

## INDEX

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## NOTICE

NOTICE is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of the company is to be held on Thursday, the 22<sup>nd</sup> day of December, 2022 at 11.30 a.m. through Video conferencing (VC) or Other Audio Visual Means (OAVM) and the deemed venue for the AGM shall be at the registered office of the company at Village Banondi, PO: Shahzadpur, Teh. Naraingarh, Distt. Ambala, Haryana to transact the following business(s):

### ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Audited Financial Statements of the company for the financial year ended on March 31, 2022 along with the Director's and Auditor's report thereon.
2. To appoint a director in place of Mr. Sandeep Singh (DIN: 07275838) who retires by rotation and being eligible, offers himself for re-appointment as a director.
3. **Appointment of Statutory Auditors of the company**

*To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:*

**"RESOLVED THAT** pursuant to be provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors rules), 2014, as amended from time to time, M/s PK Vasudeva and Company, Chartered Accountants (Membership No. 013787), be and are hereby appointed as the statutory auditors of the Company, to hold office for a tenure of five years from the conclusion of 29<sup>th</sup> Annual General Meeting ('AGM'), till the conclusion of the 34<sup>th</sup> AGM of the Company to be held in year 2027, at such remuneration plus tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

4. **Appointment of Mr. Manoj Kumar Das as an Independent Director.**

**To consider and, if thought fit, to pass the following Resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Manoj Kumar Das (DIN: 07693956), who qualifies for being appointed as an Independent Director and , being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from 28th November, 2022 to 27th November, 2027."

5. **Appointment of Mr. Rayappa Ramappa Hanchinal s an Independent Director.**

**To consider and, if thought fit, to pass the following Resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Hanchinal RR (DIN: 08138621), who qualifies for being appointed as an Independent Director and , being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from 28th November, 2022 to 27th November, 2027."

**6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023.**

*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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], the remuneration payable to M/s Khushwinder Kumar & Co., Cost Accountants having Firm Registration No. 100123, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2023, amounting to Rs. 45,000/- (Rupees Forty-Five Thousand only) (plus all applicable taxes and reimbursement of out of pocket expenses), be ratified.**FURTHER RESOLVED THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

Date: 05.09.2022  
Place: Naraingarh

By the order of Board of Directors  
**Naraingarh Sugar Mills Limited**

**SANDEEP SINGH GHUMAN**  
Whole Time Director  
DIN: 07275838

## NOTES:-

1. In view of global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022 (collectively referred to as "MCA Circulars") read with Securities and Exchange Board of India ("SEBI") circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/ OAVM on Thursday, the 22<sup>nd</sup> day of December, 2022 at 11.30 a.m. (IST) and the deemed venue for the AGM is Registered Office: Village Banondi, PO: Shahzadpur, Teh. Naraingarh, Distt. Ambala, Haryana.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. Members as on the cut-off date of 15<sup>th</sup> December, 2022 shall only be entitled for availing the remote e-voting facility and e-voting facility during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice for information purposes only and attend the AGM through VC/OAVM and shall not be entitled to any voting rights.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a Certified True Copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf to the scrutiniser by email to [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com). The authorized representative(s) shall enjoy all the rights of a Member for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC/ OAVM.
5. A person can be an authorized representative of more than one Body Corporate. In such a case, he is treated as more than one Member present in person for the purpose of the quorum.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Additional Information required to be furnished under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards- 2 with respect of the Director(s)/Manager seeking appointment/re-appointment at the AGM has been furnished and forms a part of the notice and has been given in the explanatory statement. The director(s)/manager have furnished the requisite consents/declarations for their appointment/re-appointment.
8. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
9. We will be publishing a Public Notice by way of advertisement in Times of India and Punjab Kesari with the suitable details of the ensuing Annual General Meeting.
10. The Company has engaged the service of Central Depository Services (India) Limited, for assisting the Members for casting of votes by remote e-voting as well as the e-voting system on the date of the AGM and VC facility shall also be provided by CDSL.
11. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
12. Since the AGM is held through VC/ OAVM, the Route Map is not annexed in this Notice.
13. The facility of participation at the AGM through VC/ OAVM will be made available to maximum 1000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson 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.
14. **Electronic Dissemination of Notice & Annual Report:** Soft copy of this Annual Report and the AGM Notice are being sent to those Members whose e-mail IDs are registered with the Company/Depository Participant(s). Members who have not registered their e-mail IDs may get the same registered by sending an e-mail to the Company's Registrar, providing necessary details like Folio No./DPID, Client ID, name and address, scanned copy of the share certificate (front and back) or Client Master Copy, self-attested scanned copy of PAN card and AADHAAR Card.
15. In accordance with the MCA Circulars and relaxation granted by SEBI Circular, hard copy of the Annual Report and the AGM Notice will neither be posted nor made available through courier / postal delivery. Members may also note that the Annual Report and the AGM Notice are available on the Company's website: <https://www.naraingarhsugarmillsltd.com>. Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at [www.evotingindia.com](http://www.evotingindia.com).
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with

whom they are maintaining their Demat accounts. Members holding shares in Physical Form can submit their PAN details to the Company.

**17. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on 19<sup>th</sup> December, 2022 at 9.00 a.m. and ends on 21<sup>st</sup> December, 2022 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th December, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
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<p>Individual Shareholders holding Securities in Demat Mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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</li> </ol>

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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 meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](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 steps given below:-

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of Naraingarh Sugar Mills Limited.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only:-**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](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@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.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 scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@nsmil.in](mailto:cs@nsmil.in)., if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM 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 e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs@nsmml.in](mailto:cs@nsmml.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs@nsmml.in](mailto:cs@nsmml.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

18. **Inspection of Documents:-** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [cs@nsmml.in](mailto:cs@nsmml.in).

19. CS. Kanwaljit Singh (COP No. 5870 and M. No. 5901), Company Secretaries, Chandigarh, 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.
20. During the 29<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 29<sup>th</sup> AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 29<sup>th</sup> 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 29<sup>th</sup> AGM.
21. The Scrutinizer shall after the conclusion of e-voting at the 29<sup>th</sup> 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 48 (forty eight) hours from the conclusion of the 29<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.
22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 6**

The Board of the Directors of the company, approved the appointment of M/s Khushwinder Kumar & Co, Cost Accountants, having Firm Registration No. 100123, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023. The Board of Directors has recommended a remuneration of Rs. 45,000/- (Rupees Forty Five Thousand Only) plus applicable taxes and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of a Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023.

None of the Directors, key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

**Additional Information on Directors seeking Re-appointment at the 29<sup>th</sup> Annual General Meeting [Pursuant to Regulation 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and (SS - 2 Secretarial Standards on General Meetings)**

<b>Name of Director</b>	<b>Mr. Sandeep Singh</b>
Director Identification Number (DIN)	07275838
Date of appointment	Original Appointment: 14.08.2015 Date of current re-appointment: 17.10.2020
Age	40 Years
Expertise in specific functional areas	Accountancy and finance; Business planning and strategic operations
Qualification	Graduate
Directorship in Listed Companies	Nil
Committee Membership (Other than NSML)	Nil
No. of Board Meetings of Naraingarh Sugar Mills Limited attended during FY 2021-22	Board Meetings held - 8 Board Meetings attended - 8
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	Nil
Shareholding in Naraingarh Sugar Mills Limited	Nil

**Item No. 4 and 5**

Brief details of Mr. Manoj Kumar Das and Dr. Hanchinal RR are given below:

**Mr. Manoj Kumar Das**

Mr. Manoj Kumar Das is MBA from Punjab University, Chandigarh. He has done Bachelor of Engineering in

production from Lukhdhirji Engineering College Morvi Gujarat. He has led many projects at IIE, NERAMAC and NEDFI as team leader with quick decision making ability. Currently he is working as Independent Director with GNRC Limited and is associated with some trust as trustee.

<b>Name of Director</b>	<b>Manoj Kumar Das</b>
DIN	07693956
Date of Appointment	28-11-2022
Age	60
Expertise in specific functional area	Led many projects at IIE, NERAMAC and NEDFI as team leader
Qualification	MBA, Bachelor in Engineering
Directorship in listed company	NIL
Committee membership other than NSML	1
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	NIL
Shareholding in Naraingarh Sugar Mills Limited	NIL

### **Dr. Hanchinal RR**

Dr. RR Hanchinal is Ph.d (Agriculture) and he is B.sc and M.sc in (Agriculture). He specializes in Agriculture crop improvement, Seed production technology and plant genetic resource management. He is working as independent director in Mahindra HZPC and Kaveri seed company limited.

<b>Name of Director</b>	<b>Rayappa Ramappa Hanchinal</b>
DIN	08138621
Date of Appointment	28-11-2022
Age	70
Expertise in specific functional area	Agriculture crop improvement, Seed production technology and plant genetic resource management.
Qualification	Ph.d- Agriculture
Directorship in listed company	1
Committee membership other than NSML	2
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	NIL
Shareholding in Naraingarh Sugar Mills Limited	NIL

## DIRECTORS' REPORT

To  
The Shareholders of  
**Naraingarh Sugar Mills Limited**

Your directors are pleased to present the 29<sup>th</sup> Annual report of your company along with audited annual accounts of the company for the period ended 31st March, 2022.

### OPERATIONS & FINANCIAL RESULTS

Particulars	(Amount in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Income from operations		
Net sales/income from operations	20613.94	21714.47
Other operating Income	0.84	3.96
Other Income	728.92	1.04
Total Income	21343.70	21719.47
Total expenses ( excluding Depreciation and Finance costs)	18353.96	20824.55
EBIDTA	2989.74	894.92
Depreciation and Amortisation	1063.72	1176.35
Finance costs	3038.80	2867.73
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(1112.78)	(3149.16)
Other Comprehensive Income/(Loss)	0.31	0.00
Profit / (Loss) from ordinary activities before tax	(1112.47)	(3149.16)
Tax expense/ Deferred Tax	(285.64)	(1236.88)
Net Profit / (Loss) from ordinary activities	(826.83)	(1912.27)

### OPERATIONS

During the year under review, there was a dip in the company's performance due to softening in the sugar prices due to domestic surplus, increase in State Administrative Price of Sugarcane by the State Government and reduction of Co-generation tariffs.

During the financial year, due to non-payment of dues of cane growers within time the mill is being supervised by the government. The company had no effective Board of Directors during the financial year and the operations were supervised by the State Government of Haryana.

Further, consequent upon the aforesaid development and inadequate number of directors in the company, all the statutory and regulatory committees constituted by the Board of Directors, under the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 stood dissolved and the Finance Department of the State Government of Haryana constituted an Audit Team for a period of one year starting from 20.05.2021 to 31.05.2022, to conduct Audit of the company including

Forensic Audit required under the technical guidance and support of Principal Accountant General (Audit) Haryana.

The Audit team constituted includes one Joint Director, one Senior Auditor and two Auditors.

### **DIVIDEND**

The Board of Directors has not recommended any dividend to be declared for the financial year 2021-22 in view of the losses suffered by the company.

### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the financial year ended 31<sup>st</sup> March, 2022, no entity became or ceased to be the Subsidiary, Joint Venture or Associate of the Company.

### **TRANSFER TO RESERVES**

Entire amount of Net loss of Rs. 826.83 Lakhs for the financial year 2021-22, has been transferred to Surplus account, which appears under the head “Reserves and Surplus.” No amount has been transferred to any other reserves.

### **SHARE CAPITAL**

The authorized share capital of the company at the end of the Financial Year 2021-22 was Rs. 30,00,00,000/- (Rupees Thirty Crores) comprising of 2,10,00,000 equity shares of Rs. 10/- each and 90,00,000 Redeemable Preference Shares of Rs. 10/- each.

The Issued, subscribed and paid-up share capital of the company comprise of 2,03,12,200 equity shares of Rs. 10/- each (including calls in arrears amounting to Rs. 1,29,41,000/-) and 21,77,251 (12%) Redeemable Non-Cumulative Preference Shares of Rs. 10/- each.

There were no changes in the share capital of the company during the financial year 2021-22. There were no instance of bonus issue, right issue, ESOP, buy back of share or issue of shares with differential voting rights during the year.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and till the date of this Report.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in nature of business of the Company during the financial year 2021-22.



## **CASH FLOW STATEMENT**

The Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2022 prepared in accordance with Accounting Standard -3, 'Statement of Cash Flows' is attached and forming part of the financial statements of the Company.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company laid down a framework and programme for familiarization of Independent Directors, which may be accessed on the Company's website [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com).

As apprised above, the company had no active Independent Director on the Board during the financial year. Hence no familiarization programmes were conducted during the year.

## **SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

The company does not have any subsidiary, associate or joint venture company. The provisions regarding disclosure of the performance of the entities are not applicable.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Board Composition**

As apprised above, as on 31<sup>st</sup> March 2022, the company did not have an effective Board of Directors. The composition of the Board was deficient in terms that the company had only 2 directors namely Mr. Sandeep Singh (DIN: 07275838) being the Whole Time Director and Ms. Grupsi (DIN: 08788588) a non- executive Independent Woman Director.

The detailed section on 'Board of Directors' is given in the 'Report on Corporate Governance' forming part of the Annual Report.

During the financial year, Mr. Yogesh Jain served his resignation as an Independent director with effect from 28.09.2021. Further, Mr. Manish Jain, Independent Director of the company also served his resignation from the office of Independent Director on 22.03.2022 before completion of their tenure.

### **Declaration by Independent Directors**

As apprised above, the company had no active Independent Director on the Board during the financial year. Hence no such declaration was received from any director during the year.

The Board of Directors have co-opted Mr. Manoj Kumar Das and Mr. Rayappa Ramappa Hanchinal as Additional Independent Directors of the company with effect from 28<sup>th</sup> November, 2022. Both the directors are proposed to regularized and appointed as Independent Directors for their first tenures of 5 years each.

The Board is of the opinion that both the directors are qualified and competent to be appointed as Independent Directors of the company.

### **Retirement by rotation and subsequent re-appointment**

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. Accordingly, Mr. Sandeep Singh (DIN: 07275838) Whole Time Director of the Company, liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered his candidature for re-appointment. This shall not constitute a break in his office as the Whole Time Director of the Company.

### **Brief Resume of the Directors being appointed/re-appointed**

As required under Regulation 36 of the SEBI Listing Regulations, the brief resume of the Director being re-appointed, the nature of their expertise in specific functional areas, names of Companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding, etc. are form part of the Notice calling AGM of the Company.

During the financial year under review, no director was appointed/ re-appointed in the company.

### **DETAILS OF MANAGING BODY AND KEY MANAGERIAL PERSONNELS**

The details of the managing body of the company as per the orders of the State Government of Haryana and the Key Managerial Personnel's (KMPs) in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, read with rules framed thereunder.

<b>S. No.</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
1.	Mr. Sandeep Singh	Whole Time Director	14.08.2015
2.	Ms. Misha Nahal	Company Secretary	29.12.2021
3.	Mr. Abhimanyu Singh	Chief Financial Officer	20.01.2022
4.	Mr. V K Singh	Unit Head	-

### **MANAGEMENT COMMITTEE**

Due to non-payment of cane growers within time the mill is being supervised by government.

### **POLICY ON REMUNERATION OF DIRECTORS, KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

The remuneration paid to the Executive Directors is in accordance with the Nomination and Remuneration Policy of the company formulated in accordance with Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined below:

- To identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
- 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 for the directors, key managerial personnel, Senior Management Personnel of the Company.
- To formulate the criteria for evaluation of performance of independent directors and the board of directors.
- To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining whether to extend or continue the

term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- To recommend to the Board on all remuneration in whatever form, payable to the Directors, KMPs and Senior Management.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.

The Nomination and Remuneration policy is available on the website of the Company at the web-link <https://www.naraingarhsugarmillsltd.com/criteria-of-making-payments-to-non-executive-directors.php>.

### **NUMBER OF BOARD MEETINGS AND MANAGEMENT COMMITTEE MEETINGS**

During the year under review, 8 (Eight) meetings of the Board or the management committee constituted by the State Government of Haryana were convened and held. Details and attendance of such Board meetings and management committee meetings are mentioned hereunder and also stated in the Corporate Governance Report:

<b>S. No</b>	<b>Date</b>	<b>Number of members Present</b>
1	24.06.2021	02
2	12.08.2021	02
3	02.09.2021	02
4	15.10.2021	01
5	21.12.2021	01
6	29.12.2021	04
7	20.01.2022	04
8.	29.03.2022	07

### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Since the composition of the Board was deficient and there were no effective Board procedures as per Companies Act, 2013 or LODR Regulations, no such performance evaluation was carried out during the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and the Directors have made judgements 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 31 March 2022 and of the Profit and Loss of the Company for the year ended on that date;

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts of the Company have been prepared on a going concern basis;
- Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 read with rules framed thereunder, the details of activities in the nature of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as ‘**Annexure-2**’ and forms part of this report.

### **PARTICULARS OF REMUNERATION OF DIRECTORS AND KMPs**

The information as per Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report is attached as **Annexure-1**.

The disclosure as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this Report. That annexure is not being sent to the Members and others entitled to this Report and the financial statements, as provided in Section 136 (1) of the Companies Act, 2013. Any member interested in obtaining a copy of the said Annexure may write to the Company Secretary at [cs@nsml.in](mailto:cs@nsml.in).

### **ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed on the website of the Company and can be accessed at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com).

### **AUDITORS AND AUDITORS’ REPORT**

#### **I.) STATUTORY AUDITORS**

In the ensuing AGM, M/s P K vasudeva and Co. Chartered Accountants (Membership No. No.013787) are being re-appointed as the Statutory Auditors of the company for a tenure of five years from the

conclusion of the ensuing AGM to hold office up to the conclusion of AGM to be held in the year 2027.

The Auditors have given their consent for appointment and have confirmed that their appointment, if made would be within the limits prescribed under the act.

## **II.) SECRETARIAL AUDITORS**

As required under Section 204(1) of the Companies Act, 2013 read with rules framed thereunder, the Company has appointed CS Ajay K. Arora, Practicing Company Secretary (M. No. 2191 & C.P. No. 993), to conduct the Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report submitted by CS Ajay K. Arora in the prescribed form MR- 3 is attached as ‘**Annexure-3**’ and forms part of this Report. The Secretarial Audit report contains certain observations and adverse remarks. Such adverse remarks and the management reply thereof are enclosed with this report as ‘**Annexure-3A**’.

## **III.) COST AUDIT**

As per the provisions of Section 148 read with the Cost Audit Rules, the company has appointed M/s Khushwinder Kumar & Co., Cost Accountants as the Cost Auditors of the company for the FY 2021-22.

## **CORPORATE GOVERNANCE**

A report on corporate governance together with the Certificate from M/s. A. Arora & Co, Company Secretaries, confirming compliance with corporate governance norms as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis, which also covers the state of the Company's affairs, forms a part of this report.

## **INTERNAL FINANCIAL CONTROL SYSTEM**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and commensurate with the size, scale and complexity of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the in- house internal audit department and the observations, corrective and preventative actions are reviewed by the management and Audit committee of the Board of Directors.

During financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Companies Act, 2013, re-emphasizes the need for an effective Internal Financial Control System in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board Report.

To ensure effective Internal Financial Controls, the Company has laid down the following measures:-

- The Company's books of accounts are maintained in ERP and transactions are executed through ERP setups to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.
- The Company is having in place a Risk Management framework.
- The Company is having in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of Secretarial functions is ensured by way of Secretarial Audit.
- Compliance relating to Internal Control System of the Company is ensured by way of Internal Audit.

## **RISK MANAGEMENT**

The primary objective of risk management is to protect the Company against risks to the value of the business, its capital and its continuity. In order to achieve the objective and for better governance, the Company has adopted a Risk Management Policy. The Policy sets out key risk areas - financial risks (including risk to assets), legislative and regulatory risks, environmental risks (including natural disasters), operational risks (markets, production, technology, etc.), risks relating to employment and manpower, and individual large transactional risks.

## **DISCLOSURE ON DEPOSITS UNDER CHAPTER V**

The Company has neither accepted nor renewed any Deposits during the Financial Year 2021-22 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.

## **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place 'Policy for Prevention and Redressal of Sexual Harassment' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (hereinafter referred "as the said act") and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC') at the Registered Office, Works to deal with the Complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

Further, as per the provisions of Section 21 & 22 of the said Act, the Report on the details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:-

Sr. No.	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end of the financial year under review
-NIL-			

### **DEPOSITORY SYSTEMS**

The Company has established connectivity with both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has appointed M/s Alankit Assignments Limited, its Registrar and Share Transfer Agent across physical and electronic alternative.

### **PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Particulars of loans, guarantees, investments and securities provided by the company as on March 31, 2022 have been provided in the Financial Statements which forms part of the Annual Report. During the financial year 2021-22, the company has not given any loans or extended any guarantee or security to any other entity, in terms of the provisions of section 186 of the Companies Act, 2013.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

The company did not enter into any related party transactions as per the provisions of Companies Act, 2013 and the LODR Regulations.

The Company has formulated a policy on dealing with related party transactions which is posted on the website of the Company at the web link <https://www.naraingarhsugarmillsltd.com/policy-on-dealing-with-related-party-transactions.php>.

### **DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

The Company has in place a Vigil Mechanism/ Whistle Blower Policy, in terms of provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014. The Company's personnel have direct access to Mr. Sandeep Singh, Whole-Time Director, nominated by the Board of Directors of the company to play the role of the Audit to report concerns about unethical behavior (actual or suspected), frauds and other grievances. No personnel of the Company have been denied access to the said Director. Adequate safeguards are being provided against victimization of whistle blowers availing of such mechanism.

Whistle Blower Policy of the Company is posted on the website of the Company at the web-link: <https://www.naraingarhsugarmillsltd.com/details-of-establishment-of-vigil-mechanism-whistle-blower-policy.php>.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.



There are three cases registered against the Naraingarh Sugar Mills Limited by Union bank of India and IREDA and Haryana Co-Operative Bank in NCLT Chandigarh for which the orders are still pending.

### **SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards - 1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India and approved by the Central Government.

### **INDUSTRIAL RELATIONS**

Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums.

### **SAFETY, HEALTH AND ENVIRONMENT**

The Company continues to demonstrate strong commitment to safety, health and environment which have been adopted as core organizational values. The Company assures safety and facilities in accordance with statutory and regulatory requirements. Employees are continuously made aware of hazards/ risks associated with their job and their knowledge and skills are updated through requisite training to meet any emergency. Medical and occupational check-ups of employees and eco-friendly activities are promoted. The Company does not produce any kind of hazardous waste.

### **TRANSFER OF UNCLAIMED DIVIDEND TO IEPF**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

During the FY 2021-22, there is no such amount with respect to Unclaimed Dividend, which is required to be transferred to Investor Education and Protection Fund (IEPF)

### **TRANSFER OF SHARES TO IEPF**

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account').

During FY 2021-22, there were no shares which are required to be transferred to IEPF Account.

### **GENERAL DISCLOSURE**

During the year under review:

- The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of Companies Act, 2013 and Rules made thereunder.

- The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company pursuant to the provisions of Section 67 of Companies Act, 2013 and Rules made thereunder.
- The Company has not bought back its shares, pursuant to the provisions of Section 68 of Companies Act, 2013 and Rules made thereunder.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 are not applicable to the company during the financial year 2021-22.

### **SUM DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES**

As on March 31, 2022 a sum of Rs. 49.56 Lakhs was payable towards Principal amount and the interest due thereon remaining unpaid to MSME supplier.

### **ACKNOWLEDGEMENT**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its appreciation to all employees in the Company, for their sustained efforts and immense contribution to the good levels of performance and growth that the Company has achieved during the financial year under review.

Your Directors also place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, Government as well as non- government authorities, customers, vendors, and members during the financial year under review.

Date: 05.09.2022  
Place: Naraingarh

By the order of Board of Directors  
**Naraingarh Sugar Mills Limited**

**SANDEEP SINGH GHUMAN**  
Chairman & Whole Time Director  
DIN: 07275838

**Annexure -2 to Director's Report**

Disclosure of Particulars in respect of conservation of energy and technology

**A. Conservation of energy**

- (a) The company has installed most modern equipment in the plant in order to minimize energy consumption.
- (b) The company does not allow wastage of energy and resources.
- (c) Every department has been given different electric connections which are used only at the time of need. In the absence of staff all the electrical appliance are put off.

<b>Power and Fuel Consumption</b>			
<b>1</b>	<b>Electricity:</b>	<b>Current Year (2021-22)</b>	<b>Previous Year (2020-21)</b>
a)	Purchased Unit (Nos.)	Nil	Nil
b)	Amount (Rs.)	Nil	Nil
c)	Rate per unit (Rs.)	Nil	Nil
	<b>Own Generation</b>		
	i) Through Diesel Gen. Set		
	Unit (Nos.)	7684.1	16031.25
	Unit per liter of Diesel oil	2.73	2.85
	Diesel rate per unit (Rs.) @ 81.57	35.95	28.62
	ii) Through Steam Turbine		
	Generation unit	49467099.6	105994598.6
	Unit per Tonne of fuel	379.76	463.22
	Rate/Unit	6.72 & 6.90	6.54 & 6.72
	(Being Generated out of Steam required for process)		
<b>2</b>	Bagasse Quantity		
	(Quantity M.T.)	130260.3	152116.60
	Total Cost (Rs. In lacs)	3360.72	4998.56
	(Estimated due to own generation		
	Average Rate (Rs.)	2580	2965
<b>3</b>	Consumption per unit of Product		
	Electricity (KW/MT)	264.09	247.48
	Bagasse (MT/MT)	2.5	2.574

**B. TECHNOLOGY ABSORPTION**

- 1) The company is regularly carrying on activities of development of sugarcane in the area.
- 2) Agricultural implements, fertilizers, pesticides and cane seeds are supplied to the cane growers on loan basis and at subsidized rates.
- 3) Expenditure incurred on R & D – Nil
- 4) Total Expenditure as %age of Turnover – Nil
- 5) Technology absorption, adoption and innovation.
  - (a) The company has adopted latest technology in the plant to maximize production, yield, better quality and to minimize consumption of energy.
  - (b) Technology imported during last five years – Nil

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

The company has not done any transactions in foreign exchange.

Date: 05.09.2022  
Place: Naraingarh

By the order of Board of Directors  
**Naraingarh Sugar Mills Limited**

**SANDEEP SINGH GHUMAN**  
Chairman & Whole Time Director  
DIN: 07275838

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 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,  
Naraingarh Sugar Mills Limited,  
Village: Banondi, Tehsil: Naraingarh,  
Ambala, Haryana.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NARAINGARH SUGAR MILLS LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the NARAINGARH SUGAR MILLS LIMITED’S books, papers, forms, and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents, and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder, except to the extent of events of non- compliances as listed in this report, and also that the Company has no proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, forms and returns filed and other records maintained by NARAINGARH SUGAR MILLS LIMITED (“the Company”) for the financial year ended on March 31, 2022 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.

- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
- f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, being listed on BSE Limited. (The trading of the company's shares stands suspended on BSE Limited for last several years and the company's online portal on BSE has been deactivated. Hence, some of the periodical submissions to the stock exchange are made through e-mails to BSE instead of uploading on the portal).

During the period under review the Company has generally complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above except to the extent of events of non-compliances as listed in this report.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is constituted with one Executive Director and one Non-Executive Independent Director. *However, Mr. Yogesh Jain, Independent Director of the company, who resigned from the company on 28.09.2021, was declared disqualified under Section 164(2) of the Companies Act, 2013 and pursuant to the Writ Petition filed by the Director before the Hon'ble High Court of Punjab and Haryana, his disqualification as directors has been stayed by the High Court and his DIN has also been activated. Further, the company has been advised to register its directors on the independent director databank as per the provisions of section 150 of the Companies Act, 2013.*

*The composition of the Board of Directors was deficient and not in compliance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*As informed by the management, the company has re-appointed Ms. Sandeep Singh as the Whole Time Director for another term of 3 years w.e.f. 17.10.2020. The company being in default of repayment of loans from financial institutions during the financial year, is yet to obtain the approval/ consent of such financial institutions for the said re-appointment and payment of remuneration of the whole-time director as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013*

*Ms. Grupsi (DIN: 08788588) represented as one of the Independent Directors of the company has not attended any meetings of the Board/ Management Committee.*

*During the financial year, the operations and management of the company had been supervised by the State Government of Haryana. Consequently, the company had no effective Board of Directors during the financial year and the operations were run through a Management Committee constituted by the State Government of Haryana.*

*The company is yet to file the necessary returns for changes in the composition of the Board of Directors with the Registrar of Companies.*

2. As per the representation made by the management, adequate notice is given to all directors, including the ex-officio directors, to schedule the Meetings, agenda and detailed notes on agenda were sent, 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.

*However, no documentary evidences of circulation of these documents in compliance with the Secretarial Standards has been maintained by the company.*

3. All decisions are carried out through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has no proper board processes on account of deficient composition of the Board and the takeover of the operations and the management of the company by State Government of Haryana and composition of a committee vide its order dated 07.01.2020.

I further report that during the audit period:

1. *The official website as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not yet updated for all the prescribed contents and there are several irregularities in compliance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including but not limited to approval of the periodical financial results and allied periodic filings and submissions with the Stock Exchange. The company has not yet paid the outstanding listing and custodian fees. Also, the entire shareholding of the promoters of the company is not yet dematerialized.*
2. *On account of the deficient composition of the Board of Directors of the company, all the statutory and regulatory committee as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were dissolved during the year.*
3. *The company has not filed the certain returns/ forms pertaining to changes in composition of Board, MSME Returns, appointment of Cost Auditors, Cost Audit Reports etc. with the office of Registrar of Companies as per the requirements of Companies Act, 2013.*
4. *The company has not appointed an Internal Auditor as per the requirements of Section 138 of the Companies Act, 2013.*
5. *The peer review of the statutory auditors of the company is yet to be done.*
6. *The trading of the company's shares stands suspended on BSE Limited for last several years. On account of the suspended trading, the company has not been able to comply with the requirement of these regulations pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc.*
7. *During the financial year, the company has created a charge in favour of The Ambala Central Co-operative Bank for an aggregate amount of loans outstanding as on 31.03.221 against the company. In respect of the charge so created, it is informed that not all the assets/ properties covered under the Master Loan agreement were charged as per the return. Only those properties/ assets which were under mutation of the charge holders were given in the form and the properties/ assets under litigation were excluded.*

Apart from the business stated above, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Chandigarh

Date: 03.09.2022

UDIN: F002191D000903707

**For A. ARORA & COMPANY**

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Certificate No. 2120/2022

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.



To,  
The Members,  
Naraingarh Sugar Mills Limited,  
Village: Banondi, Tehsil: Naraingarh,  
Ambala, Haryana.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I 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 the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh

Date: 03.09.2022

UDIN: F002191D000903707

For **A. ARORA & COMPANY**

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Certificate No. 2120/2022

**Annexure- 3A**

Sr. No.	Observation of Secretarial Auditor	Management reply
1.	The trading of the company's shares stands suspended on BSE Limited for last several years. On account of the suspended trading, the company has not been able to comply with the requirement of these regulations pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc.	The trading of the company's shares was suspended on account of non payment of listing fee and other regulatory reasons. The company was earlier making efforts to revive the listing status of the company. However, considering the cost involved for relisting and the severe paucity of funds in the company, alternative course of action is being explored.
2.	The peer review of the statutory auditors of the company is yet to be done.	The peer review is under process and shall be completed shortly.
3.	The company has not filed the certain returns/ forms pertaining to changes in composition of Board, MSME Returns, appointment of Cost Auditors, Cost Audit Reports etc. with the office of Registrar of Companies as per the requirements of Companies Act, 2013.	The returns shall be filed shortly.
5.	The company has not appointed an Internal Auditor as per the requirements of Section 138 of the Companies Act, 2013.	The company is in the process of identifying a suitable candidate for appointment as the Internal Auditor.
6.	During the financial year, the company has created a charge in favour of The Ambala Central Co-operative Bank for an aggregate amount of loans outstanding as on 31.03.221 against the company. In respect of the charge so created, it is informed that not all the assets/ properties covered under the Master Loan agreement were charged as per the return. Only those properties/ assets which were under mutation of the charge holders were given in the form and the properties/ assets under litigation were excluded.	The charge has been filed as per the guidance and instructions of the State Government of Haryana, who has now taken over the control of the company.
7.	On account of the deficient composition of the Board of Directors of the company, all the statutory and regulatory committee as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were dissolved during the year.	The company is being managed exclusively by the Management Committee constituted by the State Government of Haryana vide its order dated 07.01.2020.  The company neither has the authority to constitute these committees nor the appropriate composition of Directors to comply these requirements.

8.	<p>The official website as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not yet updated for all the prescribed contents and there are several irregularities in compliance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including but not limited to approval of the periodical financial results and allied periodic filings and submissions with the Stock Exchange. The company has not yet paid the outstanding listing and custodian fees. Also, the entire shareholding of the promoters of the company is not yet dematerialised.</p>	<p>The company is facing severe liquidity crisis and is not able to meet all its expenses. The company has established a functional website which will be updated shortly.</p> <p>The promoters have been requested to take immediate measures for dematerialization of the shares held by them.</p> <p>The company is facing severe liquidity crisis and is not able to meet all its expenses.</p>
9.	<p>As informed by the management, the company has re-appointed Ms. Sandeep Singh as the Whole Time Director for another term of 3 years w.e.f. 17.10.2020. The company being in default of repayment of loans from financial institutions during the financial year, is yet to obtain the approval/ consent of such financial institutions for the said re-appointment and payment of remuneration of the whole time director as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013.</p>	<p>The company has obtained the necessary approvals for the said re-appointment and payment of remuneration through Management Committee. However, the specific No Objections/ approvals under Section 197 of the Companies Act, 2013 is being obtained on record from the financial institution.</p>
10.	<p>The composition of the Board of Directors was deficient and not in compliance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Ms. Grupsi (DIN: 08788588) represented as one of the Independent Directors of the company has been unresponsive to the operations and management of the company. She has not attended any meetings of the Board/ Management Committee.</p> <p>The company is yet to file the necessary returns for changes in the composition of the Board of Directors with the Registrar of Companies.</p>	<p>The company is being managed exclusively by the Management Committee constituted by the State Government of Haryana vide its order dated 07.01.2020.</p> <p>Ms. Grupsi was earlier appointed as an Independent Director of the company for a term of 5 years. However, during the financial year under review she has been entirely unresponsive to the company's affairs and has not been attending any meetings. Further, she has not even served her resignation.</p> <p>The company is in the process of filing the necessary returns at the earliest.</p>
11.	<p>Mr. Yogesh Jain, Independent Director of the company was declared disqualified under Section 164(2) of the Companies Act, 2013 and pursuant to the Writ Petition filed by the Director before the Hon'ble High Court of Punjab and Haryana, his disqualification as directors has been stayed by the High Court and his DIN has also been activated.</p>	<p>The company is in the process of ensuring that the necessary compliance in respect of the DIN of all directors and other regulatory registrations are updated in due course.</p>

	Further, the company has been advised to register its directors on the Independent director databank as per the provisions of section 150 of the Companies Act, 2013.	
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Date: 05.09.2022  
Place: Naraingarh

By the order of Board of Directors  
**Naraingarh Sugar Mills Limited**

**SANDEEP SINGH GHUMAN**  
Chairman & Whole Time Director  
DIN: 07275838

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Sugar Industry- Scenario in India**

According to AISTA (All India Sugar Traders Association) in the year 2021-22 the sugar production increased by about 2.9% with estimated production of 31.9 million tones.

India is the world's second largest producer of sugar after Brazil with estimated production of 31.9 million tones plus opening stock of 8.3 million tones with the mills. The total availability of sugar in the country is expected to be 40.2 million tones which is slightly lower than previous year.

### **Government Policies for Sugar Industry**

The Central Government came out with a slew of corrective measures and supportive mechanisms during the year 2018-19, providing much needed support to the sugar industry reeling under pressure to be rescued from the mounting cane arrears and the high debt burden. Most of these measures continued during 2021-22 as the Government continued to cap the quantity of sugar, which mills in the country could sell and at a minimum selling price. These measures stabilized sugar price in the country with greater degree of transparency, discipline and accountability. Some of the important policy directions issued pertaining to the sugar industry are as follows:

#### **Maximum Admissible Export Quantity (MAEQ):**

In view of the high inventory levels with the sugar Industry and to facilitate achievement of financial liquidity, mill-wise MAEQ of 90 Lakh Metric Ton (LMT) have been declared for the sugar season 2021-22. Sugar mills are required to export their MAEQ entitlement by September 30, 2022.

#### **Minimum Sugar Price**

The Central Government on February 14, 2019, notified "Sugar Price Control Order 2019". Under the said order, Central Government directed that no producer of sugar shall sell or agree to sell white/refined sugar in the domestic market at a rate below Rs. 34.76/kg till further orders. Also, the Government came out with quota system for sale of sugar which restricted the sugar mills in terms of sales volumes in order to ensure that the price did not go below the MSP levels.

#### **Soft Loan by Central Government**

On March 02, 2019, the Central Government announced a scheme of soft loan of Rs. 10,540 Crore with interest subvention of 7% on actual rate of interest charged by bank, for a period of one year. The Government also provided that all loans sanctioned & disbursed by May 31, 2019 would be covered by the scheme. As regard to us, we have not received any Soft Loan/Financial Assistance from Central Government.

#### **Overview- Sugarcane**

The sugar season 2021-22 started with record opening stocks of 8.3 MT. This led to crash in sugar prices leading to a liquidity crisis for sugar mills which in turn resulted in the accumulation of huge cane dues. In order to support the industry and cane farmers, various measures were taken both by the Central Government in the form of soft loans, cane production subsidy, transport subsidy on sugar exports, fixing of minimum sugar price (MSP) and interest subvention for setting up of ethanol capacities and the State governments in the form of soft loans and cane subsidies which provided some respite to the sugar industry.

Despite the various policies and incentives by the Government, unless the surplus stock is cleared from the country, the scenario may not undergo any significant change. It is expected that the pressure on the sugar price would continue to remain given the over-supply scenario. To cope with this problem, the Central Government also allowed export of some sugar and blending of ethanol has been allowed to be increased to 20% by the year 2023.

## **COMPANY STRUCTURE AND DEVELOPMENT**

The Company is located at Village Banondi, PO: Shahzadpur, Teh. Naraingarh, Distt. Ambala, Haryana. The plant started with an initial crushing capacity of 2500 tons of cane crushed per day (TCD), which has been gradually increased to 4000 TCD. The Company has one of the most modern and efficient sugar factories in the country.

## **OPERATIONAL PERFORMANCE**

The crushing for the season 2021-22 started on November 23, 2021 and cane crushed during season 2021-22 was 46.256 Lac Qtls as compared to 49.787 Lac Qtls in the last season.

Particulars	Unit	Sugar Season		
		2021-22	2020-21	2019-20
Cane Crush	Lacs Qtls	46.256	49.787	55.3388
Recovery	%	10.58	10.93	10.45
Sugar Production	Lacs Qtls	4.893	5.441	5.782

## **FINANCIAL PERFORMANCE**

(Amount in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Income from operations		
Net sales/income from operations	20613.94	21714.47
Other operating Income	0.84	3.96
Other Income	728.92	1.04
Total Income	21343.70	21719.47
Total expenses ( excluding Depreciation and Finance costs)	18353.96	20824.55
EBIDTA	2989.74	894.92
Depreciation and Amortisation	1063.72	1176.35
Finance costs	3038.80	2867.73
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(1112.78)	(3149.16)
Other Comprehensive Income/(Loss)	0.31	0.00
Profit / (Loss) from ordinary activities before tax	(1112.47)	(3149.16)
Tax expense/ Deferred Tax	(285.64)	(1236.88)
Net Profit / (Loss) from ordinary activities	(826.83)	(1912.27)

## **RISK AND CONCERNS-SWOT**

## **Analysis Strengths**

- Located close to sugarcane rich belt of Western UP with high sucrose varieties of cane.
- The Company has continued its focus on cane quality promotion and is continually investing in cane variety development. The same are also visible in form of increased availability of high yield variety of cane and higher Sugar recovery.

## **Weaknesses**

- The State Government decides sugarcane prices in a manner that is not linked to sugar prices. Unviable sugarcane prices may impact the profitability of the Company.
- High Cane arrears due to low sugar prices.
- Risk of coercive measures by the State Government on account of huge cane arrears.

## **Opportunities**

- Higher recovery, Higher rates of by-products of Sugar.
- Government support towards production of Ethanol.

## **Threats**

- Due to domestic surplus, there could be a softening in the sugar prices affecting the profitability.
- Increase in State Administrative Price of Sugarcane by the State Government.
- Reduction of Co-generation tariffs.

## **FUTURE OUTLOOK**

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power, ethanol produced from molasses can be used for blending with petrol for motor fuel.

## **INTERNAL CONTROLS AND SYSTEMS**

Your company has in place an adequate internal control system in order to ensure that all transactions are authorized, recorded and reported correctly and that all assets are protected against the perils of unauthorized use or disposition. Towards enhancing the efficiency of internal controls, services of consultants are hired wherever necessary, and their suggestions are reviewed and implemented. The Audit Committee of the board also meets periodically to review the internal controls, internal audit findings, action taken reports and to advise the management on corrective policies, if any.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

## **CAUTIONARY STATEMENT**

The above Management Discussion and Analysis Report contains “forward looking statements” within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company’s strategy for growth, market position, expenditures and financial results are forward looking statements. The Company’s actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.

Date: 05.09.2022

Place: Naraingarh

By the order of Board of Directors  
**Naraingarh Sugar Mills Limited**

**SANDEEP SINGH GHUMAN**  
Chairman & Whole Time Director  
DIN: 07275838



## **REPORT ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At NSML, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Conduct is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

### **BOARD OF DIRECTORS**

#### **SIZE AND COMPOSITION OF BOARD**

The present policy of NSML regarding size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with Woman Director which clearly demarcate the functions of governance and management.

As on 31<sup>st</sup> March, 2022, the Board comprises of 2 (Two) members, 1 (One) of which is Independent Non-Executive Woman Director, constituting 50% of the Board's strength and remaining 1 (One) is an Executive Director.

The composition of the Board is not in conformity with Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder. As detailed in the Directors' report above, an audit team was constituted by the Finance Department of the State Government of Haryana because of inadequate composition of the Board of Directors of the company.

## **ROTATION/REAPPOINTMENT OF DIRECTORS**

### **Retirement by rotation and subsequent re-appointment**

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and the Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. Accordingly, Mr. Sandeep Singh, Whole Time Director of the Company, retire from the Board by rotation this year and being eligible, has offered his candidature for re-appointment. This shall not constitute a break in his office as the Whole Time Director of the Company.

## **DECLARATION BY INDEPENDENT DIRECTORS**

As appraised above, the company had no active Independent Director on the Board during the financial year. Hence no such declaration was received from any director during the year.

The changes in the composition of the Board that occurred during the year have been stated in the Directors' report for the FY 2021-22 which forms a part of this Annual report.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. The Independent Directors of Company holds office for 5 (Five) consecutive years.

## **DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)**

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Director is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he/she is a Director. Directors' attendance at the Board Meetings during the financial year and the last AGM and also their Directorships and Memberships in other committees is given below:

### **Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2021-22:**

<b>Brief Information about Directors</b>		<b>Attendance record during Financial Year 2021-22</b>		<b>Directorship/Membership/Chairmanship as on 31<sup>st</sup> March, 2021</b>			
<b>Name and category of the Directors</b>	<b>Directors Identification Number (DIN)</b>	<b>Number of Board Meeting held and attended</b>		<b>Attendance at the last AGM</b>	<b>Number of Directorships in all Companies** as on 31<sup>st</sup> March, 2022</b>	<b>Number of Committee Positions held in all Companies*** as on 31st March, 2022</b>	
		<b>Held</b>	<b>Attended</b>			<b>Chairman</b>	<b>Member</b>
Mr. Sandeep Singh, Executive Professional Director	07275838	8	8	Yes	1	0	1
Ms. Grupsi, Non-Executive Independent Director (Woman Director)	08788588	8	0	No	1	0	0

\*\*This includes Directorships in all Companies (Listed, Unlisted Public and Private Limited Companies incorporated in India) including Naraingarh Sugar Mills Limited.

\*\*\* For the purpose of considering the limit of the committees on which a Director can serve, all public limited companies, whether listed or not, including Naraingarh Sugar Mills Limited is considered

### **LIMIT ON THE NUMBER OF DIRECTORSHIPS**

Pursuant to the provisions of Section 165 of the Companies Act, 2013, no person shall hold the office as a Director, including any directorship in more than twenty companies at the same time, provided that the maximum number of Public Companies in which a person can be appointed as a Director shall not exceed ten.

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Director on the Board of the Company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Also as required under Regulation 17A of the amended SEBI Listing Regulations, 2015, the Board Members of the Company does not serve as a Director in more than 8 (eight) listed entities and in case he/she is serving as Independent Director on the Board of the Company, does not hold position as an Independent Director in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time/Managing Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Accordingly, all Directors are in compliance with the above mentioned provisions of Companies Act, 2013 and SEBI Listing Regulations.

### **MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

Pursuant the provisions of Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company has been fixed for a period of 5 (Five) consecutive years commencing from the date of their respective appointments.

### **FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS**

- a. In accordance with the provisions of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, the Company has issued formal letters of appointment to all the Independent Directors.
- b. The terms and conditions of Appointment of Independent Directors has been disseminated on the Company's website at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com)

### **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The Nomination and Remuneration Committee earlier laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the Directors being evaluated.

### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

As apprised above, the company had no active Independent Director on the Board during the financial year. Hence no such meeting could be held as per Schedule IV of the Companies Act, 2013.

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company laid down a framework and programme for familiarization of Independent Directors, which may be accessed on the Company's website [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com).

As apprised above, the company had no active Independent Director on the Board during the financial year. Hence no familiarization programmes were conducted during the year.

### **BOARD MEMBERSHIP CRITERIA AND LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS**

The Board of Directors is collectively responsible for selection of a Member on the Board. The Board of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non - Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of relevance to the Company;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset;

**In terms of requirement of Schedule V of SEBI Listing Regulations, the Board has identified the following core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning as given below:**

<b>Skills and its description</b>	<b>Mr. Sandeep Singh</b>	<b>Ms. Grupsi</b>
-----------------------------------	--------------------------	-------------------

<b>Experience in leading well-governed organizations*</b>		
<b>Experience of crafting Business Strategies**</b>	✓	✓
<b>Finance and Accounting Experience***</b>	✓	
<b>Experience of large Companies and understanding of the changing regulatory landscape****</b>		

- \* **Experience in leading well-governed organizations** – Experience in leading well-governed organizations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.
- \*\* **Experience of crafting Business Strategies** - Experience in developing long-term strategies to grow consumer/ Rice business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
- \*\*\* **Finance and Accounting Experience** - Leadership experience in handling financial management of a well-governed organization along with good understanding of accounting and financial statements.
- \*\*\*\* **Experience of large Companies and understanding of the changing regulatory landscape** - Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS**

The Non-Executive Directors of the Company neither holds any Equity Shares. Further the Company is not having any convertible instruments.

**ROLES AND RESPONSIBILITIES OF THE BOARD**

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the Company. As trustee, the Board of Directors has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils Stakeholders aspirations and societal expectations.

- **Disclosure of Information**

- Members of Board of Directors and Key Managerial Personnel shall 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.

- The Board of Directors and Senior Management shall conduct 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.
- **Key functions of the Board**
  - The Board reviews and guides Corporate Strategy, Major Plans of Action, Key policies, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures, Acquisitions and Divestments.
  - Board monitors the effectiveness of the Company’s governance practices and making changes as needed.
  - Selects, Compensates, Monitors and when necessary, replaces key executives and overseeing succession planning.
  - Ensures a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
  - Monitors and manages potential conflicts of interest of Management, Board Members and Shareholders, including misuse of corporate assets and abuse of Related Party Transactions.
  - Ensures the integrity of the Company’s accounting and financial reporting systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.
  - Oversees the process of disclosure and communications.
  - Monitors Board evaluation framework.
  - Aligned Key Managerial Personnel and remuneration of Board of Directors with the longer term interests of the Company and its Shareholders.
  - Company has well established Committees of the Board of Directors, and their mandate, composition and working procedures have been well defined.

- **Role of Independent Directors**

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

**INTER-SE RELATIONSHIP AMONGST DIRECTORS**

None of the directors of the company are related to each other inter-se.

**BOARD MEETINGS AND PROCEDURES**

**A. BOARD MEETINGS**

Company's Corporate Governance requires the Board to meet at least four times in a year. The maximum gap between two Board Meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional Board Meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the Board may also approve resolutions by Circulation as permitted under Companies Act, 2013.

## **B. BOARD PROCEDURE**

The meeting of Board of Directors and Committees of Board of Directors are governed with the structured agenda. The Agenda is prepared in consultation with the Chairman of the Board/Committees of Board and other Board/Committee Members. The Agenda for the Meetings of the Board/Committees of Board together with the appropriate supporting documents are circulated well in advance to all the Board/Committee members. Detailed presentations are also made to the Board/Committee Members covering operations, Business Performance, Finance, Sales, Marketing, Domestic Business Environment and related details. All necessary information including but not limited to those as mentioned in Part-A Schedule II of the SEBI Listing Regulations are placed before the Board/Committee Members to enable it to discharge its responsibility for the strategic supervision of the Company. The Board/Committee Members also reviews periodical compliances of all laws, rules and regulations. At the Board/Committees Meeting, the members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the Senior Management team are also invited to attend the Board/Committees Meetings as and when required, which provides additional inputs to the items being discussed by the Board/Committees Meetings.

## **C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING FINANCIAL YEAR 2021-22:**

<b>S.No.</b>	<b>Date of Board Meetings</b>	<b>Board Strength</b>	<b>Number of Directors Present</b>	<b>% of attendance</b>
1.	June 24, 2021	4	1	25.00
2.	August 12, 2021	4	1	25.00
3.	September 02, 2021	4	1	25.00
4.	October 15, 2021	3	1	33.33
5.	December 21, 2021	3	1	33.33
6.	December 29, 2021	3	1	33.33
7.	January 20, 2022	3	1	33.33
8.	March 29, 2022	2	1	50.00

In terms of Regulation 17 of the SEBI Listing Regulations the gap between any two meetings did not exceed 120 (One Hundred and Twenty) days.

## **D. SHAREHOLDING OF DIRECTORS**

None of the directors of the company holds any shares in the company as on 31.03.2022.

## **COMMITTEES OF THE BOARD**

The details of the managing body of the company the Key Managerial Personnel's (KMPs) in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, read with rules framed thereunder, are as follows:-

<b>S. No.</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
4.	Mr. Sandeep Singh	Whole Time Director	14.08.2015
5.	Ms. Misha Nahal	Company Secretary	29.12.2021
6.	Mr. Abhimanyu Singh	Chief Financial Officer	20.01.2022
7.	Mr. V K Singh	Unit Head	-

## **MANAGEMENT COMMITTEE**

Due to non-payment of cane growers within time the mill is being supervised by government.

## **STATUTORY AND REGULATORY COMMITTEES:**

On account of the deficient composition of the Board of Directors of the company, all the statutory and regulatory committee as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were dissolved during the year.

## **Remuneration Policy**

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management Personnel and directed towards rewarding performance, based on review of achievements on periodic basis.

The remuneration paid to Directors is approved by the Board of Directors in the Board Meeting, subject to the approval of the Shareholders and such other authorities, if any, as the case may be and the remuneration paid to KMPs and Senior Management other than Directors is approved by the Board of Directors of the Company.

During the financial year, no payments have been made to any Non-Executive Directors.

The Nomination and Remuneration policy of the company is available on the Company's website.

## **Remuneration of Directors**

### **i. Remuneration to Non- Executive Directors**

The Independent Non-Executive Directors are not being paid any sitting fees for attending Board and committee Meetings and no other payment are made to any Non Executive Director on any other account.

### **ii. Remuneration to Executive Directors**



The remuneration of the Executive Directors is based on criteria such as industry benchmarks, the Company's performance, responsibilities shouldered, performance/ track record of the Director etc. and is approved by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

Details of Remuneration on account of salary and perquisites paid to the Executive Directors during the Financial Year 2021-22 are as follows:

**(Amount in Rupees)**

<b>Name &amp; Designation of Director</b>	<b>Salaries</b>	<b>Allowances (including HRA, Leave Travel )</b>	<b>Total</b>
Mr. Sandeep Singh Whole Time Director	3,00,000	00	3,00,000

### **INVESTORS GRIEVANCE REDRESSAL**

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2021-22, is as follows:

<b>Particulars</b>	<b>Number of Complaints</b>
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on 31 <sup>st</sup> March, 2022	Nil

### **GENERAL BODY MEETINGS**

#### **GENERAL BODY MEETING HELD DURING LAST 3 YEARS**

<b>Year</b>	<b>Time, Day, Date and Location</b>	<b>Summary of Special Resolutions passed in the AGM</b>
28 <sup>th</sup> Annual General Meeting	Wednesday, the 29 <sup>th</sup> September, 2021 at 11.30 a.m. Through Video Conferencing Deemed venue: Village Banondi, PO; Shahzadpur, Teh. Naraingarh, Distt.Ambala, Haryana	To consider and approve the re-appointment of Mr. Sandeep Singh (DIN: 07275838) as the Whole-Time Director of the company.
27 <sup>th</sup> Annual General Meeting	Monday, the 28 <sup>th</sup> December, 2020 at 11.30 a.m. Through Video Conferencing Deemed venue: Village Banondi, PO; Shahzadpur, Teh. Naraingarh, Distt.Ambala, Haryana	Nil
26 <sup>th</sup> Annual General Meeting	Friday, the 27 <sup>th</sup> September, 2019 at 11.30 a.m. Venue: Village Banondi, PO; Shahzadpur, Teh. Naraingarh, Distt.Ambala, Haryana	Nil

## **SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2021-22.**

During the Financial Year 2021-22, no Special Resolution was passed through Postal Ballot. Also, no Special Resolution is proposed to be conducted through Postal Ballot.

## **DISCLOSURES**

### **A. MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed section on 'Management Discussion and Analysis' forms part of this report.

### **B. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

The company has not entered into any related party transactions as per the provisions of Companies Act, 2013 and the LODR regulations.

The Company has also formulated a Policy on Related Party Transactions in accordance with the provisions of the Companies Act, 2013 read with Regulation 23 of the SEBI Listing Regulations. The same is available on the Company's website at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com).

### **C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

In the preparation of financial statements, the company has followed the Indian Accounting standards (IND-AS) issued by the Institute of Chartered Accountants of India to the extent applicable. The Board has also affirmed the above that the Annual Accounts have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

### **D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

Your Company has not complied with the applicable provisions of the SEBI Listing Regulations and other applicable regulations and guidelines issued by SEBI and Stock Exchanges. Further no penalties or strictures were imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the last 3 (three) years.

The trading of the equity shares of the company has been suspended from BSE Limited for past several years. The company had approached BSE Limited for revival of the listing status of the company. In response to the company's application, BSE Limited has issued intimations to the effect that the revival shall be allowed upon completion of the pending listing compliances. The company is in the process of doing the necessary compliances and in the matter has requested a personal audience with the appropriate authorities.

### **E. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES, ETC.**

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilized issue proceeds.

## **F. VIGIL MECHANISM POLICY**

The Company promoted ethical behavior in all its business activities and in line with the best international governance practices. The Company has established a system through which Directors, Employees, Business Associates may report via email or via physical mode the unethical behavior, malpractices, wrongful conduct, fraud or violation of Company's code of conduct without any fear of reprisal. The Company has a Vigil Mechanism (Whistle Blower Policy) under which all Directors, Employees and other Business Associates have direct access to Mr. Sandeep Singh, Whole-Time Director, nominated by the Board of Directors of the company to play the role of the Audit committee. The same is available on the Company's website at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com). During the financial year no personnel has been denied access to the said Director of the company.

## **G. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS**

There is no pecuniary relationship or transactions with Non-Executive Directors.

## **H. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

The disclosure regarding the appointment of Directors is given under the head Board of Directors forming part of the Report on Corporate Governance. The relevant details are also forming part of Notice calling AGM of the Company.

## **I. RISK MANAGEMENT**

The Company from time to time apprises the Board of Directors of the Company with the material risks, concerns and its mitigation plans, related to the Company and the Industry in which the Company operates.

## **J. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company is committed to provide a protective environment at workplace for all its Employees' men and women to ensure that every Employee is treated with dignity and respect. As mandated under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has also formulated policy for prevention of Sexual Harassment at the workplace. A statement giving details of Sexual Harassment Complaints during the year is as below:

<b>S. No.</b>	<b>Particulars</b>	<b>No. of Complaints</b>
1.	No. of complaints received during the financial year	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of complaints pending as on end of the financial year	Nil

## **K. CEO/ CFO CERTIFICATION**

The WTD and CFO certification on the Financial Statements is attached and forming part of the Report on Corporate Governance.

## **GENERAL SHAREHOLDER'S INFORMATION**

**i. ANNUAL GENERAL MEETING**

Day, Date & Time	:	Friday, the 22 <sup>nd</sup> day of December, 2022 at 11.30 a.m.
Financial Calendar	:	The Financial year of the Company starts from 1st April each year and ends on 31st March of the following year.

**ii. CODE OF CONDUCT**

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees. The same is available on the Company's website at [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com)

The Company has also obtained affirmation for adherence to the Code. The declaration from the Chairman & Managing Director to that effect forms a part of this report.

<b>Declaration as required under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>	
All Board of Directors, Senior Management personnel and other employees of the Company have affirmed compliance with the Code of Business Conduct and Ethics for the Financial Year ended 31 <sup>st</sup> March, 2022.	
Place: Naraingarh Date: 03.09.2022	Sandeep Singh Whole Time Director DIN: 07275838

**REGISTRAR AND SHARE TRANSFER AGENT**

The Company has appointed M/s. Alankit Assignments Limited, having its office at 205-208 Anarkali Complex, Jhandewalan Extension, New Delhi as its Registrar and Transfer Agent (RTA) for transfer of shares of both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Pursuant to the changes made in provisions of Regulation 40 of SEBI Listing Regulations, the transfer of securities shall not be processed unless the securities are held in dematerialized form with effect from 01 April 2019. Further SEBI vide notification dated 08 June 2019 read with press release dated 03 December 2018 had amended Regulation 40 of SEBI Listing Regulations and has mandated all transfers of securities in dematerialized form only w.e.f. 01 April 2019.

The Board of Directors review the share transmissions approved by the RTA, Company Secretary, who have been delegated with requisite authority. All requests for Dematerialization of shares are processed and confirmed to the Depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP) regarding change of address, change of bank mandates and nomination.

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

Pursuant to the provisions of Regulation 31 of SEBI Listing Regulations, the Company's shares are required to be traded compulsorily in the Dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE491E01015.

**For guidance on depository services, shareholders may write to the Company or to the respective Depositories:**

<b>National Securities Depository Limited (NSDL)</b>	<b>Central Depository Services (India) Limited (CDSL)</b>
Trade World, A Wing 4 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai-400013 Telephone: 1800-222-990 E-mail: info@nsdl.co.in Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	Marathon Futurex, A-Wing 25 <sup>th</sup> Floor, N.M. Joshi Marg, Lower Parel, Mumbai- 400013 Telephone: 1800-22-5533 E-mail: heldesk@cdslindia.com Website: <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a>

### **SHARE TRANSFER SYSTEM**

All communications regarding share certificates, change of address, etc. should be addressed to Registrar and Share Transfer Agent of the Company. The Company has delegated authority for approving transmission of shares and other related matters to the Registrar and Share Transfer Agent and the Company Secretary. All share transmissions are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

### **LISTING ON STOCK EXCHANGES**

The Company's shares is listed and actively traded on the below mentioned Stock Exchange.

#### **BSE LIMITED (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Website: [www.bseindia.com](http://www.bseindia.com)

Stock Code: 531457

The trading of the company's shares stands suspended from the stock exchange for past several years.

### **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2022**

<b>Share or Debenture holding Nominal Value (Rs.)</b>	<b>Number of Shareholders</b>	<b>% to Total Numbers</b>	<b>Share or Debenture holding Amount (Rs.)</b>	<b>% to Total Amount</b>
Up To 5,000	2,335	95.344	3162820	15.571
5001 To 10,000	49	2.001	457500	2.252
10001 To 20,000	25	1.021	406400	2.001
20001 To 30,000	8	0.327	187700	0.924
30001 To 40,000	5	0.204	178900	0.881
40001 To 50,000	3	0.122	146000	0.719
50001 To 1,00,000	9	0.367	628300	3.093
1,00,000 and Above	15	0.613	15144580	74.559

### **CATEGORY OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2022**

Category	Number of Shares held	%
Promoter & Promoter Group	1948890	9.59%
NRIs, Foreign Nationals, OCBs and FIIs	499850	2.00%
Body Corporate	2786010	14.00%
Hindu Undivided Families (HUF)	2500	0.00%
Employees and Individuals	15074250	74.00%
Trust	700	0.00
<b>Total</b>	<b>20312200</b>	<b>100.00%</b>

### **MARKET PRICE DATA**

The trading of the company's shares on BSE Limited is suspended for past several years. Therefore, the data regarding the trading prices of the company's shares is not available.

### **STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES: N.A.**

### **OUTSTANDING ADR'S/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY**

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

### **DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

### **CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C)(10)(I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/DISQUALIFICATION TO ACT AS DIRECTOR**

The Company has received the certificate from CS Ajay K. Arora, FCS Number 2191, CP Number 993, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority. A copy of the certificate is enclosed with this report.

### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

As per the requirements of Regulation 24A of the SEBI LODR Regulations, the company has obtained the Annual Secretarial Compliance Report for the FY 2021-22 from CS Ajay K Arora FCS Number 2191, CP Number 993, Practicing Company Secretary. A copy of the said Annual Secretarial Compliance report forms a part of this Annual report.

### **AUDITORS' REMUNERATION**

The Company has appointed M/s. K D & Associates, Chartered Accountants as the Statutory Auditors. The particulars of payment to Statutory Auditors' by the Company during the financial year 2021-22 are as below:

Particulars	Amount (Rupees in Rs. Lacs)
-------------	-----------------------------

Statutory audit (including fees for limited reviews)	1.7
Out of pocket expenses	Nil
<b>Total</b>	<b>1.7</b>

### **CREDIT RATINGS**

The company has not obtained any credit ratings during the year.

### **COMPLIANCE OFFICER**

Ms. Misha Nahal, Company Secretary  
 Corporate Office:  
 Mobile:9729547446  
 Email: [cs@nsml.in](mailto:cs@nsml.in) / [mishanahal.09@gmail.com](mailto:mishanahal.09@gmail.com)

### **REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE**

#### **REGISTERED OFFICE:**

Village Banondi, PO: Shahzadpur, Teh. Naraingarh, Distt. Ambala, Haryana 134202  
 Phone: 9729547446, 01734- 277388, 278125  
 E-mail: [nsmlnaraingarh@nsml.in](mailto:nsmlnaraingarh@nsml.in)  
 Website: [www.naraingarhsugarmillsltd.com](http://www.naraingarhsugarmillsltd.com)  
 CIN: L74899HR1991PLC032873

#### **PLANT LOCATIONS:**

Village Banondi, PO: Shahzadpur, Teh. Naraingarh, Distt. Ambala, Haryana 134202

### **SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

The Investors' Complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company.

Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26 March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at the web link [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html)

### **STOCK EXCHANGES**

#### **BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001  
 Phones : 91-22-22721233/4,  
 91-22-66545695 (Hunting)  
 Fax : 91-22-22721919  
 Email: [corp.comm@bseindia.com](mailto:corp.comm@bseindia.com)  
 Website: [www.bseindia.com](http://www.bseindia.com)

#### **DEPOSITORIES**

##### **National Securities Depository Limited (NSDL)**

Trade World, A Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013

Telephone: 1800-222-990  
E-mail: info@nsdl.co.in  
Website: www.nsdl.co.in

**Central Depository Services (India) Limited (CDSL)**

Marathon Futurex, A-Wing, 25<sup>th</sup> Floor N.M. Joshi Marg, Lower Parel, Mumbai 400013

Telephone: 1800-22-5533

E-mail: helpdesk@cdslindia.com

Website: www.cdslindia.com

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Alankit Assignments Limited,

205-208 Anarkali Complex, Jhandewalan Extension, New Delhi



## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Naraingarh Sugar Mills Limited**

We have examined the compliance of the conditions of Corporate Governance by Naraingarh Sugar Mills Limited (“the Company”) for the year ended on 31<sup>st</sup> March, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on 31<sup>st</sup> March, 2022 except in the manner as provided hereunder:

- a. The Board of Directors of the Company is constituted with one Executive Director and one Non-Executive Independent Director. *However, Mr. Yogesh Jain, Independent Director of the company, who resigned from the company on 28.09.2021, was declared disqualified under Section 164(2) of the Companies Act, 2013 and pursuant to the Writ Petition filed by the Director before the Hon’ble High Court of Punjab and Haryana, his disqualification as directors has been stayed by the High Court and his DIN has also been activated. Further, the company has been advised to register its directors on the independent director databank as per the provisions of section 150 of the Companies Act, 2013.*

*The composition of the Board of Directors was deficient and not in compliance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*As informed by the management, the company has re-appointed Ms. Sandeep Singh as the Whole Time Director for another term of 3 years w.e.f. 17.10.2020. The company being in default of repayment of loans from financial institutions during the financial year, is yet to obtain the approval/ consent of such financial institutions for the said re-appointment and payment of remuneration of the whole-time director as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013*

*Ms. Grupsi (DIN: 08788588) represented as one of the Independent Directors of the company has not attended any meetings of the Board/ Management Committee.*

*During the financial year, the operations and management of the company had been supervised by the State Government of Haryana. Consequently, the company had no effective Board of Directors during the financial year and the operations were run through a Management Committee constituted by the State Government of Haryana.*

*The company is yet to file the necessary returns for changes in the composition of the Board of Directors with the Registrar of Companies.*

*The company has no documentary evidences of meetings conducted during the year and circulation of documents thereof in compliance with the Secretarial Standards.*

- b. *The official website as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not yet updated for all the prescribed contents and there are several irregularities in compliance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including but not limited to approval of the periodical financial results and allied periodic filings and submissions with the Stock Exchange. The company has not yet paid the outstanding listing and custodian fees. Also, the entire shareholding of the promoters of the company is not yet dematerialized.*
- c. *On account of the deficient composition of the Board of Directors of the company, all the statutory and regulatory committee as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were dissolved during the year.*
- d. *The company has not appointed an Internal Auditor as per the requirements of Section 138 of the Companies Act, 2013.*
- e. *The peer review of the statutory auditors of the company is yet to be done.*
- f. *The trading of the company's shares stands suspended on BSE Limited for last several years. On account of the suspended trading, the company has not been able to comply with the requirement of these regulations pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc.*

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

Date: 03.09.2022  
Place: Chandigarh

UDIN: F002191D000903751

**For A. ARORA & COMPANY**

AJAY K. ARORA  
(Proprietor)  
FCS No. 2191  
C P No.: 993

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**  
**CERTIFICATION**

To,

**The Board of Directors**  
**Naraingarh Sugar Mills Limited**

We, the undersigned, in our respective capacities as Whole time Director and Chief Financial Officer of Naraingarh Sugar Mills Limited (“the Company”), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 and based on our knowledge and belief , we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company’s code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors, 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, based on our most recent evaluation, wherever applicable, to the Auditors:
  - I. Significant changes, if any, in the internal control over financial reporting during the year;
  - II. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements: and
  - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

**Sandeep Singh**  
Whole Time Director

**Abhimanyu Singh**  
Chief Financial officer

Place: Naraingarh  
Date: 05.09.2022

**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)**

To  
The Members of  
Naraingarh Sugar Mills Limited,  
Village: Banondi, Tehsil: Naraingarh,  
Ambala, Haryana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Naraingarh Sugar Mills Limited having CIN – L74899HR1991PLC032873 and having registered office at Village Banondi, Tehsil: Naraingarh, Ambala, Haryana (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that, save as otherwise mentioned hereunder, none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Sandeep Singh Ghuman	07275838	14.08.2015
2.	Ms. Grupsi	08788588	25.07.2020

*In the matter regarding eligibility of the directors and other allied compliances, I further wish to report the following:*

- 1. The composition of the Board of Directors was deficient and not in compliance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- 2. As informed by the management, the company has re-appointed Ms. Sandeep Singh as the Whole Time Director for another term of 3 years w.e.f. 17.10.2020. The company being in default of repayment of loans from financial institutions during the financial year, is yet to obtain the approval/ consent of such financial institutions for the said re-appointment and payment of remuneration of the whole time director as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013*
- 3. The Independent Director(s) of the company are not registered on the Independent director Databank as provided under Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.*
- 4. Ms. Grupsi (DIN: 08788588) represented as one of the Independent Directors of the company has been unresponsive to the operations and management of the company. She has not attended any meetings of the Board/ Management Committee.*

5. *During the financial year, the operations and management of the company had been taken over by the State Government of Haryana. Consequently, the company had no effective Board of Directors during the financial year and the operations were run through a Management Committee constituted by the State Government of Haryana.*

*The company is yet to file the necessary returns for changes in the composition of the Board of Directors with the Registrar of Companies.*

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

Place: Chandigarh

Date: 03.09.2022

UDIN: F002191D000903731

Ajay K. Arora

(Proprietor)

M No. 2191

C P No. 993

Peer Review Certificate No. : 2120/2022

**Secretarial compliance report of Naraingarh Sugar Mills Limited  
for the year ended March 31, 2022**

To,

Naraingarh Sugar Mills Limited,  
Village Banondi, Tehsil: Naraingarh,  
Ambala, Haryana.

We, A. Arora & Co., Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Naraingarh Sugar Mills Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges *the company being suspended from BSE Limited has not filed all the requisite returns/ intimations/ disclosures on the web portal of BSE Limited as per the SEBI Regulations,*
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the company during the Review Period.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable as there was no instance of Buy-Back of its securities during the Review Period.
- (e) Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 and Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021: Not applicable to the company during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the Review Period.
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable as the company has not issued any such securities during the Review Period
- (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: Not applicable as the company has not delisted any securities from any stock exchange during the Review Period
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (j) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31(2) of LODR Regulations	100% shareholding of the Promoters and Promoter Group is not maintained in dematerialized form.	Only part of the shareholding of Promoters and Promoter Group are maintained in Dematerialized form. The rest of the shares are still held in physical mode.
2.	Regulation 17, 18, 19 and 20 of LODR regulations	The composition of the Board of directors and the committee was not in compliance with the applicable regulations.	As per the information provided to us, the company had no Independent Directors or woman directors as at the end of the review period. Accordingly none of the committees were duly constituted.  Further, no record of the meetings of the Board of Committee could be produced before us.
3.	Regulations 10(1) of LODR Regulations read with Regulation 14 of LODR regulations	Non filing of reports, statements, documents, filings and any other information with the recognised stock exchange(s) on the electronic platform.  The company has not paid the applicable listing fees and custodian charges.	The company being suspended from BSE Limited, has not filed all the requisite returns/ intimations/ disclosures on the web portal of BSE Limited as per the SEBI Regulations.  Accordingly none of the intimations or disclosures under regulations as listed hereunder are not available on the web portal of BSE Limited and their timely filing and dissemination could not be verified: 7(3), 13(3), 23(9), 24A, 27(2), 29(1), 30, 31 (1), 33 (3), 34 (1), 40 (9), 44(3) etc of LODR regulations, Statement under regulation 74 (5) of SEBI (Depositories and Participant) Regulations, 2018.  Further, the company has not filed intimations under various SEBI Circulars, issued from time to time, including but not limited to Disclosure of defaults interest/ repayment of principal amount on loans from banks / financial

			institutions and unlisted debt securities, disclosure under SEBI Circular pertaining to Fund raising by issuance of Debt Securities by Large Entities, and several other SEBI Circulars pertaining to manner and process of dealing with shares and securities of the company.
4.	Regulation 46 of LODR Regulations	Some of the items/ disclosures listed in Regulation 46(2) have not been disclosed on the company's website.	The information/ disclosure as mentioned in Regulation 46(2) to disseminate on the website of the company under a separate sections.
5.	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015	The shares of the company are suspended from BSE Limited for several years. The company has not been able to comply with the provisions of these regulations.	The trading of the company's shares stands suspended on BSE Limited for last several years. On account of the suspended trading, the company has not been able to comply with the requirement of these regulations pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc. Further the company is not maintaining any Structural Digital Database of designated personnel as required under these regulations.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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1.	100% shareholding of the Promoters and Promoter Group is not maintained in dematerialized form.	31.03.2019, 31.03.2020 and 31.03.2021  (FY 2018-19 and 2019-20 and 2020-21)	The company has informed the promoter shareholders about the statutory requirements to convert their shares into demat mode.	The company is in the process of making compliance.
2.	The company has not issued the prescribed reminders and notices to the shareholders intimating about the requirements to mandatorily dematerialize the shares to give effect to transfer of shares.	31.03.2019 (FY 2018-19)	The company has informed the shareholders about the statutory requirements to convert their shares into demat mode for any subsequent transfers.	The company is in the process of making compliance.
3.	Some of the items/disclosures listed in Regulation 46(2) have not been disclosed on the company's website.	31.03.2019, 31.03.2020 and 31.03.2021  (FY 2018-19 and 2019-20 and 2020-21)	Necessary efforts are being made to update the website.	Necessary efforts are being made to update the website.
4.	The audited financial results have not been approved by the Board within 60 days of closure of financial year. The audited quarterly and year to date financial results for the quarter and year ended 31.03.2019 was approved by the Board in its meeting held on 01.08.2019. Further, due to suspension of trading of the company's shares on BSE Limited, the company's online portal on BSE is deactivated. Hence, some of the periodical submissions to the stock exchange are made through e-mails to BSE instead of uploading on the portal.	31.03.2020 (FY 2019-20)	The delay in finalization of the results was on account of restrictions due to the ongoing pandemic Covid 19. The management is making efforts to restore its online web based filing credentials from BSE Limited.	The suspension of the company from BSE Limited continued during the current review period as well and the online web based filing could not be done.
5.	The shares of the company are suspended from BSE Limited for several years. The company has not been able to comply with the provisions of	31.03.2020 and 31.03.2021	The management is making efforts to restore its status on BSE Limited.	The suspension of the company from BSE Limited continued during the current review period as well

	these regulations. On account of the suspended trading, the company has not been able to comply with the requirement of these regulations pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc.	(FY 2019-20 and 2020-21)		and the necessary compliance in pertaining to closure of trading window or monitoring the dissemination of Unpublished Price Sensitive Information etc. could not be carried. Further the company is not maintaining any Structural Digital Database of designated personnel as required under these regulations.
6.	The Nomination and Remuneration Committee of the Board comprise of an executive director as a member.	31.03.2021 (FY 2020-21)	No corrective action has been taken by the company during the review period.	The composition of the Board of directors and the committee was not in compliance with the applicable regulations. As per the information provided to us, the company had no Independent Directors or woman directors as at the end of the review period. Accordingly none of the committees were duly constituted.
7.	The statutory auditor of the company issuing the audit report and the Limited review report has not yet subjected themselves to the peer review process of ICAI.	31.03.2021 (FY 2020-21)	Peer review of the Statutory Auditors has been done.	Peer review of the Statutory Auditors has been done.
8.	The company has not reported several events/ information to BSE Limited as required under LODR regulations including inter alia the re-appointment of the WTD etc.	31.03.2021 (FY 2020-21)	No corrective action has been taken by the company during the review period as the suspension on BSE Limited has continued.	The company being suspended from BSE Limited, has not filed all the requisite returns/ intimations/ disclosures on the web portal of BSE Limited as per the SEBI Regulations.  Accordingly none of the intimations or disclosures under regulations and SEBI

				Circulars etc. are available on the web portal of BSE Limited and their timely filing and dissemination could not be verified.
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Date: 28.05.2022  
Place: Chandigarh

UDIN: F002191D000421214

**For A. Arora & Co**  
Company Secretaries

Sd/-  
Ajay K. Arora  
C. P. No. 993  
Peer review Cert No. 2120/2022



### INDEPENDENT AUDITORS' REPORT

The Members,  
Naraingarh Sugar Mills Limited.

#### 1. Qualified Opinion

We have audited the accompanying standalone financial statements of **Naraingarh Sugar Mills Limited** which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit & Loss (including other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report the aforesaid standalone financial statements give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31 2022 its loss including other comprehensive income its cash flows and the changes inequity for the year ended on that date.

#### 2. Basis for Qualified Opinion

- a. *We draw attention to Note 4.2 of the standalone financial statements regarding a lot of contingent liabilities & Commitments (including default in repaying Bank loans and guarantees) can adversely affect the financial viability of the company. Adverse decision by various adjudication authorities can further erode the working capital as well as Share capital too. In spite of such serious nature the management of the company has prepare the financial statements without acknowledging the liability and prepare it on "Going Concern concept" However we have not been able to corroborate the Management's contention of "Going Concern". Accordingly, we are unable to comment on the "Going Concern Principle" of the company.*
- b. *We draw attention to Note 4.4 of the standalone financial statements regarding default by company is repaying loan (principal & Interest) from various banking/ financial institutions. An FIR dated 28/12/2021 was lodged u/s 120B, 406,409,420,468 & 471 of IPC against ex director and other officers of the company, The management of the company is also taken over by the state government. Further land measuring 64 Acre in the name of Company was also attached by Hon'ble Court vide order dated 25/02/2022. These developments can adversely affect to the overall functioning of the company and may also effect the "Going Concern Concept" of the company. In spite of such serious nature the management of the company has prepare the financial statements without acknowledging the liability and prepare it on "Going Concern concept" However we have not been able to corroborate the Management's contention of "Going Concern". Accordingly, we are unable to comment on this point.*
- c. *We draw attention to Note 4.5, 4.12 & 4.13 of the standalone financial statements regarding parties' balances including balance from Mr. Rahul Anand who is the prime party of FIR along with other firms related to him. We are unable to comment on this point because the matter is sub-judice.*
- d. *We draw attention to Note no 1.3 of the standalone financial statements regarding valuation of inventories. The Management rely on the design and operating effectiveness of Controls in determination of cost of production and net realizable value of inventory of sugar. Along with various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India, initiatives taken by the government with respect with to Sugar Industry as a whole. However, we have not been able to corroborate the Management's contention. Accordingly, we are unable to comment on the correctness of the "Method and Valuation of Inventory" of the company.*



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

### 3. Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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 in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Impact of Government Policies/Notifications on recognition of subsidy accruals/claims and their recoverability:</b>	
<p>During the year, the Company has recognized/received Subsidy Claims aggregating to Rs. 833.86 Lakh in terms of Schemes notified by the State Government to offset the cane cost for sugar season 2021-2022.</p> <p><i>We considered this as a key audit matter because recognition of Subsidy Claim is subject to satisfaction of certain conditions mentioned in the related notification. Assessment of recoverability of the claim is subject to significant judgement of the management including certainty with respect to the satisfaction of conditions specified in the notification/policies, collections thereof.</i></p>	<p>We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notification/policies and collections.</p> <p><i>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims.</i></p> <p>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</p>

### 4. Information other than the financial statements and Auditor's Report thereon.

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

Our report 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.*



#### 5. Management's Responsibility for Financial Statements

The Company's Management & Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

#### 6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) 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 reference to financial statement in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

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

7. Attention is invited to the following points of Note '4' of the financial statements.
- i) Note 4.1 - regarding confirmation of attachment of Fixed Assets of the Company under the Prevention of Money Laundering Act, 2002 by the Adjudicating Authority.
  - ii) Note 4.2 – Contingent Liabilities & Commitments.
  - iii) Note 4.3 - regarding calls in arrears and Redeemable Preference Shares.
  - iv) Note 4.4 – regarding take over of Management by the State Government.
8. Net-worth of the Company has completely eroded; the management is of the opinion that the Company shall carry on its business as usual, hence the financial statements of the Company have been prepared on a going concern basis; the appropriateness of the said basis is inter-alia dependent upon future performance and profitability and presently *we are unable to express an opinion on the same.*

**9. Report on Other Legal and Regulatory Requirements**

- A) As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- B) As required by Section 143(3) of the Act, we report that:
- (a) we have sought and except for the matters described in the basis of Qualified Opinion Paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the matters described in the basis of Qualified Opinion Paragraph obtained 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 & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) Except for the matters described in the basis of Qualified Opinion Paragraph obtained in our opinion, the aforesaid Ind AS financial statements, comply with the Indian Accounting Standards, specified under Section 133 of the Act;




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- (e) The matter described in the Basis for Qualified Opinion paragraph above in our opinion may have an adverse effect on the functioning of the Company
- (f) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 4.1, 4.2 & 4.7);
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditors' Report under Section 197(16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Director during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**Dated :** 29<sup>th</sup> November, 2022  
**Place :** Chandigarh



For K D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 024293N  
UDIN: 22507959BEKLET8540

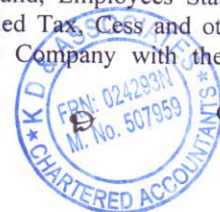
  
(DEEPAK GARG)  
PARTNER  
Membership No. - 507959



"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 9 of our report of even date on accounts of Naraingarh Sugar Mills Limited for the year ended 31<sup>st</sup> March, 2022).

- i. a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
B) The Company does not have any Intangible Assets.
- b) The Company has a regular programme of physical verification of its Property, Plant & Equipment by which all Property, Plant & Equipment are verified in a phased manner, over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management & on the basis of examination of the records of the Company, Title Deeds of Immovable Properties are held in the name of the Company.
- d) The Company has not revalued its Property, Plant & Equipment (including Right of use assets) or Intangible Assets or both, during the year.
- e) According to the information and explanations given by the management & on the basis of examination of the records of the Company, no proceeding has been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) As explained to us, the inventories were physically verified, during the year, by the management at reasonable intervals and we are unable to comment on the method and value of inventory adopted by management.
- b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given by the management & on the basis of examination of the records, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or any other parties. **Corporate Guarantee given by the Company to the Bank, for the loans given to the Cane Farmers, is not in conformity with the provisions of Section 186 of the Companies Act, 2013.** Accordingly, paragraph 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013. **Corporate Guarantee given by the Company to the Bank, for the loans given to the Cane Farmers is not in conformity with the provisions of Section 186 of the Companies Act, 2013.** Accordingly, paragraph 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has complied with the provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.  
  
However, we have not made a detailed examination of the records with a view to determine whether they are accurate & complete.
- vii. a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other statutory dues, have been regularly deposited, during the year, by the Company with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable, in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other statutory dues (except Cane Purchase Tax - ` 15.32 lakh, for the financial year, 2016-2017 and ` 8.58 lakh, for the month of April, 2017) were in arrears, as on 31<sup>st</sup> March, 2022, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with appropriate authorities on account of any dispute, except as mentioned below:

<u>Name of the Statute</u>	<u>Nature of dues</u>	<u>Amount Involved</u> (` In lakh)	<u>Amount deposited under protest</u> (` In lakh)	<u>Financial Year/Period</u>	<u>Forum where dispute is pending</u>
i. Income Tax Act, 1961	Penalty u/s 271(1)(c)	5.46	Nil	2007-2008	Income Tax Appellate Tribunal, New Delhi
ii. Central Excise Act, 1944	Excise Duty (inc. penalty)	37.27	2.49	March, 2015 to March, 2016	CESTAT, New Delhi
iii. Finance Act, 1994	Service Tax (inc. penalty)	30.85	4.72	2010-2011	CESTAT, New Delhi
iv. Punjab Sugarcane Act, 1953	Cane Purchase Tax	202.34	Nil	1996-2002	Punjab & Haryana High Court, Chandigarh

- viii. According to the information and explanations given to us, the Company has not surrendered or disclosed any income, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income, during the year.

Accordingly, paragraph 3(viii) of the Order is not applicable.

- ix. a) Based on our audit procedures and on the basis of information & explanations given by the management, the Company had defaulted in repayment of loans or other borrowings or in the payment of interest thereon, which are as under : [Refer note 3.2(iii)]

S.No.	Name of Lender	Amount not paid on due date ` in Lakh	Whether principal or interest	Period of default
1.	Indian Renewable Energy Development Agency Ltd.	` 879.94	Principal	December - 2019 to March - 2022
2.	Indian Renewable Energy Development Agency Ltd.	` 3,038.79	Interest	December - 2019 to March - 2022
3.	The Ambala Central Cooperative Bank Ltd.	` 9,865.47	Principal	June - 2019 to September - 2020
4.	The Ambala Central Cooperative Bank Ltd.	` 3,168.30	Interest	June - 2020 to March - 2022

- b) Willful defaulter: The company is in default in repayment of loans taken from Banks/Financial institutions. However, we could not able to comment whether company is willful defaulter or not.
- c) According to the information and records available on the records and in the light legal development, it seems that the company has not utilized funds for the purpose it was availed for, the matter is sub-judice in court.



- d) According to the information and explanations given to us, the Company has utilised short-term funds ` 10,464.71 lakh for long-term purposes as on 31<sup>st</sup> March, 2022.
- e) The Company does not have any Subsidiary, Associate or Joint Venture; Accordingly paragraph 3(ix)(e) and (f) of the Order is not applicable.
- x. a) According to the information & explanations given to us, the Company has not raised money by way of Initial Public Offer or Further Public Offer (including Debt Instruments), during the year.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible Debentures, during the year.
- xi. a) According to the information records available on the records and in the light legal development a case of fraud was lodged by lenders against ex director and company. We are unable to comment on the same as the matter is sub judice.
- b) No report has been filed under Section 143(12) of the Companies Act by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle-blower complaints were received, during the year, by the Company.
- xii. According to the information & explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii)(a), (b) and (c) of the Order is not applicable.
- xiii. **We could not able to find sufficient information and explanations regarding transactions with the related parties are in compliance (or not) with Sections 177 and 188 of the Act, hence we are not able to express our opinion regarding this.**
- xiv. a) In our opinion and information and explanations given to us, the internal audit system of the Company is not commensurate with the size and nature of its business, because of issues reported in **Report on the Internal Financial Controls (Annexure- B)**
- b) Reports of the Internal Auditor for the period under audit were not received by us.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to them and hence provisions of Section 192 of the Companies Act are not applicable. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information & explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvii. According to the information & explanations given to us, the Company has incurred cash losses in the financial year ` 48.76 lakh and in the immediately preceding financial year ` 1,972.81 lakh.
- xviii. According to the information & explanations given to us, there was no resignation of Statutory Auditors, during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information & explanations given to us and 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 Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and



when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not a assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information & explanations given to us, the Company is not required to comply with Section 135(5) of the Act. Accordingly, paragraph 3(xx)(a) and (b) of the Order is not applicable.

**Dated :** 29<sup>th</sup> November, 2022  
**Place :** Chandigarh



**For K D & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. - 024293N**  
**UDIN: 22507959BEKLET8540**

*Deepak Garg*

**(DEEPAK GARG)**  
**PARTNER**  
**Membership No. - 507959**

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

**Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013.**

**Opinion**

We have audited the internal financial controls over financial reporting of **Naraingarh Sugar Mills Limited** as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



### Qualified Opinion

According to the information and explanations given to us and based on our audit material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31 2022 as regards:

- a. *To a lot of contingent liabilities & Commitments (including default in repaying Bank loans and guarantees) can adversely affect the financial viability of the company. Adverse decision by various adjudication authorities can further erode the working capital as well as Share capital too.*
- b. *To default by company is repaying loan (principal & Interest) from various banking/ financial institutions. An FIR dated 28/12/2021 was lodged u/s 120B, 406,409,420,468 & 471 of IPC against ex director and other officers of the company, The management of the company is also taken over by the state government. Further land measuring 64 Acre in the name of Company was also attached by Hon'ble Court vide order dated 25/02/2022. These developments can adversely affect to the overall functioning of the company and may also effect the "Going Concern Concept" of the company.*
- c. *To parties' balances including balance from Mr. Rahul Anand who is the prime party of FIR along with other firms related to him. (Note 4.5, 4.12 & 4.13 of the standalone financial statements)*
- d. *To valuation of inventories. The Management rely on the design and operating effectiveness of Controls in determination of cost of production and net realizable value of inventory of sugar. Along with various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India, initiatives taken by the government with respect with to Sugar Industry as a whole. However, we have not been able to corroborate the Management's contention. (Note no 1.3 of the standalone financial statements)*

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

In our opinion and material weakness described above on the achievement of the objectives of the control criteria the Company has failed to maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31 2022.

### Explanatory paragraph

We also have audited in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act the standalone financial statements of Adani Power Limited which comprise the Balance Sheet as at March 31 2022 and the related Statement of Profit and Loss including the Statement of Other Comprehensive Income the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information and our report dated November 29<sup>th</sup> 2022 expressed a qualified opinion.

**Dated :** 29<sup>th</sup> November, 2022  
**Place :** Chandigarh



For K D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 024293N  
UDIN: 22507059BEKLET8540

*(Signature)*  
(DEEPAK GARG)

PARTNER  
Membership No. - 507959

**NARAINGARH SUGAR MILLS LIMITED**  
**BALANCE SHEET**  
**AS AT 31ST MARCH, 2022**

	NOTE	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.1	15,182.91	16,232.47
(b) Deferred Tax Assets (net)		5,303.36	5,017.71
(c) Other Non-Current Assets	1.2	512.03	676.09
<b>Total Non-Current Assets</b>		<b>20,998.29</b>	<b>21,926.27</b>
<b>Current Assets</b>			
(a) Inventories	1.3	5,349.62	5,261.70
(b) Financial Assets			
(i) Trade Receivables	1.4	8,933.38	8,780.11
(ii) Cash and cash equivalents	1.5	508.96	287.81
(iii) Bank Balance other than Cash and cash equivalents	1.6	3.12	16.31
(iv) Other Financial Assets	1.7	24.62	28.72
(c) Other Current Assets	1.8	7,923.69	7,092.86
<b>Total Current Assets</b>		<b>22,743.37</b>	<b>21,467.51</b>
<b>Total Assets</b>		<b>43,741.66</b>	<b>43,393.78</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	1.9	2,119.54	2,119.54
(b) Other Equity	1.10	(10,352.90)	(9,319.71)
<b>Total Equity</b>		<b>(8,233.37)</b>	<b>(7,200.18)</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1.11	11,198.29	11,878.29
(ii) Other Financial Liabilities	1.12	103.33	95.54
(b) Provisions	1.13	268.18	191.69
(c) Other Non-Current Liabilities	1.14	7,197.15	7,197.15
<b>Total Non-Current Liabilities</b>		<b>18,766.95</b>	<b>19,362.67</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	1.15		
-Total outstanding dues of Micro Enterprises and Small Enterprises		49.56	674.15
-Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		10,909.51	11,044.15
(ii) Other Financial Liabilities	1.16	18,517.21	15,648.98
(b) Other Current Liabilities	1.17	3,707.27	3,840.89
(c) Provisions	1.18	24.53	23.11
<b>Total Current Liabilities</b>		<b>33,208.08</b>	<b>31,231.29</b>
<b>Total Equity and Liabilities</b>		<b>43,741.66</b>	<b>43,393.78</b>

Significant accounting policies

Other notes to accounts

The notes referred to above form an integral part of the financial statements.

For Naraingarh Sugar Mills Ltd. For and on behalf of the Board of Directors

4

"AUDITOR'S REPORT" Manoj Kumar Das  
In terms of our attached Independent Director  
report of even date.

Sandeep Singh  
SANDEEP SINGH  
(Whole-time Director)

For K D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 024293N

ABHIMANYU SINGH  
(Chief Financial Officer)

(DEEPAK GARG) - -  
PARTNER  
Membership No. - 507959

Misha Nahal  
MISHA NAHAL  
(Company Secretary)

29<sup>th</sup> Nov 2022  
Dated : 05th September, 2022  
Place : Chandigarh

UDIN: 22507959BEKLET8540

**NARAINGARH SUGAR MILLS LIMITED**  
**STATEMENT OF PROFIT & LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

	<u>NOTE</u>	<u>For the year ended</u> <u>31st March, 2022</u>	<u>(₹ in lakh)</u> <u>For the year ended</u> <u>31st March, 2021</u>
		₹	₹
<b>Revenue</b>			
Revenue from Operations	2.1	20,613.94	21,714.47
Other Operating Revenues	2.2	0.84	3.96
Other Income	2.3	728.92	1.04
<b>Total Income</b>		<b>21,343.70</b>	<b>21,719.47</b>
<b>Expenditure</b>			
Cost of Materials Consumed	2.4	15,905.60	20,434.61
Changes in Inventories of Finished Goods and Work-in-Progress	2.5	(895.75)	(2,950.24)
Employee Benefits Expense	2.6	837.51	852.39
Finance Costs	2.7	3,038.80	2,867.73
Depreciation & Amortisation Expense	1.1	1,063.72	1,176.35
Other Expenses	2.8	2,506.61	2,487.80
		<b>22,456.48</b>	<b>24,868.63</b>
<b>Loss before exceptional items &amp; tax</b>		<b>(1,112.78)</b>	<b>(3,149.16)</b>
Exceptional items		0.30	0.00
<b>Loss before tax</b>		<b>(1,112.48)</b>	<b>(3,149.16)</b>
Tax Expense			<b>(1,236.88)</b>
-Deferred tax		<b>(285.64)</b>	
<b>Loss for the year</b>		<b>(826.84)</b>	<b>(1,912.27)</b>
<b>Other Comprehensive Income/(Loss)</b>			
Items that will not be reclassified to Statement of Profit & Loss			
(i) Measurement of post employment benefit obligation		<b>(42.29)</b>	0.37
(ii) Measurement of investments		0.00	0.00
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>(42.29)</b>	<b>0.37</b>
<b>Total Comprehensive Profit/(Loss) for the year</b>		<b>(869.13)</b>	<b>(1,911.90)</b>
<b>Earnings per equity share</b>			
Basic & Diluted	4.17		
-10 paid-up		(4.35)	(10.06)
-5 paid-up		(2.17)	(5.03)

Significant accounting policies

Other notes to accounts

The notes referred to above form an integral part of the financial statements.

**For Naraingath Sugar Mills Ltd.**

For and on behalf of the Board of Directors  
**Manoj Kumar Das**  
 Independent Director

**Sandeep Singh**  
 SANDEEP SINGH  
 (Whole-time Director)

For K D & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. - 024293N

**Abhimanyu Singh**  
 ABHIMANYU SINGH  
 (Chief Financial Officer)

(DEEPAK GARG)  
 PARTNER  
 Membership No. - 507959

**Misha Nahal**  
 MISHA NAHAL  
 (Company Secretary)

Dated : 05th September, 2022  
 Place : Chandigarh



UDIN: 22507959BEKLET8540



**NARAINGARH SUGAR MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

	(₹ in lakh)	
(a) Equity Share Capital (Refer Note 1.9)	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Balance at the Beginning of the year	1,901.81	1,901.81
Add : Additions during the year	0.00	0.00
Balance at the end of the year	<u>1,901.81</u>	<u>1,901.81</u>

**Attributable to the owners of the Company**  
**Reserves and Surplus**

(b) Other Equity (Refer Note 1.10)	Capital Reserve	Capital Redemption	MAT Credit Entitlement	Retained Earnings	Total Equity
	₹	₹	₹	₹	₹
Balance as at 01st April, 2020	373.95	488.45	382.72	(8,652.94)	(7,407.81)
Profit/(Loss) for the year	0.00	0.00	0.00	(1,912.27)	(1,912.27)
Other Comprehensive Income/(Loss)	0.00	0.00	0.00	0.37	0.37
Balance as at 01st April, 2021	<u>373.95</u>	<u>488.45</u>	<u>382.72</u>	<u>(10,564.83)</u>	<u>(9,319.71)</u>
Profit/(Loss) for the year	0.00	0.00	(164.06)	(826.84)	(990.90)
Other Comprehensive Income/(Loss)	0.00	0.00	0.00	(42.29)	(42.29)
Balance as at 31st March, 2022	<u>373.95</u>	<u>488.45</u>	<u>218.66</u>	<u>(11,433.97)</u>	<u>(10,352.90)</u>

**"AUDITOR'S REPORT"**

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For Naraingarh Sugar Mills Ltd.

*Sandeep Singh*  
**SANDEEP SINGH**  
 (Whole-time Director)

For K D & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. - 024293N

*Manoj Kumar Das*  
**Manoj Kumar Das**  
 Independent Director

*Abhimanyu Singh*  
**ABHIMANYU SINGH**  
 (Chief Financial Officer)

Dated : ~~05th September, 2022~~  
 Place : Chandigarh

*Deepak Garg*  
**(DEEPAK GARG)**  
 PARTNER  
 Membership No. - 507959



*Misha Nahal*  
**MISHA NAHAL**  
 (Company Secretary)

UDIN : 22507959 BEKLET 8540

*PC/PS*

**NARAINGARH SUGAR MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>31ST MARCH, 2022</u>	<u>31ST MARCH, 2021</u>
	₹	₹
<b>"A" CASH FLOWS</b>		
<b>(I) FROM OPERATING ACTIVITIES</b>		
a) <u>Profit/(Loss) before tax:</u>	(1,112.48)	(3,149.16)
Adjustments :		
Depreciation and amortisation	1,063.72	1,176.35
Interest earned	(0.12)	(1.04)
Interest paid/incurred (Net)	3,035.70	2,865.04
(Profit)/Loss on sale of fixed assets	(0.30)	0.00
Adjustments (Other Comprehensive Income)	(42.29)	0.37
	<b>2,944.23</b>	<b>891.57</b>
b) <u>Working capital changes:</u>		
(Increase)/Decrease in Inventories	(87.92)	(2,366.94)
(Increase)/Decrease in Trade Receivables	(153.26)	(646.48)
Increase/(Decrease) in Other Non-Current Financial Liabilities	7.79	1.00
Increase/(Decrease) in Non-Current Provisions	76.49	13.21
(Increase)/Decrease in Other Current Assets	(829.54)	(765.48)
(Increase)/Decrease in Other Current Financial Assets	2.81	(11.58)
Increase/(Decrease) in Trade Payables	(759.23)	3,686.68
Increase/(Decrease) in Other Current Financial Liabilities	(335.96)	122.16
Increase/(Decrease) in Other Current Liabilities	(133.62)	388.44
Increase/(Decrease) in Current Provisions	1.42	6.04
	<b>733.19</b>	<b>1,318.62</b>
c) <u>Direct taxes paid (inclusive of taxes for earlier years):</u>	0.00	0.00
	<b>733.19</b>	<b>1,318.62</b>
<b>(II) FROM INVESTING ACTIVITIES</b>		
a) Purchase of tangible assets/intangible assets/ capital work-in-progress	(14.62)	(10.57)
b) Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	0.78	0.00
c) (Increase)/Decrease in Non-Current Investments	0.00	0.00
d) (Increase)/Decrease in Other Non-Current Assets	0.00	0.00
e) (Increase)/Decrease in Fixed Deposits	13.19	(0.96)
f) Dividend received	0.00	0.00
g) Interest received	0.12	1.04
	<b>(0.54)</b>	<b>(10.50)</b>

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( III ) FROM FINANCING ACTIVITIES

a) Proceeds from issue of share capital	0.00	0.00
b) Share application money (pending allotment)	0.00	0.00
c) Proceeds from Non-Current Borrowings (net)	2,524.20	1,196.49
d) Increase in Current Borrowings (net)	0.00	0.00
e) Redemption of Preference Shares	0.00	0.00
f) Repayment of Non-Current Borrowings	0.00	0.00
g) Decrease in Current Borrowings (net)	0.00	0.00
h) Dividends paid (including distribution tax)	0.00	0.00
i) Interest and other finance costs	(3,035.70)	(2,865.04)
j) Share issue expenses	0.00	0.00
<b>Total "III"</b>	<b>(511.50)</b>	<b>(1,668.55)</b>
<b>"B" Net (decrease)/Increase in cash and cash equivalents (I+II+III)</b>	<b>221.14</b>	<b>(360.42)</b>
Add : Cash and cash equivalents at the beginning of the year	287.81	648.24
<b>"C" Cash and cash equivalents at the end of the year</b>	<b>508.96</b>	<b>287.81</b>

Cash and Cash equivalents comprises of	( ₹ in lakh)	
	<u>CURRENT YEAR</u> <u>31ST MARCH, 2022</u>	<u>PREVIOUS YEAR</u> <u>31ST MARCH, 2021</u>
	₹	₹
Balances with banks current accounts	508.86	283.86
Cash balance	0.10	3.95
	<u>508.96</u>	<u>287.81</u>

Note : Previous year figures have been regrouped/reclassified wherever necessary.

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For K D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 024293N

**For Narainagarh Sugar Mills Ltd.**

**Manoj Kumar Das**  
Independent Director

**Sandeep Singh**  
SANDEEP SINGH  
(Whole-time Director)

**Abhimanyu Singh**  
ABHIMANYU SINGH  
(Chief Financial Officer)

(DEEPAK GARG)  
PARTNER  
Membership No. - 507959

**Misha Nahal**  
MISHA NAHAL  
(Company Secretary)

Dated : 29<sup>th</sup> Nov 22  
05<sup>th</sup> September, 2022  
Place : Chandigarh



29/11/22

UDIN: 22507959BEKLET 8540

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.1 : PROPERTY, PLANT & EQUIPMENT**

(₹ in lakh)

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	COST AS ON 01.04.2021	ADDITIONS/ (ADJUSTMENTS)	TOTAL	AS ON 01.04.2021	DURING THE YEAR	TOTAL	W.D.V. AS ON 31.03.2021	W.D.V. AS ON 31.03.2022
Land	463.70	0.00	463.70	0.00	0.00	0.00	463.70	463.70
Building -Factory	3,360.37	0.00	3,360.37	1,271.39	172.82	1,444.21	2,088.98	1,916.16
-Non Factory	504.60	0.00	504.60	172.32	7.12	179.44	332.28	325.16
Furniture & Fixtures	56.17	0.00	56.17	31.68	2.25	33.93	24.49	22.24
Plant & Machinery -Machinery	19,958.90	0.00	19,958.90	6,750.84	868.08	7,618.92	13,208.06	12,339.98
-Equipment/Computers	102.26	14.62 (0.78)	116.11	67.45	5.49 (0.31)	72.63	34.81	43.48
-Vehicles	180.50	0.00	180.50	100.35	7.96	108.31	80.15	72.19
<b>"A" FIGURES FOR CURRENT YEAR : ₹</b>	<b>24,626.50</b>	<b>14.62 (0.78)</b>	<b>24,640.35</b>	<b>8,394.03</b>	<b>1,063.72 (0.31)</b>	<b>9,457.44</b>	<b>16,232.47</b>	<b>15,182.91</b>
<b>"B" FIGURES FOR PREVIOUS YEAR : ₹</b>	<b>24,615.92</b>	<b>10.57</b>	<b>24,626.50</b>	<b>7,217.68</b>	<b>1,176.35</b>	<b>8,394.03</b>	<b>17,398.25</b>	<b>16,232.47</b>

Dated : 05th September, 2022  
Place : Chandigarh

*(Signature)*

*(Signature)*

**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.2 : OTHER NON-CURRENT ASSETS**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
(Unsecured considered good - unless otherwise stated)		
Advance -For Capital Goods	268.95	268.95
Deposits with Government Departments & Other Agencies	24.42	24.42
<b><u>Taxes</u></b>		
MAT Credit Entitlement	218.66	382.72
<b>TOTAL ₹</b>	<b><u>512.03</u></b>	<b><u>676.09</u></b>

**NOTE 1.3 : INVENTORIES**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
(As taken, valued & certified by the management)		
Raw Material	1.10	763.24
Work-in-Progress	220.13	217.24
Finished Goods etc.	4,873.12	3,980.25
Stores & Spares etc.	255.27	300.96
<b>TOTAL ₹</b>	<b><u>5,349.62</u></b>	<b><u>5,261.70</u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.4 : TRADE RECEIVABLES**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
Unsecured, considered good	8,169.50	8,780.11
Unsecured, considered doubtful	763.88	0.00
<b>TOTAL ₹</b>	<b><u>8,933.38</u></b>	<b><u>8,780.11</u></b>

**Trade Receivables Ageing Schdeule**

<b><u>Particulars</u></b>	<b><u>Outstanding for following periods from due date of payment</u></b>					<b><u>Total</u></b>
	<b><u>Less than 6 months</u></b>	<b><u>6 months- 1 year</u></b>	<b><u>1-2 years</u></b>	<b><u>2-3 years</u></b>	<b><u>More than 3 years</u></b>	
i) Undisputed Trade receivables - considered good	1,311.30	0.27	0.53	0.00	0.00	1,312.10
ii) Undisputed Trade receivables - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
iii) Disputed Trade receivables - considered good	111.15	169.86	1,254.13	3,198.68	2,123.58	6,857.40
iv) Disputed Trade receivables - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
v) Disputed Trade receivables - significant increase in credit risk	0.00	0.00	0.00	763.88	0.00	763.88
	<b><u>1,422.44</u></b>	<b><u>170.14</u></b>	<b><u>1,254.66</u></b>	<b><u>3,962.56</u></b>	<b><u>2,123.58</u></b>	<b><u>8,933.38</u></b>

**NOTE 1.5 : CASH AND CASH EQUIVALENTS**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
Balance with Banks Current Accounts	508.86	283.86
Cash Balance	0.10	3.95
<b>TOTAL ₹</b>	<b><u>508.96</u></b>	<b><u>287.81</u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.6 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

	As at 31st March, 2022 ₹	( ₹ in lakh) As at 31st March, 2021 ₹
Fixed Deposits	3.12	16.31
TOTAL ₹	<u>3.12</u>	<u>16.31</u>

**NOTE 1.7 : OTHER CURRENT FINANCIAL ASSETS**

	As at 31st March, 2022 ₹	( ₹ in lakh) As at 31st March, 2021 ₹
Taxes	11.41	1.30
Staff Advance	13.20	27.42
TOTAL ₹	<u>24.62</u>	<u>28.72</u>

**NOTE 1.8 : OTHER CURRENT ASSETS**

	As at 31st March, 2022 ₹	( ₹ in lakh) As at 31st March, 2021 ₹
Advance for Supplies & Services	1,497.54	6,389.82
Prepaid Expenses	14.56	12.86
Balances with Statutory/Revenue Authorities	7.80	4.77
Others	6,403.79	685.41
TOTAL ₹	<u>7,923.69</u>	<u>7,092.86</u>

Dated : 05th September, 2022  
Place : Chandigarh

B

**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.9 : SHARE CAPITAL**

	As at 31st March, 2022		( ₹ in lakh) As at 31st March, 2021	
	₹	₹	₹	₹
<b>1.9.1 Authorised</b>				
-21,000,000 Equity shares of ₹ 10/- each		<u>2,100.00</u>		<u>2,100.00</u>
-9,000,000 Redeemable Preference shares of ₹ 10/- each		<u>900.00</u>		<u>900.00</u>
<b>1.9.2 Issued, Subscribed &amp; Paid up</b>				
Equity Share Capital				
-20,312,200 Equity shares of ₹ 10/- each	2,031.22			
Less : Calls in arrear *	<u>129.41</u>	1,901.81		1,901.81
Preference Share Capital **				
-2,177,251 (12%) Redeemable, (Non-Cumulative), Preference shares of ₹ 10/- each		217.73		217.73
<b>TOTAL ₹</b>		<u><u>2,119.54</u></u>		<u><u>2,119.54</u></u>

\* represent 2,588,200 Equity Shares @ ₹ 5 per share (refer note 4.3).

\*\* due for redemption (refer note 4.3).

**1.9.3 Details of Shareholders holding more than 5% equity shares as at year end**

Equity shares of ₹ 10/- each.

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Mrs. Renu Anand *	3,706,440	18.25	3,706,440	18.25
Mr. Suvrat Khanna	2,115,240	10.41	2,115,240	10.41
Mr. Taranbir Singh	2,115,240	10.41	2,115,240	10.41
ILife Medical Devices Pvt. Ltd.	1,500,000	7.38	1,500,000	7.38
Mr. Pradeep Anand	1,300,000	6.40	1,300,000	6.40
Mr. P.L. Lamba	1,133,400	5.58	1,133,400	5.58
<b>TOTAL</b>	<u><u>11,870,320</u></u>	<u><u>58.43</u></u>	<u><u>11,870,320</u></u>	<u><u>58.43</u></u>

\* inclusive of 3,472,840 shares of Late Mr. Onkar Anand (Ex-Director)  
pending transfer in her name.

**1.9.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year**

During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.

Dated : 05th September, 2022

Place : Chandigarh



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NARAINGARH SUGAR MILLS LIMITED

NOTE 1.10 : OTHER EQUITY

	As at		( ₹ in lakh)	
	31st March, 2022		31st March, 2021	
	₹	₹	₹	₹
Capital Reserve				
-Balance brought forward		373.95		373.95
Capital Redemption Reserve				
-Balance brought forward		488.45		488.45
Deficit				
Statement of Profit & Loss				
-Balance brought forward	(10,564.83)		(8,652.94)	
-Add : Net Loss for the year	(869.13)	(11,433.97)	(1,911.90)	(10,564.83)
MAT Credit Entitlement				
-Balance brought forward	382.72			382.72
-Less : Lapsed, during the year	164.06	218.66		
<b>TOTAL ₹</b>		<b><u>(10,352.90)</u></b>		<b><u>(9,319.71)</u></b>

Dated : 05th September, 2022

Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.11 : NON-CURRENT BORROWINGS**

			As at		( ₹ in lakh)	
			31st March, 2022		31st March, 2021	
			₹	₹	₹	₹
<b>1.11.1 Secured :</b>						
<b>Term Loans</b>						
-From : <b>IREDA</b>		14,566.22				
-Less : Installments due	879.94					
-Less : Interest accrued & due	3,038.79					
-Less : Current Maturities (refer note 1.16)	680.00	4,598.73	9,967.49		10,647.49	
<b>Soft Loans</b>						
-From : Bank		12,258.30				
-Less : Installments due	9,090.00					
-Less : Interest accrued & due (refer note 1.16)	3,168.30	12,258.30	0.00	9,967.49	0.00	10,647.49
<b>1.11.2 Unsecured</b>						
<b>Soft Loan</b>						
-From : Bank		775.47			0.00	
-Less : Installments due (refer note 1.16)		775.47	0.00			
From : Others			1,230.80	1,230.80	1,230.80	1,230.80
<b>TOTAL ₹</b>				<b>11,198.29</b>		<b>11,878.29</b>

**Notes: 1. Term Loans :**

**From: Indian Renewable Energy Development Agency Ltd. (IREDA)**

are secured by first charge, on all the fixed assets of the Company (situated at Village Banondi, Tehsil Naraingarh, Distt. Ambala, Haryana & elsewhere) both present & future, on pari-passu basis with GOI (SDF) for its term loan, exclusive charge on receivables of power from Bagasse/Biomass based cogeneration project & other monies credited/to be credited in TRA of the Borrower and also lying or held wherever else and equitable mortgage by deposit of title deeds of immovable properties of the Company.

The said loans are also secured by personal guarantee of Mrs. Renu Anand & Mr. Jitendra Anand (erstwhile Directors), of the Company.

The rate of interest on the loan ranges from 12.50% to 15.00% per annum.

**2. Soft Loans :**

**From: The Ambala Central Cooperative Bank Ltd.**

are secured by

i) first charge on sugar stock equivalent to the instalment of loan/interest due in that crushing season with 20% margin.

ii) 1st/2nd charge on 64 acres land of the Company (situated in Village Natwal, Toda and Naya Gaon in District Panchkula).

iii) 1st/2nd charge on Land and Building of a Company in which one of the erstwhile Director/relative of erstwhile Director are interested.

iv) agriculture land/residential plot in the name/joint name of the erstwhile Directors of the Company.

The said loans are also secured by personal guarantee of one of the erstwhile Director and relative of the erstwhile Director of the Company.

The rate of interest on the loans ranges from 11.00% to 12.00% per annum.

Dated : 05th September, 2022

Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.12 : OTHER NON-CURRENT FINANCIAL LIABILITIES**

	<b>As at</b>		<b>( ₹ in lakh)</b>	
	<b>31st March, 2022</b>		<b>As at</b>	
	<b>₹</b>		<b>31st March, 2021</b>	
	<b>₹</b>		<b>₹</b>	
Security Deposits				
-From: Farmers, Suppliers, Dealers and Contractors etc.		38.90		33.05
Retention Money		64.44		62.50
<b>TOTAL ₹</b>		<b><u>103.33</u></b>		<b><u>95.54</u></b>

**NOTE 1.13 : NON-CURRENT PROVISIONS**

	<b>As at</b>		<b>( ₹ in lakh)</b>	
	<b>31st March, 2022</b>		<b>As at</b>	
	<b>₹</b>		<b>31st March, 2021</b>	
	<b>₹</b>		<b>₹</b>	
Gratuity				
-Balance brought forward	130.28			
-Add: Other Comprehensive Income	42.29			
	<u>172.57</u>			
-Add : Current year's provision	27.78	200.35		
-Less : paid during the year		19.11	181.23	130.28
Leave Encashment				
-Balance brought forward	61.41			
-Add : Current year's provision	40.10	101.51		
-Less : paid during the year		14.57	86.95	61.41
<b>TOTAL ₹</b>		<b><u>268.18</u></b>		<b><u>191.69</u></b>

**NOTE 1.14 : OTHER NON-CURRENT LIABILITIES**

	<b>As at</b>		<b>( ₹ in lakh)</b>	
	<b>31st March, 2022</b>		<b>As at</b>	
	<b>₹</b>		<b>31st March, 2021</b>	
	<b>₹</b>		<b>₹</b>	
Advance				
From Customer		7,197.15		7,197.15
<b>TOTAL ₹</b>		<b><u>7,197.15</u></b>		<b><u>7,197.15</u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.15 : TRADE PAYABLES**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
Total outstanding dues of Micro Enterprises and Small Enterprises	49.56	674.15
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	10,909.51	11,044.15
<b>TOTAL ₹</b>	<b><u>10,959.07</u></b>	<b><u>11,718.31</u></b>

**Trade Payables Ageing Schdeule**

<u>Particulars</u>	<u>Outstanding for following periods from due date of payment</u>				
	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	<u>Total</u>
i) MSME	24.05	6.87	0.11	0.21	31.24
ii) Others	10,344.51	105.85	23.52	13.03	10,486.91
iii) Diputed Dues - MSME	0.36	0.00	17.96	0.00	18.32
iv) Diputed Dues - Others	4.32	24.46	222.84	170.99	422.60
	<u>10,373.25</u>	<u>137.17</u>	<u>264.43</u>	<u>184.22</u>	<u>10,959.07</u>

**NOTE 1.16 : OTHER CURRENT FINANCIAL LIABILITIES**

	As at 31st March, 2022 ₹	(₹ in lakh) As at 31st March, 2021 ₹
Current Maturities of Long-term debts (refer note 1.11)	680.00	680.00
Installments due	10,745.41	10,175.92
Interest accrued & due	6,207.09	3,572.39
Creditors For Capital Goods	42.19	42.19
Taxes & Expenses payable	323.41	369.52
Tax deducted/collected at source	5.30	9.24
Workmen's Compensation	240.00	240.00
Other Liabilities	273.80	559.72
<b>TOTAL ₹</b>	<b><u>18,517.21</u></b>	<b><u>15,648.98</u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 1.17 : OTHER CURRENT LIABILITIES**

	As at 31st March, 2022	( ₹ in lakh) As at 31st March, 2021
	₹	₹
Advance From Customers	3,707.27	3,840.89
<b>TOTAL ₹</b>	<b><u>3,707.27</u></b>	<b><u>3,840.89</u></b>

**NOTE 1.18 : CURRENT PROVISIONS**

	As at 31st March, 2022	( ₹ in lakh) As at 31st March, 2021
	₹	₹
Gratuity		
-Balance brought forward	17.53	
-Add : Current year's provision	<u>0.59</u>	17.53
	18.13	
Leave Encashment		
-Balance brought forward	5.57	
-Add : Current year's provision	<u>0.83</u>	5.57
	6.40	
<b>TOTAL ₹</b>	<b><u>24.53</u></b>	<b><u>23.11</u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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NARAINGARH SUGAR MILLS LIMITED

NOTE 2.1 : REVENUE FROM OPERATIONS

	For the year ended 31st March, 2022	( ₹ in lakh) For the year ended 31st March, 2021
	₹	₹
Sales		
-Sugar	16,618.51	16,057.65
-Molasses	1,885.19	1,498.36
-Power	1,999.30	4,153.56
-Press Mud	60.77	3.75
-Others	50.16	1.15
TOTAL ₹	<u>20,613.94</u>	<u>21,714.47</u>

NOTE 2.2 : OTHER OPERATING REVENUES

	For the year ended 31st March, 2022	( ₹ in lakh) For the year ended 31st March, 2021
	₹	₹
Farming Income (Net)	0.84	3.96
TOTAL ₹	<u>0.84</u>	<u>3.96</u>

NOTE 2.3 : OTHER INCOME

	For the year ended 31st March, 2022	( ₹ in lakh) For the year ended 31st March, 2021
	₹	₹
Interest earned	0.12	1.04
Miscellaneous	728.80	0.00
TOTAL ₹	<u>728.92</u>	<u>1.04</u>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 2.4 : COST OF MATERIALS CONSUMED**

	<b>For the year ended 31st March, 2022</b>		<b>(₹ in lakh) For the year ended 31st March, 2021</b>	
	₹	₹	₹	₹
Opening Stock	763.24		1,401.93	
Add : Purchases	<u>15,906.50</u>	16,669.74	<u>19,795.92</u>	21,197.85
Less : Closing Stock	1.10			763.24
Less : Damaged Biomass Stock (refer Note no. 2.8)	<u>763.04</u>	764.14		
<b>TOTAL ₹</b>		<b><u><u>15,905.60</u></u></b>		<b><u><u>20,434.61</u></u></b>

**NOTE 2.5 : CHANGES IN INVENTORIES**

	<b>For the year ended 31st March, 2022</b>		<b>(₹ in lakh) For the year ended 31st March, 2021</b>	
	₹	₹	₹	₹
Stock at Commencement				
-Work-in-Progress	217.24		170.71	
-Finished Goods	<u>3,980.25</u>	4,197.49	<u>1,076.54</u>	1,247.25
Stock at Close				
-Work-in-Progress	220.13		217.24	
-Finished Goods	<u>4,873.12</u>	5,093.24	<u>3,980.25</u>	4,197.49
<b>TOTAL ₹</b>		<b><u><u>(895.75)</u></u></b>		<b><u><u>(2,950.24)</u></u></b>

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**

**NOTE 2.6 : EMPLOYEE BENEFITS EXPENSE**

	For the year ended 31st March, 2022		(₹ in lakh) For the year ended 31st March, 2021	
	₹	₹	₹	₹
Salaries & Wages (salaries & wages, leave encashment & bonus)		745.19		731.69
Contribution to : -Provident Fund & Other Funds		42.64		40.25
Other benefits : -Staff Welfare	21.31		57.41	
-Gratuity	28.37	49.68	23.04	80.45
<b>TOTAL ₹</b>		<b><u>837.51</u></b>		<b><u>852.39</u></b>

**NOTE 2.7 : FINANCE COSTS**

	For the year ended 31st March, 2022		(₹ in lakh) For the year ended 31st March, 2021	
	₹	₹	₹	₹
Interest -Bank	1,281.80		1,153.97	
-Others	1,753.90	3,035.70	1,711.07	2,865.04
Bank Charges		3.10		2.68
<b>TOTAL ₹</b>		<b><u>3,038.80</u></b>		<b><u>2,867.73</u></b>

Dated : 05th September, 2022

Place : Chandigarh

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NARAINGARH SUGAR MILLS LIMITED

NOTE 2.8 : OTHER EXPENSES

	For the year ended 31st March, 2022		( ₹ in lakh) For the year ended 31st March, 2021	
	₹	₹	₹	₹
Other Operating Expenses				
-Consumable Stores	219.64		168.43	
-Packing Material	210.09		238.91	
-Power & Fuel	8.05		0.06	
-Others	<u>120.06</u>	557.85	<u>295.10</u>	702.49
Rent		27.75		64.90
Repairs & Maintenance				
-Building/Electricals	217.04		170.74	
-Machinery & Equipment	580.30		1,060.19	
-Computers	2.67		1.72	
-Vehicles	<u>12.41</u>	812.43	<u>20.49</u>	1,253.14
Insurance		53.16		37.81
Rates & Taxes		9.30		43.43
Legal & Professional Charges		23.49 *		102.83
Other Administrative Expenses		8.98		19.29
Travelling & Conveyance				
-Staff/Others		9.67		51.05
General Charges		50.02		60.25
Loss				
-Damaged Biomass Stock		763.04		0.00
Selling & Distribution Expenses		190.92		152.60
<b>TOTAL ₹</b>		<u><u>2,506.61</u></u>		<u><u>2,487.80</u></u>

\* inclusive of Auditors' Remuneration ( ₹ 1.70 lakh).

Dated : 05th September, 2022

Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**  
**COMPUTATION OF DEPRECIATION (SUGAR PLANT)**  
**ON WRITTEN DOWN VALUE METHOD (COMPANIES ACT, 2013)**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	RATE (%)	MONTH OF ADDITION	W.D.V./ COST OF ADDITIONS	NUMBER OF MONTHS	DEPRECIATION AMOUNT	TOTAL	UTILISATION FACTOR	TOTAL	W.D.V.
									AS ON 31.03.2022
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(6 x 7=8)	(9)
<b>"A"</b> Building (Factory)									
balance brought forward -before 01.04.2014	11.19	-	43,436,034	12	4,860,492	4,871,957	0.3231	1,574,281	41,982,438
-after 01.04.2014	9.50		120,685	12	11,465				
<b>TOTAL ₹</b>			<b>43,556,719</b>						
<b>Building (Non-Factory)</b>									
balance brought forward -before 01.04.2014	6.63	-	33,227,626	12	2,202,992	2,202,992	0.3231	711,856	32,515,770
<b>TOTAL ₹</b>			<b>33,227,626</b>						
<b>"B"</b> Furniture & Fixtures									
balance brought forward -before 01.04.2014	29.40	-	1,814,196	12	533,374	697,714	0.3231	225,453	2,223,505
-after 01.04.2014	25.89	-	634,762	12	164,340				
<b>TOTAL ₹</b>			<b>2,448,958</b>						

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<b>"C"</b>	Machinery								
	balance brought forward								
	-before 01.04.2014	15.05	-	252,160,595	12	37,950,170			
	-after 01.04.2014	11.29	-	73,093,280	12	8,252,231	0.3231	14,929,439	310,324,436
	<b>TOTAL ₹</b>			<b>325,253,875</b>				46,202,401	
<b>"D"</b>	Equipment								
	balance brought forward								
	-before 01.04.2014	41.43	-	1,316,701	12	545,509			
	-before 01.04.2014	45.07	-	406,282	12	183,111			
	-after 01.04.2014	45.07	-	705,824	12	318,115			
	-after 01.04.2014	45.07	-	27,917	7	7,340			
	-Additions/(Deductions) during the year	45.07	Nov., 2021	(25,545)	5	0			
	45.07	Mar., 2022	1,300,000	0	0	1,054,075	0.3231	340,605	3,390,574
	<b>TOTAL ₹</b>			<b>3,731,179</b>					
<b>"E"</b>	Computers								
	balance brought forward								
	-before 01.04.2014	59.00	-	211,242	12	124,633			
	-before 01.04.2014	63.16	-	144,690	12	91,386			
	-after 01.04.2014	63.16	-	644,334	12	406,961			
	-after 01.04.2014	63.16	-	24,137	7	8,893			
	-Additions/(Deductions) during the year	63.16	Nov., 2021	(21,263)	5	0			
	63.16	Jan., 2022	111,200	2	11,706				
	63.16	Mar., 2022	51,271	0	0	643,579	0.3231	207,960	957,651
	<b>TOTAL ₹</b>			<b>1,165,611</b>					

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"F"	Vehicles					
	balance brought forward					
	-before 01.04.2014	29.67	2,523,113	12	748,608	
	-before 01.04.2014	31.23	2,842,973	12	887,860	
	-after 01.04.2014	31.23	2,648,607	12	827,160	7,218,618
					2,463,628	0.3231
			<b>TOTAL ₹</b>		<b>18,785,669</b>	<b>398,612,992</b>

**Notes :**

1. Depreciation (on actual working days/utilisation) has been provided, on
2. Depreciation on additions, during the year, has been calculated on month end balances.

$$\text{Efficiency Level} = \text{Cane Crushed} / (\text{days worked} \times \text{installed capacity}) \times 100 = 4717716 \times 100 / (142 \times 40,000) = 83.06$$

$$\text{Utilisation Factor} = (\text{No. of operational days} / \text{No. of days in a year}) = 142 / 365 = 0.39$$

$$\text{Efficiency Level} * \text{Utilisation Factor} / 100 = 0.3231$$

**Dated : 05th September, 2022**

**Place : Chandigarh**

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**NARAINGARH SUGAR MILLS LIMITED**  
**COMPUTATION OF DEPRECIATION (POWER PLANT)**  
**ON WRITTEN DOWN VALUE METHOD (COMPANIES ACT, 2013)**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	RATE (%)	MONTH OF ADDITION	W.D.V./ COST OF ADDITIONS	NUMBER OF MONTHS	DEPRECIATION AMOUNT	W.D.V.
						AS ON 31.03.2022
	(1)	(2)	(3)	(4)	(5)	(6)
"A" Building (Factory) -balance brought forward	9.50		165,341,501	12	15,707,443	149,634,058
		TOTAL ₹	<u>165,341,501</u>			
"B" Machinery -balance brought forward	7.22		995,552,189	12	71,878,868	923,673,321
		TOTAL ₹	<u>995,552,189</u>			
		TOTAL ₹			<u>87,586,311</u>	<u>1,073,307,379</u>

**Note:** Depreciation has been provided on, Written Down Value method, pro-rata on month end balances as per the useful life as specified in Schedule II of the Companies Act, 2013.

Dated : 05th September, 2022  
Place : Chandigarh

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**NARAINGARH SUGAR MILLS LIMITED**  
**NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**  
**(Forming part of Accounts)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**3.1. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.

**3.2. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, revenues, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the Balance Sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Accounting estimates could differ from period to period and actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the financial statements in the period in which estimates are revised and in any future periods affected and their effects are disclosed in the notes to financial statements.

**3.3. Revenue Recognition**

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Sales are shown net of taxes, as applicable.

**3.4. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a *straight line basis*.

**3.5. Foreign Currency Transactions**

Transactions in foreign currency are initially recorded in the functional currency by applying spot exchange rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated to functional currency at closing rate in effect on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss in the year in which they arise with the exception that exchange differences on long-term monetary items related to acquisition of property, plant and equipment are adjusted to carrying cost of property, plant and equipment.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated to functional currency using the exchange rate in effect on the date of transaction.

**3.6. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

**3.7. Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made, such grants are treated as Capital Reserves.

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3.8. **Employee Benefits**

a) **Short-term Employee Benefits :**

Bonus is accounted for on accrual basis.

b) **Post-Employment Benefits**

(i) **Defined Contribution Plans :**

Contributions, as required under the Statute/Rule, made to Provident Fund are charged to the Statement of Profit & Loss of the year when the contributions to the fund are due.

Provisions of Employees State Insurance are not applicable.

(ii) **Defined Benefit Plans :**

The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit & Loss. Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to Statement of Profit & Loss in subsequent periods.

c) **Other Long-term Employee Benefits:**

The Company's liabilities for leave encashment is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method, except for short-term compensated absences which are provided for based on estimates. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit & Loss.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

d) **Termination Benefits:**

Termination benefits are recognised as an expense as and when incurred.

3.9. **Taxes on Income**

-Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

-Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

-Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

-Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

3.10. **Property, Plant & Equipment**

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as of 01<sup>st</sup> April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

PPE are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and net of Cenvat/Input availed.

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**Capital Work-in-Progress**

Expenses incurred during construction/installation period are included under Capital Work-in-Progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation.

**Depreciation/Amortisation**

- Depreciation on PPE (Sugar Plant) is provided on the basis of actual working days/utilisation, on written down value method over the useful life of assets estimated by the management (Refer note 4.9).
- Depreciation on PPE (Power Plant) is provided on written down value method over the useful life of assets assigned to each asset in accordance with Schedule II of the Companies Act, 2013
- Residual value of assets is considered at 5% of the original cost of the assets.
  
- Depreciation on additions to fixed assets is calculated on month-end balances.
- Depreciation on assets sold & scrapped, during the year, is provided upto the month in which such fixed assets are sold or scrapped.

**3.11. Impairment of Non-Financial Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

**3.12. Valuation of Inventories**

Valuation of Inventories is done as under:

- Raw Material.  
At cost (on FIFO method)
- Work-in-Progress  
At estimated process cost.
- Finished Goods  
At cost or market price whichever is lower.
  
- Stores & Spares  
At estimated realisable value.

**3.13. Earnings Per Share (EPS)**

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

**3.14. Cash Flow Statement:**

- The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheques & drafts in hand and balances in current accounts.

**3.15. Contingencies and Provisions**

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

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3.16 **Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Equity Investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value through Profit & Loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at Fair Value through Other Comprehensive Income (FVTOCI) or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

**NOTE 4 : OTHER NOTES TO ACCOUNTS**

**(Forming part of Accounts)**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- 4.1 The Adjudicating Authority (under Prevention of Money Laundering Act, 2002), vide its order dated 28<sup>th</sup> May, 2015 confirmed the attachment of Fixed Assets [comprising of Land, Building, Plant & Machinery (situated at Village - Banondi, PO - Shahzadpur, Tehsil-Naraingarh, District - Ambala, Haryana)] of Naraingarh Sugar Mills Ltd. (Defendant) to the extent of ₹ 9,511.40 lakh (against liability of ₹ 10,580.72 lakh due towards M/s. Yathuri Associates, a business associate against whom case had been registered for recovery).

The Company had preferred an appeal with the Hon'ble Appellate Tribunal, Prevention of Money Laundering Act, 2002 and the matter is subjudiced.

Company's inability to discharge the liability in the time frame determined by Adjudicating Authority may affect the Company's ability to continue as going concern.

*However, the Financial Statements of the Company have been prepared on going concern basis pending decision of the Appellate Authority (Refer note 4.7).*

4.2. **Contingent Liabilities & Commitments:**

- a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).

b) **Contingent Liabilities:**

- i) The Trading in Shares of Company is suspended on stock exchange since 26.07.1999. The Company may be liable to pay Revocation Fee, Fine and Penalty of ₹ 40.00 lakh or if the Company is compulsorily delisted than all the shareholders will be paid for the number of shares held by them at the value as decided by the BSE.

ii) **Claims against the Company not acknowledged as debt:**

- a) Income Tax penalty u/s 271(1)(c) for the assessment year 2008-2009, levied by the Income Tax Department - ₹ 5.46 lakh (previous year - ₹ 5.46 lakh).

*The Company had preferred an appeal with Income Tax Appellate Tribunal, New Delhi; decision is still awaited.*

- b) Excise Duty demand (₹ 37.27 lakh - inclusive of penalty), for the period from 01<sup>st</sup> March, 2015 to 31<sup>st</sup> March, 2016, was raised by Excise & Custom Department vide their order dated 07<sup>th</sup> September - 2016 against which the Company has deposited (₹ 2.49 lakh) under protest and preferred an appeal with CESTAT, New Delhi; the decision of the concerned Authority is still awaited.

- c) Service Tax demand (₹ 30.85 lakh - inclusive of penalty), for the financial year 2010-2011, was raised by Excise & Custom Department vide their order dated 05<sup>th</sup> March, 2014 against which the Company has deposited (₹ 4.72 lakh) under protest and preferred an appeal with CESTAT, New Delhi; decision is still awaited.

- d) The Company may be liable to pay interest on Cane Purchase Tax payable.

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- e) *ICICI Bank claimed (₹1,002.21 lakh) for defaults by the Farmers, on account of guarantee given by the Company.*
- f) *Corporate Guarantee (₹ 3,000.00 lakh) given by the Company to Bank, for loans given to Cane Farmers.*

*Provisions of Section 186 of the Companies Act, 2013, have not been complied with.*

*-The amounts mentioned hereinbelow, in earlier years, were deposited (under-protest):*

**With Hon'ble, Delhi High Court (₹ 103.13 lakh):**

Sales Tax (₹ 98.13 lakh) on demand raised by the Department;

Whereas, as per the policies of the Central Government, Sales Tax on sale of molasses was exempt for Five years.

Amit Electricals (₹ 5.00 lakh), pending settlement of accounts.

**With Haryana State Government (₹ 14.92 lakh):**

on account of Local Area Development Tax.

**With Excise & Custom Department (₹ 7.20 lakh):**

*The Company had preferred appeals with CESTAT, New Delhi; decision is still awaited.*

*-The ultimate outcome of these matters cannot be determined & provision for liability, if any, cannot be estimated at this stage.*

*-Liabilities in respect of Income Tax, Excise Duty, Service Tax, Sales Tax, Goods & Services Tax and other material statutory dues have been accounted for on the basis of respective returns filed with the concerned authorities.*

*-Additional demand, if any, on account of statutory dues, arising at the time of assessments will be accounted for in the year in which assessments are completed.*

- c) Figures have been rounded off to nearest lakh, except Earnings per Equity share.

4.3. **Issued, Subscribed & Paid up Capital:**

- i) *Calls in arrears (₹ 129.41 lakh i.e. 25.88 Equity Shares @ ₹ 5/- per share), since the financial year 1996-1997, are due from public at large including associates; effective steps have been initiated to regularise and appropriately adjust the account in the ensuing year.*
- ii) *Redeemable (Non-cumulative) Preference Shares (₹ 217.73 lakh - issued to a Bank); due for redemption in the financial year 2010-2011, have not yet been redeemed.*

4.4. **Non Current Financial Liabilities:**

**-Long-term Borrowings:**

**-Secured:**

**Term Loans**

**From: Indian Renewable Energy Development Agency Ltd. (IREDA)**

**-Account no.- I** (sanctioned amount - ₹ 10,035.00 lakh), as detailed hereinbelow, is repayable in 32 quarterly instalments:

*4 quarterly instalments of ₹ 225.78 lakh each w.e.f. June-2023 to March-2024.*

*4 quarterly instalments of ₹ 250.87 lakh each w.e.f. June-2024 to March-2025.*

*4 quarterly instalments of ₹ 282.22 lakh each w.e.f. June-2025 to March-2026.*

*20 quarterly instalments of ₹ 349.96 lakh each w.e.f. June-2026 to March-2031.*

*The Company could not pay interest accrued & due to Indian Renewable Energy Development Agency Ltd. (₹ 2,000.00 lakh for the period, from March-2016 to June-2017).*

*However, the Company's proposal to Indian Renewable Energy Development Agency Ltd. (IREDA) for Re-schedulement of interest accrued & due, for the period from March-2016 to June-2017, has been accepted by IREDA - vide their letter no. 221/2697/COG/2012/IREDA/3474 dated 30<sup>th</sup> September, 2016 and accordingly the repayment of interest accrued & due was rescheduled & converted into Term Loan as mentioned hereinbelow:-*

**-Account no.- II**

(Restructured amount - ₹ 2,000.00 lakh), is repayable in 20 quarterly instalments as detailed hereinbelow:

*8 quarterly instalments of ₹ 50.00 lakh each w.e.f. June-2018 to March-2020.*

*4 quarterly instalments of ₹ 60.00 lakh each w.e.f. June-2020 to March-2021.*

*8 quarterly instalments of ₹ 170.00 lakh each w.e.f. June-2021 to March-2023.*

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The Company had defaulted in repayment of dues i.e. Principal amount - ₹ 879.94 lakh for the period from December, 2019 to March, 2022 & Interest - ₹ 3,038.79 lakh for the period from September, 2020 to March, 2022 to Financial Institution (IREDA).

Interest on loans, mentioned hereinabove, is payable on quarterly basis.

Balance of Term Loans from Indian Renewable Energy Development Agency Ltd. (IREDA), as per Loan Statement exceeds by ₹ 50.50 lakh as on 31<sup>st</sup> March, 2022, due to non-consideration of said amount by IREDA in their Loan Statement.

**SOFT LOANS:**

**From: The Ambala Central Cooperative Bank Ltd.**

**-Account no. - I**

(Sanctioned amount - ₹ 6,000.00 lakh), was repayable in 12 monthly instalments of ₹ 500.00 lakh each w.e.f. October-2019 to September-2020.

**-Account no. - II**

(Disbursed amount - ₹ 3,410.00 lakh), as detailed hereinbelow, was repayable in 6 quarterly instalments:

5 quarterly instalments of ₹ 568.00 lakh each w.e.f. June-2019 to June-2020.

1 quarterly instalment of ₹ 570.00 lakh due & payable in September-2020.

Interest on loans, mentioned hereinabove, is payable on quarterly basis.

The Ambala Central Cooperative Bank Ltd. had sanctioned Soft Loan of (₹ 4,500.00 lakh), out of which (₹ 3,410.00 lakh) was disbursed upto 31.03.2017 and the remaining amount (₹ 1,090.00 lakh) will be disbursed after the release of funds by the State Government.

**-Unsecured:**

SOFT LOAN (₹ 1,111.14 lakh):

The Ambala Central Cooperative Bank Ltd. had sanctioned Soft Loan (interest free) to be paid in six instalments, as detailed hereinbelow:

1 instalment of ₹ 335.00 lakh due & payable in December-2018.

1 instalment of ₹ 160.00 lakh due & payable in June-2019.

2 instalment of ₹ 160.00 lakh each due & payable in December-2019 & March-2020.

1 instalment of ₹ 150.00 lakh due & payable in June-2020.

1 instalment of ₹ 146.14 lakh due & payable in September-2020.

The Company had defaulted in repayment of dues i.e. Principal amount - ₹ 9,865.47 lakh for the period from June, 2019 to September, 2020 & Interest - ₹ 3,168.30 lakh for the period from June, 2020 to March, 2022 to The Ambala Central Cooperative Bank Ltd.

Deposit from Erstwhile Director (Mrs. Renu Anand - ₹ 1,230.80 lakh) is interest free/exempt deposit.

**NCLT Cases Pending Against the Company.**

S.NO	PARTIES INVOLVED	CASE NUMBER	STATUS	FILING DATE
1.	IREDA VS NSML	C.P.(IB) 165/2021	Pending	09.03.2022
2.	UNION BANK OF INDIA VS NSML	C.P.(IB) 25/2022	Pending	21.12.2021
3.	AMBALA CO OPERATIVE BANK VS NSML	C.P.(IB)	Pending	26.04.2022

- 4.5. a) In the opinion of the Directors, "Current Assets" are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.
- b) Party balances are good for payment and hopeful of recovery, therefore, provision for doubtful amount/unclaimed balances is not required; however, the representative of majority shareholders "Mr. Rahul Anand" who effected the transactions with old parties is behind the bars in Fraud Case and also the legal cases are pending against him and the parties related to him as per FIR and Police Department; Copy of FIR against Mr. Rahul Anand and Others is attached.
- c) Party balances, brought forward from earlier years, are due for payment/recovery pending settlement of accounts with the respective parties; effective steps have been initiated by the Chairman, CEO cum ED and Director Finance appointed by the Government of Haryana this year.

4.6. Taxes

-MAT Credit Entitlement (₹ 218.66 lakh i.e. balance brought forward ₹ 382.72 lakh less lapsed, during the year ₹ 164.06 lakh) has been shown under the head 'Other Equity' with corresponding effect under the head 'Other Non-Current Assets' in accordance with the accepted accounting principles; the amount of tax credit determined shall be carried forward upto ten (upto A.Y. 2017-2018)/fifteen (w.e.f. A.Y. 2018-2019) assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

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-There are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Goods & Services Tax and Cess which have not been deposited with appropriate authorities on account of any dispute, except as mentioned below:

<u>Name of the Statute</u>	<u>Nature of dues</u>	<u>Amount Involved</u> (₹ In lakh)	<u>Amount deposited under protest</u> (₹ In lakh)	<u>Financial Year/Period</u>	<u>Forum where dispute is pending</u>
i. Income Tax Act, 1961	Penalty u/s 271(1) (c)	5.46	Nil	2007-2008	Income Tax Appellate Tribunal, New Delhi
ii. Central Excise Act, 1944	Excise Duty (inc. penalty)	37.27	2.49	March, 2015 to March, 2016	CESTAT, New Delhi
iii. Finance Act, 1994	Service Tax (inc. penalty)	30.85	4.72	2010-2011	CESTAT, New Delhi
iv. Punjab Sugarcane Act, 1953	Cane Purchase Tax	202.34	Nil	1996-2002	Punjab & Haryana High Court, Chandigarh

4.7 **Other Non-Current/Current Liabilities:**

Advance from customer (Yathuri Associates - aggregating to ₹ 10,580.72 lakh) was received, in terms of the agreement/supplement agreement executed, in earlier years, for supply of Sugar. As per mutual agreed, terms & conditions, supply had to be effected in installments; however supply could not be effected as the party did not lift Sugar within the stipulated period due to pricing issue.

*The Company subsequently filed a suit in a Local Court (Naraingarh); the Hon'ble Court directed the Company to maintain status quo (Refer note 4.1).*

Note : This may be noted that Yathuri Associates was one of the party involved in NSEL Financial Fraud, consequently ED and EOW, Mumbai enquiries are going on against the Company regarding Yathuri Associates money receipt.

4.8. **Non-Current Liabilities**

**Other Financial Liabilities (₹ 103.33 lakh) include:**

-Security Deposits (₹38.90 lakh) received from farmers, suppliers/contractors.

*The Company has not entered into any contractual agreement(s) with the above referred parties with regard to repayment/refund or payment of interest etc.*

-Retention Money (₹ 64.44 lakh), due to suppliers.

4.9. **Depreciation/Amortisation**

The management estimates the remaining useful life of existing fixed assets as on 01<sup>st</sup> April, 2014 as follows:-

Building (Factory)	20 years
Building (Non-Factory)	40 years
Furniture & Fixtures	8 years
Machinery	15 years
Equipment	5 years
Computers	3 years
Vehicles	7 years

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives, as given above, best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part-C of Schedule-II of the Companies Act, 2013. (Refer note 3.10).

4.10. Net-worth of the Company has completely eroded; the management is of the opinion that the Company shall carry on its business as usual, hence the financial statements of the Company have been prepared on a going concern basis.

- 4.11. **Other Non-Current Assets (₹ 512.03 lakh) include:**  
Advance for Capital Goods ₹ 268.95 lakh (previous year - ₹ 268.95 lakh); Neither the goods were received nor installation was carried out by the parties.
- 4.12. **Current Financial Assets:**  
**-Trade Receivables ₹ 8,933.38 lakh include:**  
₹ 1,865.55 lakh (previous year - ₹ 1,865.55 lakh) due from Rahul Sales Ltd. (Company in which Ex-Directors/relatives of Ex-Directors are interested); the Company has taken effective steps for recovery and also the Government of Haryana is also involved in the recovery and FIR is also lodged against Mr. Rahul Anand and also the Police Recovery Proceedings has been initiated against various parties involved.
- 4.13. **Other Current Assets (₹ 7,923.69 lakh):**  
**Advance for Supplies & Services (₹ 1,497.54 lakh) include:**  
**-Farmers:**  
₹ 1,374.60 lakh (previous year - ₹ 1,265.57 lakh), are subject to confirmation. Amount shown as advances to Farmers is not actually any amount advanced to any Farmer. This is the Financial Fraud done by Mr. Rahul Anand and other officer in-charge of the Company at the time of advance shown in the books.  
**Others:**  
**Amount Recoverable (₹ 6,403.79 lakh)** represent amount due & recoverable from Government Department & Other Agencies:  
**From: Income Tax Department (₹ 6.21 lakh):**  
on account of refund of Income Tax for earlier years.  
**From: Haryana State Government (₹ 414.92 lakh):**  
on account of subsidy.  
**From: Suppliers (₹ 5,303.16 lakh inclusive of ₹ 3,645.07 lakh\* due from Rahul Sales Ltd. and ₹ 1,658.08 lakh due from other suppliers):**  
On account of advance given in earlier years.  
**\*Rahul Sales Ltd. (Company in which Ex-Directors/relatives of Ex-Directors are interested):**  
₹ 3,645.07 lakh (previous year - ₹ 3,645.07 lakh) for supply of imported Sugar;  
"Mr. Rahul Anand" who effected the transactions is behind the bars in Fraud Case and also the legal cases are pending against him and the parties related to him as per FIR and Police Department.  
₹ 1,658.08 lakh due from other parties includes major parties related to previous years and Legal cases are also pending against many of them as per FIR and Police Department has also initiated the recovery proceedings against them; List of Parties against which the Police Proceedings has been initiated is attached.  
As advised by an expert, the provisions of Section 185 of the Companies Act, 2013 are not attracted, if at the time of giving advance, directors do not hold, jointly or severally, more than 25% of the voting power of the Company to whom advance has been given.  
**From: Oriental Insurance Company Ltd. (₹ 240.00 lakh):**  
on account of Insurance Claim [loss of Stock of Biomass (7,500 Metric Ton approximately)] due to break out of fire between 27<sup>th</sup> September, 2020 to 28<sup>th</sup> September, 2020.  
**From: Naraingarh Distillery Ltd. (₹ 1.58 lakh):**  
on account of expenses incurred on their behalf.  
The amounts, mentioned hereinbelow, were deposited (under-protest), in earlier years:  
**With Hon'ble, Delhi High Court (₹ 103.13 lakh):**  
Sales Tax (₹ 98.13 lakh) on demand raised by the Department;  
Whereas, as per the policies of the Central Government, Sales Tax on sale of molasses was exempt for Five years.  
Amit Electricals (₹ 5.00 lakh), pending settlement of accounts.  
**With Haryana State Government (₹ 14.91 lakh):**  
on account of Local Area Development Tax.  
**With Excise & Custom Department (₹ 7.20 lakh):**  
The Company had preferred appeals with CESTAT, New Delhi; decision is still awaited.

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4.14. **Operating Segments (Ind AS-108)**

The Company operating in Sugar Industry and Power Sector. However, the Chief Operating Decision Maker (CODM) of the Company is of the opinion that there are no reportable segments as required under Indian Accounting Standard - 108 "Operating Segments".

4.15. **Related Party Disclosures (Ind AS-24)**

Related parties & their relationship and related parties transactions - As per Annexure - (A).

4.16. The Company has made provision for liability of Gratuity & Leave Encashment on the basis of Actuarial Valuation Report, as required under Indian Accounting Standard (Ind AS - 19). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. However, the Company has not made investment in Plan Assets.

Method : Projected Unit Credit (PUC)

The following table summarizes the components of net employee benefit expenses recognised in the Statement of Profit & Loss, Other Comprehensive Income and amounts recognised in the Balance Sheet:

**Statement of Profit & Loss- Expenses:**

Particulars	(₹ in lakh)	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Current service cost	19.11	13.91
Interest cost	9.27	9.13
Expected return on Plan Assets	0	0
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>28.38</b>	<b>23.04</b>

**Statement of Other Comprehensive Income- Expenses:**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March 2021
Net Actuarial Gain / (Loss) recognised in the period	(42.29)	0.37
<b>Total</b>	<b>(42.29)</b>	<b>0.37</b>

**Balance Sheet Recognition:**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Present Value of Obligations	199.36	147.81
Fair Value of Plan Assets	0	0.00
<b>Liability recognised in the Balance Sheet</b>	<b>199.36</b>	<b>147.81</b>

**Change in the present Value of the Obligation:**

Date of Valuation	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Present Value of obligations at beginning of the period	147.81	132.32
Interest cost	9.27	9.13
Current Service cost	19.11	13.91
Benefits paid	(19.11)	(7.17)
Actuarial (gain) /loss on obligations	42.29	(0.37)
<b>Present Value of obligation end of the period</b>	<b>199.36</b>	<b>147.81</b>

**The Principal assumptions used in determining gratuity obligation for the Company's plan are:**

Date of Valuation	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.12%	6.27%
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14
Future salary increases	7.00%	4.00%
Attrition	0.00%	0.00%

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**The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:**

Impact of the change	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Discount Rate</b>		
-Increase by 0.50%	(8.89)	(6.13)
-Decrease by 0.50%	9.58	6.57
<b>Salary Inflation</b>		
-Increase by 1%	19.76	13.79
-Decrease by 1%	(17.32)	(12.21)
<b>Attrition Rate</b>		
-Increase by 5%	(0.76)	7.56
-Decrease by 5%	NA	NA

4.17. Earnings Per Share (Ind AS-33)

	<u>Year ended</u> <u>31<sup>st</sup> March, 2022</u> (₹ in lakh)	<u>Year ended</u> <u>31<sup>st</sup> March, 2021</u> (₹ in lakh)
<b>Numerator</b>		
Net Loss attributable to Equity shareholders	₹ (826.84)	₹ (1,912.27)
<b>Denominator</b>		
Weighted average number of outstanding Equity shares	No.'s 190.18	No's 190.18
Nominal Value per Equity share	₹ 10	₹ 10
Earnings per Equity share		
-Basic & Diluted		
-₹ 10 paid-up	₹ (4.35)	₹ (10.06)
-₹ 5 paid-up	₹ (2.17)	₹ (5.03)

4.18. Deferred Tax Assets & Liabilities (Ind AS-12)

The major components of Deferred Tax Asset and Deferred Tax Liability - arising out of timing differences are:

<u>Particulars</u>	<u>Amount</u> (₹ in lakh)	<u>Total</u> (₹ in lakh)
a) <b>Timing Difference (Assets)</b>		
<u>Expenses:</u>		
<i>u/s 43B of the Income Tax Act, 1961</i> (not paid till date)		
-Leave Encashment	40.93	
-Interest Accrued & Due	3,035.70	
-Bonus	17.84	3,094.47
<i>u/s 40(A)(7) of the Income Tax Act, 1961</i>		
-Provision for Gratuity	28.37	3,122.84
b) <b>Timing Difference (Liability)</b>		
Adjustment/Set off		
-Business Loss	1,437.01	
<u>Expenses:</u>		
<i>u/s 43B of the Income Tax Act, 1961</i> (paid during the year)		
-Leave Encashment	14.57	
-Bonus	18.09	
-Interest accrued & due	401.00	
-Gratuity	19.11	425.77

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Depreciation			
-As per Income Tax Act, 1961	1,198.16		
-As per Financial Statements	<u>1,063.72</u>	<u>134.44</u>	2,024.21
<b>Net Deferred Tax Value</b>			<b><u>1,098.62</u></b>
Deferred Tax Assets			
(@ 26%)			285.64
<b>Or say</b>			<b>285.64</b>
Add: Opening Balance (Deferred Tax Assets)			<u>5,017.71</u>
<b>Deferred Tax Assets (Net)</b>	<b>TOTAL ₹</b>		<b><u>5,303.36</u></b>
<b>Or Say</b>			<b>5,303.36</b>

4.19. **Impairment of Assets (Ind AS-36)**

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of Ind AS-36 on "Impairment of Assets" as notified under Section 133 of the Companies Act, 2013, based on such review, no provision for impairment is required to be recognised for the year.

4.20. **Micro, Small & Medium Enterprises**

Based on the information available with the Company, the Company has certain dues to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in lakh)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).		
	Principal Amount due to micro and small enterprises	49.56	674.15
	Interest due on above	Nil	Nil
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

4.21 **Current Financial Liabilities:**

**-Trade Payables (₹ 10,959.07 lakh) include:**

Amount due to Farmers (₹ 10,066.91 lakh) on account of Cane Price.

Farmers have been contesting, from time to time, for release of their payment; effective steps have been taken to settle their accounts.

And Other Balances related to suppliers & contractors are bifurcated as per the Schedule III requirements.

**Other Current Financial Liabilities (₹ 18,517.21 lakh):**

**Workmen's Compensation:**

The Company had made provision of ₹ 240.00 lakh, in earlier years, on account of Workmen's Compensation awarded to 24 workers under the directions of Labour Commissioner, Haryana; however the case is pending before Hon'ble Supreme Court of India; the matter is subjudiced.

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4.22. Auditor's Remuneration  
(excluding Goods & Services Tax)

	<u>31<sup>st</sup> March, 2022</u> <u>AMOUNT</u> (₹ In lakh)	<u>31<sup>st</sup> March, 2021</u> <u>AMOUNT</u> (₹ In lakh)
-As Auditors	1.70	2.10
-Reimbursement of Expenses	-	0.10
<b>TOTAL ₹</b>	<u><u>1.70</u></u>	<u><u>2.20</u></u>

4.23 Disclosure of Financial Ratios – As per Annexure (B).

4.24 Other additional information

a) Revenue from operations

The Company is engaged in manufacturing & sales of sugar and its by products and generation and distribution of power.

<u>Particulars</u>	<u>31<sup>st</sup> March, 2022</u> <u>AMOUNT</u> (₹ In lakh)	<u>31<sup>st</sup> March, 2021</u> <u>AMOUNT</u> (₹ In lakh)
b) <b>Raw material consumed</b>		
-Sugarcane/Bagasse & Biomass	15,905.60	20,434.61
<b>TOTAL ₹</b>	<u><u>15,905.60</u></u>	<u><u>20,434.61</u></u>
c) <b>Finished Goods</b>		
<b>Closing Stock</b>		
-Sugar	4,600.73	3,671.45
-By products		
Molasses	215.02	133.83
Bagasse	57.37	174.97
<b>TOTAL ₹</b>	<u><u>4,873.12</u></u>	<u><u>3,980.25</u></u>
<b>Opening Stock</b>		
-Sugar	3,671.45	854.53
-By products		
Molasses	133.83	202.74
Bagasse	174.97	19.27
<b>TOTAL ₹</b>	<u><u>3,980.25</u></u>	<u><u>1,076.54</u></u>
d) <b>Imported &amp; indigenous consumption of raw material/stores &amp; spares and percentage thereof</b>		

	<u>31<sup>st</sup> March, 2022</u>	<u>%</u>	<u>31<sup>st</sup> March, 2021</u>	<u>%</u>
	<u>AMOUNT</u>		<u>AMOUNT</u>	
	<u>(₹ In lakh)</u>		<u>(₹ In lakh)</u>	
'A' Imported	Nil	-	Nil	-
'B' Indigenous				
-Raw Material	15,905.60	100	20,434.61	100
-Stores & Spares *	429.73	100	407.33	100

\* represent consumable stores (₹ 219.64 lakh) & packing material (₹ 210.09 lakh).

A

Daw/Prm

- e) Other Income (₹ 728.92 lakh) include:  
Miscellaneous (₹ 728.80 lakh) represent balance of Punjab Renewable Energy Systems Pvt. Ltd., written off, on account of non-supply of material as per the enquiry done by Director Finance, during the year.
- f) Damaged Biomass Stock (₹ 763.04 lakh) represent Loss in Quantity actually happened in previous year but the effect of the same has been given, during this year, as per Certificate given to Haryana Electricity Regulation Commission.
- g) There was no transaction in Foreign Currency (previous year - Nil).
- h) There is one Whole-time Director in the Company (Mr. Sandeep Singh), the women Director (Ms. Grupsi) is not attending any of the meeting. Due to non payment of Farmers (Cane Growers) within time, the mill is being supervised by the State Government.
- 4.25. Figures for previous year have been regrouped/rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For K D & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 024293N

(DEEPAK GARG)  
PARTNER  
Membership No. - 507959

29<sup>th</sup> November 2022.  
Dated: 05<sup>th</sup> September, 2022  
Place : Chandigarh

For Narainagah Sugar Mills Ltd.

Manoj Kumar Das  
Independent Director

Sandeep Singh  
SANDEEP SINGH  
(Whole-time Director)

Abhimanyu Singh  
ABHIMANYU SINGH  
(Chief Financial Officer)

Misha Nahal  
MISHA NAHAL  
(Company Secretary)



UDIN : 22507959 BEKLET 8540

29/11/22

Darshan

**NARAINGARH SUGAR MILLS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2022**  
**ANNEXURE 'A' TO NOTES TO ACCOUNTS [NOTE 4.15]**

**RELATED PARTY DISCLOSURES :**

Disclosures as required by the Indian Accounting Standard - 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :  
**(As certified by the Management)**

**'A' Relationship**

Key Management Personnel	
Sandeep Singh	Whole-time Director
Grupsi	Director
Manish Jain	Director
Misha Nahal *	Company Secretary
Abhimanyu Singh *	Chief Financial Officer
Rangoli Aggarwal **	Company Secretary
Manish Kumar **	Chief Financial Officer

\* appointed during the year.  
 \*\* resigned during the year.

**'B' Aggregate amount of transactions, during the year, with the related parties**

<u>S.No.</u>	<u>Nature of Transactions</u>	<u>Key Management Personnel</u>	<u>AMOUNT</u> (₹ in lakh)
A)	<u>Expenditure</u>		
1.	Salaries & Allowances		12.92
2.	Directors' Remuneration		2.40
B)	<u>Year end balances</u>		
1.	Due to Director		0.20
2.	Salaries & Wages payable		1.04

**For Naraingarh Sugar Mills Ltd.**

**Manoj Kumar Das**  
**Independent Director**

For and on behalf of the Board of Directors

**Sandeep S.**  
**SANDEEP SINGH**  
 (Whole-time Director)

**Abhimanyu S.**  
**ABHIMANYU SINGH**  
 (Chief Financial Officer)

**Misha Nahal**  
**MISHA NAHAL**  
 (Company Secretary)

29<sup>th</sup> Nov 2022  
 Dated : 05th September, 2022  
 Place : Chandigarh



4th of  
 29/12/22

UDIN : ~~225075~~  
 225079598EKLET8540

Daw/Pam