financial Assistance Recoverable	-	3,356.66
- Excise duty / Purchase tax / GST etc.	517.86	491.36
Less : Allowance for bad and doubtful debts	188.84	329.02
	<b>188.84</b>	<b>91.90</b>
	<b>329.02</b>	<b>399.46</b>
<b>Others :</b>		
Good		
Doubtful	265.21	265.21
Less : Allowance for bad and doubtful debts	265.21	0.00
<b>Total</b>	<b>688.94</b>	<b>3,905.24</b>
<b>NOTE 16 : EQUITY</b>		
<b>Note 16.1 : Authorized share capital</b>		
<b>Authorized</b>		
200.00 Lakhs(Previous year 200.00 Lakhs) Equity shares of Rs. 10/- each		
Equity shares of Rs. 10/- each	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Note 16.2 : Issued share capital</b>		
<b>Issued, Subscribed &amp; fully paid up</b>		
52.50 Lakhs (Previous year 52.50 Lakhs) Equity shares of Rs. 10/- each	525.00	525.00
<b>Total</b>	<b>525.00</b>	<b>525.00</b>
<b>Note 16.3 : Reconciliation of the number of shares</b>		
Number of shares outstanding at the beginning and end of the year	52.50	52.50



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

**Note 16.4 : Shares in the company held by Promoters at the end of year**

NAME	As At 31.03.2022		% change in Promoter Shareholding	As At 31.03.2021	
	No. of Shares (in Lakhs)	%		No. of Shares (in Lakhs)	%
<b>Promoters Holding</b>					
(a) Sh. Rajat Lal	10.88	20.727	+4.997	8.26	15.730
(b) Mrs. Radhika Viswanathan Hoon	0.39	0.750	-	0.39	0.750
(c) Mrs. Poonam Lal	5.75	10.960	+ 4.915	2.88	5.481
(d) Sh. Rahul Lal	-	-	- 4.915	2.88	5.481
(e) Mrs. Pooja Lal	-	-	-	-	-
(f) M/s Rajendra Lal & Sons (HUF)	2.44	4.650	-	2.44	4.650
(g) Mr. Vivek Viswanathan	12.96	24.690	-	12.96	24.690

**P A R T I C U L A R S**

**As at March 31, 2022**  
**Rs. in Lakhs**

**As at March 31, 2021**  
**Rs. in Lakhs**

**NOTE 17 : OTHER EQUITY**

**(a) Capital redemption reserve**

Credit balance at the beginning of the year	35.70	35.70
Add: Additions during the year	-	-
Less: Utilized during the year	-	-
Balance outstanding at the end of the year	35.70	35.70

**(b) Retained earnings**

Balance outstanding at the beginning of the year	(11,506.69)	(10,096.07)
Add Net Profit / (Loss) for the Year	(1,652.50)	(1,429.25)
Add/Less: Total comprehensive income for the year	95.64	18.63
Balance outstanding at the end of the year	(13,063.55)	(11,506.69)

**(c) Revaluation Surplus**

Credit balance at the beginning of the year	44,559.14	-
Add: Additions during the year	-	44,559.14
Less: Utilized during the year	-	-
	31,495.59	33,052.45
<b>Total Other equity</b>	<b>31,531.29</b>	<b>33,088.15</b>

**NOTE 18 : NON CURRENT FINANCIAL LIABILITIES – BORROWINGS**

**Long Term borrowings (at amortized cost)**

**Secured**

Term Loan

From banks

(i) District Co-operative Bank (SOFT Loan) (refer note no.18.1 & 18.2)	1,501.68	4,715.51
(ii) District Co-operative Bank (Refer Note No. 18.2)	1,597.59	-
(iii) District Co-operative Bank (Refer Note No. 18.2)	795.80	-
(v) PNB (GECL)	1,182.81	-

**Total**

**5,077.88**

**4,715.51**

Note 18.1 : Soft Loan of Rs.3466.67 Lakhs from District Co.-Operative Bank, Ghaziabad under the “ Scheme for Extending Financial Assistance to Sugar Undertaking-2018” is secured by way of Ist charge on 10.49 acres of free hold land of the Company situated at Shamli and also personal guarantee of Managing Director.

Note 18.2 : Term Loan of Rs.3025.04 Lakhs from District Co.-Operative Bank, Ghaziabad under the “ Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of Ethanol production capacity”, is secured by way of Ist charge on the movable assets of the Company both present and future on pari passu basis Including assets created/ to be created out of the said term loan and first pari passu charge along with PNB on fixed assets of the Company and also personal guarantee given by Managing Director and Joint Managing Director.

Note 18.3 : GECL Loan from PNB of Rs. 12.42 crore is secured by way of extension of charge with PNB on entire present and future Current Assets and entire Block Assets of the company

Figures in ( ) denote (-) figure.

CONTD....



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

## Note 18.4 Repayment Schedule

Repayable in :	Soft Loan from DCB, Ghaziabad	GECL from PNB, Meerut	Term Loan from DCB, Ghaziabad	Term Loan from DCB, Ghaziabad	Total
F.Y. 2022-23	1,466.67	-	421.11	210.55	2,098.33
F.Y. 2023-24	1,600.00	77.63	469.83	234.92	2,382.38
F.Y. 2024-25	400.00	310.50	524.20	262.10	1,496.80
F.Y. 2025-26	-	310.50	584.86	292.43	1,187.79
F.Y. 2026-27	-	310.50	-	-	310.50
F.Y. 2027-28	-	232.87	-	-	232.87
	<b><u>3,466.67</u></b>	<b><u>1,242.00</u></b>	<b><u>2,000.00</u></b>	<b><u>1,000.00</u></b>	<b><u>7,708.67</u></b>

Note 18.5: Interest rate @ 8.25 % on under Guaranteed Emergency Credit Line Scheme (GECL) PNB, Meerut

Note 18.6: Interest rate @ 5% on Soft Loan From DCB, Ghaziabad.

Note 18.7: Interest rate @ 11% (with Interest subvention @ 50 % of rate charge by lender subject to maximum of 6%) on Loan from DCB, Ghaziabad. Under "Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol production capacity.

## PARTICULARS

As at March 31, 2022

As at March 31, 2021

Rs. in Lakhs

Rs. in Lakhs

## NOTE 19 : NON CURRENT PROVISIONS

## Provision for employee benefits

- Gratuity	812.38	928.24
- Leave encasement	79.39	84.49
Provision for expenses	30.26	10.26
<b>Total</b>	<b><u>922.03</u></b>	<b><u>1,022.99</u></b>

## NOTE 20 : OTHER NON CURRENT LIABILITIES

Security Deposits (refer note no.20.1)	95.00	95.02
Deferred Revenue arising from Government Grant related to Assets	284.93	529.16
Deferred Revenue arising from Government Grant related to Income	7.57	8.24
<b>Total</b>	<b><u>387.50</u></b>	<b><u>632.42</u></b>

Note 20.1 : Security deposits as at 31 March 2022 included of Rs.95.00 Lakhs (previous year Rs. 95.00 Lakhs)deposits from sugar selling agent which are interest free. These deposits are repayable on cessation of contractual arrangement..

## NOTE 21 : CURRENT FINANCIAL LIABILITIES – BORROWINGS

## Secured

## From banks

Punjab National Bank (refer note no. 21.1)	3,180.17	4,142.53
District Co-operative Bank (refer note no. 21.2)	1,592.62	2,858.21

## Unsecured

Loan from related parties (refer note no. 21.3)	1,974.35	1,982.89
<b>Total</b>	<b><u>6,747.14</u></b>	<b><u>8,983.63</u></b>

Note 21.1 : The working capital loan of Rs.3180.17 Lakhs from Punjab National Bank, Shamli is secured by way of pledging of Sugar stock of book value of Rs.4007.95 Lakhs and hypothecation of the current assets including stock in process,raw material,stores and spares and book debts and also by way of collateral security on Ist pari-passu charge on the fixed assets including extension of equitable mortgage of land and building of the company at Shamli and also personal guarantee by Managing Director and Joint Managing Director.

Note 21.2 : The working capital loan of Rs.1592.62 Lakhs from District Co-Operative Bank, Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs.2157.57 Lakhs and also way of collateral security on IIInd pari-passu charges on fixed assets including equitable mortgage of land and building of the company situated at Shamli.

Note 21.3: Interest rate @ 9.50% to 10% on unsecured loan from related party.

Note 21.4: Interest rate District Co.-Operative Bank, Ghaziabad @ 10.25% and Punjab National Bank, Shamli @ 13.30%



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

**P A R T I C U L A R S**

<b>P A R T I C U L A R S</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>NOTE 22 : CURRENT FINANCIAL LIABILITIES - TRADE TABLE</b>		
Due to parties registered under MSMED Act	13.50	8.63
Due to other parties	29,202.01	28,447.66
<b>Total</b>	<b>29,215.51</b>	<b>28,456.29</b>

Note 22.1 : Parties covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of intimation received by the Company from its suppliers.

Note 22.2 : Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs.13.50 Lakhs (Previous year Rs. 8.63 Lakhs). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

**NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES**

**Secured**

**From banks**

District Co-operative Bank Ghaziabad (SOFT Loan) (refer note no. 18.1)	1,435.83	1,362.50
District Co-operative Bank Ghaziabad (refer note no. 18.2)	421.10	-
District Co-operative Bank Ghaziabad (refer note no. 18.2)	210.55	-
Interest accrued but not due	277.26	286.16
<b>Sub Total</b>	<b>2,344.74</b>	<b>1,648.66</b>
Others		
Earnest Money and Security Deposits	93.38	94.77
<b>Total</b>	<b>2,438.12</b>	<b>1,743.43</b>

Note 23.1 : There are no amounts as at the end of the year which are due and outstanding to be credited to the investors education and Protection Fund.

**NOTE 24: OTHER CURRENT LIABILITIES**

Deferred Revenue arising from Government Grant related to Assets	311.60	244.23
Deferred Revenue arising from Government Grant related to Income	0.53	0.53
GST Payable	243.87	239.50
Other payables	3,783.41	3,565.48
<b>Total</b>	<b>4,339.41</b>	<b>4,049.74</b>

Note 24.1 : Advance from customer is interest bearing subject to fulfillment of business obligation.

Note 24.2 : Other payable includes advance from customer, statutory dues and other liabilities.

**NOTE 25 : CURRENT PROVISIONS**

Provision for employee benefits		
- Leave encasement	27.33	36.11
Others		
- Expenses	141.76	81.96
<b>Total</b>	<b>169.09</b>	<b>118.07</b>

**NOTE 26 : REVENUE FROM OPERATIONS**

Sale of Products	46,864.19	51,227.06
Other Operating Revenues	134.78	3,698.14
<b>Revenue from Operations</b>	<b>46,998.97</b>	<b>54,925.20</b>

*CONTD....*

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended March 31, 2022**

<b>Particulars</b>	<b>For the year ended March 31, 2022 Rs. in Lakhs</b>	<b>For the year ended March 31, 2021 Rs. in Lakhs</b>
<b>Note 26.1 : Sale of Products</b>		
Sale of Sugar	39,147.40	35,791.88
Export of Sugar through third party	-	8,114.18
Sale of Molasses	278.25	133.06
Sale of Bagasse	363.16	416.89
Sale of Press Mud	21.62	2.83
Sale of Distillery products	7,019.80	6,724.41
Sale of Sludge	0.03	0.05
Sale of Bio – Compost	33.93	43.76
	<b>46,864.19</b>	<b>51,227.06</b>
<b>Note 26.2 : Other Operating Revenues</b>		
Sale of Scrap	132.06	115.48
Sale of Slop Ash	2.72	-
Subsidy/Financial Assistance on Export from Central government	-	3,356.66
Sale of Export Quota Entitlement	-	226.00
	<b>134.78</b>	<b>3,698.14</b>
<b>Note 27 : Other Income</b>		
Interest income	15.42	187.39
Other Non – Operating Income	15.28	27.98
	<b>30.70</b>	<b>215.37</b>
<b>Note 27.1 : Tax deducted at source on Interest income Rs.1.08 Lakhs ( Previous year Rs.1.61 Lakhs)</b>		
<b>Note 28 : Cost of Materials Consumed</b>		
Raw Materials at Commencement	94.08	114.28
Add : Purchases during the year1	38,476.54	44,195.14
	38,570.62	44,309.42
Less : At Close	58.18	94.08
Raw Materials consumed	<b>38,512.44</b>	<b>44,215.34</b>
<b>Note 28.1 : Particulars of Materials Consumed</b>		
	<b>Quantity in Lakhs Qtls.</b>	<b>Quantity in Lakhs Qtls.</b>
a) Sugarcane (100% indigenous)	108.23	38,333.05
b) Molasses (100% indigenous)	0.30	179.39
	<b>38,512.44</b>	<b>44,215.34</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

Particulars	For the year ended March 31, 2022 Rs. in Lakhs	For the year ended March 31, 2021 Rs. in Lakhs
<b>Note 29 : DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS</b>		
<b>And Work-In-Progress</b>		
<b>Stocks at commencement :</b>		
Stocks at commencement :		
Work-in-Progress	802.13	1,640.97
Finished Goods	17,345.07	19,137.42
	<b>18,147.20</b>	<b>20,778.39</b>
<b>Stocks at Close :</b>		
Work-in-Progress	580.09	802.13
Finished Goods	16,215.39	17,345.07
	<b>16,795.48</b>	<b>18,147.20</b>
<b>Net Decrease / (Increase)</b>	<b>1,351.72</b>	<b>2,631.19</b>
Details of Work in Progress		
Sugar	501.93	772.03
Alcohol	78.16	30.10
	<b>580.09</b>	<b>802.13</b>
<b>Details of Finished Goods</b>		
Sugar	12,852.40	15,111.33
Molasses	3,018.31	1,179.12
Bagasse	252.85	188.48
Press Mud	-	1.15
Alcohol	86.75	839.93
Bio-Compost	1.39	7.83
Sanitizer	3.69	17.23
	<b>16,215.39</b>	<b>17,345.07</b>
<b>Note 30 : Employee Benefits Expense</b>		
Salaries & Wages	2,606.78	2,601.04
Payment under Voluntary Retirement Scheme	-	64.75
Bonus	41.27	72.99
Leave Wages paid/provided	81.04	98.61
Contribution to Provident Fund and Family Pension Fund	211.73	220.65
Contribution to Approved Superannuation Fund for Managerial Personnel	8.85	8.85
Provision/Contribution to Approved Gratuity Fund	96.46	144.59
Staff Welfare	24.98	18.42
	<b>3,071.11</b>	<b>3,229.90</b>

Note 30.1: Salary & Wages includes Rs.99.46 Lakhs Paid to Managerial Personnel (Previous year Rs. 98.81 Lakhs).

Note 30.2 : Provident Fund includes Rs. 7.08 Lakhs For Managerial Personnel (Previous year Rs. 6.78 Lakhs)

Note 30.3 : Contribution to Provident fund, Superannuation fund and Family Pension Fund charged off during the year are as under.

Employer contribution to Provident fund	98.63	96.21
Employer contribution to Family pension fund	113.10	124.43
Employer contribution to Superannuation fund	8.85	8.85

The Company also provides for post employment defined benefit in the form of gratuity and leave liability. The Employee's Gratuity Scheme is managed by Life Insurance Corporation of India defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit Method at each Balance sheet date, which works to more by Rs. 812.38 Lakhs as compared to Gratuity Scheme managed by the Life Insurance Corporation of India. The difference has been fully provided in the books of Company.

*CONT'D....*



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

Note 30.4: The details provided by Actuary in respect of Gratuity and Leave liability are as under :

## A KEY ASSUMPTIONS

	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
Mortality Table		
Attrition Rate	05.00 % p.a.	05.00 % p.a.
Imputed Rate of Interest (D)	07.01 % p.a.	06.73 % p.a.
Imputed Rate of Interest (IC)	06.73 % p.a.	06.65 % p.a.
Salary Rise	07.00 % p.a.	07.00 % p.a.
Return on Plan Assets	06.73 % p.a.	06.65 % p.a.
Remaining Working Life	12.07 Years	11.85 Years

## B GRATUITY LIABILITY

## 1 CHANGES IN PRESENT VALUE OF OBLIGATIONS

Present value of obligation at the beginning of the year	1,462.79	1,527.02
Interest Cost	93.42	94.68
Current Service Cost	57.62	61.40
Benefit Paid	(149.27)	(206.54)
Actuarial Gain/Loss on obligation	(91.10)	(13.77)
Present value of obligation as on 31st March	1,373.46	1,462.79

## 2 CHANGES IN THE PRESENT VALUE OF PLAN ASSETS

Fair value of Plan Assets at the beginning of the IVP	534.55	697.36
Expected Return on Plan Assets	35.52	39.48
Contribution	136.41	-
Benefit Paid	(149.94)	(207.15)
Actuarial Gain/Loss on Plan Assets	4.54	4.86
Fair value of plan Asset at 31st March	561.08	534.55

## 3 REMEASUREMENTS-OTHER COMPREHENSIVE INCOME (OCI)

Return on Plan Assets (excluding amounts included in Net Interest Expenses)	4.54	4.86
Actuarial (gain)/Loss arising from Experience Adjustment	(71.33)	(7.56)
Difference in Present Value of Obligations	(19.77)	(6.21)
Component of Defined of Benefit Costs recognised in OCI	(95.64)	(18.63)

## 4 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT &amp; LOSS

Current Service Cost	57.61	61.40
Net Interest Cost	57.90	55.19
Expenses Recognised in the Statement of Profit & Loss	115.52	116.59

## 5 CATEGORY WISE PLAN ASSETS

Fund at the end of I.V.P. At LIC of India	561.08	534.55
---	--------	--------

NOTE :- To match the figures with Actuarial liability as on 31.3.2022 amount

of Rs.19.06 Lakhs has been credited to Statement of Profit &amp; Loss

(Previous year charged to Statement of Profit &amp; loss Rs.28.00 Lakhs).

## 6 AMOUNT TO BE RECOGNISED IN THE BALANCE SHEET

Present value of obligation at the end of the I.V.P.	1,373.46	1,462.79
**Fair value of Plan Assets at the end of the I.V.P.	561.08	534.55
Funded Status	(812.38)	(928.24)
Net Liability arising from Defined Benefit obligation	812.38	928.24

## C LEAVE LIABILITY

1 Present value of obligation at the beginning of the year	120.60	144.10
Interest Cost	4.92	5.52
Current Service Cost	72.77	76.77
Benefit Paid	(94.93)	(122.11)
Actuarial Gain/Loss	3.35	16.31



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

Particulars	For the year ended March 31, 2022 Rs. in Lakhs	For the year ended March 31, 2021 Rs. in Lakhs
Present value of obligation long term as on 31st March,	79.38	156.12
Present value of obligation short term as on 31st March,	27.33	(35.53)
Net Liability recognized in Balance Sheet as on 31st March	106.71	120.59
<b>2 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Current Service Cost	72.77	76.77
Interest Cost	4.92	5.52
Actuarial (Gain)/Loss recognized in the I.V.P.	3.35	16.31
Expenses Recognized in the statement of Profit & Loss	81.04	98.61
Termination Benefits – Voluntary Retirement Scheme		

\*\* The above said balance is subject to confirmation from LIC Of India.

**Note No. 30.5**

Sensitivity	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
Under based scenario	1373.46	1462.79
Salary escalation (up by 1%)	1446.09	1543.18
Salary escalation (down by 1%)	1306.60	1388.80
Withdrawal rates (up by 1%)	1373.33	1461.82
Withdrawal rates (down by 1%)	1373.58	1463.87
Discount rates (up by 1%)	1307.20	1389.28
Discount rates (down by 1%)	1446.79	1544.18

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act, 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2021-22

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk. The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute Rs. 202.01 Lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation as at 31 March 2022 is 10 years (31 March 2021, 7.18 years)

The expected maturity analysis of un-discounted defined benefit obligation as at 31 March 2022 is as follows :

	Less than a year	Between 1-4 years	Between 4-9 years	Over 9 years	Total
Defined benefit obligation (Gratuity)	202.01	792.20	846.04	1366.29	3206.54

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

*CONT'D.....*



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

## Salary risk

The present value of the defined 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.

Particulars	For the year ended March 31, 2022 Rs. in Lakhs	For the year ended March 31, 2021 Rs. in Lakhs
<b>NOTE 31 : FINANCE COST</b>		
Interest Expenses	981.42	1,131.78
Interest on Loan with below market rate of interest	249.47	386.01
Other Borrowing cost	15.44	15.60
<b>TOTAL</b>	<b>1,246.33</b>	<b>1,533.39</b>
Less:- Interest capitalised	95.92	15.31
	<b>1,150.41</b>	<b>1,518.08</b>

**Note 31.1 : Interest Includes Rs.189.88 Lakhs paid to Managerial Personnel (Previous Year Rs.188.09 Lakhs)**

**Note 31.2: Refer Note No. 39**

## NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation on Tangible Assets	736.81	631.96
Amortization of Intangible Assets	0.14	0.01
	<b>736.95</b>	<b>631.97</b>

## NOTE 33. : OTHER EXPENSES

## (A) Manufacturing / Operating Expenses

Store consumed	554.23	510.78
Power and Fuel	454.01	455.72
Packing & Forwarding	592.05	654.05
Cane & Road Development	88.33	135.12
<b>Repairs:</b>		
Plant and machinery	894.71	1,094.19
Buildings	105.54	102.46
Others	31.85	44.23
	<b>1,032.10</b>	<b>1,240.88</b>
	<b>2,720.72</b>	<b>2,996.55</b>

## (B) Administration Expenses

Rent	29.72	40.27
Rates & Taxes	74.21	128.13
Insurance	44.64	48.25
Travelling & Vehicles	87.84	71.64
Legal & Professional	73.74	75.02
Postage, Telegram and Telephones	9.15	6.32
Stationery & Printing	10.45	13.17
Bank Charges	0.61	3.56
Subscription and Advertisement	14.11	13.41
General Charges 1	155.95	122.85
Directors Fee	7.00	8.00
Directors Travelling	0.23	0.17
Charity & Donations	34.90	-
Bad Debts & Claims written off	105.07	48.98
Fines & Penalties	8.62	11.03
Audit Fee	3.30	3.30
Regulatory Fees	53.60	-

## Loss on Sale &amp; Disposal of :

Fixed Assets	64.50	42.79
Excise Duty/ Export Fees	15.29	35.45
	<b>792.93</b>	<b>672.34</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

Particular	For the year ended March 31, 2022 Rs. in Lakhs	For the year ended March 31, 2021 Rs. in Lakhs
<b>(C) Transportation and Selling Expenses</b>		
Transportation & Selling	200.17	755.71
Commission on Sales	142.02	137.60
Commitment charges paid under contractual agreement	3.70	2.83
	345.89	896.14
<b>Total Other Expenses</b>	<b>3,859.54</b>	<b>4,565.03</b>
<b>33.1 Particulars of Spare Parts and components :</b>		
	% of total consumption	% of total consumption
i) Indigenous	100	733.68
ii) Imported	NIL	NIL
<b>33.2 Auditors' Remuneration :</b>		
<b>(I) Statutory Auditors</b>		
a) For Statutory Audit	3.30	3.30
b) For Quarterly Audit Review Fees	1.00	0.80
c) For Other Services	0.10	-
	<b>4.40</b>	<b>4.10</b>
<b>(II) Cost Auditor</b>		
a) For cost Audit	0.50	0.50
b) Out of pocket Expenses(Travelling Expenses)	0.10	-
	<b>0.60</b>	<b>0.50</b>
For Tax Audit Fees	0.75	0.75
For GST Audit Fees	0.80	0.80
For Certification Fees	0.20	0.15
	<b>1.75</b>	<b>1.70</b>
<b>33.3 Other Information :</b>		
a) Value or imports calculated on CIF basis during the year	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Amount remitted during the year in Foreign Exchange on account of Dividend	NIL	NIL
d) Earning in Foreign Currency	NIL	NIL
<b>NOTE 34: CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
<b>a) In respect of Statutory Liabilities :</b>		
i) Subjudice, Sales tax and Entry Tax including interest thereon	5.53	5.53
ii) Subjudice, Excise Duty and penalty thereon	45.46	45.46
iii) Subjudice, In respect of alleged claim of Stamping fee on vats	55.42	55.42
iv) Subjudice, In respect of fixation of Ethanol price	41.63	41.63
<b>b) In respect of Other Liabilities :</b>		
i) Alleged claim of interest on arrears of late payment of cane price	73.09	73.09
ii) In respect of labour cases in dispute, the amount of which is not ascertainable.		
iii) Bank Guarantees for Rs.37.98 Lakhs in favor of Oil Companies and Government Department (Previous year Rs.103.20 Lakhs)		
c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.58.01 Lakhs against which advance has been paid 58.01 Lakhs.(Previous year Rs. 1316.16 Lakhs).		

NOTE :- The above amount in-respect of contingent liabilities represents best estimates arrived at on the basis of available information as the actual liability can not be predicted accurately and Company has relied upon expert legal advise against the such disputed liabilities.

CONTD.....

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended March 31, 2022**

35 The interest aggregating to Rs.607.19 Lakhs on delayed payment of sugar cane price for sugar seasons 2011-12 to 2014-15 is due for payment in view of the Supreme Court's order no.35113/2017 dated 23.04.2018. The company is contemplating to file a review petition against above mentioned order of Supreme Court. Therefore, no provision has been made for the above mentioned liability of Rs. 607.19 Lakhs and also for Rs. 12351.23 Lakhs relating to the subsequent financial years 2015-16 to 21-22; to that extent the accounts are not maintained on accrual basis.

36 The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has not made provision for this liability for the year ending on 31.03.2015.

37 In view of accumulated losses, and uncertainty of future profitability the Board have decided not to make any further provision for Deferred Tax Assets, though not in line with India Accounting Standard-12.

38 In absence of balance confirmations from certain creditors, included in Trade payable and other payable, other current liabilities, other non-current & current financial assets, Trade Receivables, the Auditors have relied upon the figures appearing in the books of the Company.

39 Interest subvention @ 50 % of rate charged by lenders (subject to maximum of 6 %) by Government of India on loans of Rs. 1640.50 Lakhs availed from banks for distilleries under the "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity". Finance cost shown in note no. 31 is net of interest subvention.

40 The company has reviewed the possible impact of COVID-19 in preparation of the above financial results of the quarter on of year ended March, 2022, including internal and external factors known upto the date of approval of theses results to assess and finalise the carrying amount of its assets and liabilities. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts.

41 The Company has achieved overall distillation capacity of 100 KLPD with enhancement of operations of existing distillery increasing from 70 KLPD to 100 KLPD.

42 During the Financial year the company has taken term loan from DCB, Ghaziabad and PNB, Meerut and the company has utilised the term loan for the specific purpose for which it was taken.

43 All the charge created/modified on the loan taken from banks are duly registered with Registrar of company within prescribed time and there was no delay in filing the forms.

44 The schedule III to the companies act 2013, vide notification dated 24th March 2021 issued by Ministry of Corporate Affairs (MCA) has been amended with effect from 1st April 2021 and these results have been presented giving effect to the said amendment. Accordingly, comparative figures of the previous year/periods have been regrouped/rearranged/reworked/restated wherever applicable/necessary to make them comparable with those of the current period's figures.

45 Income Tax assessments (regular u/s 143(3) have been completed upto the Financial year 2016-2017 (Assessment Year 2017-2018). The Company has gone in appeal against tax demand of certain assessment orders. The Company has been legally advised that in view of expected reliefs, no further provision for income tax liability is required.

**46 Trade receivables ageing schedule for the year ended as on March 31, 2022 & March 31, 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Other Trade receivables, March 31, 2022	1107.53	0.16	1.47	0.01	1109.17
Other Trade receivables, March 31, 2021	729.41	1.47	0.01	-	730.89

**47. Trade payables ageing schedule for the year ended as on March 31, 2022 & March 31, 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Other Trade payables, March 31, 2022	28696.44	426.3	14.04	78.73	29215.51
Other Trade payables, March 31, 2021	27976.32	373.59	33.39	72.99	28456.29

**48. Capital-Work-in Progress (CWIP)**

Particulars	Amount of CWIP for the Period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	7.78	-	-	-	7.78
Projects temporarily suspended	-	-	-	38.15	38.15
<b>Total</b>	<b>7.78</b>	<b>-</b>	<b>-</b>	<b>38.15</b>	<b>45.93</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

**NOTE NO. 49 : RATIOS**

The ratios for the year ended March 31, 2022 and March 31, 2021 are as follows :

<b>Particulars</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>Variance (in %)</b>
1 Current Ratio = Current Assets / Current Liabilities	0.47	0.56	(16.76)
2 Debt Equity Ratio = Total outside Liability / Shareholder's equity	(3.94)	(4.54)	(13.20)
3 Debt Service coverage Ratio = Earnings available for debt service / Interest + Installments	0.14	0.18	(19.20)
4 Return on equity (%) = Net Profit after tax – Preference dividend / Equity shareholder's fund	(13.22)	(13.06)	1.22
5 Inventory Turnover = Revenue from Operations / Average Inventory	2.68	2.63	1.91
6 Trade Receivable Turnover = Credit Sales / Average receivable	50.94	63.57	(19.87)
7 Trade Payable Turnover = Credit Purchase / Average A/c Payable	0.41	0.40	1.37
8 Net Capital Turnover = Sales / Equity shareholder's fund	(3.75)	(4.68)	(19.91)
9 Net Profit (%) = Net Profit/ EAT / Sale	(3.53)	(2.79)	26.38*
10 Return on Capital employed (%) = EBIT or EBIT (1-T) or PAT + Interest / Equity shareholder's fund	(4.14)	(0.67)	518.72*
11 Return on Investment (%) = Return or Profit on earning / Equity shareholder's fund	(13.22)	(13.06)	1.22

\* Decrease in profit has resulted in decline in current year ratio.

As per our report of even date for M.SHARAN GUPTA & CO. Chartered Accountants Firm Registration No. 06340N

M.S. GUPTA  
Proprietor  
Membership No. 084721  
Place : New Delhi  
Date : 30 May, 2022

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTPS8501G)

A.K. JAIN  
Company Secretary  
(M. No. FCS5826)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

*Directors :*  
Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

**NOTE NO. 50. RELATED PARTIES' DISCLOSURES :**

**I Relationship**

<b>A Key Management Personnel : (Directors)</b>	<b>Designation</b>
1. Sh. Rajat Lal	Managing Director
2. Sh. Vivek Viswanathan	Joint Managing Director
3. Sh. Rahul Lal	Joint Managing Director
<b>B Key Management personnel : (Other than Directors)</b>	
1. Mr. G.K. Sharma	Chief Financial Officer
2. Mr. A. K. Jain	Company Secretary
<b>C Relatives of Key Management Personnel : (Directors)</b>	<b>Relation with Key Management Personnel</b>
1. Smt. Poonam Lal	Wife of Shri Rajat Lal
2. Ms. Pooja Lal	Daughter of Shri Rajat Lal
3. Smt. Radhika Viswanathan Hoon	Sister of Shri Vivek Viswanathan
4. Smt. Prarthana Bajaj	Wife of Shri Rahul Lal
<b>D Relatives of Key Management Personnel : (Other than Directors)</b>	
1. Smt. Leena Sharma	Wife of Shri G.K. Sharma
2. Smt. Twinkle Sharma	Daughter of Shri G.K. Sharma
3. Mrs. Daizy Jain	Wife of Shri A.K.Jain
4. Ms. Aditi Jain	Daughter of Shri A.K. Jain
5. Ms. Avni Jain	Daughter of Shri A.K. Jain

**II Transactions of Expense/Income carried out during the year :**

	<b>Remuneration</b>	<b>Directors' Fee</b>	<b>Rent Paid</b>	<b>Interest on Deposits/Loans</b>	<b>Total</b>
	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>A Key Management Personnel (Directors)</b>	115.39	–	–	189.88	305.27
	(114.44)	(–)	(–)	(188.09)	(302.53)
<b>B Key Management Personnel (Other than Directors)</b>	17.94	–	–	–	17.94
	(16.22)	(–)	(–)	(–)	(16.22)
<b>C Relatives of Key Management Personnel (Directors)</b>	–	0.80	–	–	0.80
	(–)	(1.20)	(–)	(–)	(1.20)
<b>TOTAL A+B+C</b>	<b>133.33</b>	<b>0.80</b>	<b>–</b>	<b>189.88</b>	<b>324.01</b>
	(130.66)	(1.20)	(–)	(188.09)	(319.95)

**III Transactions of Loans and Deposits during the year**

<b>Loans</b>	<b>Opening Balance</b>			<b>Closing Balance</b>
	<b>As on 01.04.2021</b>	<b>Received</b>	<b>Repaid</b>	<b>As on 31.03.2022</b>
	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
– Key Management Personnel (Directors)	1,982.89	189.88	198.42	1,974.35
	(2,043.72)	(199.58)	(260.41)	(1,982.89)



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

**Note No. 51. Segment Reporting :**

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

**SEGMENT INFORMATION-BUSINESS SEGMENT :**

**Particulars**

	<b>Sugar</b> <b>Amount Rs. In Lakhs</b>	<b>Alcohol</b> <b>Amount Rs. In Lakhs</b>	<b>Total</b> <b>Amount Rs. In Lakhs</b>
-Segment Revenue including Excise Duty			
External Revenue	44,171.13	7,196.39	51,367.52
	(49,924.56)	(6,789.30)	(56,713.86)
Inter-segment	4,368.55	-	4,368.55
	(1,783.33)	(5.33)	(1,788.66)
<b>Total</b>	<b>39,802.58</b>	<b>7,196.39</b>	<b>46,998.97</b>
	<b>(48,141.23)</b>	<b>(6,783.97)</b>	<b>(54,925.20)</b>
-Segment Result before interest & tax and exceptional item - Profit/Loss(-)			
	(4,978.18)	4,966.64	(11.54)
	(-)(3,320.24)	(3,478.34)	(158.10)
Less : Unallocated expenses (Net of Unallocable Income)			
			490.55
			(290.96)
Less : Finance Charge			1,150.41
Profit/(Loss) (-) before tax & exceptional item			(1,518.08)
			(1,652.50)
Add : Exceptional Item			(-)
Profit/(Loss) (-) before tax			(1,652.50)
			(-)(1650.94)
- Segment Assets	50,550.61	23,502.81	74,053.42
	(54,810.98)	(21,173.99)	(75,984.97)
Unallocated Assets			7,299.55
<b>Total Assets</b>			<b>(7,350.26)</b>
			<b>81,352.97</b>
			<b>(83,335.23)</b>
- Segment Liabilities	42,494.95	4,504.88	46,999.83
	(44,943.91)	(2,455.56)	(47,399.47)
Unallocated Liabilities			2,296.85
<b>Total Liabilities</b>			<b>(2,322.61)</b>
			<b>49,296.68</b>
			<b>(49,722.08)</b>
Segment Capital Expenditure	116.90	3,285.17	3,402.07
	(214.69)	(1,656.99)	(1,871.68)
Unallocated Capital Expenditure			21.01
			(0.61)
<b>Total Capital Expenditure</b>			<b>3,423.08</b>
			<b>(1,872.29)</b>
- Segment Depreciation	329.36	394.79	724.15
	(352.50)	(263.62)	(616.12)
Unallocated Depreciation			12.80
			(15.85)
<b>Total Depreciation</b>			<b>736.95</b>
			<b>(631.97)</b>

51.1 The Company caters only Indian markets.

51.2 Operating segments have been identified on the basis of the nature of products and have been identified as per the quantitative criteria specified in the Ind AS.

51.3 The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

51.4 Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

51.5 Unallocated Assets include Deferred Tax Assets. 51.6 Segment Assets includes Revaluation Surplus on Land.

51.7 Figures in ( ) denote Previous year figures.

As per our report of even date  
for M.SHARAN GUPTA & CO. Chartered Accountants  
Firm Registration No. 06340N

M.S. GUPTA  
Proprietor  
Membership No. 084721  
Place : New Delhi  
Date : 30 May, 2022

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTPS8501G)

A.K. JAIN  
Company Secretary  
(M. No. FCS5826)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

**Directors :**  
Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended **March 31, 2022**

**Note No. 52. Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

**A. Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customers/agents, which mitigate the credit risk to an extent. The ageing of trade receivable is given below:

	<b>Up to 12 months</b>	<b>More than 12 months</b>	<b>Total Amount (Rs.in Lakhs)</b>
As at 31st March , 2022	1107.53	1.64	1109.17
As at 31st March , 2021	729.41	1.48	730.89

**Reconciliation of loss allowance provision**

Following table summarizes the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

<b>Particulars</b>	<b>Rs.</b>
As at April 01, 2021	56.45
Provided during the year	-
Reversal of provision	-
Amounts written off	-
<b>As at March 31, 2022</b>	<b>56.45</b>

**Other financial assets**

<b>Particulars</b>	<b>Rs.</b>
As at April 01, 2021	357.11
Provided during the year	96.94
Reversal of provision	-
Amounts written off	-
<b>As at March 31, 2022</b>	<b>454.05</b>

Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Term deposits are maintained with banks with which Company has also availed borrowings.

Average receivable

**B Liquidity risk :**

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. in Lakhs)

<b>Particulars</b>	<b>As at March 31st, 2022</b>				
	<b>Carrying amount</b>	<b>On demand</b>	<b>0-12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Borrowings	14519.87	6747.13	2067.48	5705.26	14519.87
Trade Payables	29215.51	29215.51	-	-	29215.51
Other financials liabilities	4470.18	-	-	-	4470.18
<b>TOTAL</b>	<b>48205.56</b>	<b>35962.64</b>	<b>2067.48</b>	<b>5705.26</b>	<b>48205.56</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022

(Rs. in Lakhs)

Particulars	As at March 31st, 2021				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	15835.03	8983.63	1600.00	5251.40	15835.03
Trade Payables	28456.29	28456.29	-	-	28456.29
Other financials liabilities	4289.70	4289.70	-	-	4289.70
<b>TOTAL</b>	<b>48581.02</b>	<b>41729.62</b>	<b>1600.00</b>	<b>5251.40</b>	<b>48581.02</b>

**C. Fair value of financial assets and financial liabilities**

Financial instruments measured at fair value can be divided into three levels for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:-

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed credit worthiness.
- Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.
- Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.
- Ind AS 101 allow Company to fair value Property, Plant and Equipment on transition. Company has valued property, plant and equipment as deemed cost.

i) Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements:

(Rs. in Lakhs)

Particulars	As at March 31st, 2022			
	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Trade receivables	1109.17			
Cash and cash equivalents	720.72			
Bank balances	129.94			
Loan-current	0.50			
Other financial assets- non current	154.03		154.03	
<b>Total</b>	<b>2114.36</b>	<b>0.00</b>	<b>154.03</b>	<b>0.00</b>
<b>Financial Liabilities at amortised cost</b>				
Borrowings - non current	5077.88			5077.88
Borrowings - current	9441.99	9441.99		
Trade Payables	29215.51			
Other financial liabilities- current	4470.18			
<b>Total</b>	<b>48205.56</b>	<b>9441.99</b>	<b>0.00</b>	<b>5077.88</b>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

(ii)

(Rs. in Lakhs)

Particulars	As at March 31st, 2021			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	730.89			
Cash and cash equivalents	681.43			
Bank balances	172.51			
Loan-current	0.50			
Other financial assets- non current	489.28		489.28	
<b>Total</b>	<b>2074.61</b>	<b>0.00</b>	<b>489.28</b>	<b>0.00</b>
<b>Financial Liabilities at amortised cost</b>				
Borrowings - non current	4715.52		4715.52	
Borrowings - current	11119.51			
Trade Payables	28456.29			
Other financial liabilities- current	4289.70			
<b>Total</b>	<b>48581.02</b>	<b>0.00</b>	<b>4715.52</b>	<b>0.00</b>

Note :- During the year ended 31st March 2022 & 31st March 2021 there is no transfer between the Level 1 and Level 2

**NOTE NO. 53. CAPITAL MANAGEMENT**

There has not been any change in its objectives, policies and processes for managing capital from previous year. The Company is not subject to any externally imposed capital requirements.

Particulars	As At 31.03.2022 Rs. in Lakhs	As At 31.03.2021 Rs. in Lakhs	Change In %
Total equity attributable to equity shareholders	-12502.85	-10945.99	-0.14
Borrowings	14519.87	15835.03	0.08
<b>Total Capital</b>	<b>2017.02</b>	<b>4889.04</b>	<b>-0.06</b>
Total equity attributable to equity shareholders As percentage of Total Capital	-6.2	-2.24	
Total Borrowing as percentage of Total Capital	7.2	3.24	

**NOTE NO. 54. MARKET RISK**

The Company is exposed to the risk of movements in interest rates, inventory price that affects its assets, liabilities and future transactions.

**i) Interest rate risk**

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. The Company's borrowings are linked to base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Particulars	As at 31st, March 2022	As at 31st, March 2021
Total debt as at the end of the year	14519.87	15835.03
Average annual utilisation of debts at floating rate of interest (%)	97%	96%
Average availment of borrowings at floating rate of interest	7708.67	7000.74
Impact of 1% interest rate variation	77.09	70.01



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### ii) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

(Rs.in Lakhs)

Particulars	As at 31st, March 2022	As at 31st, March 2021
Sugar inventory held (Qtl. In Lakhs)	3.89	4.91
Impact of sugar price variation by Rs. 100/Qtl.	389.00	491.00

### iii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and State governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy. However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risks are moderated by not eliminated.

### iv) Commodity price risk

Sugar prices are market driven and sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by products.

### NOTE NO. 55.

“The net worth of the company has since been eroded on account of operational losses, incurred by the company upto the F.Y. 2014-15, which was basically on account of low recovery of sugar from sugarcane. Whereas on account of improvement in the sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. The company has also reported profit during the year ending on 31.03.2020 Rs.384.91 Lakhs as compare to loss Rs. 1410.62 Lakhs during the year ending on 31.03.2021. The company is continuously striving for improvement in the operational efficiencies in other parameters. The company continue to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, increase of production of alcohol through using B heavy molasses, reduction of overheads, finance and other cost. The Government has taken different measures to improve the financial health of Sugar industry to fix obligation for export of sugar (MIEQ-minimum indicative export quota) to reduce sugar availability, fixation of minimum support price(MSP) for sugar. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. As such the company will remain as a going concern and is likely to pay its liabilities including cane dues from expected generation of cash flow. However the accumulated losses of the company as at 31.03.2022 were Rs.13027.85 Lakhs (excluding revaluation reserve) as against the paid up capital of Rs. 525.00 Lakhs.

### Note No. 56.

Certain previous year figures have been rearranged to make them comparable with current figures.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2022

**NOTE NO. 57: STATEMENT OF CASH FLOW**

	<b>For the year ended March 31, 2022 (Rs. in Lakhs)</b>	<b>For the year ended March 31, 2021 (Rs. in Lakhs)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account	(1,652.50)	(1,650.94)
Adjustments for :		
Depreciation	736.95	631.97
Interest (Net)	1,119.55	1,315.08
Bad debts & claims written off (Net)	105.07	48.98
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	64.50	42.79
Unclaimed Credit Balances Written Back	(0.07)	(0.27)
Stores Written off	-	-
Operating Profit before working capital changes	373.50	387.61
Adjustment for :		
Trade and other receivables	2,768.83	(2,873.25)
Inventories	1,423.03	2,700.83
Trade Payables	1,092.59	5,171.96
Cash generated from operations	5,657.95	5,387.15
Interest paid	(651.66)	(808.68)
Direct tax paid (Net)	(26.34)	11.29
Net Cash from operating activities	4,979.95	4,589.76
<b>B. CASH FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets (including Intangible Assets)	(3,423.08)	(1,856.98)
Capital Advance	368.39	(333.40)
Sale of fixed assets	-	-
Interest received	19.63	197.33
Net Cash used in investing activities	(3,035.06)	(1,993.05)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from fixed Deposit/Directors Loan	(8.56)	(60.82)
Proceeds from Term Loan/Repayment of Finance Liability	(1,404.83)	(1,592.04)
Interest paid	(492.21)	(611.56)
Net Cash used in Financing Activities	(1,905.60)	(2,264.42)
Net increase in Cash and Cash equivalents	39.29	332.29
Opening balance of Cash and Cash equivalents	681.43	349.14
Closing balance of Cash and Cash equivalents	720.72	681.43

Note : Figures in ( ) denote Cash Outgo

As per our report of even date  
for M.SHARAN GUPTA & CO.  
Chartered Accountants  
Firm Registration No. 06340N

M.S. GUPTA  
Proprietor  
Membership No. 084721  
Place : New Delhi  
Date : 30 May, 2022

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTPS8501G)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

A.K. JAIN  
Company Secretary  
(M. No. FCS5826)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

RAJAT LAL  
Managing Director  
(DIN : 00112489)

Directors :  
Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

Particulars	2021-22	2020-21
Current Assets	19979.10	24247.90
Current Liability	42909.27	43351.16
Total Outside Liability	<b>49296.68</b>	<b>49722.08</b>
<b>Shareholder Equity</b>	<b>-12502.85</b>	<b>-10945.99</b>
<b>Earnings available for debt service</b>		
Profit / Loss after Tax	-1652.50	-1429.25
<b>Earnings available for debt service</b>	<b>388.99</b>	<b>796.97</b>
<b>Interest + Installment</b>	<b>2734.97</b>	<b>4527.48</b>
<b>Average Inventory</b>	<b>17471.34</b>	<b>19462.80</b>
<b>Credit Sales (Both)</b>	<b>46864.19</b>	<b>51227.06</b>
<b>Average Receivable (Both)</b>	<b>920.03</b>	<b>805.86</b>
Credit Purchase	11889.40	11423.56
Average Payable	28835.90	26543.32
<b>Revenue</b>	<b>46864.19</b>	<b>51227.06</b>
Profit after Tax and Interest	-517.53	73.23



**SIR SHADI LAL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2022