



# SIR SHADI LAL ENTERPRISES LTD.

SHAMLI-247776, DISTT. SHAMLI (U.P.) ♦ TEL.: (01398) 250064, 250082 ♦ FAX : 01398-250032  
E-mail : [udsm\\_shamli@sirshadilal.com](mailto:udsm_shamli@sirshadilal.com) ♦ GRAM : "SUGARMILL" ♦ CIN : L51909UP1933PLC146675

REF:SSLEL: UDSM/Aoct./2024/90

By E-filing

Date: 20<sup>th</sup> August, 2024

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| BSE Limited<br>P.J. Tower,<br>Dalal Street, Fort,<br>MUMBAI - 400 001<br>Thru: BSE Listing Centre   |  |
| STOCK CODE: 532879<br>ISIN: INE117H01019  |  |
| Sub: Submission of Annual Report for FY 2023-24 along with Notice of 90 <sup>th</sup> AGM of the Company scheduled to be held on 13 <sup>th</sup> September, 2024 |  |

Dear Sir/Madam,

Pursuant to Regulations 30 and 34 of the SEBI (LODR) Regulations, 2015, please find attached herewith the Annual Report of the Company for the FY 2023-24 ended on 31<sup>st</sup> March, 2024 along with Notice convening the 90<sup>th</sup> Annual General Meeting ("AGM") of the Company on **Friday, 13<sup>th</sup> September, 2024 at 1:00 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM),**

The said Annual Report and Notice of AGM are being dispatched electronically to those Members whose email IDs are registered with the Company/Alankit Assignment Limited, Registrar and Share Transfer Agent of the Company/the Depositories, and also being uploaded on the Company's website and can be accessed at [www.sirshadilal.com](http://www.sirshadilal.com).

The Company has appointed Kfintech for providing e-voting facility (remote e-voting and e-voting at the AGM). **The remote e-voting period commences on Tuesday, 10<sup>th</sup> September, 2024 at 9:00 A.M. (IST) and ends on Thursday, 12<sup>th</sup> September, 2024 at 5:00 P.M. (IST).** The **cut-off date** for determining the eligibility of members for remote e-voting and e-voting (insta-poll) at the AGM is **Friday, 6<sup>th</sup> September, 2024.** Detailed instructions for e-voting are provided in the notes to the AGM Notice.

You are requested to please take the above on record.

Thanking you,  
Yours faithfully,  
For SIR SHADI LAL ENTERPRISES LIMITED

  
AJAY KUMAR JAIN  
Company Secretary and Compliance Officer  
M.No.F5826  
Encl: As above  
Copy to:  
National Securities Depository Limited  
Central Depository Services (India) Limited  
Alankit Assignment Limited RTA

# SIR SHADI LAL ENTERPRISES LIMITED

(Corporate Identity No. L51909UP1933PLC146675)

Regd. Office: UPPER DOAB SUGAR MILLS, SHAMLI (U.P.)- 247776

Ph.: 01398-250064 Fax: 01398-250032 Email Id: info@ssel.trivenigroup.com Website: www.sirshadilal.com

## NOTICE FOR THE 90<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 90<sup>TH</sup> ANNUAL GENERAL MEETING OF SIR SHADI LAL ENTERPRISES LIMITED WILL BE HELD THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS ON FRIDAY, SEPTEMBER 13, 2024 AT 1:00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and Auditors' thereon and pass the following resolution as an Ordinary Resolution:

RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors' and Auditors' thereon, as circulated to all the members of the Company and submitted to this meeting, be and are hereby approved and adopted.

2. To appoint a Director in place of Mr. Vivek Viswanathan (DIN: 00141053), who retires by rotation and being eligible, offers himself for re-appointment as a Director, liable to retire by rotation and pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder Mr. Vivek Viswanathan (DIN: 00141053), who retires by rotation at this meeting, and being eligible, offers himself for re-appointment as a Director, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

### SPECIAL BUSINESS:

3. **RATIFICATION OF REMUNERATION TO THE COST AUDITORS FOR FY 2024-25**

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps and generally to do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient and to settle any question, difficulty or doubt that may arise for the purpose of giving effect to the above resolution.

4. **APPOINTMENT OF MR SUDIPTO SARKAR (DIN: 00048279), AS AN INDEPENDENT DIRECTOR**

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

RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), as amended (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr Sudipto Sarkar (DIN: 00048279), who was appointed as an Additional Director (in the capacity of Non-Executive Independent Director) in terms of Section 161 of the Act and the Articles of Association of the Company, by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee of the Company, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice, in writing, from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 20.06.2024 to 19.06.2029 and that he shall be eligible for sitting fees, reimbursement of expenses for attending Board and Committee meetings and profit related commission as may be permitted under the Act or Listing Regulations and/or as may be decided by the Board of the Company, from time to time."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps and generally to do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution.

5. **APPOINTMENT OF MR. JITENDRA KUMAR DADOO (DIN: 02481702) AS AN INDEPENDENT DIRECTOR**

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

RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), as amended (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Jitendra Kumar Dadoo (DIN: 02481702), who was appointed as an Additional Director (in the capacity of Non-Executive Independent Director) in terms of Section 161 of the Act and the Articles of Association of the Company, by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee of the Company, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice, in writing, from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 20.06.2024 to 19.06.2029 and that he shall be eligible for sitting fees, reimbursement of expenses for attending Board and Committee meetings and profit related commission as may be permitted under the Act or Listing Regulations and/or as may be decided by the Board of the Company, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps and generally to do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution.

**6. APPOINTMENT OF MR. TARUN SAWHNEY (DIN: 00382878) AS A DIRECTOR**

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

RESOLVED THAT pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Tarun Sawhney (DIN: 00382878), who was appointed as an Additional Director (in the capacity of Non-Executive Director) in terms of Section 161 of the Act and the Articles of Association of the Company, by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, in writing, from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**7. APPOINTMENT OF MR. TARUN SAWHNEY (DIN: 00382878) AS MANAGING DIRECTOR WITHOUT REMUNERATION**

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 Sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, articles of association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), and subject to such other sanctions/approvals, as may be necessary or required, consent of the members be and is hereby accorded for appointment of Mr Tarun Sawhney (DIN: 00382878), as the Managing Director of the Company for a period of five (5) years with effect from July 31, 2024 up to July 30, 2029, without any remuneration and on such terms and conditions, as set-out in the Explanatory Statement annexed to the Notice, with authority to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Tarun Sawhney, Managing Director subject to the provisions of the Act and applicable laws.

RESOLVED FURTHER THAT as Managing Director of the Company, Mr Tarun Sawhney, shall, subject to the supervision, control and directions of the Board of the Company, exercise substantial powers of management and shall manage the business and affairs of the Company.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolution, the Board be and is hereby authorized to execute all such agreements, documents, instruments and writings, file requisite filings, settle all questions, difficulties or doubts that may arise in this regard including for obtaining necessary approvals in relation thereto, and do such other acts, deeds, matters and things as may be considered necessary, desirable or expedient and delegate all or any of its powers herein conferred to any committee of directors or director(s) or officer(s) of the Company.

**8. RE-DESIGNATION OF MR VIVEK VISWANATHAN (DIN: 00141053) AS NON-EXECUTIVE NON-INDEPENDENT DIRECTOR**

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 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules framed there under, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s)/amendment(s)/re-enactment(s) thereto], and subject to the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to re-designate Mr Vivek Viswanathan (DIN: 00141053), Director of the Company, from Joint Managing Director (Executive, Non-Independent Director) to Non-

Executive, Non-Independent Director, liable to retire by rotation, with effect from 20th June, 2024, and that he shall be eligible for sitting fees, reimbursement of expenses for attending Board and Committee meetings and profit related commission as may be permitted under the Act or Listing Regulations and/or as may be decided by the Board of the Company, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps and generally to do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution.

**9. SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

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

RESOLVED THAT pursuant to the provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for shifting the Registered Office of the Company from Upper Doab Sugar Mills, Shamli-247776 (Uttar Pradesh) to A-44, Hosiery Complex, Phase II Extension, Noida- 201305 (Uttar Pradesh).

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board which may have been constituted or hereinafter constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorized to take such steps as may be necessary and generally to do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

**10. MATERIAL RELATED PARTY TRANSACTIONS WITH TRIVENI ENGINEERING AND INDUSTRIES LIMITED, HOLDING COMPANY**

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 188 and other applicable provisions of the Companies Act, 2013 ("Act") read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Policy on Related Party Transactions and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into and/or to execute and/or to continue to enter into contract(s)/ arrangement(s)/transaction(s) (whether by way of an individual transaction or a series of transactions taken together) with Triveni Engineering and Industries Limited, Holding Company ('TEIL'), for funding / financial support and purchase and sale of goods & materials including all other transactions as more particularly set out in the explanatory statement for Item No. 10 to this Notice of 90th Annual General Meeting for an amount not exceeding in the aggregate Rs.733.40 crores, during the financial year 2024-25, notwithstanding that such transactions may exceed the threshold limits specified under the Listing Regulations and Act from time to time, on such terms and conditions as the Audit Committee and/or Board of Directors may deem fit, in the normal course of business and on arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of its powers in terms of the foregoing resolution, to any Committee of Directors and/or Director(s) and/or official(s) of the Company, and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, including but not limited to finalizing the terms and conditions, executing necessary documents and settling all issues that may arise for the purpose of the Related Party Transactions with TEIL, without being required to seek further consent or approval of the members of the Company, to the end and intent they shall be deemed to have given their approval thereto expressly by the authority of aforesaid resolution"

By order of the Board

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

Place: Shamli

Date : 31<sup>st</sup> July, 2024

**NOTES:**

1. In accordance with General Circular No.9/2023 dated September 25, 2023 read with Circular No.20/2020 dated May 5, 2020 and other applicable circulars issued by the Ministry of Corporate Affairs from time to time ("MCA Circulars"), and pursuant to the relevant provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual General Meeting ('AGM') of the Company for the year 2024 is being held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). Hence physical attendance of the members at the AGM is not required and the members can attend/participate and vote in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and other applicable circulars issued from time to time ("SEBI Circular") also dispense with the requirement of sending the physical copies of the AGM Notice and Annual Report to the members. Accordingly, this Notice of the AGM along with the Annual Report 2023-24 are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories.

3. Since this AGM will be held through VC/OAVM, Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not being annexed to this Notice.
4. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this AGM and the relevant details pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 ('Listing Regulations') and Secretarial Standards on General Meeting in respect of Directors seeking appointment/re-appointment at the AGM are annexed hereto and forms part of this notice.

It may be noted that subsequent to the financial year 2023-24, Triveni Engineering & Industries Ltd. ('TEIL') acquired the majority equity stake in the capital of the Company and the Company has become a subsidiary of TEIL w.e.f. 20th June, 2024. Consequently, the Board of the Company has also been reconstituted, and the management and control of the Company now vest with TEIL.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 7, 2024 to Friday, September 13, 2024 (both days inclusive) for the purpose of the Annual General Meeting.
7. In the event of transfer of shares and the unclaimed dividend to IEPF, members are entitled to claim the same from the IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. The status of dividends remaining unpaid/ unclaimed along with the respective due dates of transfer to IEPF is provided in the Annual Report.
8. In terms of provisions of Regulation 40 of the Listing Regulations as amended from time to time, requests for effecting transfer of securities (including transmission/transposition) cannot be processed by the listed companies unless the securities are held in dematerialized form. Further SEBI has, vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 ('SEBI Master Circular'), notified Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. In terms of said Master Circular, the listed companies shall issue the securities in dematerialized form only while processing the Investor service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/ Exchange of securities certificate; (d) Endorsement; (e) Sub-division/ Splitting of securities certificate; (f) Consolidation of securities certificates/folios; and (g) Transmission/Transposition. The Company/RTA shall verify and process the service requests for the aforesaid purposes and thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities, failing which the RTA/Company shall credit the securities to the Suspense Escrow Demat Account of the Company. Necessary Form ISR-4 for the aforesaid service requests is available on the website of the Company at [www.sirshadilal.com](http://www.sirshadilal.com). Accordingly, members are requested to make service requests for aforesaid purposes by submitting a duly filled up and signed Form ISR – 4 directly to the Company's RTA, M/s. Alankit Assignment Limited, along with the documents / details specified therein for processing at Alankit House| 4E/2 Jhandewalan Extension| New Delhi - 110055, INDIA.
9. SEBI has also vide its aforesaid Master Circular dated May 7, 2024 made it mandatory for holders of physical securities in listed companies to furnish PAN, Choice of Nomination, Contact details (Postal Address with PIN and Mobile Number), Bank A/c details and Specimen signature for their corresponding folio numbers. The security holder(s) whose folio(s) do not have these details shall be eligible to lodge grievance or avail any service request from the RTA/Company and any payment of dividend, in respect of such folios, only through electronic mode with effect from April 01, 2024, upon furnishing all the aforesaid details in entirety.

The members holding shares in physical mode are therefore urged to furnish PAN, KYC and Choice of Nomination by submitting the prescribed ISR Form(s) duly filled up and signed by all the registered holders along with supporting documents to Company's RTA, M/s Alankit Assignments Ltd. by any one of the following modes:

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below:

|         |   |
|---------|---|
| Name    | Alankit Assignment Ltd.<br>(Unit: Sir Shadi Lal Enterprises Ltd.) |
| Address | Alankit House, 4E/2 Jhandewalan Extension, New Delhi – 110055.    |

Members who are holding shares in demat mode are requested to approach their respective Depository Participants ('DPs') for change of address, registration of e-mail address, nomination and updation of bank account details etc.

10. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested under Section 189 of the Act will remain available electronically for inspection during the AGM. All other material documents referred to in this Notice will also be available for inspection in an electronic mode by the members from the date of circulation of this Notice till the date of the AGM, for which purpose Members are required to send an e-mail to the Company Secretary at [ajay.jain@ssel.trivenigroup.com](mailto:ajay.jain@ssel.trivenigroup.com).

## Dispatch of Annual Report:





11. In conformity with the applicable regulatory requirements, the Notice of this AGM and the Annual Report for FY24 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories. Members may note that the Notice of AGM and Annual Report FY24 will also be available on the Company's website [www.sirshadilal.com](http://www.sirshadilal.com), websites of the stock exchanges i.e. BSE Limited ('BSE') at [www.bseindia.com](http://www.bseindia.com) and on the website of KFintech at <https://evoting/kfintech.com>.

## Procedure and Instructions for Remote E-Voting and E-voting (insta-poll) at the AGM and for joining the AGM through VC/OAVM

12. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, as amended, the Resolutions for consideration at the AGM will be transacted through remote e-voting (i.e. facility to cast vote prior to the AGM) and also e-voting (insta-poll) during the AGM, for which purpose the Company has engaged the services of KFintech. The Board of Directors has appointed Mr. Suresh Gupta (Membership No. FCS 5660/CP 5204) of M/s. Suresh Gupta & Associates, Company Secretaries, New Delhi as a Scrutinizer to scrutinize the process of e-voting in a fair and transparent manner.
13. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Friday, September 6, 2024 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.
14. The remote e-voting period commences on Tuesday, September 10, 2024 at 09:00AM (IST) and ends on Thursday, September 12, 2024 at 05:00 PM (IST) when remote e-voting will be blocked by KFintech.
15. Once the vote on the resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. However, those members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions during the remote e-voting period and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
16. Any person who becomes a member of the Company after the dispatch of Notice of AGM and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com) well before closing of remote e-voting. However, if he / she is already registered with KFintech for remote e-voting then he /she can use his / her existing User ID and password for casting the vote. If the member has forgotten his/her password, he/she may reset his/her password by using "Forgot User Details/ Password" option available on <http://evoting.kfintech.com>.
17. As per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
18. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.
19. The process and manner for remote e-voting and e-voting (insta-poll) during AGM are explained herein below:

### (I) Login method for remote e-voting for individual shareholders holding securities in demat mode through Depositories e-voting system.

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"><li>1. <b>User already registered for IDeAS facility:</b><ol style="list-style-type: none"><li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li><li>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li><li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under "Value Added Services".</li><li>IV. Click on "Active E-voting Cycle" option under e-voting.</li><li>V. Click again company name (Sir Shadi Lal Enterprises Ltd.) or e-Voting service provider (Kfintch) and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li></ol></li><li>2. <b>User not registered for IDeAS e-Services</b><ol style="list-style-type: none"><li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> or <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>II. Select "Register Online for IDeAS"</li><li>III. Proceed with completing the required fields for registration.</li><li>IV. After successful registration, follow steps given in points 1 above to cast your vote.</li></ol></li></ol> |

|  |   |
|--|---|
|  | <p><b>3. Alternatively User may directly access the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to e-voting page on NSDL website.</li> <li>V. Click against Company name (Sir Shadi Lal Enterprises Ltd.) or e- voting service provider (KFintech) and you will redirected to e-Voting page of service provider i.e. KFintech for casting your vote during the remote e-Voting period.</li> <li>VI. Shareholders/Members can also download the NSDL mobile app ‘NSDL SPEED-e’ by scanning the QR code mentioned below for seamless voting experience</li> </ol> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>  |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>                            | <ol style="list-style-type: none"> <li><b>1. User already registered for Easi / Easiest facility of CDSL</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login_or">https://web.cdslindia.com/myeasi/home/login_or</a><br/>URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on Nil.Click on New System Myeasi/Login to My Easi option under Quick Login</li> <li>III. Enter your registered user id and password.</li> <li>IV. Click against Company name (Sir Shadi Lal Enterprises Ltd.) or e- voting service provider (KFintech) and you will redirected to e-Voting page of service provider i.e. KFintech for casting your vote during the remote e-Voting period.</li> </ol> </li> <li><b>2. User not registered for Easi/Easiest</b> <ol style="list-style-type: none"> <li>I. Option to register: Visit URL: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields for registration.</li> <li>III. After successful registration, follow the steps given in point 1 above to cast your vote.</li> </ol> </li> <li><b>3. Alternatively, User may directly access the e-Voting website of CDSL</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on E-voting and enter your demat account Number (DP ID &amp; Client ID) and PAN Number.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat account.</li> <li>IV. After successful authentication, you will enter e-voting module of CDSL.</li> <li>V. Click against Company name (Sir Shadi Lal Enterprises Ltd.) or e- voting service provider (KFintech) and you will redirected to e-Voting page of service provider i.e. KFintech for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol> |
| <p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p> | <ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, 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.</li> <li>III. Click on options available against company name or e-Voting service provider - <b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>  |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

| Login type  | Helpdesk details   |
|---|--|
| 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 : 022 - 4886 7000 and 022 - 2499 7000                  |
| 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 toll free no. 1800 22 55 33 |

**(II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8290, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Sir Shadi Lal Enterprises Ltd AGM" and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [sureshguptacs@gmail.com](mailto:sureshguptacs@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above- mentioned documents should be in the naming format "Corporate Name\_Even No."

**(III) Members whose e-mail address is not registered/updated with the Company / RTA / Depository Participant(s), please follow the following steps to generate your login credentials:**

- a. Members holding shares in physical mode, who have not registered / updated their email address with the Company, are requested to register / update the same by submitting the duly signed requisite Form ISR-1 along with supporting documents to Company's RTA in the manner mentioned at Note 9 above. ISR 1 Form can be obtained by following the link: <https://www.alankit.com/pdf/ISR-1.pdf>
- b. Members holding shares in dematerialized form are requested to submit/update their KYC details with their respective Depository Participant(s) with whom they are maintaining demat accounts. Any such changes effected by the Depository Participant(s) will automatically reflect in the RTA/Company's subsequent records.



- c. After due verification of request, KFintech will forward your login credentials to your registered e-mail address.
- d. Follow the instructions at (I) or (II) above to cast your cast.

**(IV) Login method for all the shareholders for joining the AGM through VC/OAVM and e-voting (insta-poll) during the meeting**

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com>. Members are requested to follow the procedure given below:
  - a) Launch internet browser (chrome/ firefox/safari) by typing the URL:<https://emeetings.kfintech.com>
  - b) Enter the login credentials (i.e., User ID and password for e-voting).
  - c) After logging in, click on "Video Conference" option
  - d) Then click on camera icon appearing against AGM event of Sir Shadi Lal Enterprises Limited, to attend the Meeting.

Please note that the members who do not have the User ID and Password for e-voting or have forgotten their User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice.

- ii. Facility for joining AGM though VC/ OAVM shall open at least 30 minutes before the scheduled time for commencement of the Meeting. The facility of participation at the AGM through VC / OAVM will be made available for at least 1,000 members on 'first come first serve' basis. This will not include large shareholders (shareholders holding 2% or more equity shares), Institutional Investors and other specified category of persons who are allowed to attend the AGM without the aforesaid restriction. Institutional members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
- iii. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, MS Edge or Mozilla Firefox. Members will be required to grant access to the webcam to enable two way VC / OAVM. Please note that members 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.
- iv. Those members who are present at the meeting through VC /OAVM and have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting (insta-poll) during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes through insta-poll, which will be activated upon announcement by the Chairman at the AGM.
- v. A member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

**(V) Other Instructions**

- i. **Speaker Registration:** The members holding shares as on the cut-off date and who would like to express their views or ask questions on any items of the businesses to be transacted during the AGM may register themselves as speakers by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after login, which will be opened from Tuesday, September 10, 2024 at 09:00AM (IST) and ends on Wednesday, September 11, 2024 at 05:00 PM (IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
  - ii. **Post your Question:** Members holding shares as on the cut-off date and who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option available from Tuesday, September 10, 2024 at 09:00AM (IST) and ends on Wednesday, September 11, 2024 at 05:00 PM (IST).
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
  - iv. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Ms C. Shobha Anand, Vice President at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No. 1800-309-4001 for any further clarifications.
20. The voting results along with the Scrutinizer's Report shall be placed on the website of the Company ([www.sirshadilal.com](http://www.sirshadilal.com)) and on the website of KFintech (<https://evoting.kfintech.com>). The Company shall, simultaneously, forward the results to BSE, where the equity shares of the Company are listed within the stipulated time..

**ANNEXURE TO NOTICE**  
**(Explanatory Statement under Section 102 (1) of the Companies Act, 2013)**

**ITEM NO. 3**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending 31st March, 2025 as per the following details:

Remuneration of Cost Auditor

For the product "Sugar" for Upper Doab Sugar Mills

Cost Audit Fee: Rs. 30,000/- per annum

(Inclusive of all incidental and traveling expenses)

For the product "Industrial Alcohol"

for Shamli Distillery & Chemical Works

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

Extra Travelling Expenses and Actual Incidental Expenses for attending Audit Committee/ Board Meeting(s) Rs. 2,000/- per day

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

**ITEM NO. 4**

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended read with Articles of Association of the Company, the Board of Directors of the Company had, at their meeting held on 20th June, 2024, approved the appointment of Mr. Sudipto Sarkar (DIN: 00048279) as an Additional Director (in the category of Non-Executive Independent Director) for a term of five consecutive years with effect from 20th June 2024, based on the recommendation of the Nomination and Remuneration Committee,

As per the provisions of Section 161 of the Act, Mr. Sudipto Sarkar (DIN: 00048279) shall hold office up to the date of this Annual General Meeting ('AGM'). Furthermore, pursuant to Regulation 17 (1C) of the Listing Regulations, Mr. Sudipto Sarkar (DIN: 00048279) shall hold office up to the date of this AGM or for a period of three months from the date of his appointment, whichever is earlier. Mr. Sudipto Sarkar (DIN: 00048279) is eligible to be appointed as an Independent Director for a term up to five consecutive years. The Company has received notice under Section 160 of the Act from a member, signifying his intention to propose the candidature of Mr. Sudipto Sarkar (DIN: 00048279) for appointment as an Independent Director of the Company.

The Company has received Mr. Sudipto Sarkar (DIN: 00048279) consent to act as a Director and a declaration that he is not disqualified from being appointed as a Director in terms of Sections 152 and 164 of the Act, and is also not debarred from holding the office of director by virtue of any SEBI order or any other such authority. The Company has also received a declaration from Mr. Sudipto Sarkar (DIN: 00048279) confirming that he meets the criteria of independence prescribed under the applicable provisions of the Act and the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Mr. Sudipto Sarkar (DIN: 00048279) has confirmed that his name is registered in the data bank of Independent Directors as being maintained by Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

In the opinion of the Board, Mr. Sudipto Sarkar (DIN: 00048279) is a person of integrity and possesses appropriate skills, expertise, experience and knowledge, and fulfils the conditions specified in the Act read with Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and he is independent of the management of the Company. Based on that, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sudipto Sarkar (DIN: 00048279) as an Independent Director of the Company.

The draft terms and conditions for appointment of Mr. Sudipto Sarkar as an Independent Director shall be made available for inspection by the members through electronic mode up to the date of AGM. The relevant information in respect of Mr. Sudipto Sarkar (DIN: 00048279) pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings is provided at Annexure A to this Notice. The brief profile of Mr Sarkar is as under-

“Mr. Sarkar is a Barrister, Gray's Inn, London. A renowned lawyer and author of several authoritative legal textbooks, Mr Sarkar, as a practicing Senior Advocate, specializes in the areas of Commercial and Corporate Laws. Presently, he has been a Director on the Boards of Vesuvius India Ltd., EIH Ltd., EIH Associated Hotels Ltd., He was formerly a Director of BSE Ltd., JSW Steel Ltd., B & A Ltd., McNally Bharat Engineering Co. Ltd., Descon Ltd. Eveready Industries India Limited etc.

He has also acted as an arbitrator in domestic and international matters and has been a member of the Panel of Arbitrators of Hong Kong International Arbitration Centre (HKIAC) and Pacific International Arbitration Centre (PIAC). Presently he is on the Panel of Arbitrators of London Court of International Arbitration (LCIA) and Singapore International Arbitration Centre (SIAC).”

As per the provisions of the Act, the appointment of an independent director requires approval of the shareholders. Since Mr Sarkar has attained the age of 75 years, his appointment requires the approval of members by way of a special resolution in accordance with Regulation 17(1A) of the Listing Regulations. Further, as per Regulation 25(2A) of the Listing Regulations, the appointment of an independent director shall be subject to approval of the shareholders by way of special resolution. Accordingly, the Board commends the passing of Special Resolution set out at Item No.4 of the Notice.

None of the Directors or any KMPs of the Company or their respective relatives except, Mr. Sudipto Sarkar, the appointee and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in this Special Resolution.

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

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended read with Articles of Association of the Company, the Board of Directors of the Company had, at their meeting held on 20th June, 2024, approved the appointment of Mr. Jitendra Kumar Dadoo (DIN: 02481702) as an Additional Director (in the category of Non-Executive Independent Director) for a term of five consecutive years with effect from 20th June 2024, based on the recommendation of the Nomination and Remuneration Committee,

As per the provisions of Section 161 of the Act, Mr. Jitendra Kumar Dadoo (DIN: 02481702) shall hold office up to the date of this Annual General Meeting ('AGM'). Furthermore, pursuant to Regulation 17 (1C) of the Listing Regulations, Mr. Jitendra Kumar Dadoo (DIN: 02481702) shall hold office up to the date of this AGM or for a period of three months from the date of his appointment, whichever is earlier. Mr. Jitendra Kumar Dadoo (DIN: 02481702) is eligible to be appointed as an Independent Director for a term up to five consecutive years. The Company has received notice under Section 160 of the Act from a member, signifying his intention to propose the candidature of Mr. Jitendra Kumar Dadoo (DIN: 02481702) for appointment as an Independent Director of the Company.

The Company has received Mr. Jitendra Kumar Dadoo (DIN: 02481702) consent to act as a Director and a declaration that he is not disqualified from being appointed as a Director in terms of Sections 152 and 164 of the Act, and is also not debarred from holding the office of director by virtue of any SEBI order or any other such authority. The Company has also received a declaration from Mr. Jitendra Kumar Dadoo (DIN: 02481702) confirming that he meets the criteria of independence prescribed under the applicable provisions of the Act and the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Mr. Jitendra Kumar Dadoo (DIN: 02481702) has confirmed that his name is registered in the data bank of Independent Directors as being maintained by Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

In the opinion of the Board, Mr. Jitendra Kumar Dadoo (DIN: 02481702) is a person of integrity and possesses appropriate skills, expertise, experience and knowledge, and fulfils the conditions specified in the Act read with Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and he is independent of the management of the Company. Based on that, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Jitendra Kumar Dadoo (DIN: 02481702) as an Independent Director of the Company.

The draft terms and conditions for appointment of Mr. Jitendra Kumar Dadoo (DIN: 02481702) as an Independent Director shall be made available for inspection by the members through electronic mode up to the date of AGM. The relevant information in respect of Mr. Jitendra Kumar Dadoo (DIN: 02481702) pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings is provided at Annexure A to this Notice. The brief profile of Mr Dadoo is as under-

“Mr. J.K. Dadoo is IAS (Retd.). He has been with the Ministry of Commerce and Industry since 2011, first as Joint Secretary and then as Additional Secretary & Financial Adviser and superannuated in Dec. 2017. He has over 30 years' experience of working in various senior positions in the Government of India and State Governments, such as Sub-Divisional Magistrate in Delhi, Principal Secretary (Environment) in Govt. of Delhi, Additional Commissioner of Sales Tax in Delhi, Secretary to Governor of Goa, Development Commissioner & Acting Chief Secretary, Goa, Deputy Commissioner, Arunachal Pradesh, Administrator of Lakshadweep (Governor, Chief Minister and Chief Secretary) etc. He also worked as Counsellor Coordination in the Embassy of India, Moscow, Director (Air Force) in the Ministry of Defence. Mr Dadoo served as a Board member of 7 big Public Sector Undertakings (PSUs) which include MMTC Ltd., The State Trading Corporation of India Ltd. (STC), India Trade Promotion Organization (ITPO), National Textiles Corporation LTD. (NTC), National Institute of Fashion Technology (NIFT), Cotton Corporation of India and Jute Board and also chaired the Audit Committee of said PSUs. He also served a member of the

Committee of Approvals for projects of Export Credit Guarantee Corporation (ECGC) and Exim Bank funded by the Ministry of Commerce.”

As per the provisions of the Act, the appointment of an independent director requires approval of the shareholders. However, as per Regulation 25(2A) of the Listing Regulations, the appointment of an independent director shall be subject to approval of the shareholders by way of special resolution. Accordingly, the Board commends the passing of Special Resolution set out at Item No.5 of the Notice.

None of the Directors or any KMPs of the Company or their respective relatives except, Mr. Jitendra Kumar Dadoo (DIN: 02481702), the appointee and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in this Special Resolution.

#### **ITEM NOS. 6 & 7**

Mr. Tarun Sawhney (DIN: 00382878) was initially appointed as an Additional Director (Non-Executive Non-Independent) on the Board of the Company, acting as a nominee of Triveni Engineering & Industries Limited (“TEIL”), by the Board of Directors on the recommendations of the Nomination and Remuneration Committee (“NRC”), who shall hold office till the date of the ensuing Annual General Meeting (“AGM”).

Mr Tarun Sawhney is one of the Promoters and Vice Chairman & Managing Director of TEIL, holding Company and has been drawing remuneration from that company. Keeping into consideration his professional qualifications, vast experience, knowledge, thorough understanding of the Sugar and Alcohol Industry and the industry leadership capabilities, the Board of Directors of the Company (“Board”) had, on the recommendations of NRC, at its meeting held on July 31, 2024, approved the appointment of Mr. Tarun Sawhney as the Managing Director for a period of five (5) years w.e.f. July 31, 2024 to July 30, 2029 on the terms and conditions set out below, subject to the approval of the members at the ensuing AGM. The Board also believes that the appointment of Mr. Tarun Sawhney as the Managing Director is in the best interest of the Company.

Regulation 17(1C) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended upto date) provides that ‘the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier’. Hence approval of members is being sought in the ensuing AGM . The key terms and conditions of appointment are given below:

Terms and Conditions of appointment

Tenure: For a period of five (5) years with effect from July 31, 2024 to July 30, 2029

Designation : Managing Director

Salary per Month : Nil

Sitting Fee/profit related Commission : Nil

Other terms: His office shall be liable to retire by rotation.

The relevant information in respect of Mr. Tarun Sawhney pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings is provided at Annexure A to this Notice. The brief profile of Mr Tarun Sawhney is as under-

“Mr Tarun Sawhney is the Promoter and Vice Chairman & Managing Director of the holding Company, Triveni Engineering & Industries Ltd (TEIL). He also serves on the Board of Triveni Turbine Limited, Triveni Energy Solutions Limited, Centum Electronics Limited. Mr Sawhney has played a pivotal role in the sugar and bioenergy industries, having served as the President of the Indian Sugar Mills Association (ISMA) and Chairman of the Indian Sugar Exim Corporation Limited. He currently holds key positions in the Confederation of Indian Industry (CII), serving as a member of the National Council, the Chairman of the Agricultural Council, and the Co-Chairman of the National Committee on Bioenergy. He is also a member of the advisory board of the Indian Council of Agricultural Research (ICAR). His significant contributions to the sugar industry have earned him widespread recognition, exemplified by the prestigious Industry Excellence Award conferred by the former Hon'ble President of India, Smt. Pratibha Rao Patil.”

The Company has received all statutory disclosures / declarations from Mr. Tarun Sawhney including consent in writing to act as director and intimation that he is not disqualified under sub- section (2) of Section 164 of the Companies Act, 2013. Mr Tarun Sawhney satisfies all the conditions set out in Part I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment as Managing Director of the Company. Mr Sawhney, being eligible, offers himself for appointment.

Accordingly, approval of the shareholders is sought to the appointment of Mr Tarun Sawhney as a Director and also as Managing Director of the Company in accordance with the relevant provisions of the Act read with Schedule V thereto and the Listing Regulations.

The above may be treated as a written memorandum setting out the terms and conditions of appointment of Mr Tarun Sawhney under Section 190 of the Act.

The Board recommends the resolutions at Item No. 6 & 7 for approval by the members as Ordinary Resolutions.

None of the Directors or any KMPs of the Company or their respective relatives except, Mr. Tarun Sawhney, the appointee and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in these Resolutions.

#### **ITEM NO. 8**

Mr Vivek Viswanathan (DIN: 00141053) was re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1st January, 2023 to 31st December, 2027 in terms of special resolution passed by the shareholders of the Company at the 88th Annual General Meeting held on 26th September, 2022.

Consequent to change in management and control of the Company, Mr Viswanathan stepped down from the position of Joint Managing Director of the Company with effect from 20th June, 2024. However, considering his qualifications, knowledge and experience, the Board of Directors of the Company has, on the recommendations of the Nomination and Remuneration Committee, considered it desirable that the Company should continue to avail the services of Mr Viswanathan as Non-Executive, Non-Independent Director of the Company (acting as nominee of Triveni Engineering & Industries Ltd. ('TEIL'), the holding company), liable to retire by rotation. He is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and has expressed his willingness to continue to act as Non-Executive Director of the Company. Accordingly, Mr Viswanathan, being eligible, is proposed to be re-designated as Non-Executive, Non-Independent Director of the Company with effect from 20th June, 2024. The brief profile of Mr Viswanathan is as under:-

“Mr Vivek Viswanathan graduated with a B.A. (Hons) degree in History from St. Stephen's College, Delhi University in 1992, and MBA from the International Management Institute (IMI), New Delhi in 1995. He also earned a Masters' Degree in International Affairs (MIA), with specialization in International Finance and Business from Columbia University, NY in 2005. He has more than 20 years of work experience with the company. He has over 8 years of work experience with VST Industries (British American Tobacco), and Coca-Cola India in various functions including Sales, Marketing, Brand Management, Key Account Management and Corporate Strategy.”

The Board commends the passing of Resolution set out at Item No.8 of the Notice.

None of the Directors or any KMPs of the Company or their respective relatives except, Mr. Vivek Viswanathan and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in this Resolution.

#### **ITEM NO. 9**

Presently, the Company's Registered Office is located at Upper Doab Sugar Mills, Shamli-247776 (Uttar Pradesh). The Board of Directors of your Company at their meeting held on 31st July, 2024 has decided to shift the Registered Office of the Company from Upper Doab Sugar Mills, Shamli-247776 (Uttar Pradesh) to A-44, Hosiery Complex, Phase II Extension, Noida- 201 305 (Uttar Pradesh) to carry on the business of the Company more economically and efficiently and with better operational convenience. Our Company is a subsidiary of Triveni Engineering and Industries Limited. The registered office of Triveni Engineering and Industries Limited is also situated at A-44, Hosiery Complex, Phase II Extension, Noida- 201 305 (Uttar Pradesh). Therefore shifting of Registered Office to Noida shall facilitate better coordination and administrative convenience. As per provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, shifting of Registered Office of the Company outside the local limits but within the same State requires approval of the Members by way of Special Resolution. Therefore the Board recommends the Resolution as set out in Item No. 9 for approval of the Members as Special Resolution.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way concerned or interested in the resolution mentioned as Item No. 9 of the Notice

#### **ITEM NO. 10**

Pursuant to the applicable provisions of the Companies Act, 2013 ("Act") read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendment thereof ("SEBI LODR") and the Company's Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions of the Company ("the Policy"), the material related party transactions to be entered by the Company on arm's length basis with its Holding Company Triveni Engineering and Industries Limited ('TEIL') as set out in Item No. 10 require prior approval of the members of the Company through an ordinary resolution.

In accordance with Regulation 23 of the SEBI LODR, "Material Related Party Transaction" means any transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per its last audited financial statements whichever is lower.

## Justification for the transactions

With the acquisition of 61.77% equity stake in the Company by TEIL, the Company has become a subsidiary of TEIL with effect from June 20, 2024 and a related party within the meaning of Section 2(76) of the Act and regulation 2(1)(zb) of SEBI LODR. The Company requires adequate funding arrangements to be able to conduct normal business and operate the plant satisfactorily and reliably in the upcoming season 2024-25. The funding is required to make payment towards old cane dues, suppliers & employees dues, repairs of plant including capex, and working capital requirements. The funding will be partly undertaken in the Company through loans from lenders / banks and the balance requirements will need to be funded by TEIL. In view of weak financial position of the Company and its loss-making track record, it would be difficult to get the funding based on its financials alone and the banks / lenders may require some financial support from TEIL in the form of a comfort letter or a corporate guarantee or any other security. The financial support from TEIL will also help in securing loans at a competitive cost.

Further, both the Company and TEIL are in the similar business and both the companies can benefit by availing technical and management resources on secondment basis from each other. Being engaged in same line of business, the Company may also sell its surplus by-products to TEIL and purchase / sell other goods and services for effective and optimal utilisation of inventories and other resources. All these transactions will be beneficial to the Company and ensure better operating performance.

The proposed RPTs, along with transactions already approved, are likely to exceed 10% of the turnover of SSEL (FY 2023-24) and hence, being material RPTs, these are required to be approved by the shareholders. The management has provided the relevant information to the Audit Committee including rationale, material terms and basis of the RPTs as per the details below. The Audit Committee after reviewing the necessary information has approved the proposal for entering into material related party transactions during FY 2024-25 with its Holding Company TEIL, subject to the approval of the members of the Company. The Committee noted that the transactions will be in the normal course of business and will be on arm's length basis.

The Board on the recommendation of the Audit Committee approved the RPTs with TEIL upto Rs. 733.40 crore valid during FY 2024-25.

*Details of proposed transaction with TEIL including information pursuant to SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows.*

|       |   |  |
|-------|---|--|
| a.    | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);  | Triveni Engineering & Industries Limited (TEIL), the promoter and holding company and consequently a related party of Sir Shadi Lal Enterprises Ltd. (the Company).  |
| b.    | Type, material terms and particulars of the proposed transaction  | (a) Sale, Purchase, lease or supply of goods materials, equipment, properties etc.<br>(b) Availing and rendering of services including borrowing/availing loan(s) and advance(s), guarantee(s) and security facilities.<br>(c) Transfer of resources, services or obligations to meet business objectives and requirements.<br><br><i>For more details including material terms please refer to Annexure B</i> |
| c.    | Tenure of the proposed transaction (particular tenure shall be specified);  | FY 2024-2025   |
| d.    | Value of the proposed transaction   | Rs. 733.40 crore   |
| e.    | The percentage of annual turnover of the Company considering FY 2023-24, as the immediately preceding financial year.   | 158.70%  |
| d.    | Justification as to why the RPT is in the interest of the listed entity   | Please refer to the explanatory statement of resolution no. 10 above   |
| e.    | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary  | Not applicable   |
| e(i)  | details of the source of funds in connection with the proposed transaction;   | Not applicable   |
| e(ii) | where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments,<br><br><ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul> | Not applicable   |

|        |  |  |
|--------|--|--|
| e(iii) | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and   | Not applicable   |
| e(iv)  | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT   | NotApplicable  |
| f      | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders; | NotApplicable  |
| g      | Name of the director or key managerial personnel who is related, if any, and nature of relationship  | Mr Tarun Sawhney and Mr Vivek Viswanathan are the nominee directors of TEIL, the holding company. Their interest or concern or that of their relatives, is limited only to the extent of their directorship and shareholding, if any, in the Company and TEIL. |
| h      | Any other information that may be relevant   | None   |

As per Listing Regulations, all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not and accordingly the Promoters shall not vote on the resolutions set out at Item No.10

Except above none of the Directors and/or Key Managerial Personnel of the Company and/or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of this Notice.

The Board recommends the resolution set out at Item No. 10 of the Notice for your approval.

By order of the Board

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

Place: Shamli  
Date : 31<sup>st</sup> July, 2024

## ANNEXURE A TO AGM NOTICE

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 90<sup>TH</sup> ANNUAL GENERAL MEETING

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

|   |  |   |   |   |
|---|--|---|---|---|
| Name of the Director  | Mr. Vivek Viswanthan   | Mr. Tarun Sawhney   | Mr. Sudipto Sarkar  | Mr. Jitendra Kumar Dadoo  |
| DIN   | 00141053   | 00382878  | 00048279  | 02481702  |
| Date of Birth   | 07-11-1970   | 25-09-1973  | 21-03-1946  | 10-12-1957  |
| Category of the Director  | Non-Executive<br>Non Independent Director  | Executive Director  | Independent Director  | Independent Director  |
| Educational Qualifications  | B.A (Hons.) from Delhi University, Masters' Degree in Business Administration (MBA) from International Management Institute (IMI), New Delhi & Masters' Degree in International affairs from Columbia University, NY | Bachelors' and Masters' degrees in Arts from Emmanuel College, University of Cambridge, U.K. and Masters' degree in Business Administration from The Wharton School, University of Pennsylvania, U.S.A.                 | B.Sc. (Maths-Hons.) from Presidency College, Kolkata; B.A. (Law Tripos), M.A. (Law) and LL.M, (International Law) from Jesus College, Cambridge, UK.  | Bachelor of Arts (Honours) in Economics from St. Stephen's College, New Delhi, Bachelor of Law (LLB) from Delhi University, aster degree (MBA) in Marketing from IIM, Ahmedabad |
| Expertise in specific functional areas  | All Area of Management   | An Industrialist with vast experience in Sugar and Engineering industries having adequate functional and management experience. The expertise includes general management leadership, Corporate Governance and Finance. | A practicing senior advocate with specialisation in the areas of commercial and corporate laws.   | A retired civil servant having experience in various senior positions in the Government of India and State Governments  |
| Date of Appointment on the Board  | 24.03.2001   | 20.06.2024  | 20.06.2024  | 20.06.2024  |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid      | Please refer to resolution and explanatory statement at Item Nos. 8 of the Notice.   | Please refer to resolution and explanatory statement at Item Nos.6 & 7 of the Notice.   | Please refer to resolution and explanatory statement at Item No.4 of the Notice.  | Please refer to resolution and explanatory statement at Item No.5 of the Notice.  |
| Remuneration last drawn by such person, if applicable   | Please refer to corporate governance report forming part of Annual Report for FY24.  | N.A.  | N.A.  | N.A.  |
| Number of shares held in the Company as on date   | NIL  | NIL   | NIL   | NIL   |
| Directorship held in other public companies excluding foreign and private companies                             | NIL  | Centum Electronics Ltd.<br>Triveni Energy Solutions Ltd.<br>Indian Sugar Exim Corporation Ltd.<br>Triveni Engg. & Indus. Ltd.<br>Triveni Turbine Ltd.<br>Triveni Foundation (Sec 8 Company)                             | Vesuvius India Ltd<br>EIH associated hotels ltd,<br>EIH Ltd.<br>Triveni Engg. & Indus. Ltd.   | Triveni Engg. & Indus. Ltd.   |
| Chairmanship / Membership of Committees Audit and Stakeholders' Relationship Committees across Public Companies | NIL  | Stakeholders' Relationship Committees<br>Triveni Engg. & Indus. Ltd. – Member<br>Triveni Turbine Ltd. – Member<br>Audit Committee<br>Triveni Engg. & Indus. Ltd. – Member   | Stakeholders' Relationship Committee<br>Triveni Engg. & Indus. Ltd.-Member<br>Vesuvius India Ltd. – Member<br>EIH Associated Hotels Ltd. - Member<br>Audit Committee<br>Triveni Engg. & Indus. Ltd. - Chairman<br>EIH Ltd. - Member | NIL   |
| Relationship with other directors, Manager and KMP  | NIL  | NIL   | NIL   | NIL   |



|  |      |               |               |               |
|--|------|---------------|---------------|---------------|
| Number of meetings of the Board attended during the past Financial year  | 4    | NotApplicable | NotApplicable | NotApplicable |
| Name of the listed companies from which resigned in the past three years | None | None          | None          | None          |

#### ANNEXURE B TO AGM NOTICE

| S.No. | Nature, material terms, monetary value and particulars of the contract or arrangements  | Value of transaction (Rs. crores)* |
|-------|---|------------------------------------|
| 1     | To obtain a Comfort letter or Corporate guarantee or any other financial support of the Holding Company (TEIL) for securing loans (term loans and working capital) from banks / lenders<br><br>Fees of 0.75% p.a. will be charged by TEIL from the Company based on commission normally charged by the banks for providing various guarantees and after considering financial position of the Company.  | 450.00<br><br>3.40<br>(annually)   |
| 2     | Funding from TEIL by way of an inter corporate loan<br><br>1. Interest rate – SBI one-year MCLR + spread of 100 basis points. To be reset annually<br>2. Interest to be serviced on a quarterly basis.<br>3. Repayment: To be repaid over 16 equal quarterly instalments after an initial moratorium period of 2 years.<br>4. Security: Unsecured<br>5. Payment of interest and repayment of loan will be subject to any restrictions which may be stipulated by lenders<br><br>(**) based on present interest rates, accordingly it may vary.                  | 150.00<br><br>15.00**              |
| 3     | Sale / Purchase of by-products - Bagasse and Molasses<br>Price: Ex works.<br>Market price will be determined:<br>a) By inviting quotations at the beginning of each month and arrive at the market rate based on estimated supplies during the month. All supplies during the month will be supplied at the determined market rate<br>b) Alternatively, long-term sales /purchase agreement will be entered into for a defined quantity at the market price which will be determined based on quotations received.<br>Payment terms: Within 15 days of dispatch | 100.00                             |
| 4     | Secondment of Employees from / to the Holding Company and the amounts will be charged based upon the actual cost incurred   | 5.00                               |
| 5.    | Sale/purchase of component, equipment, stores, spare parts, services and other miscellaneous items (including lease of offices/ properties):<br>- Price of goods and spare parts will be determined at actual procurement cost + 2% handling charges.<br>- Services (including lease charges) will be determined based on prevalent market rates<br>- Expenses incurred on behalf of the other company shall be reimbursed on actual  | 10.00                              |

\*Excluding Taxes

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**90th**

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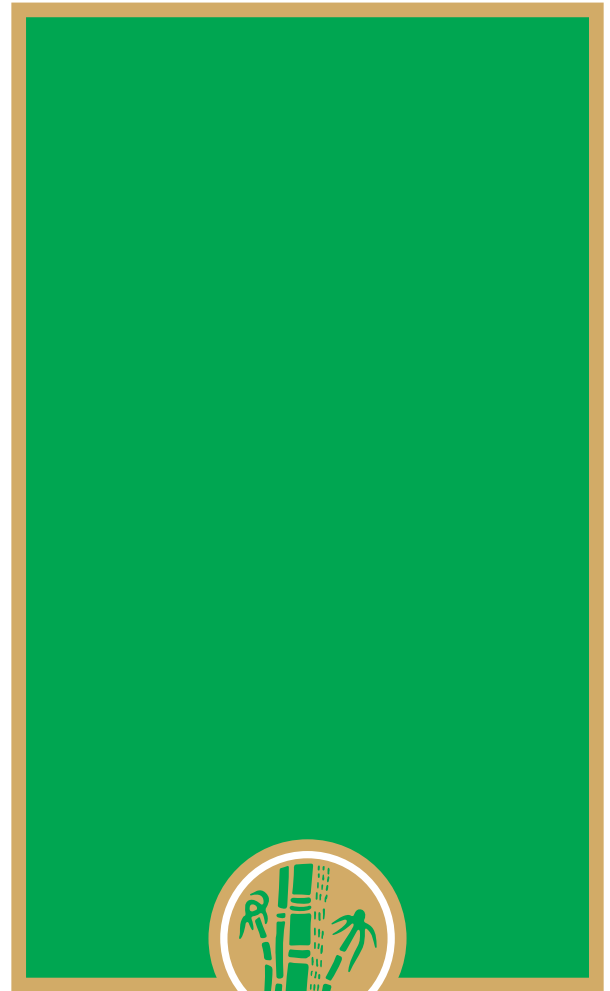
**ANNUAL**

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**REPORT**

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**2023-2024**



*Sir Shadi Lal  
Enterprises Ltd.*



## SIR SHADI LAL ENTERPRISES LIMITED

|                            |   |  |
|----------------------------|---|--|
| <b>BOARD OF DIRECTOR'S</b> | : | Shri Udit Pat Singhania – Non Executive Independent Director<br>(Chairman w.e.f 18.08.2023) (DIN No. 07984594)<br>Shri Rajat Lal – Managing Director (DIN No. 00112489)<br>Shri Vivek Viswanathan – Joint Managing Director<br>(DIN No. 00141053)<br>Shri Rahul Lal – Joint Managing Director (DIN No. 06575738)<br>Shri Ravi Malhotra – Non Executive Independent Director<br>(DIN No. 08811471)<br>Shri Tanmay Sharma – Non Executive Independent Director<br>(DIN No. 08811485)<br>Mrs. Radhika Viswanathan Hoon – Non Executive Director<br>(DIN No. 06436444)<br>Shri Neeraj Gupta – Non Executive Director<br>(DIN No. 00317395) |
| <b>BANKERS</b>             | : | Punjab National Bank<br>Zila Sahkari Bank Ltd.   |
| <b>AUDITORS</b>            | : | M/S Basant Ram & Sons<br>A-18 Murli Marg, Nizamuddin East<br>New Delhi – 110 013   |
| <b>REGISTERED OFFICE</b>   | : | Upper Doab Sugar Mills,<br>Shamli – 247 776 (U.P.)   |
| <b>MANUFACTURING UNITS</b> | : | Upper Doab Sugar Mills,<br>Shamli – 247 776 (U.P.)<br><br>Shamli Distillery & Chemical Works,<br>Shamli – 247 776 (U.P.)   |



## DIRECTORS' REPORT

### DEAR SHAREHOLDERS,

Your Directors hereby present the 90th Annual Report and the Financial Statements of the Company for the financial year ended March 31, 2024.

### FINANCIAL RESULTS

During the year under review, the sugar segment of your Company work satisfactory However the Distillery unit has not worked satisfactorily. The summarized financial results of the Company are presented below:

(Rs. in Lakhs)

|    | Particulars  | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|----|--|-----------------------------------|-----------------------------------|
| a) | Total Revenue  | 46254.13                          | 55296.81                          |
| b) | Profit (Loss) before providing for Exceptional Item and Depreciation | (79.79)                           | (1852.90)                         |
| c) | Less: Exceptional Item   | -                                 | -                                 |
| d) | Less: Provision for Depreciation                                     | (998.46)                          | (1109.29)                         |
| e) | Profit (Loss) before Tax   | (918.67)                          | (2962.19)                         |
| f) | Profit (Loss) from Continuing Operation                              | -                                 | -                                 |
| g) | Profit (Loss) from Continuing Operation                              | (918.67)                          | (2962.19)                         |
| h) | Profit (Loss) from discontinuing Operation                           | -                                 | -                                 |
| i) | Profit (Loss) for the year   | (918.67)                          | (2962.19)                         |
| j) | Other Comprehensive Income   | 43.32                             | (94.18)                           |
| k) | Gain on Revaluation of Land  | 37781.55                          | -                                 |
| l) | Total Comprehensive Income for the period                            | 36906.20                          | (3056.37)                         |
| m) | Basic earnings per share of Rs 10/-each (Rs)                         | (17.499)                          | (56.423)                          |
| n) | Diluted earnings per share of Rs.10/-each (Rs)                       | (17.499)                          | (56.423)                          |

### TRANSFER TO REASON

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

### DIVIDEND

In view of the Current year loss and carry forward losses, the Company does not have any divisible profits available for payment of dividend to equity shareholders. The Directors have therefore not recommended payment of any dividend for the year ended March 31, 2024. Dividend Distribution Policy of the Company has been hosted on the website of the Company i.e., [www.sirshadilal.com](http://www.sirshadilal.com).

### FINANCE

Due to increase in recovery the losses of the Company is very low

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

### INDIAN ACCOUNTING STANDARDS

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

### CREDIT RATING

The rating of the company for the financial year 2023-24 was B+ and the company had assigned the work of credit rating to Informerics Rating & Research Pvt Ltd. and the same is awaited for the Financial Year 2024-25. This reflects improvement in the business risk profile which is expected to remain steady with moderate growth over the medium term. The rating however remains constrained on account of working capital intensive operation with significant accumulated losses and a high degree of regulatory risk in sugar industry.

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

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

### COMPANY OPERATIONS:

The operating performance of the sugar unit for crushing season 2023-24, as compared to the previous crushing season 2022-23, is as under:

|       | Particulars                     | 2023-24 | 2022-23 |
|-------|---------------------------------|---------|---------|
| i)    | Gross working days              | 146     | 194     |
| ii)   | Cane crushed (lakh/qtls.)       | 74.66   | 99.83   |
| iii)  | Average cane crush (qtls./day)  | 51138   | 51460   |
| iv)   | Manufacturing losses (%)        | 2.09    | 2.07    |
| v)    | Steam Consumption (% cane)      | 51.63   | 51.45   |
| vi)   | Average sugar recovery (% cane) | 11.07   | 10.15   |
| vii)  | Downtime (%)                    | 9.36    | 11.24   |
| viii) | Sugar production (lakh/qtls)    | 8.27    | 10.13   |

The Company cane crush was 74.66 Lakhs qtrs. The Recovery during the period was 11.07% ( C Heavy Moasses). The recovery % cane was higher mainly due to higher pol in cane which resulted from improved varietal mix and implementation of other cane development activities.

### CANE DEVELOPMENT

a) Due to vigorous efforts made by the management in the area of sugarcane development, the area under cultivation of high



sugar varieties of cane increased to 100% in season 2023-24 & maintains 100% in the season 2024-25. In addition, the management focused on execution of both extensive and intensive cane development activities comprising of appropriate usage of insecticides, pesticides and optimum use of fertilizers. It is expected that we will achieve, the Pol % cane 13.20% in next crushing season 2024-25. It will be 0.05% more as compared to Season 2023-24.

- b) The supply of Cane at factory gate become 75% during the crushing season 2023-24, the management is also making efforts to maintain the same in coming crushing season 2024-25.
- c) Extraneous materials such as trashes, green tops, diseased cane, mud with cane supplies has been found 3.47% during the crushing 2023-24. Further the management plans to reduce the extraneous matter upto 2.75% in coming crushing season 2024-25.
- d) The Company has undertaken vigorous cane development activities by encouraging high yielding variety cane i.e. Co 15023, Co 0118. This has resulted in the improvement in the pol% cane from 13.15% to 13.20%. The recovery in the Sugar has found 11.07% as production of C- heavy molasses during the season 2023-24. It is expected that we will achieve recovery to 11.24% in the next season 2024-25.

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

**INDUSTRY PROFILE:**

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

**COMPANY OPERATIONS:**

**I) OPERATING PERFORMANCE:**

The operating performance for the financial year 2023-24 as compared to the previous financial year 2022-23 is as under:

|      | <b>Particulars</b>                  | <b>2023-24</b> | <b>2022-23</b> |
|------|-------------------------------------|----------------|----------------|
| i)   | Gross working days (days)           | 181.05         | 234.50         |
| ii)  | Production – RS (lakh/ltrs)         | 173.57         | 205.60         |
| iii) | Production – Ethanol (lakh/ltrs)    | 93.70          | 132.06         |
| iv)  | Alcohol recovery/qtl. molasses (AL) | 19.81          | 22.97          |
| v)   | Fermentation efficiency (%)         | 86.67          | 88.85          |
| vi)  | Distillation efficiency (%)         | 98.31          | 98.03          |

Distillery production was low during 2023-24 as compared to last year due to less working days.

Further analysis of operating performance for sugar and distillery segments are covered under “Management Discussion and Analysis Report” at Annexure 4 of this Report.

**DIRECTORS**

During - the Year under review Mr. Rajat Lal, Managing Director was reappointed for a further period of 5 years from 01.04.2024 to 31.03.2029 without remuneration. His appointment is approved by Shareholder by Postal Ballot on 06.05.2024.

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

**PURCHASE OF SHARES BY TRIVENI ENGINEERING AND INDUSTRIES LIMITED**

M/s Triveni Engineering and Industries Limited had entered in a Purchase Agreement on 30.01.2024 with Mr. Vivek Viswanathan and Ms. Radhika Viswanathan Hoon for purchase of 1335136 Equity Shares of Sir Shadi Lal Enterprises Limited Mr. Vivek Viswanathan and Ms. Radhika Viswanathan Hoon transfer their Equity Shares on 11.03.2024. M/s Triveni Engineering and Industries Limited had brought an Open offer for acquisition of up to 13,65,000 (Thirteen Lakh Sixty Five Thousand) (“Offer Shares”) fully paid-up equity shares of face value of 10 (Indian Rupees Ten only) each (“Equity Shares”), representing 25.43% (twenty five fourty three percent) of the Voting Share Capital of Sir Shadi Lal Enterprises Limited from the Shareholders of the Sir Shadi Lal Enterprises Limited, with an intention to acquire control of the Target Company pursuant to and in compliance with Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “SEBI (SAST) Regulations” and reference to a particular “Regulation” shall mean the particular regulation of the SEBI (SAST) Regulations) (the “Offer” or “Open Offer”). The open offer is pending till date.

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

The guidelines for selection of Directors are set out below:

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

**ATTRIBUTES**

1. For Independent Directors, the Committee seeks candidates who are not a nominee or related to the Promoters of the Company. Such candidates shall possess integrity, leadership, skill, managerial qualities, foresight abilities and competency required to direct and oversee the Company’s management in the best interest of stake holders i.e. shareholders, consumers, employees and the community it serves.
2. The candidate must be willing to regularly attend meetings of the Board and develop a strong understanding of the Company, its business and its need. He must contribute his/ her time and knowledge for the Company and be prepared to exercise his/her duties with skill and care. Candidates should have

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understanding of governance concept and legal duties of a Director.

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

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

#### KEY MANAGERIAL PERSONNEL

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

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

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

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

#### INDEPENDENT DIRECTORS MEETING

A separate meeting of the Independent Directors (Annual Independent Directors Meeting) was convened on February 10, 2024 which reviewed the performance of the Board as a whole and of the Non-Independent Directors on the basis of the report of the Nomination and Remuneration Committee. The collective feedback of each Independent Director was discussed with the Board, covering performance of the Board as a whole and performance of Non- Independent Directors. Also three meeting of Independent Directors were held on 27.02.24, 06.03.24 and 16.03.2024 for giving independent opinion on open offer of Trivini Engineering and Industries Limited.

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

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

The performance evaluation of the Chairman and Independent Directors is done by the Board and the report of Nomination and Remuneration Committee for the Non-Independent Directors, as reviewed by the Independent Directors, is placed before the Board of Directors. The criteria for the performance evaluation are detailed in the report on Corporate Governance attached as Annexure 4 of this Report.

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

#### A) BOARD PERFORMANCE

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

#### B) COMMITTEE PERFORMANCE

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

#### REMUNERATION POLICY

The Board, on the recommendations of the Nomination and Remuneration Committee, has framed a policy for selection and appointment of Directors, senior management and their remuneration. The remuneration policy is stated in the report on Corporate Governance attached at Annexure 4 of this Report.

#### MEETINGS

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

During the financial year 2023-24, Five Board Meetings were held on 30.05.2023, 29.07.2023, 08.11.2023 10.02.2024 and 30.03.2024. The details of the same are given in the Corporate Governance report attached at Annexure 4 of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts for the year ended March 31, 2024, the applicable accounting standards, read with requirements set out under the Act, have been followed and there are no material departures from the same.
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the Loss of the Company for the financial year ended on that date.
- iii) They have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the Annual Accounts of the Company on a "going concern" basis.
- v) They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.



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

**RELATED PARTY TRANSACTIONS**

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

**FORM NO. AOC-2****(PURSUANT TO CLAUSE (B) OF SUB-SECTION OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

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

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

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

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

| S.No. | Particulars  | Details |
|-------|--|---------|
| a)    | Name(s) of the related party & relationship  | N.A     |
| b)    | Nature of contracts/ arrangements/ transactions  | N.A     |
| c)    | Duration of the contracts/ arrangements/transactions                                       | N.A     |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any. | N.A     |

|    |   |     |
|----|---|-----|
| e) | Date of approval by the Board for renewal | N.A |
| f) | Advance paid, if any                      | N.A |

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

**SUBSIDIARY COMPANIES/ASSOCIATE COMPANIES**

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

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 by forming a Disciplinary Committee as per provisions of the Act. The Company confirms that there is no complaint / case filed against or pending with the Company during the financial year 2023-24.

**CODE OF CONDUCT**

Code of Conduct for the Directors as well as for the members of the senior management of the Company was adopted in the Board meeting held on April 4, 2005 which was subsequently amended from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and members of senior management and the compliance of the same has been affirmed by them in respect of the financial year 2024-25. A copy of the Code of Conduct has been put up on the Company's website [www.sirshadilal.com](http://www.sirshadilal.com). A declaration regarding compliance of Code of Conduct is given by the Managing Director, under the head "Code of Conduct", that Board members and senior management team have complied with the same under Corporate Governance and forms part of this Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

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

**PREVENTION OF INSIDER TRADING CODE**

The Company has adopted Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, designated employees of the Company and other related parties. The code requires pre clearance for dealing in the Company's

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shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the code.

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

#### AUDITORS

M/s Basant Ram & Sons, was appointed as Statutory Auditors of the Company in the AGM held on 26.09.2022.

#### COMMENTS ON AUDITOR'S OBSERVATIONS

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

As stated in the note no. 35 of the financial statement in respect of interest liability on delayed payment of sugar cane price. The interest aggregating to Rs.607.19 Lakhs on delayed payment of sugar cane price for sugar seasons 2011-12 to 2014-15 is due for payment in view of the Supreme Court's order no.35113/2017 dated 23.04.2018. The company is contemplating to file a review petition against above mentioned order of Supreme Court. Therefore, no provision has been made for the above mentioned liability of Rs. 607.19 Lakhs and also for Rs. 15425.89 Lakhs relating to the subsequent financial years 2015-16 to 23-24; to that extent the accounts are not maintained on accrual basis.

Auditor comments to report is self-explanatory

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

As state in note no. 36 of the financial statement in respect of bonus liability, The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has not made provision for this liability for the year ending on 31.03.2015. This matter is pending before hon'ble High Court, Allahabad by UPSMA.

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

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

As Stated in Note No.37 to the Standalone Financial Statements, the Management has decided, not to make any further provision this year for Deferred Tax Assets. The management in view of current year loss and accumulated losses and in absence of virtual certainty about future profitability has decided not to account for the effect of Deferred Taxation for this year, and continuing to carry forward the Deferred Tax Assets Rs. 6881.11 lakhs already accounted for in earlier years.

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

#### COST AUDITOR

The Board of Directors of the Company approved appointment of Mr. Rishi Mohan Bansal, Cost Auditor, for conducting the cost Audit for

sugar and industrial alcohol business for the financial year 2024-25.

As per the Companies Act, 2013, cost Auditors need to be appointed within 180 days from the commencement of every financial year. Accordingly, the Company has appointed Mr. Rishi Mohan Bansal as cost Auditor for conducting the cost Audit of sugar and industrial alcohol for the financial year 2024-25. The appointment is subject to ratification in the next Annual General Meeting.

#### SECRETARIAL AUDITOR

The Board of Directors of the Company appointed M/s Rahul Saini & Co., Company Secretaries (Membership No. ACS 16716, C.P.No. 7009), as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2024.

The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith as Annexure-1 to this Report. There is no qualification, reservation or adverse remark or disclaimer in the report.

#### FIXED DEPOSITS

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

#### ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, the annual return for the financial year 2023-24 is available on Website of the Company i.e. [https://www.sirshadilal.com/annual\\_returns.html](https://www.sirshadilal.com/annual_returns.html).

#### FRAUD REPORTING

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

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

As required under section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the details of the ratio of the remuneration of each Director to the median employee's remuneration and such other details as prescribed therein are given in Annexure-2 of this Report.

#### PARTICULARS OF EMPLOYEES

The information required pursuant to section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) rules, 2014, in respect of the employees of the Company are given in Annexure-2 of this Report.

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

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

#### SIGNIFICANT AND MATERIAL ORDERS

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





### **RISK MANAGEMENT**

Pursuant to section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a business Risk Management Committee. The details of the Committee, its terms of reference, risks associated and their mitigation are set out in the report on Corporate Governance attached at Annexure-4 of this Report.

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

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee evaluates the Internal Financial Control system periodically. An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances. The details of the internal Financial control system and their adequacy are given in the report on Corporate Governance attached at Annexure-4 of this Report.

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

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

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

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The performance of both the business segments of the Company i.e. Sugar and Alcohol, for the year ended March 31, 2024 and current year prospects, as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, has been detailed in the "Management Discussion and Analysis Report" in the report on Corporate Governance attached at Annexure-4 of this Report.

### **CORPORATE GOVERNANCE**

The Company complies with all the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The separate section on Corporate Governance, including a certificate from a practicing Company secretary confirming compliance of the conditions of Corporate Governance, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), is given in Annexure-4 of this Report.

### **DISCLOSURE POLICY**

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

### **LISTING ARRANGEMENT**

The shares of the Company are listed with the BSE Limited. The annual listing fee for the year 2024-25 has been paid to the Exchange.

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

The Company confirms that there is no complaint / case filed against or pending with the Company during the financial year 2023-24.

### **INDUSTRIAL RELATIONS**

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

### **APPRECIATION**

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

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

|                   |                                  |                                  |
|-------------------|----------------------------------|----------------------------------|
| Place: Shamli     | Rajat Lal<br>(Managing Director) | Udit Pat Singhania<br>(Chairman) |
| Dated: 19.06.2024 | (DIN 00112489)                   | (DIN 07984594)                   |



## ANNEXURE '1' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Resolution 24A (1) of the SEBI  
(Listing obligations and disclosure Requirements) Resolution 2015]**

To,

The Members

Sir Shadi Lal Enterprises Limited,

Upper Doab Sugar Mills, Shamli (U.P.) - 247776

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sir Shadi Lal Enterprises Limited (CIN: L51909UP1933PLC146675) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial Year ended on 31st March, 2024, according to provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period as the Company has not issued any shares during the year under review);
  - d. The Securities and Exchange Board of India ( Share Based Employee Benefits ) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company: -
- i. Sugar Cess Act, 1982,
  - ii. Food Safety and Standards Act, 2006,
  - iii. Essential Commodities Act, 1955,
  - iv. Sugar Development Fund Act, 1982,
  - v. The Factories Act, 1948,
  - vi. The Payment of Wages Act, 1936,
  - vii. The Minimum Wages Act, 1948,
  - viii. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952,
  - ix. The Payment of Gratuity Act, 1972,
  - x. The Industrial Disputes Act, 1947,
  - xi. The Environment (Protection) Act, 1986.

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

- i. Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India;



- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- iii. The Listing Agreement entered into by the Company with BSE Limited.

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

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

Adequate notice is given to all directors to schedule the Board

Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For RAHUL SAINI & CO.  
Company Secretaries

Place: MEERUT  
Date: 12.06.2024  
UDIN: A016716F000561546

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

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.



## ‘ANNEXURE A’

To,  
The Members  
Sir Shadi Lal Enterprises Limited,  
Upper Doab Sugar Mills  
Shamli-247776 (U.P.)

Our Secretarial Audit Report for the financial year ended 31st March, 2024 of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RAHUL SAINI & CO.  
Company Secretaries

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

Place: MEERUT  
Date: 12.06.2024

**ANNEXURE '2' TO THE DIRECTORS' REPORT**

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

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

| Sl. No | Name of Directors             | Commission | Sitting Fee | Salary  | Perquisite | Others | Total   | Ratio (Times) |
|--------|-------------------------------|------------|-------------|---------|------------|--------|---------|---------------|
| A      | Median Employee               | 279517*    |             |         |            |        |         |               |
| 1      | Sh. Rajat Lal                 | NIL        |             | 1134000 | 1055110    |        | 2189110 | 7.83          |
| 2      | Sh. Vivek Viswanathan         | NIL        |             | 1386000 | 1285120    |        | 2671120 | 9.56          |
| 3      | Sh. Rahul Lal                 | NIL        |             | 2625000 | 2507019    |        | 5132019 | 18.36         |
| 4      | Smt. Radhika Viswanathan Hoon | NIL        | 80000       |         |            |        | 80000   | 0.29          |
| 5      | Sh. Neeraj Gupta              | NIL        | 140000      |         |            |        | 140000  | 0.50          |
| 6      | Sh. Ravi Malhotra             | NIL        | 100000      |         |            |        | 100000  | 0.36          |
| 7      | Sh. Tanmay Sharma             | NIL        | 200000      |         |            |        | 200000  | 0.72          |
| 8      | Sh. Udit Pat Singhania        | NIL        | 200000      |         |            |        | 200000  | 0.72          |

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

\*Median salary of employee is the average of the median salary of officers and workers 279517.

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

| Sl. No. | Name of Directors/KMPs                  | % increase / (Decrease) in Remuneration |
|---------|---|---|
| 1       | Sh. Rajat Lal, MD                       | (24.85)                                 |
| 2       | Sh. Vivek Viswanathan, Jt. MD           | 0                                       |
| 3       | Sh. Rahul Lal, Jt. MD                   | (12.38)                                 |
| 4       | Smt. Radhika Viswanathan Hoon, Director | 0                                       |
| 5       | Sh. Neeraj Gupta, Director              | 75.00                                   |
| 6       | Sh. Tanmay Sharma, Director             | 25.00                                   |
| 7       | Sh. Ravi Malhotra, Director             | (37.50)                                 |
| 8.      | Sh. Udit Pat Singhania, Director        | 25.00                                   |
| 9.      | Sh. Ajay Kumar Jain, CS                 | 29.50                                   |
| 10.     | Sh. Gajendra Sharma, CFO                | 6.445                                   |

The Percentage increase in median remuneration of Employees in the financial year is 9.90%

**iii) Total No. of permanent employees as on 31.03.2024 was 647.**

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

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

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

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

| Particulars                         | 2023-24 | 2022-23 | 2020-21 |
|-------------------------------------|---------|---------|---------|
| Market Capitalisation (Rs. in Lacs) | 18270   | 9922.50 | 8974.88 |
| Price Earnings Ratio                | -19.89  | -3.35   | -5.43   |



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

| Particulars               | 31.03.2024 | Public Offer (Buy Back) EGM<br>27th May, 1999 in Rs | % Change |
|---------------------------|------------|---|----------|
| Market Price (BSE) in Rs. | 348        | 40  | 770.00   |

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

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

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

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

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

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

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

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

**STATEMENT CONTAINING INFORMATION AS PER SECTION 197 READ WITH THE RULE 5(2) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014, AS AMENDED UP-TO-DATE AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024.**

| Sl. No. | Name                 | Age/ Years | Designation/ Nature of Duties | Qualification   | Experience (Years) | Date of commencement of employment | Remuneration paid (Rs.) | Previous Employer                            |
|---------|----------------------|------------|-------------------------------|---|--------------------|------------------------------------|-------------------------|--|
| 1.      | Pradeep Kumar        | 58         | AVP (Unit Head)               | M.Sc. (Ag.)   | 33                 | 21.11.2023                         | 1625000                 | Bajaj Hindusthan, Palia                      |
| 2.      | Baldhari Singh       | 61         | G.M. (Cane)                   | M.Sc. (Ag.)   | 34                 | 10.07.2023                         | 1451607                 | Mansurpur Sugar Mills                        |
| 3.      | Akhilesh Kumar Gupta | 57         | G.M.(Computer)                | M.Com. & PGDCA  | 36                 | 15.01.1996                         | 1258032                 | Gangeshwar Sugar, Deoband                    |
| 4.      | Sawan Singh Chikara  | 49         | Sr. General Manager-SDCW      | B.Sc, DIFAT, M. B. A. in Operation                      | 27                 | 25.01.2024                         | 510079                  | Distillery Division in Simbhaoli Sugars Ltd. |
| 5.      | Ajay Kumar Jain      | 50         | Company Secretary             | M.Com, CA (Inter), Law/ CS                              | 22                 | 17.07.2017                         | 1615871                 | Tikaula Sugar Mills Ltd.                     |
| 6.      | Wazir Singh          | 64         | Sr. G.M. Engg.)               | B.Com, Diploma in Mech. Engg., Sugar Engg. Course (NSI) | 40                 | 04.01.2023                         | 2191992                 | Vishnu Sugar Mills, Gopal Ganj               |



|     |                          |    |                                |   |      |            |         |   |
|-----|--------------------------|----|--------------------------------|---|------|------------|---------|---|
| 7.  | Vinay Kumar              | 59 | Asstt. G.M.<br>(E.H.S.)        | B.Sc., PG<br>Dip. in Ind.<br>Pollution<br>Control<br>Mgm.,MBA in<br>Environment<br>& Dip. in Fire<br>Safety Engg. | 37.5 | 20.05.2022 | 1449996 | Piccadilly<br>Agro Ind. Ltd.,<br>Bhadson            |
| 8.  | Ajeet Singh<br>Pundir    | 46 | G.M. (Prod.)                   | B.Sc., ANSI   | 9    | 11.09.2023 | 1055553 | Sonipat Co-<br>Operative<br>Sugar Mills,<br>Sonipat |
| 9.  | Sushant Kumar<br>Chauhan | 49 | G.M.<br>(Engineering)-<br>SDCW | B.E. (Mech.)  | 18.9 | 23.10.2023 | 969890  | Rana Sugar<br>Ltd. (Distillery<br>Division)         |
| 10. | Chandra Pal<br>Singh     | 50 | Sr. Manager (Cane<br>Dev.)     | B.Sc. (Ag.)<br>& PG Dip.<br>in Sugarcane<br>Dev.  | 25   | 23.11.2022 | 1150008 | Bajaj<br>Hindusthan<br>Sugar, Palia<br>Kalan        |

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

–NIL–

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

–NIL–

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

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

Place : Shamli  
Dated: 19th June, 2024

Rajat Lal  
Managing Director  
(DIN 00112489)

Udit Pat Singhania  
Chairman  
(DIN 07984594)



## ANNEXURE '3' TO THE DIRECTORS' REPORT

Information as per section 134 (3) (m) and forming part of the Directors' Report for the year ended 31st March, 2024.

### A. CONSERVATION OF ENERGY

#### 1) ENERGY CONSERVATION MEASURES TAKEN:

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing on a regular basis. Details of measures taken for energy conservation during the financial year 2023-24 at the units are provided as below.

#### UPPER DOAB SUGAR MILLS

Rs. Nil expenditure incurred on energy Conservation during the year 2023-24

#### SHAMLI DISTILLERY & CHEMICAL WORKS

Rs. Nil expenditure incurred on energy Conservation during the year 2023-24

|   |  |
|---|--|
| <p>2) Additional investments and proposals, if any, being implemented for reduction of consumption of energy</p>                            | <p><b>Upper Doab Sugar Mills</b></p> <ol style="list-style-type: none"> <li>1. As per advice of ISGEC Texmaco boiler retubing of bank zone screen tube &amp; roof tube done</li> <li>2. Thickness testing of VKW-1 &amp; 2 done. As per thick report VKW-1 boiler tube replacement is needed.</li> <li>3. VKW-1 Economiser coils replaced.</li> <li>4. Air heater tubes of Texmaco VKW-1 &amp; 2 replaced.</li> <li>5. VFD for ID &amp; FD fans installed including bagasse feeders.</li> <li>6. All Boilers Instrumentation done by PAE CONTROLS only boiler parameters will be recorded and trends will be available. Necessary reports can be generated.</li> <li>7. Elect. Sulphur furnace installed to reduce steam consumption &amp; losses</li> <li>8. A new /old used turbine 3 MW is required against damaged 3 MW Kessel turbine in power house.</li> <li>9. Installation of new continuous centrifugal machine against old damaged machine to improve process parameters.</li> <li>10. Due to financial constrain no major expenses consider in current season.</li> </ol> <p><b>Shamli Distillery &amp; Chemical Works</b><br/>NIL</p> |
| <p>3) Impact of the measure at (1) &amp; (2) above for reduction of energy consumption and consequent impact on the cost of production.</p> | <p><b>Upper Doab Sugar Mills</b><br/>After implementing of above boiler re tubing and air heater tube replacement &amp; implementing instrumentation the baggase saving increased from previous year aprox. 1%. Controlling through DCS air pollution reduced and no complaint from surrounding area about ash going to their residence after impleting above said work we can save power as well as fuel.</p> <p><b>Shamli Distillery &amp; Chemical Works</b><br/>NIL</p>  |
| <p><b>B. Technology Absorption</b></p>  |  |
| <p><b>I) Technology absorption measures taken :</b></p>   |  |





|   |   |
|---|---|
| <p><b>Research &amp; Development (R&amp;D)</b><br/>1. Specific Areas :</p>  | <p>I) Upper Doab Sugar Mills<br/>Varietal balance – To avoid any future set back on account of mono variety i.e. Co 0238 to promote Co 15023, Co0118 as new promising cane varieties.<br/>Future sustainability of Co 15023 Co 0118<br/>Cane varieties – Campaigning for healthy seed programme, rearing seed nurseries of these varieties and phase out of Co 0238 gradually due to occurring of fungal disease such as Red Rot &amp; Smut.<br/>Crop age – Convince to growers for better return in Autumn planting, campaigning to shift the cane planting in Autumn as well as maximized planting in Spring season before wheat harvesting.<br/>Maximize the cane yield per unit area- We re educating to cane growers towards Timely planting, wide row planting &amp; Ratoon management.<br/>Crop health – to protect the cane crop from borers, White Grub &amp; Pokkah Boeing &amp; others fungal diseases.<br/>Soil health – Optimum use of fertilizers.<br/>Extension &amp; communication strategy – To maximize the concept of wide row and spaced planting. Insuring the better crop health and future sustainability of Co 15023, Co 0118 or upcoming new variety also<br/>ii) Shamli Distillery &amp; Chemical Works<br/>Nil</p> |
| <p>2. Benefits derived as a results of the above R &amp; D</p>  | <p><b>i) Upper Doab Sugar Mills</b><br/>To maintain the area under early variety upto 100% for the season 2024-25.<br/>Supply of insect pest, disease &amp; trash free quality cane to the factory thereby maintaining quality of cane to optimum level.</p>  |
| <p>3. Expenditure on R &amp; D: (Cane<br/>a) Capital<br/>b) Recurring<br/>c) Total<br/>d) Total R &amp; D expenditure as a percentage of total turnover</p> | <p>Nil<br/>Rs. 53.37 Lacs<br/>Rs. 53.37 Lacs<br/>0.1158 %</p>   |
| <p>4. Pollution Control measures in Sugar and Distillery Units</p>  | <p><b>i) Upper Doab Sugar Mills</b><br/>1. Installation of Sulfate removal system.<br/>2. Upgradation of Aeration tank by installing diffuser with air pipe line network for better treatment of Waste water .<br/>3. Installation of skimmer for removal of oil and grease.<br/>4. Mixing system in Equalization tank to equalize waste water and as per the direction of CPCB.<br/>5. Lagoon preparation work for storage of treated water from ETP.<br/><b>ii) Shamli Distillery &amp; Chemical Works</b><br/>1. The Company had installed 36 TPH incineration boiler, and now we are burning brix spent wash, which result in zero liquid/effluent discharge along with Baggase.<br/>2. Bag filter will be used as a pollution controlling device.</p>  |
| <p>5. Future plan of action</p>   | <p><b>Upper Doab Sugar Mills</b><br/>Nil</p>  |
| <p><b>II. Technology absorption, adaptation and innovation:</b></p>   |   |
| <p>i) Efforts, in brief, made towards technology absorption, adaptation and innovation</p>  | <p><b>Upper Doab Sugar Mills</b><br/>Nil</p>  |
| <p>ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc</p>        | <p><b>Upper Doab Sugar Mills</b><br/>Extra revenue of about Rs. 11.50 crores per season from 2023-24 onwards which will help to increase the net profit of the sugar unit and the quality of sugar will improve which will improve realization.</p>   |



|  |  |
|--|--|
| iii) In case of imported technology (imported last five years reckoned from the beginning of the financial year), following information may be furnished:<br>a) Technology imported<br>b) Year of import<br>c) Has technology been fully absorbed? | No technology has been imported during the last five years |
|--|--|

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

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

Place : Shamli  
Dated: 19th June, 2024

Rajat Lal  
Managing Director  
(DIN 00112489)

Udit Pat Singhania  
Chairman  
(DIN 07984594)



## ANNEXURE '4' TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTOR'S REPORT

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

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

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

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

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

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

\*During the financial year 2023-24, Five Board meetings were held on 30.05.2023, 29.07.2023, 08.11.2023, 10.02.2024, 30.03.2024.

\*\*Mr. Udit Pat Singhania was appointed as chairman vide circular resolution w.e.f. 18.08.2023, shareholders approved their appointment in AGM held on 25.09.2023.

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

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

### BOARD PROCEDURE:

All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions / approval / decisions in the Board and Committee meetings. All such matters are communicated to the Company



Secretary in advance by the departments / divisions. The Company Secretary, in consultation with the Chairman, Managing Director and/ or Joint Managing Director, segregates the ones that can be discussed and decided internally and ones that need to be put up before the Board.

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

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

#### FUNCTIONS:

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

#### RESPONSIBILITIES:

1. Members of the Board of Directors and Key Managerial Personnel disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
2. The Board of Directors and Senior management conduct Themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining

confidentiality of information, in order to foster a culture of good decision making.

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

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

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

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

Company Secretary records the Minutes of the proceedings

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

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

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

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

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

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

Code of Conduct for the Directors as well as for the members of

the Senior management of the Company was adopted in the Board meeting held on 4th April, 2005 and amended subsequently from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and members of Senior management and the compliance of the same has been affirmed by them in respect of the financial year 2023-24 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's website – [www.sirshadilal.com](http://www.sirshadilal.com)

**DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

As provided under Regulation 17(5) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, all Board members and Senior management personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2024.

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

|                   |                                  |                                  |
|-------------------|----------------------------------|----------------------------------|
| Place: Shamli     | Rajat Lal<br>(Managing Director) | Udit Pat Singhania<br>(Chairman) |
| Dated: 19.06.2024 | (DIN 00112489)                   | (DIN 07984594)                   |



## COMMITTEES OF THE BOARD

The Company has constituted following Board Level Committees:

### (3) AUDIT COMMITTEE:

#### (a) Composition:

The Board has constituted Audit Committee consisting of following Directors:

| Sr. | Name                        | Category                           | Designation | Attendance* |
|-----|-----------------------------|------------------------------------|-------------|-------------|
| 1.  | Mr. Udit Pat Singhaniania** | Non-Executive Independent Director | Chairman    | 4           |
| 2.  | Mr. Tanmay Sharma           | Non-Executive Independent Director | Member      | 4           |
| 3.  | Mr. Neeraj Gupta***         | Non-Executive Director             | Member      | 2           |
| 4.  | Mr. Ravi Malhotra****       | Non-Executive Independent Director | Chairman    | 2           |

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

The Chairman of the Audit Committee attended the Annual General Meeting held on 25.09.2023 to answer shareholders' queries. The composition of the Audit Committee meets the requirements of section 177 of the Companies Act, 2013.

\*During the year Four meetings of Audit Committee were held on 30.05.2023,29.07.2023,08.11.2023,10.02.2024.

\*\*Mr. Udit Pat Singhaniania was appointed as Chairmen of Audit Committee vide circular resolution w.e.f. 18.08.2023 and shareholder approved their appointment in the AGM held on 25.09.2023.

\*\*\*Mr. Neeraj Gupta was appointed the member of the Audit Committee vide circular resolution w.e.f. 18.08.2023 and shareholder approved their appointment in the AGM held on 25.09.2023.

\*\*\*\* Mr. Ravi Malhotra ceased to be member of Audit Committee w.e.f. 18.08.2023.

#### (B) TERMS OF REFERENCE:

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

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

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

The role of Audit Committee is summarized hereunder:

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

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

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

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

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

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

| S.No. | Name                   | Category                           | Designation | Attendance * |
|-------|------------------------|------------------------------------|-------------|--------------|
| 1.    | Mr. Tanmay Sharma      | Non-Executive Independent Director | Chairman    | 2            |
| 2.    | Mr. Ravi Malhotra      | Non-Executive Independent Director | Member      | 1            |
| 3.    | Mr. Udit Pat Singhania | Non-Executive Independent Director | Member      | 2            |

\*During the year Two meetings of Nomination & Remuneration Committee was held on 10.02.2024 & 30.03.2024.

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

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

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

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

#### **NON-EXECUTIVE DIRECTORS**

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

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



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

#### EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

#### d) DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2024

##### (I) NON-EXECUTIVE DIRECTORS

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

| S. No. | Name                          | Category                  | Commission (Rs.) | Sitting fee(Rs.) | Total (Rs.)   | Service Contract/Notice period/ Severance fees | No.of shares held |
|--------|-------------------------------|---------------------------|------------------|------------------|---------------|--|-------------------|
| 1.     | Mr. Ravi Malhotra             | Non-Executive Independent | -                | 100000           | 100000        | Not liable to retirement by rotation           | -                 |
| 2.     | Mr. Tanmay Sharma             | Non-Executive Independent | -                | 200000           | 200000        | Not liable to retirement by rotation           | -                 |
| 3.     | Mr. Udit Pat Singhania        | Non-Executive Independent | -                | 200000           | 200000        | Not liable to retirement by rotation           | -                 |
| 4.     | Smt. Radhika Viswanathan Hoon | Non-Executive             | -                | 80000            | 80000         | Retirement by rotation                         | -                 |
| 5.     | Mr. Neeraj Gupta              | Non-Executive             | -                | 140000           | 140000        | Retirement by rotation                         | -                 |
|        | <b>Total</b>                  |                           |                  | <b>720000</b>    | <b>720000</b> |  | <b>-</b>          |

##### (II) MANAGING AND WHOLE-TIME DIRECTORS

| S. No. | Name   | Category  | Salary (Rs.)   | Perquisites* (Rs.) | Commission (Rs) | Total (Rs.)    | Service Contract/ Notice period/ Severance fees | Period for Appointment |
|--------|--|-----------|----------------|--------------------|-----------------|----------------|---|------------------------|
| 1.     | Mr. Rajat Lal, Managing Director               | Executive | 1134000        | 1055110            | -               | 2189110        | Contractual**                                   | 5 years                |
| 2.     | Mr. Vivek Viswanathan, Joint Managing Director | Executive | 1386000        | 1285120            | -               | 2671120        | Contractual**                                   | 5 years                |
| 3.     | Mr. Rahul Lal, Joint Managing Director         | Executive | 2625000        | 2507019            | -               | 5132019        | Contractual**                                   | 5 years                |
|        | <b>Total</b>                                   |           | <b>5145000</b> | <b>4847249</b>     | <b>-</b>        | <b>9992249</b> |   |                        |

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

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

##### I) KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

| S. No. | Name                      | Category | Salary (Rs.)   | Perquisites*(Rs.) | Commission (Rs) | Total (Rs.)    | Service Contract |
|--------|---------------------------|----------|----------------|-------------------|-----------------|----------------|------------------|
| 1.     | Mr. Gajendra Kumar Sharma | CFO      | 660592         | -                 | -               | 660592         | Contractual      |
| 2.     | Mr. Ajay Kumar Jain       | CS       | 1615871        | -                 | -               | 1615871        | Contractual      |
|        | <b>Total</b>              |          | <b>2276463</b> | <b>-</b>          | <b>-</b>        | <b>2276463</b> |                  |

\*Perquisites include Company's contribution to Provident Fund.

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5. INDEPENDENT DIRECTORS’ MEETING:

A meeting of the Independent Directors was held on 10.02.2024 to review the performance of Non Independent Directors / members of the management without the attendance of Non Independent Directors and the Board as a whole, on parameters of active participation, effectiveness and to assess the promptness of flow of information between the management and the Board. Also three Meetings of the Independent Directors was held on 27.02.2024, 06.03.2024 and 16.03.2024 for Giving independent Opinion on Open Offer of Triveni Engineering and Industries Limited..

6. EVALUATION AND PERFORMANCE OF INDEPENDENT DIRECTORS:

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

ROLE & ACCOUNTABILITY

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

OBJECTIVITY

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As per section 135 of the Companies Act 2013 every Company having net worth of Rs. Five hundred crore or more or turnover of Rs. One thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three

or more Directors out of which at least one Director shall be an Independent Director. The Company has constituted CSR Committee on 08.08.2017.

(a) Composition:

The Board has constituted CSR Committee consisting of following Directors:

Table with 5 columns: S. No., Name, Category, Designation, Attendance \*. It lists three directors: Mr. Udit Pat Singhania (Chairman, 1 attendance), Mr. Vivek Viswanathan (Member, 0 attendance), and Mr. Rahul Lal (Member, 1 attendance).

\*The composition of the CSR Committee meets the requirements of section 135 of the Companies Act, 2013. One meeting of CSR Committee was held on 10.02.2024.

\*\*Mr. Udit Pat Singhania was appointed as Chairman of CSR Committee vide circular resolution dated 18.08.2023 and shareholder approved their appointment in AGM held on 25.09.2023.

(b) TERMS OF REFERENCE:

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

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

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR):

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

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

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

BASIC PRINCIPLES

- a) Striving towards improving accessibility to education amongst underprivileged communities.
b) Promoting Education
c) Work for providing solutions to better and sustained livelihood,



infrastructure development, healthcare, sanitation and hygiene and limiting/eradicating prevalent social issues like hunger, poverty and malnutrition in our community.

- d) Taking necessary steps for Ensuring environmental sustainability
- e) Agriculture development and better farmer focus.
- f) Efforts for reducing social and economic inequality Including gender inequality.
- g) Promoting Sports through various events.
- h) Regular monitoring and implementation of this policy, outcomes of the initiatives and publicly report on the progress in a transparent and effective manner.
- i) Continually review of the CSR policy, business practices and governance to encourage evolution.

#### IMPLEMENTATION PROCESS

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

#### OPERATING MECHANISM

The company shall carry out the CSR activities:

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

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

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

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

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

#### 8. SHAREHOLDERS' GRIEVANCE COMMITTEE/ STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

- a. Shareholders /Investors Grievance Committee/ Stakeholders Relationship Committee.
- b. Share Transfer Committee.

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

#### A. COMPOSITION OF SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE / STAKE HOLDERS RELATIONSHIP COMMITTEE:

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

During the year Three meetings of Shareholder/Investor Grievances Committee was held on 29.07.2023, 08.11.2023 and 15.02.2024. There was no investor complaint pending as on 31.03.2024.

#### B. COMPOSITION OF SHARE TRANSFER COMMITTEE

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

\*During the year One meeting of Share Transfer Committee was held on 12.12.2023.

The Company has registered and delivered to the shareholders all the valid applications received for transfer / transmission / remat / split/ consolidation of shares during the year within the stipulated time and there were no shares pending for transfer as on 31.03.2024.

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**a) RISK MANAGEMENT COMMITTEE:**

The Board of Directors has constituted risk management Committee comprising of following Directors /member:

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

During the year, one meeting of Risk Management Committee was held on 10.02.2024.

**(b) VIGILANCE COMMITTEE:**

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

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

\*During the year one meeting of Vigilance Committee was held on 10.02.2024

**10. GENERAL BODY MEETINGS:**

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

| Sl. No. | Particulars of Annual General Meeting      | Date       | Location of the Meeting    | Time       |
|---------|--|------------|----------------------------|------------|
| 1.      | 87th A.G.M. in respect of the year 2020-21 | 27.09.2021 | Through Video Conferencing | 11.00 A.M. |
| 2.      | 88th A.G.M. in respect of the year 2021-22 | 26.09.2022 | Through Video Conferencing | 11.00 A.M. |

|    |  |            |                            |            |
|----|--|------------|----------------------------|------------|
| 3. | 89th A.G.M. in respect of the year 2022-23 | 25.09.2023 | Through Video Conferencing | 11.00 A.M. |
|----|--|------------|----------------------------|------------|

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

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 be and is hereby ratified and approved.”

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

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

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

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

**“RESOLVED THAT** permission of shareholders is accorded to appoint, Sh. Udit Pat Singhania, Independent Director of the Company as Chairman of the Board of Directors with effect from 18.08.2023 and he shall remain as Chairman unless otherwise decided by the Board of Directors.”

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

7. 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 177 of the Companies Act, 2013 read with Regulation 18 and Part C of Schedule II of SEBI (LODR) Regulation, 2015), consent of the members be & is hereby accorded to reconstitute the Audit Committee of the Company as follows:



## COMPOSITION

Minimum 3 directors with majority Independent Further provided that majority including its Chairman shall be persons with ability to read and understand the financial statement.

The Audit Committee shall consist of the following members namely:

| Sr. | Name of Committee Member | Position |
|-----|--------------------------|----------|
| 1.  | Mr. Udit Pat Singhania   | Chairman |
| 2.  | Mr. Tanmay Sharma        | Member   |
| 3.  | Mr. Neeraj Gupta         | Member   |

**“RESOLVED FURTHER THAT** Mr. Rajat Lal Managing Director of the company be and is hereby authorized to sign, submit and execute the Agreement and other required applications, letters, documents, deeds and writings and do all such acts, deeds and things as may be required in this regard to implement and give effect to this resolution.”

8. 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 Section 135 of Companies Act, 2013 read with Regulation 21 of SEBI (LODR) Regulation, 2015, consent of the members be & is hereby accorded to reconstitute the Corporate Social Responsibility Committee of the Company as follows:

## COMPOSITION

The Corporate Social Responsibility (CSR) Committee shall consist of the following members namely:

| Sr. | Name of Committee Member | Position |
|-----|--------------------------|----------|
| 1.  | Mr. Udit Pat Singhania   | Chairman |
| 2.  | Mr. Vivek Viswanathan    | Member   |
| 3.  | Mr. Rahul Lal            | Member   |

**“RESOLVED FURTHER THAT** Mr. Rajat Lal Managing Director of the company be and is hereby authorized to sign, submit and execute the Agreement and other required applications, letters, documents, deeds and writings and do all such acts, deeds and things as may be required in this regard to implement and give effect to this resolution.”

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

- To receive, consider and adopt the Audited Financial Statements as at 31st March 2023, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Vivek Viswanathan, (DIN: 00141053) who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mrs. Radhika Viswanathan Hoon, (DIN: 06436444 ) who retires by rotation and being eligible, offers herself for re-appointment

## 11. OTHER DISCLOSURES:

### A. RELATED PARTY TRANSACTIONS

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

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

In the preparation of the financial statements, the Company has followed with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Accounting entries passed on the exercise of the judgment by the management are correct and reasonable.

### B. RISK MANAGEMENT

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

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

### RISKS IDENTIFICATION:

The Board of Directors has identified following risks to the Company: EXTERNAL RISKS OR UNCONTROLLABLE RISKS

- Raw Material Risk
- Sugar Price Risk
- Regulatory Risk
- Cyclical Risk

### (a) RAW MATERIAL RISK

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

- Cane cultivation area and availability of irrigation facility.
- Availability of higher yielding crop.
- Diversion from cane production to other cash crops.
- Diversion of Sugarcane to other industries like khandhari or

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gur and to neighboring factories etc.

- v) Adverse weather conditions, crop disease.
- vi) Cane procurement price declared by the state government and / or central government.
- vii) Cane price payment delays to the growers.

#### RISK MITIGATION

The risk can be mitigated by steps such as government encouragement for promotion of various irrigation schemes (lift irrigation, drip irrigation, improved canal system etc.), cane development schemes, improved infrastructure for road and communication, provision of better quality and higher yielding seeds as well as fertilizers and pesticides, prompt clearance of cane dues of farmers and steps to improve their goodwill by adoption of social development measures. As regard cane procurement price by the state Govt. and / or central Govt., this is a systems risk which cannot be alleviated unless the Sugar cane price has linkage with the Sugar price on the basis of established and recognized formula and the Govt. announces subsidy and relief to the Sugar industry to facilitate timely cane price payment to the growers so that there is no fear among the growers either for cultivation /agitation or for–diversion of the cane from area.

#### (B) SUGAR PRICE RISK

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

#### RISK MITIGATION

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

#### REGULATORY RISKS

##### I) ENVIRONMENTAL RISK

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

distillery unit. It involves potential cost for installation of pollution control system in distillery and Sugar plants.

#### RISK MITIGATION

The only way to mitigate this risk is to follow the instructions of pollution control Board. However, the cost of installation of pollution control system is very high. Making huge investment in such systems raises the cost of production resulting in substantially reduced margin on sales. Moreover, borrowings from banks for investing in these equipment's is very difficult due to accumulated losses and negative net worth still being faced by the Company due to financial crisis faced by the Sugar industry in recent years. The Company is however continuing to take all measures to comply with the pollution control guidelines of the CPCB in both Sugar plant and distillery. In distillery unit, the Company, while expanding its capacity from 70 klpd to 100 klpd in the year 2021-22 had installed Incineration Boiler.

#### GOVERNMENT POLICY RELATED RISKS

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

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

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

#### RISK MITIGATION

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

#### D. CYCLICAL RISK

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

#### RISK MITIGATION

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

#### 2. CONTROLLABLE RISKS: THESE RISKS INCLUDE:

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

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



### RISK MITIGATION

1. Selection of appropriate machinery and maintenance of the same is critical for continuous operations during the crushing season. The Company has consistently operated at an optimum capacity of around 90% to 95% in most of the years.
2. For mitigating the poor drawal risk, Company is focusing on stable crushing rate and improving cane price payments. However, it is getting constrained in its all out efforts due to accumulated losses and negative net worth.
3. With its respected track record in the industry and professional work practices, the Company is able to hire and retain appropriate talent.
4. The key recommendations of the Rangrajan Committee on Sugar decontrol have garnered positive responses and are in line with industry expectations. The government has already implanted a number of steps barring the cane pricing policy. The linkage of the Sugarcane price with Sugar realization will bring in structural changes in the industry.
5. The Company is working as various options for taking up small projects in Sugar unit, for improvement of Sugar quality, saving in steam & bagasse consumption, Sugar cane development and improvement in processes efficiency, which can be taken up in phases over a period for 2 to 3 years. The Company had already expanded the capacity of its distillery unit from 70KL per day to 100KL per day.

### 3. FINANCE RISK:

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

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

### RISK MITIGATION

The lenders have generally been reluctant to take additional financial exposure in the Company mainly due to its low rating and due to negative net worth. The Company has been working on improving its operational and financial performance. The rating of the company for the financial year 2023-24 was B+ and the company had assigned the work of credit rating to Informerics Rating & Research Pvt. Ltd. and the same is awaited for the Financial Year 2024-25.

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

### 4. HUMAN RESOURCES RISK

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

### RISK MITIGATION

Company has developed appropriate human resources policies to attract skills and to retain them. Continuous learning represents the cornerstone of the Company's human resource policy. The Company has adopted a progressive human resource policy to meet the aspirations of employees. It organizes training programmes and

motivates its employees to attain greater efficiency and competence leading to effective retention. Value-centric management helps enhance loyalty. The Company provides various compensation packages and performance-based incentives. The Company is committed to provide equal employment opportunities and working conditions for attracting and retaining best available talent ensuring cosmopolitan workforce and does not make any discrimination on any basis.

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

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

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

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

### D) WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

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

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

**F. LISTING AGREEMENT/ (LODR) COMPLIANCE:**

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

F. Adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015 is being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Regulation 15 of SEBI (LODR) Regulations, 2015 viz. (i) Remuneration Committee of the Board which has been constituted to recommend / review the remuneration package for the Executive Directors (ii) Nomination Committee to consider proposals for searching, evaluating and recommending appropriate Independent Directors and Non-Executive Directors to the Board, based on an objective and transparent set of guidelines.

**B. SUBSIDIARIES:**

The Company does not have any subsidiary.

**12. MEANS OF COMMUNICATION:**

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

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

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

**MANAGEMENT DISCUSSION & ANALYSIS AN OVER VIEW**

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

Segment-wise detailed management discussion and analysis is

stated below:

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

In the crushing season 2023-24, Sugar unit started crushing on 01.12.2023 and closed on 24.04.2024. The factory crushed 74.66 lac/ quintals of cane at an average recovery of 11.07% producing 8.27 lac / quintals of Sugar in 146 days of working.

The last crushing season 2022-23, Sugar unit started crushing on 01.11.2022 and closed on 13.05.2023. The factory crushed 99.83 lac/ quintals of cane at an average recovery of 10.15% producing 10.13 lac / quintals of Sugar in 194 days of working.

The average cost of cane for the financial year 2023-24 was Rs. 374.37 per quintal as against Rs. 359.96 per quintal for the financial year 2022-23. The average Sugar realization during the financial year 2023-24 was Rs. 3690.21 per quintal as against Rs. 3428.10 per quintal during the financial year 2022-23

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

During the financial year 2023-24, the distillery produced 173.57lac/ BL of Rectified Spirit (RS) (last year 205.60lac / BL). During the year 2023-24, fermentation efficiency was 86.67% (last year 88.85%), distillation efficiency was 98.31 % (last year 98.03 %). During the year 2023-24, the recovery from C Heavy Molasses was 19.81 AL/ quintal (as against 22.97 AL/ quintal from B&C heavy molasses).

During the year 2023-24 Distillery unit B&C loss of Rs. 880.10 lacs. (last year 294.47 lacs).

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

**Global sugar industry overview**

The global sugar market size reached 194.0 million tonnes in 2023 and is anticipated to reach 196 million tonnes by 2028, exhibiting a growth rate (CAGR) of 1.64% during 2023-2028. Global production of sugar reached 194.0 million tonnes against 186.0 million tonnes in the previous season. Exports are projected higher as the drop in India is more than offset by higher exports from Brazil and Thailand. During the year under review, the global sugar consumption was estimated at 189 million tonnes, as compared to 188.0 million tonnes in 2023 on account of growth in markets like China, Indonesia and Russia. Stocks are estimated lower as growth in global consumption exceeds the rise in production. Higher exports from Brazil and Thailand are expected to offset the decline in India. Stocks are expected to remain at a low level as growth in global consumption surpasses production growth. This would lead to a global surplus of 1.6 million tonnes as compared to deficit of 0.3 million tonnes last year.

**CANE PRICE:**

The cane price during the crushing season 2023-24 was Rs. 370 per quintal.

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

India began the sugar season 2023-24 (October to September) with an opening inventory of around 5.6 MMT (Metric Million Tonnes), restated from 6.5 MMT by Government of India. Sugar production for the current season is estimated at 31.3 MMT, around 1.5 MMT lower than the previous season's production of 32.8 MMT. Current



year's production estimate is net of sugar sacrifice of around 1.7 MMT towards Ethanol (last year 4 MMT).

Maharashtra, Uttar Pradesh (UP) and Karnataka as usual remains the three largest sugar producing states and are expected to produce ~11.7 MMT, 9.6 MMT and 4.7 MMT of sugar in the ongoing season in comparison to the previous season's production of 10.5 MMT, 10.5 MMT and 5.8 MMT respectively.

The reason for lower production in Maharashtra is owing to higher ratoon crop and uneven distribution of rainfall resulting in lower production. Uttar Pradesh is expected to produce marginally higher sugar than last year on account of higher acreage and better yield.

In Karnataka likewise Maharashtra, lower yield led to lower production. No Sugar exports in the current season as compared to 6.1 MMT in previous season.

The domestic demand for sugar is expected to be around 28.5 MMT as compared to 28.0 MMT in the previous season. The demand of 28.5 MMT will be a new record for the Indian sugar industry. As a result, the carry forward stock of sugar in the country as on 30th September 2024, is expected to be around 9.1 MMT or around Three and half months of consumption.

Domestic sugar prices for UP based millers ranged between R37.00 and R39.00 per kg through the course of the year.

There is worry on monsoon as El Nino fear is looming large across the Indian sub-continent and according to India Meteorological Department (IMD), major region that may get impacted are Maharashtra and partly Karnataka.

However, there is enough availability for domestic consumption post sacrifice for Ethanol which would still warrant the country to export the surplus of sugar in order to maintain the inventory at similar levels. The Government continued with most of the policies in the current sugar season related to sugar and ethanol that had been announced in the previous years with the objective to support sugar realisations and to ensure that farmers are paid on time.

The following policies were sustained: SUGAR

- Fair & Remunerative Price (FRP) of sugarcane for the sugar season 2023-24 was revised to Rs.315/- per quintal from Rs.305/- per quintal in the previous season (linked to a basic recovery of 10.25%). As of now it has also been revised for the crushing season 2024-25 @Rs.340/- per qtl.
- State Advised Price (SAP) of sugarcane for the state of Uttar Pradesh for the sugar season 2023-24 was kept Rs.370/- per quintal (for early maturing variety of sugarcane).
- Central Government announced export quota of 61 Lakh tonnes for the sugar season 2022-23 based on expected production (net of sugar sacrifice for Ethanol) after considering minimum closing inventory of 2.5 months of consumption.
- Duty structure on export and import of sugar remained same as per last year. However, export of Sugar is banned by Central Govt. for season 2023-24.
- Along with MSP, stock holding limits on mills in the form of maximum monthly sale quotas continued. The policy interventions by the Government have been supportive keeping in mind the health of the sugar sector. Still some measures are of importance to enable the industry to become self-sufficient.
- Central Govt. given direction that "State Govt." may ensure

cane availability and water availability for irrigation in long run before issuing the NOC for increase the crushing capacity. Therefore, U.P. Govt. permission is mandatory before planing of increase in crushing capacity of any sugar mill in U.P.

(Letter no. 215/C/Chini Mill/Cap. extension/dated 09.5.2024)

## ETHANOL

As more than 100 countries at COP28 in Dubai pledged the tripling of global renewable energy capacity by 2030, India faces a tightrope walk with regard to its ethanol blending target. While Ethanol Blended Petrol (EBP) increased from 1.6% in 2013-14 to 11.8% in 2022-23, the 20% target by 2025 has run into trouble with low sugar stocks in 2022-23 and the impending shortfall in sugarcane production this year. As evident from Minister of Consumer Affairs, the government is looking at a major transition towards grain-based ethanol for meeting the target.

The recent authorization of the National Agricultural Cooperative Marketing Federation of India (NAFED) and the National Cooperative Consumers' Federation of India (NCCF) to procure maize (corn) for supplying ethanol distilleries indicates emphasis on this transition and will boost an organized maize-feed supply chain for ethanol. This, however, risks creating more challenges for the economy.

Feedstock Availability and Cost: Ethanol production requires a large amount of biomass, such as sugarcane, corn, or lignocellulosic materials, which may compete with food, feed, or other uses. The availability and cost of these feedstock's may vary depending on the season, weather, market, and policy conditions.

India Ethanol Market is anticipated to witness a CAGR of 15.9% during the forecast period 2023-2030, owing to the increasing demand for ethanol as a fuel source. On the basis of the source segment, molasses is expected to hold a dominant position, owing to its widespread availability and sustainability.

India Ethanol Market has valued at USD 6512.27 Million in 2023 & anticipated to have growth in the forecast period with a CAGR of 8.84% through 2029.

India has achieved an average ethanol blending rate of 11.60 per cent in the first four months of 2023-24 supply year that started from November, against the 15 per cent target set by the government for the whole year.

The NITI Aayog roadmap estimates that India will need about 13.5 billion litres of ethanol annually by 2025-26. Of this, about 10.16 billion litres will go towards meeting the fuel-blending mandate of E20 and the remaining will meet "other uses" in industries such as alcohol and pharmaceuticals.

Raise pan-India ethanol production capacity from the current 700 to 1500 crore litres. Phased rollout of E10 fuel by April 2022. Phased rollout of E20 from April 2023, its availability by April 2025. Rollout of E20 material-compliant and E10 engine-tuned vehicles from April 2023.

The agency maintained its forecast for 2025 ethanol production at 1.03 million barrels per day. Ethanol production averaged 1.02 million barrels per day in 2023. On a quarterly basis, ethanol production is currently expected to average 1.04 million barrels per day during the second, third and fourth quarters of 2024.

The Government has set target of 20% blending of ethanol in petrol under EBP programme by Ethanol Supply Year (ESY) 2025-26.

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By 2025, at 20% blending level, ethanol demand will increase to 1016 crore litres. Therefore, the worth of the ethanol industry will jump by over 500% from around `9,000 crore to over `50,000 crore.

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

Date, time and venue of next Annual General Meeting : 13th September, 2024 at 1.00 p.m. (through Video Conference/ other Audio Visual means)

**b) Financial Calendar (2024–2025) :**

Financial reporting for the quarter ending 30th June, 2024 upto 14th August, 2024

Financial reporting for the quarter ending 30th September, 2024 : upto 14th November, 2024

Financial reporting for the quarter ending 31st December, 2024 : upto 14th February, 2025

Financial reporting for the quarter ending 31st March, 2025 : 30th May, 2025

**c) Date of Books closure** : 7th September, 2024 to 13th September, 2024 (both days inclusive)

**d) Dividend payment date** : NIL

**e) Listing on Stock Exchange** : BSE Ltd. 25th Floor, P.J. Tower, Dalal Street, Mumbai – 400 001.  
The Company has paid the listing fee to BSE Ltd. for the Financial year 2024-25.

**f) Stock Code** : 532879 of BSE Ltd.

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

**MARKET PRICE DATA:**

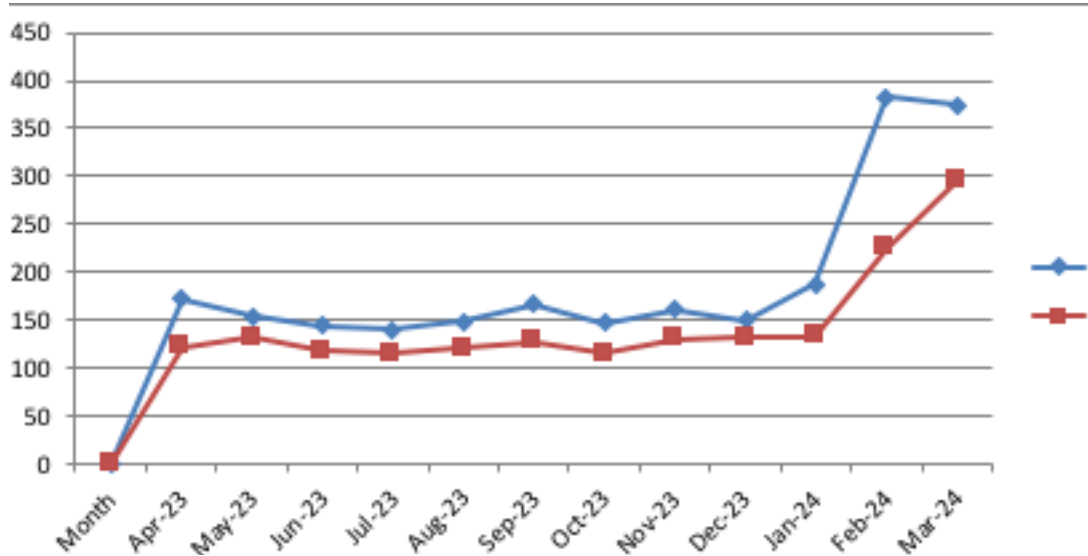
The Market Price Data and Volume from 1st April, 2023 to 31st March, 2024 on the BSE Ltd, Mumbai is given below:

| Month  | High (Rs.) | Low (Rs.) |
|--------|------------|-----------|
| Apr-23 | 172.00     | 122.20    |
| May-23 | 153.90     | 132.15    |
| Jun-23 | 144.95     | 118.50    |
| Jul-23 | 140.00     | 115.05    |
| Aug-23 | 149.00     | 121.00    |
| Sep-23 | 166.75     | 127.00    |
| Oct-23 | 147.55     | 115.10    |
| Nov-23 | 161.00     | 130.00    |
| Dec-23 | 149.95     | 132.50    |
| Jan-24 | 188.15     | 133.50    |
| Feb-24 | 383.30     | 225.75    |



|        |        |        |
|--------|--------|--------|
| Mar-24 | 375.00 | 294.40 |
|--------|--------|--------|

i) BSE Sensex, Crisil Index etc: Performance of share price of the Company in comparison to BSE Sensex during the period 01-04-2023 to 31-03-2024 is given below:



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

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

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

**DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31.03.2024**

**I) PAN CONSOLIDATED DISTRIBUTION OF SHAREHOLDING:**

| Category     | Total       |               |                |               | Physical   |               | Demat       |                | Both      |
|--------------|-------------|---------------|----------------|---------------|------------|---------------|-------------|----------------|-----------|
|              | Cases       | %             | Shares         | %             | Cases      | Share         | Cases       | Share          | Total     |
| 1-500        | 2218        | 84.24         | 171018         | 3.26          | 438        | 42473         | 1823        | 128545         | 43        |
| 501-1000     | 166         | 6.30          | 119806         | 2.28          | 43         | 26687         | 124         | 93119          | 1         |
| 1001-2000    | 97          | 3.68          | 142050         | 2.71          | 17         | 22025         | 80          | 120025         | 0         |
| 2001-3000    | 37          | 1.41          | 94048          | 1.79          | 6          | 14834         | 31          | 79214          | 0         |
| 3001-4000    | 16          | 0.61          | 55799          | 1.06          | 1          | 3492          | 15          | 52307          | 0         |
| 4001-5000    | 21          | 0.80          | 97342          | 1.85          | 2          | 8401          | 19          | 88941          | 0         |
| 5001-10000   | 31          | 1.18          | 214038         | 4.08          | 3          | 26946         | 28          | 187092         | 0         |
| 10001-above  | 47          | 1.79          | 4355899        | 82.97         | 6          | 86105         | 41          | 4269794        | 0         |
| <b>Total</b> | <b>2633</b> | <b>100.00</b> | <b>5250000</b> | <b>100.00</b> | <b>516</b> | <b>230963</b> | <b>2161</b> | <b>5019037</b> | <b>44</b> |

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**SHAREHOLDING PATTERN:**

|   | Physical Form |              | Demat Form     |               | Total          |               |
|---|---------------|--------------|----------------|---------------|----------------|---------------|
|   | No. of Shares | (% age)      | No. of Shares  | (% age)       | No. of Shares  | (% age)       |
| <b>A. Promoters' Holding</b>  |               |              |                |               |                |               |
| 1. Indian Promoters   | –             | –            | 1907748        | 36.338        | 1907748        | 36.338        |
| 2. Foreign Promoters  | –             | –            | –              | –             | –              | –             |
| <b>Total (A)</b>  | –             | –            | 1907748        | 36.338        | 1907748        | 36.338        |
| <b>B. Non–Promoters Holding</b>   |               |              |                |               |                |               |
| <b>(i) Institutional Investors</b>  |               |              |                |               |                |               |
| 1. Mutual Funds and UTI   | –             | –            | –              | –             | –              | –             |
| 2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions) | –             | –            | 202            | .004          | 202            | .004          |
| 3. FIIs   | –             | –            | –              | –             | –              | –             |
| <b>Sub–total (B–i)</b>  | –             | –            | 202            | .004          | 202            | .004          |
| <b>(ii) Non–Institutional</b>   |               |              |                |               |                |               |
| 1. Private Corporate Bodies   | 18676         | 0.355        | 1638147        | 31.203        | 1656823        | 31.558        |
| 2. Indian Public  | 210010        | 4.000        | 1277912        | 24.341        | 1487922        | 28.341        |
| 3. NRIs   | 0             | 0            | 0              | 0             | 0              | 0             |
| 4. Clearing Member  | -             | -            | 15450          | 0.294         | 15450          | 0.294         |
| 5. Non Resident Non repatriate  | 2277          | 0.043        | 5426           | 0.103         | 7703           | 0.147         |
| 6. IEPF   | -             | -            | 129964         | 2.476         | 129964         | 2.476         |
| 7. Overseas Corporate Bodies  | -             | -            | -              | -             | -              | -             |
| 8. Resident HUF   |               |              | 37293          | 0.710         | 37293          | 0.710         |
| 9. Qualified Institutional Buyer  |               |              | 6895           | 0.131         | 6895           | 0.131         |
| <b>Sub Total (B–ii)</b>   | <b>230963</b> | <b>4.400</b> | <b>3111087</b> | <b>59.258</b> | <b>3342050</b> | <b>63.658</b> |
| <b>Total (B)</b>  | <b>230963</b> | <b>4.400</b> | <b>3111289</b> | <b>59.262</b> | <b>3342252</b> | <b>63.662</b> |
| <b>Grand Total (A+B)</b>  | <b>230963</b> | <b>4.400</b> | <b>5019037</b> | <b>95.600</b> | <b>5250000</b> | <b>100.00</b> |

**(m) DEMATERIALIZATION**

The Shares of the Company can be held in dematerialized mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. As on 31.3.2024, 95.60% of the Equity Shares of the company were in dematerialized form and the balance 4.40% shares in physical form.

**STATUS OF DEMATERIALIZATION AS ON MARCH 31, 2024**

| Particulars                                 | No. of Shares  | % of Total Capital | No. of Accounts |
|---|----------------|--------------------|-----------------|
| National Securities Depository Limited      | 2572573        | 49.00              | 1325            |
| Central Depository Services (India) Limited | 2446464        | 46.60              | 1419            |
| <b>TOTAL DEMATERIALIZED</b>                 | <b>5019037</b> | <b>95.60</b>       | <b>2744</b>     |
| <b>PHYSICAL</b>                             | <b>230963</b>  | <b>4.40</b>        | <b>4317</b>     |
| <b>GRAND TOTAL</b>                          | <b>5250000</b> | <b>100.00</b>      | <b>7061</b>     |

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

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

**EQUITY SHARES IN THE SUSPENSE ACCOUNT**

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



|  | Number of shareholders | Number of equity shares |
|--|------------------------|-------------------------|
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023  | 141                    | 27524                   |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 0                      | 0                       |
| Number of shareholders to whom shares were transferred from the suspense account during the year               | 0                      | 0                       |
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024 | 141                    | 27524                   |

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

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

**p) Plant Location**

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

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

- r) Secretarial Auditor** : As a measure of good Corporate Governance practice, the Board of Directors of the Company appointed M/s Rahul Saini & Co., Company Secretaries, to conduct the Secretarial Audit for the financial year ended March 31, 2024.
- s) Secretarial Audit for reconciliation of capital** : As stipulated by SEBI, a Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed.
- The said Audit Reports confirm that the total issue / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- 15. Compliance officer** : Mr. Ajay Kumar Jain is the Compliance officer for complying with the requirement of SEBI (LODR) Regulations 2015 with the BSE Limited.
- 16. Compliance Certificate of the Auditors** : The Secretarial Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in (LODR) Regulations, 2015 and the same is annexed to the Directors' Report on Corporate Governance.
- The certificate from the Secretarial Auditors will be sent to the listed Stock Exchanges along with Annual Report of the Company.
- 17. CEO/CFO Certification** : Pursuant to SEBI (LODR) Regulations, 2015, the CEO/CFO have submitted the desired certificate to the Board of Directors & the same has been taken on record by the Board of Directors in their meeting held on 19.06.2024

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

Place: Shamli  
Dated: 19th June, 2024

Rajat Lal  
(Managing Director)  
(DIN 00112489)

Udit Pat Singhania  
(Chairman)  
(DIN 07984594)



## CEO / CFO CERTIFICATION

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

**Reg.: Financial Statements for the year ended 31st March, 2024–Certification by Managing Director/CEO and Chief Financial Officer**

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

- A. We have reviewed the Balance Sheet as at 31st March, 2024, Statement of Profit & Loss for the year ended on that date along with its Notes, Notes to Accounts and the Cash Flow Statement for the year and that to the best of our knowledge and information, confirm that:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining Internal Control Systems for financial reporting and that we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee of the Company, the following:
- Significant changes in Internal control over financial reporting during the year
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
  - Instances of significant fraud , of which we have become aware, and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting

Place : Shamli  
Dated: 19th June, 2024

Gajendra Kumar Sharma  
Chief Financial Officer

Rajat Lal  
Managing Director (CEO)



## CERTIFICATE ON CORPORATE GOVERNANCE

To,

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

We have examined the compliance of the conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited (“the Company”) for the year ended 31st March 2024 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Rahul Saini & Co.  
Company Secretaries

**RAHUL SAINI**

Proprietor ACS 16716 C.P. No.7009

Place: Meerut

Date: 19th June, 2024

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

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

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

Place: Shamli

Date: 19th June, 2024

**Rajat Lal**

**Managing Director and CEO**

**INDEPENDENT AUDITORS' REPORT**

TO  
THE MEMBERS OF  
SIR SHADI LAL ENTERPRISES LIMITED

**Report on the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Sir Shadi Lal Enterprises Limited (“the Company”) which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and the loss, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Material Uncertainty relating to Going Concern:**

Attention is invited to note no-55 of the financial statement wherein it is explained that the company has significant losses which has resulted in erosion of net worth of the company as on 31.03.2024. The reason for improvement explained by the company in the said note -55 that it will continue as a going concern and it will likely to pay its liabilities from expected generation of cash flow, are in our opinion uncertain, due to further increase in negative net worth in current year, which may cast significant doubt about the Company’s ability to continue as a going concern.

**Key Audit Matters**

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

| <b>Revaluation of Land as described in Note 3.1.1 of the Standalone Ind as Financial Statements.</b>  |   |
|---|---|
| <b>Key Audit Matters</b>  | <b>Auditor’s Response</b>   |
| <ul style="list-style-type: none"> <li>- During the year ended 31.03.2024, the company has appointed an independent registered valuer who has relevant valuation experience for valuation of property in India for more then ten years, to determine the fair value of freehold and leasehold Land. As an outcome of this process company recognised increase in gross block of Land for Rs. 37781.55 Lakhs. The said increase of Rs. 37781.55 Lakhs includes the valuation of leasehold Land, the Title deed of which is not in favour of Company; however the same is in the possession of Company. The said surplus due to revaluation of Land consist of freehold Land for Rs. 29393.07 Lakhs and leasehold Land for Rs. 8388.48 Lakhs. The company has recognised this increase in the revaluation reserve and in the statement of other comprehensive income.</li> <li>- Revaluation of land is a Key Audit matter due to its financial magnitude &amp; judgments involved in the assessment of the fair value of land. The judgments relate to the valuation methodologies used and the assumption included in each of those methodologies.</li> </ul> | <ul style="list-style-type: none"> <li>- Our Audit procedures included the following:</li> <li>- Read and assessed the company’s accounting policies with respect to freehold and leasehold Land (PPE) for compliance with relevant accounting standards.</li> <li>- We obtained from Company management the report on valuation of Land performed by an external expert appointed by the Company.</li> <li>- We assessed the impact of changes in Key assumption on the valuation analysis prepared by the Company.</li> <li>- We obtained details of physical verification of Land from independent valuer and compared the results of physical verification of Land with the listing of land as per the Fixed Assets on test check basis.</li> <li>- We assessed whether the change in valuation was accounted for by the company within the revaluation reserve and other comprehensive income as applicable.</li> <li>- We have placed reliance on the valuation report dated 15.01.2024 of Land produced to us.</li> <li>- We assessed the disclosures in the financial statement for compliance with the requirement of Ind AS.</li> <li>- The said Revaluation Gain of Rs.37781.55 Lacs on account of revaluation of land includes Rs. 8388.48 Lacs pertaining to leasehold land, the Title Deed of which is not in favour of the company, the said leasehold land has not got revalued during financial year ending on March 31, 2021</li> </ul> |

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### Emphasis of Matter

1. The Company has not maintained accounts on “Accrual Basis” to the extent:
  - i) of 19042.96 Lacs in respect of interest on late payment of cane price, which have not been provided as Stated by the Company in Note No. 35 of the aforesaid Standalone Financial Statements.
  - ii) As stated in Note No. 36 of the aforesaid Standalone Financial Statements in respect of liability, not determined by the Company, towards bonus relating to financial year 2014-15 in accordance with revised Bonus Notification dated 1st January, 2016
2. As Stated in Note No. 37 to the Standalone Financial Statements, the management has decided not to make any further provision this year for Deferred Tax Assets. The management in view of current year loss and accumulated losses and in absence of virtual certainty about future profitability, has decided not to account for the effect of Deferred Taxation for this year, and continuing to carry forward the Deferred Tax Assets Rs.6881.11 lakhs already accounted for in earlier years.

### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated if based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**We have nothing to report in this regard.**

### Responsibilities of Management and those charged with governance for the standalone financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue





as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the companies Act, we give in the "Annexure A" a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(v) below on reporting under rule 11(g) of the Companies (Audit Auditors) Rules, 2014
  - c) The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,
  - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by

the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) as amended  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 34 of the Standalone financial statements);
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) (a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other, sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any person (s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11 (e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement.

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- v) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

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

Further, where audit trail (edit log) facility was enabled and

operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**For BASANT RAM & SONS**  
**Chartered Accountants**  
**(Firm's Registration No. 000569N)**

**(R.K.NAYAR)**

Partner

(Membership No. 087112)

UDIN: 24087112BKHHOB4865

**Place: New Delhi**

**Date: 28.05.2024**



ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

Annexure “A” To The Independent Auditor’s Report of even date of the Standalone Ind AS Financial Statements of Sir Shadi Lal Enterprises Limited for the year ended on 31st March, 2024.

(Referred to in paragraph 1 of the Independent Auditors’ Report of even date under the heading “Report on Other Legal and Regulatory Requirements” to the members of Sir Shadi Lal Enterprises Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2024.)

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

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

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

Remark:- The cost of above land has been taken nil in the books of the company, however during the year a revalued amount of Rs.8388.48 Lacs has been shown against leasehold land in Fixed Asset.

- d) As disclosed in NoteNo. 3.1.1 The company has revalued its Freehold & Leasehold land during the year ended 31st, March, 2024. The revaluation is based on the valuation by

- a Registered Valuer and the amount of change is more than 10% of the aggregate of the net carrying value of Land.
- e) As explained to us that the company does not have any Benami Property, therefore no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under;
  - ii) a) During the year, the inventories have been physically verified by the internal auditor on a random basis except material sent for job work and lying with third parties. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and the book records were not material, however, the discrepancies noticed have been properly accounted for in the books of account.
  - b) Reconciliation of stock statements with stock details submitted to banks were produced to us by the management and were relied upon by us. No material discrepancies were noticed. Refer note no. 41 of the Standalone Annual Financial statements of the company.
  - iii) The Company has not made investment in, provided any guarantee or security or granted any loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
  - iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees, and securities.
  - v) According to the information and explanations given to us, the Company has not accepted any deposit or seemed to be deposit from the public during the year, therefore, the provisions of clause (v) of paragraph 3 of the Order, is not applicable to the Company.
  - vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under Section 148 (1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - vii) a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, Except Provident Fund dues amounting to Rs.134.96 lacs there were no undisputed amounts payable in respect of employees’ State insurance, income-tax, value added tax, wealth-tax, Goods and service-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year



- end, for a period of more than six months from the date of becoming payable.
- b) According to the records of the Company and the information and explanations given to us, there are no amounts in respect of income-tax, value added tax, sales tax, wealth-tax, Goods and service-tax, customs duty, excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in 'Annexure-1' to this report.
- c) Except Provident Fund and Income Tax (TDS), the Company has generally been regular in depositing undisputed statutory dues, including Employee's State Insurance, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered are disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (143 of 1961).
- ix) a) Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks/lenders during the year.
- b) The company has not been declared willful defaulter by any bank or financial institution or Government or any government authority.
- c) The company has not taken term loan during the year.
- d) On and overall examination of the financial statement of the company funds raised on short term basis have prime facie, not been used during the year for long term purposes by the company.
- e) The company does not have any subsidiaries/Joint ventures. Hence reporting under clause-3 (ix) (e) of the order is not applicable.
- f) The company does not have any subsidiaries/Joint ventures or associate companies, hence reporting under clause-3(ix) (f) of the order is not applicable.
- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year, and hence reporting under clause-3(x)(a) of the order is not applicable.
- b) During the year the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause-3(x)(b) of the order is not applicable.
- xi) a) According to the information and explanation given to us no fraud by the company and no material fraud on the company has been noticed or reported during the year.
- b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- c) According to the information and explanations given to us, no whistle -blower complaints have been received by the company, therefore not produced to us for consideration.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause (xii) of the order is not applicable
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, 2013 where applicable and details of such transactions have been disclosed in the financial Statements as required by the applicable Accounting Standards.
- xiv) a) In our opinion, the company has an adequate internal control system commensurate with the size and nature of its business. However, it needs to be further strengthened.
- b) We have considered the internal audit report for the year under audit, issued to the company during the year, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore reporting under clause -3(xvi)(a), (b), (c) & (d) of the order is not applicable
- xvii) The company has incurred cash profits amounting to Rs.212.02 Lakhs during the financial year ending on 31st march 2024 and cash losses Rs. 1823.33 Lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of the directors and management plans and based on our examination of the evidence, supporting the assumption and also negative net worth of the company as on 31st March 2024, we are unable to comment on any material uncertainty exists as on the date of the audit report. We cannot comment and give any guarantee or assurance that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) The company's net worth is negative and it has incurred losses during the year, therefore section 135 of the companies act, 2013 is not applicable. Hence reporting under clause-3(xx)(a) & (b) of the order is not applicable.
- xxi) This clause is not applicable to the company.

**For BASANT RAM & SONS**  
**Chartered Accountants**  
**(Firm's Registration No. 000569N)**

**(R. K. NAYAR)**

Partner

**(Membership No. 087112)**

**Place: New Delhi**  
**Date: 28.05.2024**



## SIR SHADI LAL ENTERPRISES LIMITED

(Annexure-1 as referred to in Para vii (b) of Annexure 'A' to the Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2024).

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2024 on account of Income-Tax, Sales-Tax, and Excise matters that have not been deposited on account of dispute:-

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

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

**For BASANT RAM & SONS**  
**Chartered Accountants**  
**(Firm's Registration No. 000569N)**

**(R. K. NAYAR)**

Partner

**(Membership No. 087112)**

**Place: New Delhi**

**Date: 28.05.2024**



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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SIR SHADI LAL ENTERPRISES LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

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

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

internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

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

**For BASANT RAM & SONS**  
Chartered Accountants  
(Firm's Registration No. 000569N)

(R. K. NAYAR)

Partner

(Membership No. 087112)

Place: New Delhi

Date: 28.05.2024



## BALANCE SHEET AS AT 31ST MARCH, 2024

| Particulars   | Note No. | As at March 31, 2024<br>Rs. in Lakhs | As at March 31, 2023<br>Rs. in Lakhs |
|---|----------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>   |          |                                      |                                      |
| <b>(1) Non-current assets</b>                           |          |                                      |                                      |
| [a] Property, Plant and Equipment                       | 3        | 90,325.66                            | 53,444.79                            |
| [b] Capital work-in-progress                            | 3.2      | 38.15                                | 38.15                                |
| [c] Other intangible assets                             | 3.3      | 0.00                                 | 0.13                                 |
| [d] Financial assets                                    |          |                                      |                                      |
| [i] Investments   | 4        | -                                    | -                                    |
| [ii] Trade receivables                                  | 5        | -                                    | -                                    |
| [iii] Loans   | 6        | 0.50                                 | 0.50                                 |
| [iv] Other financial assets                             | 7        | 188.34                               | 159.79                               |
| [e] Deferred tax assets (net)                           | 8        | 6,881.11                             | 6,881.11                             |
| [f] Other Non-current assets                            | 9        | 81.84                                | 5.00                                 |
| <b>Sub Total (Non-current assets)</b>                   |          | <b>97,515.60</b>                     | <b>60,529.47</b>                     |
| <b>(2) Current assets</b>                               |          |                                      |                                      |
| [a] Inventories   | 10       | 8,408.79                             | 10,626.80                            |
| [b] Financial assets                                    |          |                                      |                                      |
| [i] Trade receivables                                   | 11       | 594.99                               | 813.69                               |
| [ii] Cash and cash equivalents                          | 12       | 396.75                               | 193.52                               |
| [iii] Bank Balance other than cash and cash equivalents | 13       | 64.85                                | 118.21                               |
| [iv] Other financial assets                             | 14       | 8.79                                 | 6.23                                 |
| [c] Other current assets                                | 15       | 464.79                               | 808.21                               |
| <b>Sub Total (Current assets)</b>                       |          | <b>9,938.96</b>                      | <b>12,566.66</b>                     |
| <b>Total Assets</b>                                     |          | <b>1,07,454.56</b>                   | <b>73,096.13</b>                     |
| <b>EQUITY AND LIABILITIES</b>                           |          |                                      |                                      |
| <b>EQUITY</b>   |          |                                      |                                      |
| [a] Equity Share capital                                | 16       | 525.00                               | 525.00                               |
| [b] Other Equity  |          |                                      |                                      |
| (i) Capital redemption reserve                          |          | 35.70                                | 35.70                                |
| (ii) Retained earnings                                  |          | (16,995.26)                          | (16,119.91)                          |
| (iii) Revaluation surplus                               |          | 82,340.69                            | 44,559.14                            |
| <b>Sub Total Other Equity</b>                           | 17       | <b>65,381.13</b>                     | <b>28,474.93</b>                     |
| <b>Sub Total (Equity)</b>                               |          | <b>65,906.13</b>                     | <b>28,999.93</b>                     |
| <b>LIABILITIES</b>                                      |          |                                      |                                      |
| <b>(1) Non-current liabilities</b>                      |          |                                      |                                      |
| [a] Financial Liabilities                               |          |                                      |                                      |
| [i] Borrowings  | 18       | 1,630.82                             | 3,204.34                             |
| [b] Provisions  | 19       | 1,151.24                             | 1,071.68                             |
| [c] Other non current liabilities                       | 20       | 99.68                                | 141.06                               |
| <b>Sub Total (Non-current liabilities)</b>              |          | <b>2,881.74</b>                      | <b>4,417.08</b>                      |
| <b>(2) Current liabilities</b>                          |          |                                      |                                      |
| [a] Financial Liabilities                               |          |                                      |                                      |
| [i] Borrowings  | 21       | 2,256.20                             | 3,694.10                             |
| [ii] Trade payables                                     | 22       | 30,316.25                            | 28,384.51                            |
| [iii] Other financial liabilities                       | 23       | 1,524.71                             | 2,259.26                             |
| [iv] Other Current Liabilities                          | 24       | 4,440.05                             | 5,202.86                             |
| [b] Provisions  | 25       | 129.48                               | 138.39                               |
| <b>Sub Total (Current liabilities)</b>                  |          | <b>38,666.69</b>                     | <b>39,679.12</b>                     |
| <b>Total Equity and Liabilities</b>                     |          | <b>1,07,454.56</b>                   | <b>73,096.13</b>                     |

Notes on Financial Statements

1 to 59

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

R.K. NAYAR  
Partner  
Membership No. 087112  
Place : New Delhi  
Date : 28 May, 2024

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

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

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

RAJAT LAL  
Managing Director  
(DIN : 00112489)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

Directors :

Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

| Particulars   | Note No. | For the year ended<br>March 31, 2024<br>Rs. in Lakhs | For the year ended<br>March 31, 2023<br>Rs. in Lakhs |
|---|----------|--|--|
| <b>Continuing Operations</b>  |          |  |  |
| I. Revenue from operations  | 26       | 46,215.43  | 55,239.29  |
| II. Other Income  | 27       | 38.70  | 57.52  |
| <b>III. Total Income (I+II)</b>   |          | <b>46,254.13</b>                                     | <b>55,296.81</b>                                     |
| <b>IV. Expenses</b>   |          |  |  |
| Cost of material consumed   | 28       | 36,449.08  | 41,423.94  |
| Changes in Inventories Finished goods,<br>Work-in-Progress and Stock-in-Trade     | 29       | 2,132.23   | 6,914.34   |
| Employee Benefits Expense   | 30       | 3,030.32   | 3,839.54   |
| Finance costs   | 31       | 433.96   | 909.24   |
| Depreciation and amortization expenses  | 32       | 998.46   | 1,109.29   |
| Other expenses  | 33       | 4,128.75   | 4,062.65   |
| <b>Total Expenses (IV)</b>  |          | <b>47,172.80</b>                                     | <b>58,259.00</b>                                     |
| <b>V. Profit / (Loss) before exceptional items and tax</b>                        |          | <b>(918.67)</b>                                      | <b>(2,962.19)</b>                                    |
| <b>VI. Exceptional items</b>  |          |  |  |
| <b>VII. Profit / (Loss) before tax from continuing operations</b>                 |          | <b>(918.67)</b>                                      | <b>(2,962.19)</b>                                    |
| <b>VIII. Tax expense:</b>   |          |  |  |
| Current tax   |          |  |  |
| Excess Provision of Income Tax relating to Earlier Year Written Back              |          | -  | -  |
| Deferred tax  |          |  |  |
| <b>Total tax expenses (VIII)</b>  |          |  |  |
| <b>IX. Profit / (Loss) from continuing operations (VII-VIII)</b>                  |          | <b>(918.67)</b>                                      | <b>(2,962.19)</b>                                    |
| <b>X. Profit / (Loss) from discontinued operation</b>                             |          |  |  |
| <b>XI. Tax expenses of discontinued operations</b>                                |          |  |  |
| <b>XII. Profit / (Loss) from discontinued operation (after tax) (X-XI)</b>        |          |  |  |
| <b>XIII. Profit / (Loss) for the year</b>   |          | <b>(918.67)</b>                                      | <b>(2,962.19)</b>                                    |
| <b>XIV. Other Comprehensive Income</b>  |          |  |  |
| A (i) Items that will not be reclassified to profit or loss                       |          |  |  |
| (a) Re-measurement of Post employment benefit obligations                         | 30.4     | 43.32  | (94.18)  |
| (ii) income tax relating to items that will not be reclassified to profit or loss |          |  |  |
| B Gain on Revaluation of Land   | 3.1.1    | <b>37781.55</b>                                      | -  |
| <b>XV. Total Comprehensive Income for the year (XIII+XIV)</b>                     |          | <b>36,906.20</b>                                     | <b>(3,056.37)</b>                                    |
| <b>XVI. Earnings per equity share</b>   |          |  |  |
| - Basic   |          | (17.499)   | (56.423)   |
| - Diluted   |          | (17.499)   | (56.423)   |

Figures in bracket ( ) denote minus figures.

Notes on Financial Statements

1 to 59

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

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

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

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

Directors :

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Tanmay Sharma (DIN : 08811485)

Udit Pat Singhania (DIN : 07984594)

Radhika Viswanathan

Hoon (DIN : 06436444)

Neeraj Gupta (DIN : 00317395)

R.K. NAYAR  
Partner

Membership No. 087112

Place : New Delhi

Date : 28 May, 2024

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

RAJAT LAL  
Managing Director  
(DIN : 00112489)





## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

### Note No.1: Corporate Information

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

### Note No.2: Significant Accounting Policies

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

#### 2.1 Basis of preparation and presentation

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

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

##### (b) Historical cost convention

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

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

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

##### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note-49 for segment information presented.

##### (d) Revenue recognition

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

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

###### a) Sale of goods

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

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

#### 2.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and



## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended March 31, 2024

at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 2.3 Impairment of non-financial assets

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

#### 2.4 Borrowing costs

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

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

#### 2.5 Income tax

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

##### a) Current tax

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

##### b) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

##### c) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 2.6 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold & lease hold land carried in balance sheet on the basis revaluation model. Freehold land and lease hold Land is carried at revalued amount. A revaluation surplus is recorded in OCI and credited to the assets revaluation surplus in other equity. Upon disposal any revaluation reserve relating to the particular land being sold is transferred directly to retained earning. Revaluation of land will be conducted once in three years. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure and borrowing cost that is directly attributable to the acquisition of the items including borrowing costs. Subsequent costs are included in the asset's carrying

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended March 31, 2024**

amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The revaluation will be conducted every three year by the company.

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

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

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

**Transition to Ind AS**

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

Depreciation methods, estimated useful lives and residual value

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

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

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

**2.7 Intangible assets**

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

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

Estimated useful lives of the intangible assets are as follows:

| <b>Assets</b>     | <b>Estimated useful life</b> |
|-------------------|------------------------------|
| Computer software | 36 months                    |

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

**Transition to Ind AS**

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

**2.8 Inventory Valuation**

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

**2.9 Provisions, contingent liabilities and contingent assets**

- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

- b) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. It becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the standalone financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- c) A contingent liability is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.10 Employee Benefits

#### a) Short term employee benefits:

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

#### b) Post-employment benefits :

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

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

### 2.11 Effective interest method

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

### 2.12 Current and non-current classification:

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

- a) An asset is treated as current when it is:
  - a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
  - b) Held primarily for the purpose of trading,
  - c) Expected to be realised within twelve months after the reporting period,
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
  - e) Carrying current portion of non-current financial assets.

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended March 31, 2024**

b) Liability is current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period,
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- e) It includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**2.13 Operating cycle :**

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

**2.14 Government grants :**

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

**2.15 Compensation :**

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

**2.16 Impairment of Assets :**

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

**2.17 Investment :**

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

**2.18 Earning per share :**

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

**2.19 Cash and Cash Equivalent**

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



Notes to the Financial Statements for the year ended March 31,2024  
Note 3. PROPERTY, PLANT AND EQUIPMENT

| Nature of Assets                | GROSS BLOCK                               |                             |                          |                                     |                             | DEPRECIATION                             |                          |                                      |  | NET BLOCK        |                  |
|---------------------------------|---|-----------------------------|--------------------------|-------------------------------------|-----------------------------|--|--------------------------|--------------------------------------|--|------------------|------------------|
|                                 | Cost As per last balance sheet 31.03.2023 | Revaluation during the year | Addition during the year | Sales & Adjustments during the year | Total Cost as on 31.03.2024 | Depreciation written off upto 31.03.2023 | Provided during the year | Deduction/Adjustment during the year | Depreciation written off upto 31.03.2024 | As at 31.03.2024 | As at 31.03.2023 |
| <b>FIXED ASSETS</b>             |   |                             |                          |                                     |                             |  |                          |                                      |  |                  |                  |
| Land (Free hold)                | 44,560.53                                 | 29,393.07                   | 0.00                     | 0.00                                | 73,953.60                   | 0.00                                     | 0.00                     | 0.00                                 | 0.00                                     | 73,953.60        | 44,560.53        |
| Land (Lease hold)               | 0.00                                      | 8,388.48                    | 0.00                     | 0.00                                | 8,388.48                    | 0.00                                     | 0.00                     | 0.00                                 | 0.00                                     | 8,388.48         | -                |
| Buildings                       | 1,076.61                                  | 0.00                        | 3.02                     | 0.00                                | 1,079.63                    | 698.82                                   | 37.60                    | 0.00                                 | 736.42                                   | 343.21           | 377.79           |
| Plant & Equipments              | 16,930.38                                 | 0.00                        | 78.59                    | 4.59                                | 17,004.38                   | 8,512.51                                 | 935.02                   | 3.63                                 | 9,443.90                                 | 7,560.48         | 8,417.87         |
| Electric Installation           | 110.60                                    | 0.00                        | 11.28                    | 0.00                                | 121.88                      | 83.14                                    | 7.59                     | 0.00                                 | 90.73                                    | 31.15            | 27.46            |
| Office Equipments               | 49.50                                     | 0.00                        | 0.00                     | 0.00                                | 49.50                       | 37.27                                    | 5.06                     | 0.00                                 | 42.33                                    | 7.17             | 12.23            |
| Laboratory Equipments           | 21.75                                     | 0.00                        | 0.00                     | 0.00                                | 21.75                       | 12.48                                    | 2.40                     | 0.00                                 | 14.88                                    | 6.87             | 9.27             |
| Computer                        | 100.11                                    | 0.00                        | 3.37                     | 0.00                                | 103.48                      | 94.74                                    | 0.91                     | 0.00                                 | 95.65                                    | 7.83             | 5.37             |
| Railway sidings & Trolley lines | 0.19                                      | 0.00                        | 0.00                     | 0.00                                | 0.19                        | 0.19                                     | 0.00                     | 0.00                                 | 0.19                                     | 0.00             | -                |
| Furniture & Fixtures            | 36.44                                     | 0.00                        | 2.35                     | 0.00                                | 38.79                       | 30.57                                    | 1.42                     | 0.00                                 | 31.99                                    | 6.80             | 5.87             |
| Vehicles                        | 120.06                                    | 0.00                        | 0.00                     | 0.00                                | 120.06                      | 91.66                                    | 8.33                     | 0.00                                 | 99.99                                    | 20.07            | 28.40            |
| Structure on rented Land        | 0.00                                      | 0.00                        | 0.00                     | 0.00                                | 0.00                        | 0.01                                     | 0.00                     | 0.00                                 | 0.01                                     | 0.00             | -                |
| <b>Total :</b>                  | 63,006.17                                 | 37,781.55                   | 98.61                    | 4.59                                | 1,00,881.74                 | 9,561.39                                 | 998.33                   | 3.63                                 | 10,556.09                                | 90,325.66        | 53,444.79        |
| <b>Previous Year</b>            | 62,951.39                                 | 0.00                        | 268.75                   | 213.97                              | 63,006.17                   | 8,661.00                                 | 1,109.15                 | 208.76                               | 9,561.39                                 |                  |                  |

Note: 3.1. Title deeds of land are lodged as security with Punjab National Bank, Shamli and District Co.-Operative Bank, Ghaziabad.

Note: 3.1.1.Revaluation of Land- During the year ended 31.03.2024, the company has appointed an independent registered valuer who has relevant valuation experience for valuation of property in India for more than ten years, to determine the fair value of free hold and lease hold Land. As an outcome of this process company recognised increase in gross block of Land for Rs. 37781.55 Lakhs. The said increase of Rs. 37781.55 Lakhs includes the valuation of lease hold Land, the Title deed of which is not in favour of Company; however the same is in the possession of Company. The said surplus due to revaluation of Land consist of free hold Land for Rs. 29393.07 Lakhs and lease hold Land for Rs. 8388.48 Lakhs. The company has recognised this increase in the revaluation reserve and in the statement of other comprehensive income.

NOTE:3.1.2. LAND INCLUDES REVALUED AMOUNT RS. 82340.69 LAKHS.

NOTE : 3.1.3 SIGNIFICANT UNOBSERVABLE VALUATION INPUT:

| Asset                                    | Valuation technique  |                     | Significant unobservable inputs |                     |
|--|--|---------------------|---------------------------------|---------------------|
|  | Market approach  | Valuation technique | Market approach                 | Valuation technique |
| <b>Freehold land</b>                     | The value of land was determined based on condition,location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. |                     |                                 |                     |
| <b>NOTE:3.2 CAPITAL WORK IN PROGRESS</b> |  |                     |                                 |                     |
| Plant & Machinery                        | 38.15  | 0.00                | 0.00                            | 0.00                |
| Total :                                  | 38.15  | 0.00                | 0.00                            | 0.00                |
| Previous Year                            | 38.15  | 0.00                | 0.00                            | 0.00                |
| <b>NOTE:3.3 OTHER INTANGIBLE ASSETS</b>  |  |                     |                                 |                     |
| Computer Software                        | 16.84  | 0.00                | 0.00                            | 0.00                |
| Total :                                  | 16.84  | 0.00                | 0.00                            | 0.00                |
| Previous Year                            | 16.84  | 0.00                | 0.14                            | 0.00                |



## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2024

| PARTICULARS  | As at March 31, 2024<br>Rs. in Lakhs | As at March 31, 2023<br>Rs. in Lakhs |
|--|--------------------------------------|--------------------------------------|
| <b>NOTE 4: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS</b>  |                                      |                                      |
| <b>Investment</b>  |                                      |                                      |
| <b>Equity instruments (at cost)</b>  |                                      |                                      |
| a) Shamli Co-operative Cane Development Union Limited (One Share)                                  | -                                    | -                                    |
| b) Saharanpur Co-operative Cane Development Union Limited (One share)                              | -                                    | -                                    |
| <b>Total</b>   | <b>-</b>                             | <b>-</b>                             |
| <b>Note 4.1:</b> All the above investment are unquoted   |                                      |                                      |
| <b>NOTE 5: NON-CURRENT FINANCIAL ASSETS – TRADE-RECEIVABLES</b>                                    |                                      |                                      |
| <b>Unsecured considered goods</b>  |                                      |                                      |
| Trade receivable   | -                                    | -                                    |
| - Unsecured, considered doubtful   | 79.79                                | 56.45                                |
| Less : Allowance for bad and doubtful debts  | (79.79)                              | (56.45)                              |
| <b>Total</b>   | <b>0.00</b>                          | <b>0.00</b>                          |
| <b>NOTE 6: NON-CURRENT FINANCIAL ASSETS - LOANS</b>  |                                      |                                      |
| <b>Loans</b>   |                                      |                                      |
| Co-operative Society bearing no interest   | 0.50                                 | 0.50                                 |
| <b>Total</b>   | <b>0.50</b>                          | <b>0.50</b>                          |
| <b>NOTE 7: NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS</b>                               |                                      |                                      |
| <b>Unsecured, considered good</b>  |                                      |                                      |
| - Security Deposit   | 145.34                               | 159.74                               |
| - Bank fixed deposits lodged as security / Margin money having maturity of more than twelve months | 43.00                                | 0.05                                 |
| <b>Unsecured, considered doubtful</b>  |                                      |                                      |
| - Advances recoverable in cash or in kind  | 0                                    | 3.85                                 |
| Less : Allowance for bad and doubtful debts  | 0                                    | (3.85)                               |
| <b>Total</b>   | <b>188.34</b>                        | <b>159.79</b>                        |
| <b>Note 7.1:</b> Confirmation of Security Lodged with different Government Department are awaited. |                                      |                                      |
| <b>Note 7.2:</b> Fixed deposits Rs. 43.00 Lakhs lodged as Security.                                |                                      |                                      |
| <b>Note 8: Non-current financial assets - Deferred tax assets (Net)</b>                            |                                      |                                      |
| <b>Deferred tax assets (Net)</b>   |                                      |                                      |
| At the year end comprising timing difference on account of :                                       |                                      |                                      |
| Depreciation   | 236.51                               | 236.51                               |
| Less: Expenditure/Provisions allowable on account of :   |                                      |                                      |
| Employees Benefits   | 57.40                                | 57.40                                |
| Taxes, duties, cess etc  | 131.73                               | 131.73                               |
| Provision for Bad & doubtful debts.  | -                                    | -                                    |
| Assessed loss under Income Tax Act, 1961.  | 6928.49                              | 6928.49                              |
| <b>Total</b>   | <b>6,881.11</b>                      | <b>6,881.11</b>                      |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

| PARTICULARS  | As at March 31, 2024<br>Rs. in Lakhs | As at March 31, 2023<br>Rs. in Lakhs |
|--|--------------------------------------|--------------------------------------|
| <b>NOTE 9: OTHER NON-CURRENT ASSETS</b>  |                                      |                                      |
| <b>Other non-current assets</b>  |                                      |                                      |
| Capital Advance  | 81.84                                | 5.00                                 |
| <b>Total</b>   | <b>81.84</b>                         | <b>5.00</b>                          |
| <b>NOTE 10 : CURRENT ASSETS – INVENTORIES</b>  |                                      |                                      |
| <b>Raw Material</b>  |                                      |                                      |
| Raw materials (at average cost)<br>(including Goods in Transit Rs. 18.00 Lakhs)                                      | 225.16                               | 282.14                               |
| <b>Work - in - progress</b>  |                                      |                                      |
| Sugar & Distillery products (at estimated cost)  | 353.47                               | 690.26                               |
| <b>Finished goods</b>  |                                      |                                      |
| Sugar & Distillery products (at lower of cost or net realizable value)   | 7395.44                              | 9190.88                              |
| <b>Stores and spares</b>   |                                      |                                      |
| Stores & spares (at average cost)  | 431.49                               | 460.66                               |
| <b>Others</b>  |                                      |                                      |
| Loose tools and others (at average cost)   | 3.23                                 | 2.86                                 |
| <b>Total</b>   | <b>8,408.79</b>                      | <b>10,626.80</b>                     |
| <b>NOTE 11 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>  |                                      |                                      |
| - Unsecured, considered good   |                                      |                                      |
| Trade receivable   | 594.99                               | 813.69                               |
| <b>Total</b>   | <b>594.99</b>                        | <b>813.69</b>                        |
| <b>NOTE 12 : CURRENT FINANCIAL ASSETS- CASH &amp; CASH EQUIVALENTS</b>   |                                      |                                      |
| - Balances with banks  |                                      |                                      |
| - In current accounts  | 253.93                               | 170.14                               |
| - In fixed deposits  | 140.00                               | 20.00                                |
| - Cash in hand   | 2.82                                 | 3.38                                 |
| <b>Total</b>   | <b>396.75</b>                        | <b>193.52</b>                        |
| <b>NOTE 13 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCE</b>   |                                      |                                      |
| - Balance with banks:  |                                      |                                      |
| - In fixed deposit lodged as security / margin money saving maturing of less than twelve month (refer note no. 13.1) | 49.67                                | 50.22                                |
| - Earmarked - molasses storage facility fund   | 10.49                                | 63.32                                |
| - Earmarked - dharmada account   | 0.63                                 | 0.61                                 |
| - Earmarked - unpaid dividend accounts   | 4.06                                 | 4.06                                 |
| <b>Total</b>   | <b>64.85</b>                         | <b>118.21</b>                        |

Note 13.1 : Fixed Deposits includes Rs.49.67 Lakhs lodged as Security

Note 13.2 : Confirmation of Fixed Deposit Lodged as Securities with different government departments are awaited

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

| <b>PARTICULARS</b>  | <b>As at March 31, 2024</b> | <b>As at March 31, 2023</b> |
|---|-----------------------------|-----------------------------|
|   | <b>Rs. in Lakhs</b>         | <b>Rs. in Lakhs</b>         |
| <b>NOTE 14 : CURRENT FINANCIAL ASSETS -OTHERS</b>                       |                             |                             |
| Interest accrued  | 8.79                        | 6.23                        |
| <b>Total</b>  | <b>8.79</b>                 | <b>6.23</b>                 |
| <b>NOTE 15 : OTHER CURRENT ASSETS</b>                                   |                             |                             |
| <b>Advances other than capital advances</b>                             |                             |                             |
| Advances to suppliers / Contractors                                     | 118.65                      | 170.27                      |
| Pre-paid expenses   | 37.33                       | 74.12                       |
| <b>Balance with government department</b>                               |                             |                             |
| - Income Tax  | 0.00                        | 35.80                       |
| - Sales tax paid  | 5.53                        | 5.53                        |
| - Subsidy/Financial Assistance Recoverable                              | 91.59                       | 74.12                       |
| - Excise duty / Purchase tax / GST etc.                                 | 539.19                      | 703.89                      |
| Less : Allowance for bad and doubtful debts                             | 327.50                      | 213.85                      |
| <b>Others :</b>   |                             |                             |
| Good  |                             |                             |
| Doubtful  | 265.21                      | 265.21                      |
| Less : Allowance for bad and doubtful debts                             | 265.21                      | 0.00                        |
| <b>Total</b>  | <b>464.79</b>               | <b>808.21</b>               |
| <b>NOTE 16 : EQUITY</b>   |                             |                             |
| <b>Note 16.1 : Authorized share capital</b>                             |                             |                             |
| <b>Authorized</b>   |                             |                             |
| 200.00 Lakhs(Previous year 200.00 Lakhs) Equity shares of Rs. 10/- each |                             |                             |
| Equity shares of Rs. 10/- each  | 2,000.00                    | 2,000.00                    |
| <b>Total</b>  | <b>2,000.00</b>             | <b>2,000.00</b>             |
| <b>Note 16.2 : Issued share capital</b>                                 |                             |                             |
| <b>Issued, Subscribed &amp; fully paid up</b>                           |                             |                             |
| 52.50 Lakhs (Previous year 52.50 Lakhs) Equity shares of Rs. 10/- each  |                             |                             |
|   | 525.00                      | 525.00                      |
| <b>Total</b>  | <b>525.00</b>               | <b>525.00</b>               |
| <b>Note 16.3 : Reconciliation of the number of shares</b>               |                             |                             |
|   | <b>Nos. (in Lakhs)</b>      | <b>Nos. (in Lakhs)</b>      |
| Number of shares outstanding at the beginning and end of the year       | 52.50                       | 52.50                       |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

## Note 16.4 : Shares in the company held by Promoters at the end of year

| NAME                              | As At 31.03.2024         |       | % change in Promoter Shareholding | As At 31.03.2023            |       |
|-----------------------------------|--------------------------|-------|-----------------------------------|-----------------------------|-------|
|                                   | No. of Shares (in Lakhs) | %     |                                   | No. of Shares (in Lakhs)    | %     |
| <b>Promoters Holding</b>          |                          |       |                                   |                             |       |
| (a) Sh. Rajat Lal                 | 0.01                     | 0.00  | 99.90                             | 10.88                       | 20.73 |
| (b) Mrs. Radhika Viswanathan Hoon | -                        | -     | 100                               | 0.39                        | 0.75  |
| (c) Mrs. Poonam Lal               | 16.63                    | 31.67 | 189.22                            | 5.75                        | 10.96 |
| (d) Sh. Rahul Lal                 | -                        | -     | -                                 | -                           | -     |
| (e) Mrs. Pooja Lal                | -                        | -     | -                                 | -                           | -     |
| (f) M/s Rajendra Lal & Sons (HUF) | 2.44                     | 4.65  | -                                 | 2.44                        | 4.65  |
| (g) Mr. Vivek Viswanathan         | -                        | -     | 100                               | 12.96                       | 24.69 |
| <b>PARTICULARS</b>                |                          |       | <b>As at March 31, 2024</b>       | <b>As at March 31, 2023</b> |       |
|                                   |                          |       | <b>Rs. in Lakhs</b>               | <b>Rs. in Lakhs</b>         |       |

## NOTE 17 : OTHER EQUITY

## (a) Capital redemption reserve

|   |       |       |
|---|-------|-------|
| Credit balance at the beginning of the year | 35.70 | 35.70 |
| Add: Additions during the year              | -     | -     |
| Less: Utilized during the year              | -     | -     |
| Balance outstanding at the end of the year  | 35.70 | 35.70 |

## (b) Retained earnings

|   |             |             |
|---|-------------|-------------|
| Balance outstanding at the beginning of the year  | (16,119.91) | (13,063.54) |
| Add Net Profit / (Loss) for the Year              | (918.67)    | (2,962.19)  |
| Add/Less: Total comprehensive income for the year | 43.32       | (94.18)     |
| Balance outstanding at the end of the year        | (16,995.26) | (16,119.91) |

## (c) Revaluation Surplus

|   |                  |                  |
|---|------------------|------------------|
| Credit balance at the beginning of the year | 44,559.14        | 44,559.14        |
| Add: Additions during the year              | 37,781.55        | -                |
| Total                                       | 82,340.69        | 44,559.14        |
| Less: Utilized during the year              | -                | -                |
| Net Balance                                 | 82,340.69        | 44,559.14        |
| <b>Total (b+c)</b>                          | <b>65,345.43</b> | <b>28,439.23</b> |
| <b>Total (a+b+c)</b>                        | <b>65,381.13</b> | <b>28,474.93</b> |

## NOTE 18 : NON CURRENT FINANCIAL LIABILITIES – BORROWINGS

## Long Term borrowings (at amortized cost)

## Secured

## Term Loan

## From banks

|  |                |                 |
|--|----------------|-----------------|
| (i) District Co-operative Bank (SOFT Loan) (refer note no.18.1 & 18.2) | -              | 359.30          |
| (ii) District Co-operative Bank (Refer Note No. 18.2)                  | 811.38         | 1,680.67        |
| (iii) PNB (GECL) (Refer Note No. 18.3)                                 | 819.44         | 1,164.37        |
| <b>Total</b>   | <b>1630.82</b> | <b>3,204.34</b> |

Note 18.1 : Soft Loan of Rs.266.67 Lakhs from District Co.-Operative Bank, Ghaziabad under the “ Scheme for Extending Financial Assistance to Sugar Undertaking-2018” is secured by way of 1st charge on 10.49 acres of free hold land of the Company situated at Shamli and also personal guarantee of Managing Director.

Note 18.2 : Term Loan of Rs.1680.66 Lakhs from District Co.-Operative Bank, Ghaziabad under the “ Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of Ethanol production capacity”, is secured by way of 1st charge on the movable assets of the Company both present and future on pari passu basis Including assets created/ to be created out of the said term loan and first pari passu charge along with PNB on fixed assets of the Company and also personal guarantee given by Managing Director and Joint Managing Director.

Note 18.3 : GECL Loan from PNB of Rs. 1164.37 Lakhs is secured by way of extension of charge with PNB on entire present and future Current Assets and entire Block Assets of the company  
Figures in ( ) denote (-) figure.

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

## Note 18.4 Repayment Schedule

|                | Soft Loan from<br>DCB, Ghaziabad | GECL from<br>PNB, Meerut | Term Loan from<br>DCB, Ghaziabad | Term Loan from<br>DCB, Ghaziabad | Total    |
|----------------|----------------------------------|--------------------------|----------------------------------|----------------------------------|----------|
| Repayable in : |                                  |                          |                                  |                                  |          |
| F.Y. 2024-25   | 266.67                           | 310.50                   | 524.20                           | 262.10                           | 1,363.47 |
| F.Y. 2025-26   | 0.00                             | 310.50                   | 524.20                           | 287.18                           | 1,121.88 |
| F.Y. 2026-27   | 0.00                             | 310.50                   | 0.00                             | 0.00                             | 310.50   |
| F.Y. 2027-28   | 0.00                             | 232.87                   | 0.00                             | 0.00                             | 232.87   |
|                | 266.67                           | 1,164.37                 | 1,048.40                         | 549.28                           | 3,028.72 |

Note 18.5: Interest rate @ 9.25 % on under Guaranteed Emergency Credit Line Scheme (GECL) PNB, Meerut

Note 18.6: Interest rate @ 5% on Soft Loan From DCB, Ghaziabad.

Note 18.7: Interest rate @ 11% (with Interest subvention @ 50 % of rate charge by lender subject to maximum of 6%) on Loan from DCB, Ghaziabad. Under "Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol production capacity

## PARTICULARS

As at March 31, 2024

As at March 31, 2023

|  | Rs. in Lakhs    | Rs. in Lakhs    |
|--|-----------------|-----------------|
| <b>NOTE 19 : NON CURRENT PROVISIONS</b>                          |                 |                 |
| <b>Provision for employee benefits</b>                           |                 |                 |
| - Gratuity   | 1,065.75        | 993.48          |
| - Leave encasement   | 65.45           | 66.64           |
| - Income Tax   | 9.78            | -               |
| Provision for expenses   | 10.26           | 11.56           |
| <b>Total</b>   | <b>1,151.24</b> | <b>1,071.68</b> |
| <b>NOTE 20 : OTHER NON CURRENT LIABILITIES</b>                   |                 |                 |
| Security Deposits (refer note no.20.1)                           | 93.60           | 93.60           |
| Deferred Revenue arising from Government Grant related to Assets | -               | 40.70           |
| Deferred Revenue arising from Government Grant related to Income | 6.08            | 6.76            |
| <b>Total</b>   | <b>99.68</b>    | <b>141.06</b>   |

Note 20.1 : Security deposits as at 31 March 2024 included of Rs. 93.60 Lakhs (previous year Rs. 93.60 Lakhs) from sugar selling agent which are interest free. These deposits are repayable on cessation of contractual arrangement.

## NOTE 21 : CURRENT FINANCIAL LIABILITIES – BORROWINGS

## Secured

## From banks

District Co-operative Bank (refer note no. 21.1) - 1,592.62

## Unsecured

Loan from related parties (refer note no. 21.2) 2,256.20 2,101.28

**Total** 2,256.20 3,694.10

Note 21.1 : The working capital loan Rs.NIL(previous year Rs. 1592.82 Lakhs) from District Co-Operative Bank, Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs.NIL(previous year Rs. 1604.80 Lakhs) and also way of collateral security on IInd pari-passu charges on fixed assets including equitable mortgage of land and building of the company situated at Shamli.

Note 21.2 : Interest rate @ 9.50% to 10% on unsecured loan from related parties.

Note 21.3: Interest rate District Co.-Operative Bank, Ghaziabad @ 9.50%.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

| PARTICULARS  | As at March 31, 2024<br>Rs. in Lakhs | As at March 31, 2023<br>Rs. in Lakhs |
|--|--------------------------------------|--------------------------------------|
| <b>NOTE 22 : CURRENT FINANCIAL LIABILITIES - TRADE TABLE</b> |                                      |                                      |
| Due to parties registered under MSMED Act                    | 24.96                                | 15.77                                |
| Due to other parties   | 30,291.29                            | 28,368.74                            |
| <b>Total</b>   | <b>30,316.25</b>                     | <b>28,384.51</b>                     |

Note 22.1 : Parties covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED Act, 2006) have been identified on the basis of intimation received by the Company from its suppliers and relied upon by the auditors.

Note 22.2 : Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs.24.96 Lakhs (Previous year Rs. 15.77 Lakhs). No interest has been claimed by the MSMED Parties, however total overdue interest is Rs. 4.50 Lakhs upto the Financial year ending 31st March, 2024.

**NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES****Secured****From banks**

|  |                 |                 |
|--|-----------------|-----------------|
| District Co-operative Bank Ghaziabad (SOFT Loan) (refer note no. 18.1) | 225.97          | 1,222.43        |
| District Co-operative Bank Ghaziabad (refer note no. 18.2)             | 786.30          | 704.75          |
| GECL P.N.B., Meerut (refer note no. 18.3)                              | 310.50          | 25.97           |
| Interest accrued but not due   | 40.13           | 205.22          |
| <b>Sub Total</b>   | <b>1,362.90</b> | <b>2,158.37</b> |

**Others**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| Earnest Money and Security Deposits | 161.81          | 100.89          |
| <b>Total</b>                        | <b>1,524.71</b> | <b>2,259.26</b> |

Note 23.1 : There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

**NOTE 24: OTHER CURRENT LIABILITIES**

|  |                 |                 |
|--|-----------------|-----------------|
| Deferred Revenue arising from Government Grant related to Assets | 75.13           | 295.89          |
| Deferred Revenue arising from Government Grant related to Income | 0.67            | 0.67            |
| GST Payable  | 274.08          | 250.60          |
| Other payables   | 4,090.17        | 4,655.70        |
| <b>Total</b>   | <b>4,440.05</b> | <b>5,202.86</b> |

Note 24.1 : Advance from customer is interest bearing subject to fulfillment of business obligation.

Note 24.2 : Other payable includes advance from customer, statutory dues and other liabilities.

**NOTE 25 : CURRENT PROVISIONS**

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Provision for employee benefits |               |               |
| - Leave encasement              | 45.34         | 39.64         |
| Others                          |               |               |
| - Expenses                      | 84.14         | 98.75         |
| <b>Total</b>                    | <b>129.48</b> | <b>138.39</b> |

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended March 31, 2024**

| <b>Particulars</b>  | <b>For the year ended<br/>March 31, 2024<br/>Rs. in Lakhs</b> | <b>For the year ended<br/>March 31, 2023<br/>Rs. in Lakhs</b> |        |                  |
|---|---|---|--------|------------------|
| <b>NOTE 26 : REVENUE FROM OPERATIONS</b>  |   |   |        |                  |
| Sale of Products  | 46,105.19   | 54,222.93   |        |                  |
| Other Operating Revenues  | 110.24  | 1,016.36  |        |                  |
| <b>Revenue from Operations</b>  | <b>46,215.43</b>  | <b>55,239.29</b>  |        |                  |
| <b>Note 26.1 : Sale of Products</b>   |   |   |        |                  |
| Sale of Sugar   | 35,827.40   | 42,621.53   |        |                  |
| Sale of Molasses  | 86.32   | 181.54  |        |                  |
| Sale of Bagasse   | 378.23  | 6.10  |        |                  |
| Sale of Press Mud   | 85.82   | 23.69   |        |                  |
| Sale of Distillery products   | 9,727.42  | 11,386.63   |        |                  |
| Sale of Bio – Compost   | -   | 3.44  |        |                  |
|   | <b>46,105.19</b>  | <b>54,222.93</b>  |        |                  |
| <b>Note 26.2 : Other Operating Revenues</b>   |   |   |        |                  |
| Sale of Scrap   | 100.92  | 98.05   |        |                  |
| Sale of Slop Ash  | 9.32  | 48.56   |        |                  |
| Sale of Export Quota Entitlement  | -   | 814.76  |        |                  |
| Relief Amount on Ethenol supply   | -   | 54.99   |        |                  |
|   | <b>110.24</b>   | <b>1,016.36</b>   |        |                  |
| <b>Note 27 : Other Income</b>   |   |   |        |                  |
| Interest income   | 12.18   | 39.56   |        |                  |
| Profit on sale of Fixed Assets  | 9.39  | 1.87  |        |                  |
| Other Non – Operating Income  | 17.13   | 16.09   |        |                  |
|   | <b>38.70</b>  | <b>57.52</b>  |        |                  |
| <b>Note 27.1 : Tax deducted at source on Interest income Rs.0.84 Lakhs ( Previous year Rs.0.72 Lakhs)</b> |   |   |        |                  |
| <b>Note 28 : Cost of Materials Consumed</b>   |   |   |        |                  |
| Raw Materials at Commencement   | 282.14  | 58.18   |        |                  |
| Add : Purchases during the year   | 36,374.10   | 41,647.90   |        |                  |
|   | 36,656.24   | 41706.08  |        |                  |
| Less : At Close   | 207.16  | 282.14  |        |                  |
| Raw Materials consumed  | <b>36,449.08</b>  | <b>41,423.94</b>  |        |                  |
| <b>Note 28.1 : Particulars of Materials Consumed</b>  |   |   |        |                  |
|   | <b>Quantity<br/>in Lakhs Qtls.</b>                            | <b>Quantity<br/>in Lakhs Qtls.</b>                            |        |                  |
| a) Sugarcane (100% indigenous)  | 86.27   | 32,298.52   | 104.25 | 37,502.17        |
| b) Molasses (100% indigenous)   | 4.41  | 4,150.56  | 4.36   | 3,921.77         |
|   |   | <b>36,449.08</b>  |        | <b>41,423.94</b> |
| <b>Note 29 : DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS<br/>And Work-In-Progress</b>          |   |   |        |                  |
| <b>Stocks at commencement :</b>   |   |   |        |                  |
| Work-in-Progress  |   | 690.26  |        | 580.09           |
| Finished Goods  |   | 9,190.88  |        | 16,215.39        |
|   |   | <b>9,881.14</b>   |        | <b>16,795.48</b> |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

| Particulars   | For the year ended<br>March 31, 2024<br>Rs. in Lakhs | For the year ended<br>March 31, 2023<br>Rs. in Lakhs |
|---|--|--|
| <b>Stocks at Close :</b>  |  |  |
| Work-in-Progress  | 353.47   | 690.26   |
| Finished Goods  | 7,395.44   | 9,190.88   |
|   | <b>7,748.91</b>                                      | <b>9,881.14</b>                                      |
| <b>Net Decrease / (Increase)</b>                                      | <b>2,132.23</b>                                      | <b>6,914.34</b>                                      |
| <b>Details of Work in Progress</b>                                    |  |  |
| Sugar   | 353.47   | 622.15   |
| Alcohol   | -  | 68.11  |
|   | <b>353.47</b>  | <b>690.26</b>  |
| <b>Details of Finished Goods</b>                                      |  |  |
| Sugar   | 5,348.83   | 6,314.25   |
| Molasses  | 601.25   | 1,727.75   |
| Bagasse   | 625.96   | 736.08   |
| Alcohol   | 819.40   | 412.80   |
|   | <b>7,395.44</b>                                      | <b>9,190.88</b>                                      |
| <b>Note 30 : Employee Benefits Expense</b>                            |  |  |
| Salaries & Wages  | 2,557.14   | 3,279.08   |
| Bonus   | 3.12   | 8.61   |
| Leave Wages paid/provided   | 110.87   | 102.49   |
| Contribution to Provident Fund and Family Pension Fund                | 205.70   | 292.01   |
| Contribution to Approved Superannuation Fund for Managerial Personnel | 7.72   | 8.85   |
| Provision/Contribution to Approved Gratuity Fund                      | 130.32   | 116.63   |
| Staff Welfare   | 15.45  | 31.87  |
|   | <b>3,030.32</b>                                      | <b>3,839.54</b>                                      |

Note 30.1: Salary & Wages includes Rs.86.03 Lakhs Paid to Managerial Personnel (Previous year Rs. 98.49 Lakhs).

Note 30.2 : Provident Fund includes Rs.6.17 Lakhs For Managerial Personnel (Previous year Rs.7.08 Lakhs)

Note 30.3 : Contribution to Provident fund, Superannuation fund and Family Pension Fund charged off during the year are as under.

|  |        |        |
|--|--------|--------|
| Employer contribution to Provident fund      | 108.84 | 182.95 |
| Employer contribution to Family pension fund | 77.66  | 87.6   |
| Employer contribution to Superannuation fund | 7.72   | 8.85   |

The Company also provides for post employment defined benefit in the form of gratuity and leave liability. The Employee's Gratuity Scheme is managed by Life Insurance Corporation of India defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit Method at each Balance sheet date, which works to more by Rs. 1065.75 Lakhs as compared to Gratuity Scheme managed by the Life Insurance Corporation of India. The difference has been fully provided in the books of Company.

**Note 30.4: The details provided by Actuary in respect of Gratuity and Leave liability are as under :**

**A KEY ASSUMPTIONS**

|                              |                      |                      |
|------------------------------|----------------------|----------------------|
| Mortality Table              | IAL 2012-14 Ultimate | IAL 2012-14 Ultimate |
| Attrition Rate               | 05.00 % p.a.         | 05.00 % p.a..        |
| Imputed Rate of Interest (D) | 07.23 % p.a.         | 07.34 % p.a.         |

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

| <b>Particulars</b>  | <b>For the year ended<br/>March 31, 2024<br/>Rs. in Lakhs</b> | <b>For the year ended<br/>March 31, 2023<br/>Rs. in Lakhs</b> |
|---|---|---|
| Imputed Rate of Interest (IC)   | 07.34 % p.a.  | 07.01 % p.a.  |
| Salary Rise   | 07.00 % p.a.  | 07.00 % p.a.  |
| Return on Plan Assets   | 07.34 % p.a.  | 07.01 % p.a.  |
| Remaining Working Life  | 12.04 Years   | 12.15 Years   |
| <b>B GRATUITY LIABILITY</b>   |   |   |
| <b>1 CHANGES IN PRESENT VALUE OF OBLIGATIONS</b>  |   |   |
| Present value of obligation at the beginning of the year  | 1,438.52  | 1,373.46  |
| Interest Cost   | 99.37   | 89.94   |
| Current Service Cost  | 56.84   | 59.55   |
| Benefit Paid  | (169.38)  | (180.90)  |
| Actuarial Gain/Loss on obligation   | (41.93)   | 96.47   |
| Present value of obligation as on 31st March  | <u>1,383.42</u>   | <u>1,438.52</u>   |
| <b>2 CHANGES IN THE PRESENT VALUE OF PLAN ASSETS</b>  |   |   |
| Fair value of Plan Assets at the beginning of the IVP   | 445.04  | 561.08  |
| Expected Return on Plan Assets  | 26.95   | 33.99   |
| Contribution  | 14.26   | 29.20   |
| Benefit Paid  | (169.98)  | (181.51)  |
| Actuarial Gain/Loss on Plan Assets  | 1.40  | 2.28  |
| Fair value of plan Asset at 31st March  | 317.67  | 445.04  |
| <b>3 REMEASUREMENTS-OTHER COMPREHENSIVE INCOME (OCI)</b>  |   |   |
| Return on Plan Assets (excluding amounts included in Net Interest Expenses)   | 1.40  | 2.28  |
| Actuarial (gain)/Loss arising from Experience Adjustment  | (49.28)   | 120.18  |
| Difference in Present Value of Obligations  | 7.36  | (23.72)   |
| Component of Defined of Benefit Costs recognised in OCI   | (43.32)   | 94.18   |
| <b>4 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT &amp; LOSS</b>  |   |   |
| Current Service Cost  | 56.84   | 59.56   |
| Net Interest Cost   | 72.42   | 55.95   |
| Expenses Recognised in the Statement of Profit & Loss   | 129.26  | 115.51  |
| <b>5 CATEGORY WISE PLAN ASSETS</b>  |   |   |
| Fund at the end of I.V.P. At LIC of India   | 317.67  | 445.04  |
| NOTE :- To match the figures with Actuarial liability as on 31.3.2024 amount of Rs.1.07 Lakhs has been charged to Statement of Profit & Loss (Previous year charged to Statement of Profit & loss Rs.1.11 Lakhs). |   |   |
| <b>6 AMOUNT TO BE RECOGNISED IN THE BALANCE SHEET</b>   |   |   |
| Present value of obligation long term & short term as on 31st March,  | 1,383.42  | 1438.52   |
| **Fair value of Plan Assets at the end of the I.V.P.  | 317.67  | 445.04  |
| Funded Status   | (1,065.75)  | (993.48)  |
| Net Liability arising from Defined Benefit obligation   | 1,065.75  | 993.48  |
| <b>C LEAVE LIABILITY</b>  |   |   |
| <b>1 Present value of obligation at the beginning of the year</b>   | 106.28  | 106.71  |
| Interest Cost   | 3.90  | 3.89  |
| Current Service Cost  | 63.76   | 64.05   |
| Benefit Paid  | (106.36)  | (102.34)  |
| Actuarial Gain/Loss   | 43.22   | 33.97   |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

| Particular   | For the year ended<br>March 31, 2024<br>Rs. in Lakhs | For the year ended<br>March 31, 2023<br>Rs. in Lakhs |
|--|--|--|
| Present value of obligation long term & short term as on 31st March, | 110.79   | 106.28   |
| Net Liability recognized in Balance Sheet as on 31st March           | 110.79   | 106.28   |
| <b>2 EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT &amp; LOSS</b>   |  |  |
| Current Service Cost   | 63.76  | 64.05  |
| Interest Cost  | 3.90   | 3.89   |
| Actuarial (Gain)/Loss recognized in the I.V.P.                       | 43.22  | 33.97  |
| Expenses Recognized in the statement of Profit & Loss                | 110.88   | 101.91   |
| Termination Benefits – Voluntary Retirement Scheme                   |  |  |

NOTE:- To match the figure of actuarial liability as on 31.03.2024 amount Rs.NIL charged to Profit & Loss Account.

**Note No. 30.5**

| Sensitivity                    | As at March 31, 2024<br>Rs. in Lakhs | As at March 31, 2023<br>Rs. in Lakhs |
|--------------------------------|--------------------------------------|--------------------------------------|
| Under based scenario           | 1383.42                              | 1438.52                              |
| Salary escalation (up by 1%)   | 1453.82                              | 1512.44                              |
| Salary escalation (down by 1%) | 1318.67                              | 1370.42                              |
| Withdrawal rates (up by 1%)    | 1319.38                              | 1439.35                              |
| Withdrawal rates (down by 1%)  | 1454.35                              | 1437.56                              |
| Discount rates (up by 1%)      | 1383.91                              | 1371.23                              |
| Discount rates (down by 1%)    | 1382.85                              | 1512.92                              |

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act, 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2023-24

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk. The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute Rs.218.11 Lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation as at 31 March 2024 is 10.5362 years (31 March 2023, 10 years)

The expected maturity analysis of un-discounted defined benefit obligation as at 31 March 2024 is as follows :

(Rs. in Lakhs)

|                                       | Less than<br>a year | Between<br>1-4 years | Between<br>4-9 years | Over<br>9 years | Total   |
|---------------------------------------|---------------------|----------------------|----------------------|-----------------|---------|
| Defined benefit obligation (Gratuity) | 218.11              | 824.32               | 471.87               | 631.65          | 2145.95 |

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2024

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**NOTE 31 : FINANCE COST**

|   |               |               |
|---|---------------|---------------|
| Interest Expenses                                   | 546.32        | 830.28        |
| Interest on Loan with below market rate of interest | (112.36)      | 64.23         |
| Other Borrowing cost                                | -             | 14.73         |
| <b>TOTAL</b>  | <b>433.96</b> | <b>909.24</b> |
| Less:- Interest capitalised                         | -             | -             |
|   | <b>433.96</b> | <b>909.24</b> |

**Note 31.1 : Interest Includes Rs. 206.36 Lakhs paid to Managerial Personnel (Previous Year Rs.194.19 Lakhs)**

**Note 31.2: Interest includes Rs.3.50 Lakhs paid / provided to MSME.**

**Note 31.3: Refer Note No. 39**

**NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSES**

|                                   |               |                 |
|-----------------------------------|---------------|-----------------|
| Depreciation on Tangible Assets   | 998.33        | 1,109.15        |
| Amortization of Intangible Assets | 0.13          | 0.14            |
|                                   | <b>998.46</b> | <b>1,109.29</b> |

**NOTE 33. : OTHER EXPENSES****(A) Manufacturing / Operating Expenses**

|                         |        |        |
|-------------------------|--------|--------|
| Store consumed          | 486.28 | 597.59 |
| Power and Fuel          | 752.92 | 846.26 |
| Packing & Forwarding    | 415.45 | 509.38 |
| Cane & Road Development | 53.37  | 24.69  |

**Repairs:**

|                     |                 |                 |
|---------------------|-----------------|-----------------|
| Plant and machinery | 1,154.50        | 1,002.64        |
| Buildings           | 51.14           | 62.07           |
| Others              | 22.96           | 33.44           |
|                     | <b>1,228.60</b> | <b>1,098.15</b> |

**(B) Administration Expenses**

|                                  |        |        |
|----------------------------------|--------|--------|
| Rent                             | 16.94  | 28.84  |
| Rates & Taxes                    | 47.26  | 49.49  |
| Insurance                        | 36.37  | 27.43  |
| Travelling & Vehicles            | 78.24  | 90.61  |
| Legal & Professional             | 207.14 | 129.16 |
| Postage, Telegram and Telephones | 4.74   | 8.22   |
| Stationery & Printing            | 8.30   | 15.12  |
| Bank Charges                     | 0.91   | 0.68   |
| Subscription and Advertisement   | 13.07  | 8.45   |
| General Charges                  | 50.71  | 45.49  |
| Directors Fee                    | 7.20   | 6.40   |
| Directors Travelling             | 0.94   | 2.28   |
| Charity & Donations              | 0.06   | 2.94   |
| Bad Debts & Claims written off   | 130.38 | 25.23  |
| Fines & Penalties                | 31.59  | 9.35   |



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

|   |     |                               |     |                               |
|---|-----|-------------------------------|-----|-------------------------------|
| Audit Fee   |     | 5.00                          |     | 5.00                          |
| Regulatory Fees   |     | 87.38                         |     | 104.34                        |
| <b>Loss on Sale &amp; Disposal of :</b>                                       |     |                               |     |                               |
| Fixed Assets  |     | -                             |     | -                             |
| Other Assets  |     | 1.85                          |     | 4.34                          |
| Excise Duty/ Export Fees  |     | 42.19                         |     | 20.36                         |
|   |     | <u>770.27</u>                 |     | <u>583.73</u>                 |
| <b>Balance Carried Forward (A)+(B)</b>  |     | <b>3,706.89</b>               |     | <b>3,659.80</b>               |
| <b>(C) Transportation and Selling Expenses</b>                                |     |                               |     |                               |
| Transportation & Selling  |     | 292.24                        |     | 266.48                        |
| Commission on Sales   |     | 129.62                        |     | 136.37                        |
| Commitment charges paid under contractual agreement                           |     | -                             |     | -                             |
| <b>Total Other Expenses- (A)+(B)+(C)</b>                                      |     | <b>4,128.75</b>               |     | <b>4062.65</b>                |
| <b>33.1 Particulars of Spare Parts and components :</b>                       |     |                               |     |                               |
|   |     | <u>% of total consumption</u> |     | <u>% of total consumption</u> |
| i) Indigenous   | 100 | 475.22                        | 100 | 463.72                        |
| ii) Imported  | NIL | NIL                           | NIL | NIL                           |
| <b>33.2 Auditors' Remuneration :</b>  |     |                               |     |                               |
| <b>(I) Statutory Auditors</b>   |     |                               |     |                               |
| a) For Statutory Audit  |     | 5.00                          |     | 5.00                          |
| b) For Quarterly Audit Review Fees  |     | 1.60                          |     | 0.80                          |
| c) For Other Services   |     | 0.15                          |     | 0.15                          |
| d) For Tax Audit Fees   |     | 0.75                          |     | 0.75                          |
|   |     | <u>7.50</u>                   |     | <u>6.70</u>                   |
| <b>(II) Cost Auditor</b>  |     |                               |     |                               |
| a) For cost Audit   |     | 0.50                          |     | 0.50                          |
| b) Out of pocket Expenses (Travelling Expenses)                               |     | 0.10                          |     | 0.26                          |
|   |     | <u>0.60</u>                   |     | <u>0.76</u>                   |
| <b>33.3 Other Information :</b>   |     |                               |     |                               |
| a) Value or imports calculated on CIF basis during the year                   |     | NIL                           |     | NIL                           |
| b) Expenditure in Foreign Currency  |     | NIL                           |     | NIL                           |
| c) Amount remitted during the year in Foreign Exchange on account of Dividend |     | NIL                           |     | NIL                           |
| d) Earning in Foreign Currency  |     | NIL                           |     | NIL                           |

**NOTE 34: CONTINGENT LIABILITIES NOT PROVIDED FOR :**

|  |       |  |       |
|--|-------|--|-------|
| <b>a) In respect of Statutory Liabilities :</b>  |       |  |       |
| i) Subjudice, Sales tax and Entry Tax including interest thereon   | 5.53  |  | 5.53  |
| ii) Subjudice, Excise Duty and penalty thereon   | 5.00  |  | 45.46 |
| iii) Subjudice, In respect of alleged claim of Stamping fee on vats  | 55.42 |  | 55.42 |
| iv) Subjudice, In respect of fixation of Ethanol price   | 41.63 |  | 41.63 |
| <b>b) In respect of Other Liabilities :</b>  |       |  |       |
| i) Alleged claim of interest on arrears of late payment of cane price  | 73.09 |  | 73.09 |
| ii) In respect of labour cases in dispute  | 5.37  |  | -     |
| iii) Bank Guarantees for Rs. 10.00 Lakhs & RS. 17.83 Lakhs in favor of U.P. Pollution Control Board & Reliance Industries Ltd. respectively (Previous year Rs.93.26 Lakhs) |       |  |       |

CONTD.....



- c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.650.96 Lakhs against which advance has been paid Rs.81.84 Lakhs.(Previous year Rs. 5.00 Lakhs).

NOTE :- The above amount in-respect of contingent liabilities represents best estimates arrived at on the basis of available information as the actual liability can not be predicted accurately and Company has relied upon expert legal advise against the such disputed liabilities.

- 35 The interest aggregating to Rs.607.19 Lakhs on delayed payment of sugar cane price for sugar seasons 2011-12 to 2014-15 is due for payment in view of the Supreme Court's order no.35113/2017 dated 23.04.2018.The company is contemplating to file a review petition against above mentioned order of Supreme Court. Therefore, no provision has been made for the above mentioned liability of Rs. 607.19 Lakhs and also for Rs. 19042.96 Lakhs relating to the subsequent financial years 2015-16 to 22-23; to that extent the accounts are not maintained on accrual basis.
- 36 The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has not made provision for this liability for the year ending on 31.03.2015.This matter is pending before Hon'ble High Court, Allahabad by U.P.S.M.A.
- 37 In view of accumulated losses, and uncertainty of future profitability the Board have decided not to make any further provision for Deferred Tax Assets, though not in line with India Accounting Standard-12.
- 38 In absence of balance confirmations from certain creditors, included in Trade payable and other payable,other current liabilities, other non-current & current financial assets, Trade Receivables, the Auditors have relied upon the figures appearing in the books of the Company.
- 39 Interest subvention @ 50 % of rate charged by lenders (subject to maximum of 6 %) by Government of India on loans of Rs. 1640.50 Lakhs availed from banks for distilleries under the "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity". Finance cost shown in note no. 31 is net of interest subvention.
- 40 Other Statutory Information:-
- (i) The Company does not have any transactions with struck off companies.
- (ii) The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period. Read along with note 40(vii).
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall.
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall.
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not raised funds on short term basis which have been utilised for long term purposes.
- (vii) The Company has not been declared willful defaulter by any bank or financial institution or other lender. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 as amended.

- 41 Reconciliation of statement submitted to Bank:-

The Company has obtained working capital limit from District Co.-Operative Bank. The Company has submitted monthly statement to the bank, however there is no material difference in reporting the quantity of stock in bank statement as compare to books of Accounts.

**The diffrence between the value as per books of accounts statement submitted with lenders are given below:**



(Rs. in Lakhs)

| AS ON      | VALUE AS PER STATEMENT<br>SUBMITTED WITH LENDERS | VALUE AS PER BOOKS<br>OF ACCOUNTS | DIFFERENCE |
|------------|--|-----------------------------------|------------|
| 30.04.2023 | 1604.80  | 1593.90                           | 10.90      |
| 31.05.2023 | 1604.80  | 1594.30                           | 10.50      |
| 30.06.2023 | 1604.80  | 1593.85                           | 10.95      |
| 31.07.2023 | 1604.80  | 1594.27                           | 10.53      |
| 31.08.2023 | 1604.80  | 1594.26                           | 10.54      |
| 30.09.2023 | 1604.80  | 1593.83                           | 10.97      |
| 31.10.2023 | 1441.60  | 1431.00                           | 10.60      |
| 30.11.2023 | 0.00   | 0.00                              | 0.00       |
| 31.12.2023 | 0.00   | 0.00                              | 0.00       |
| 31.01.2024 | 0.00   | 0.00                              | 0.00       |
| 29.02.2024 | 0.00   | 0.00                              | 0.00       |
| 31.03.2024 | 0.00   | 0.00                              | 0.00       |

The company had repaid all dues in the month of October- 2023.

42 Income Tax assessments (regular u/s 143(3) have been completed upto the Financial year 2016-2017 (Assessment Year 2017-2018). The Company has gone in appeal against tax demand of certain assessment orders. The Company has been legally advised that in view of expected reliefs, no further provision for income tax liability is required.

43 Trade receivables ageing schedule for the year ended as on March 31, 2024

(Rs. in Lakhs)

| Particulars  | Outstanding for following periods from due date of payment |                 |          |          |                   |        |
|--|--|-----------------|----------|----------|-------------------|--------|
|  | Less than 6 months   | 6 months-1 year | 1-2 year | 2-3 year | More than 3 years | Total  |
| i) Undisputed Trade receivables-considered good      | 593.6  | 0.08            | -        | 1.23     | 0.08              | 594.99 |
| ii) Undisputed Trade receivables-considered doubtful | -  | -               | 22.33    | 1.00     | 15.72             | 39.05  |
| iii) Disputed Trade receivables considered good      | -  | -               | -        | -        | -                 | -      |
| iv) Disputed Trade receivables considered doubtful   | -  | -               | -        | -        | 40.72             | 40.72  |
| v) Provision for bad & doubtful debts                | -  | -               | -        | -        | -                 | 79.77  |

**43.1 Trade receivables ageing schedule for the year ended as on March 31, 2023**

(Rs. in Lakhs)

| Particulars  | Outstanding for following periods from due date of payment |                 |          |          |                   |        |
|--|--|-----------------|----------|----------|-------------------|--------|
|  | Less than 6 months   | 6 months-1 year | 1-2 year | 2-3 year | More than 3 years | Total  |
| i) Undisputed Trade receivables-considered good      | 756.75   | 22.80           | 32.54    | 0.49     | 0.11              | 813.69 |
| ii) Undisputed Trade receivables-considered doubtful | -  | -               | -        | 8.11     | 7.62              | 15.73  |
| iii) Disputed Trade receivables considered good      | -  | -               | -        | -        | -                 | -      |
| iv) Disputed Trade receivables considered doubtful   | -  | -               | -        | -        | 40.72             | 40.72  |
| v) Provision for bad & doubtful debts                | -  | -               | -        | -        | -                 | 56.46  |

CONTD.....



| <b>44. Trade payables ageing schedule for the year ended as on March 31, 2024</b> (Rs. in Lakhs) |  |           |           |                   |          |
|--|--|-----------|-----------|-------------------|----------|
| Particulars  | Outstanding for following periods from due date of payment |           |           |                   |          |
|  | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years | Total    |
| MSME   | 3.43   | 9.86      | 10.58     | 1.08              | 24.96    |
| Others   | 14730.92   | 15160.81  | 16.81     | 382.74            | 30291.29 |
| Disputed dues MSME   | -  | -         | -         | -                 | -        |
| Disputed dues Others   | -  | -         | -         | -                 | -        |

| <b>44.1 Trade payables ageing schedule for the year ended as on March 31, 2023</b> (Rs. in Lakhs) |  |           |           |                   |          |
|---|--|-----------|-----------|-------------------|----------|
| Particulars   | Outstanding for following periods from due date of payment |           |           |                   |          |
|   | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years | Total    |
| MSME  | 12.56  | 2.12      | 1.08      | -                 | 15.76    |
| Others  | 28202.61   | 74.85     | 18.03     | 73.26             | 28368.75 |
| Disputed dues MSME  | -  | -         | -         | -                 | -        |
| Disputed dues Others  | -  | -         | -         | -                 | -        |

| <b>45. Capital-Work-in Progress (CWIP) as on March 31, 2024</b> (Rs. in Lakhs) |                                  |           |           |                   |       |
|--|----------------------------------|-----------|-----------|-------------------|-------|
| Particulars  | Amount of CWIP for the period of |           |           |                   |       |
|  | Less than 1 year                 | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Projects in progress   | -                                | -         | -         | -                 | -     |
| Projects temporarily suspended   | -                                | -         | -         | 38.15             | 38.15 |
| Total  | -                                | -         | -         | 38.15             | 38.15 |

| <b>Capital-Work-in Progress (CWIP) as on March 31, 2023</b> (Rs. in Lakhs) |                                  |           |           |                   |       |
|--|----------------------------------|-----------|-----------|-------------------|-------|
| Particulars  | Amount of CWIP for the period of |           |           |                   |       |
|  | Less than 1 year                 | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Projects in progress   | -                                | -         | -         | -                 | 0     |
| Projects temporarily suspended   | -                                | -         | -         | 38.15             | 38.15 |
| Total  | -                                | -         | -         | 38.15             | 38.15 |

| <b>46. The micro, small and medium enterprises development (MSMED) act, 2006</b> |  |                          | <b>(Rs.in Lakhs)</b>     |  |
|--|--|--------------------------|--------------------------|--|
| Particulats  |  | Year ended March31, 2024 | Year ended March31, 2023 |  |
| a)   | Principal amount and Interest due thereon remaining unpaid to any supplier at the end of accounting year.  | 28.46                    | 16.76                    |  |
| b)   | Interest paid by the Company in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.   | -                        | -                        |  |
| c)   | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act. (no interest claimed therefore not paid) | 4.50                     | 1.00                     |  |

As per our report of even date for BASANT RAM & SONS Chartered Accountants Firm Registration No. 000569N

R.K. NAYAR  
Partner

Membership No. 087112  
Place : New Delhi  
Date : 28 May, 2024

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

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

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

RAJAT LAL  
Managing Director  
(DIN : 00112489)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

Directors :

Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)



|    |  |      |      |
|----|--|------|------|
| d) | The amount of interest accrued and remaining unpaid.   | 4.50 | 1.00 |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | -    | -    |

**NOTE NO. 47 : RATIOS**

The ratios for the year ended March 31, 2024 and March 31, 2023 are as follows :

| <u>Particulars</u>  | <u>FY 2023-24</u> | <u>FY 2022-23</u> | <u>Variance (in %)</u> |
|---|-------------------|-------------------|------------------------|
| 1 Current Ratio = Current Assets / Current Liabilities  | 0.26              | 0.32              | (18.84)                |
| 2 Debt Equity Ratio = Total outside Liability / Shareholder's equity                            | (2.53)            | (2.83)            | 10.80                  |
| 3 Debt Service coverage Ratio = Earnings available for debt service# / Interest + Installments  | 0.25              | (0.37)            | 169.13*                |
| 4 Return on equity (%) = Net Profit after tax – Preference dividend / Equity shareholder's fund | (5.59)            | (19.04)           | 70.64**                |
| 5 Inventory Turnover = Revenue from Operations / Average Inventory                              | 5.23              | 4.07              | 28.66***               |
| 6 Trade Receivable Turnover = Credit Sales / Average receivable                                 | 65.46             | 56.40             | 16.07                  |
| 7 Trade Payable Turnover = Credit Purchase / Average Trade Payable                              | 1.22              | 1.87              | (34.78)****            |
| 8 Net Capital Turnover = Sales / Equity shareholder's fund                                      | (2.81)            | (3.48)            | 19.50                  |
| 9 Net Profit (%) = Net Profit/ EAT / Sale   | (1.99)            | (5.46)            | 63.53*****             |
| 10 Return on Capital employed (%) = EBIT or EBIT (1-T) or PAT + Interest / Capital Employed ##  | (4.36)            | (33.30)           | 86.90**                |
| 11 Return on Investment (%) = Return or Profit on earning / Equity shareholder's fund           | (5.59)            | (19.04)           | 70.64**                |

**Reasons for Variance**

\* Decrease in loss & Interest payment resulted in change in debt coverage ratio.

\*\* Decrease in loss resulted in change in return on equity.

\*\*\* Decrease in average inventory resulted in change in inventory turnover ratio.

\*\*\*\* Decrease in purchase resulted in change in Trade payable turnover ratio.

\*\*\*\*\*Decrease in loss resulted in change in net profit ratio.

# Earnings available for debt service=Net profit before tax+Interest+Depreciation+Non adjustments+loss on sales of assets

## Capital employed = Net worth+borrowings



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

NOTE NO. 48. RELATED PARTIES' DISCLOSURES :

I Relationship

| A Key Management Personnel : (Directors)                         | Designation                            |
|--|--|
| 1. Sh. Rajat Lal   | Managing Director                      |
| 2. Sh. Vivek Viswanathan   | Joint Managing Director                |
| 3. Sh. Rahul Lal   | Joint Managing Director                |
| B Key Management personnel : (Other than Directors)              | Designation                            |
| 1. Mr. G.K. Sharma   | Chief Financial Officer                |
| 2. Mr. A. K. Jain  | Company Secretary                      |
| C Relatives of Key Management Personnel : (Directors)            | Relation with Key Management Personnel |
| 1. Smt. Poonam Lal   | Wife of Shri Rajat Lal                 |
| 2. Ms. Pooja Lal   | Daughter of Shri Rajat Lal             |
| 3. Smt. Radhika Viswanathan Hoon                                 | Sister of Shri Vivek Viswanathan       |
| D Relatives of Key Management Personnel : (Other than Directors) | Designation                            |
| 1. Smt. Leena Sharma   | Wife of Shri G.K. Sharma               |
| 2. Smt. Twinkle Sharma   | Daughter of Shri G.K. Sharma           |
| 3. Mrs. Daizy Jain   | Wife of Shri A.K. Jain                 |
| 4. Ms. Aditi Jain  | Daughter of Shri A.K. Jain             |
| 5. Ms. Avni Jain   | Daughter of Shri A.K. Jain             |
| E Directors  | Designation                            |
| 1. Mr. Tanmay Sharma   | Independent Director                   |
| 2. Mr. Ravi Malhotra   | Independent Director                   |
| 3. Mr. Udit Pat Singhania  | Independent Director                   |
| 4. Mr. Neeraj Gupta  | Non Executive Director                 |

II Transactions of Expense/Income carried out during the year :

|   | Remuneration      | Directors' Fee | Rent Paid    | Interest on Deposits/Loans | Total              |
|---|-------------------|----------------|--------------|----------------------------|--------------------|
|   | Rs. in lakhs      | Rs. in lakhs   | Rs. in lakhs | Rs. in lakhs               | Rs. in lakhs       |
| A Key Management Personnel (Directors)              | 99.92<br>(114.41) | -              | -            | 206.36<br>(194.19)         | 306.28<br>(308.60) |
| B Key Management Personnel (Other than Directors)   | 22.76<br>(18.22)  | -              | -            | -                          | 22.76<br>(18.22)   |
| C Relatives of Key Management Personnel (Directors) | -                 | 0.80<br>(0.80) | 0.00<br>0.00 | 0.00<br>(-)                | 0.80<br>(0.80)     |
| <b>TOTAL A+B+C</b>                                  | <b>122.68</b>     | <b>0.80</b>    | <b>0.00</b>  | <b>206.36</b>              | <b>329.84</b>      |
|   | (132.63)          | (0.80)         | 0.00         | (194.19)                   | (327.62)           |

III Transactions of Loans and Deposits during the year

|  | Opening Balance  |              |              | Closing Balance  |
|--|------------------|--------------|--------------|------------------|
|  | As on 01.04.2023 | Received     | Repaid       | As on 31.03.2024 |
|  | Rs. in lakhs     | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs     |
| <b>Loans</b>                           |                  |              |              |                  |
| - Key Management Personnel (Directors) | 2,101.28         | 206.36       | 51.44        | 2,256.20         |
|  | (1,974.35)       | (194.19)     | (67.26)      | (2,101.28)       |

CONTD.....



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**Note No. 49. Segment Reporting :**

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

**SEGMENT INFORMATION-BUSINESS SEGMENT :**

| Particulars   | Sugar               | Alcohol             | Total               |
|---|---------------------|---------------------|---------------------|
|   | Amount Rs. In Lakhs | Amount Rs. In Lakhs | Amount Rs. In Lakhs |
| -Segment Revenue including Excise Duty External Revenue                     | 40,396.68           | 9,739.63            | 50,136.31           |
|   | (43,735.72)         | (11,503.30)         | (55,239.02)         |
| Inter-segment   | 3,920.88            | -                   | 3,920.88            |
|   | (5,767.39)          | (-)                 | (5,767.39)          |
| <b>Total</b>  | <b>44,317.56</b>    | <b>9,739.63</b>     | <b>46,215.43</b>    |
|   | (37,968.33)         | (11,503.30)         | (49,471.63)         |
| -Segment Result before interest & tax and exceptional item - Profit/Loss(-) | 505.00              | (722.51)            | (217.51)            |
|   | (1,794.20)          | (-)(54.12)          | (1,848.32)          |
| Less : Unallocated expenses (Net of Unallocable Income)                     |                     |                     | 267.21              |
|   |                     |                     | (204.63)            |
| Less : Finance Charge   |                     |                     | 433.96              |
|   |                     |                     | (909.24)            |
| Profit/(Loss) (-) before tax & exceptional item                             |                     |                     | (918.67)            |
|   |                     |                     | (-)(2962.20)        |
| Add : Exceptional Item  |                     |                     | -                   |
|   |                     |                     | (-)                 |
| Profit/(Loss) (-) before tax  |                     |                     | (918.67)            |
|   |                     |                     | (-)(2962.20)        |
| - Segment Assets  | 65,423.05           | 34,887.71           | 1,00,310.76         |
|   | (42,065.26)         | (23,594.62)         | (65,659.88)         |
| Unallocated Assets  |                     |                     | 7,143.80            |
|   |                     |                     | (7,436.25)          |
| <b>Total Assets</b>   |                     |                     | <b>1,07,454.56</b>  |
|   |                     |                     | (73,096.13)         |
| - Segment Liabilities   | 35,482.15           | 3,437.20            | 38,919.35           |
|   | (37,594.38)         | (4,070.43)          | (41,664.81)         |
| Unallocated Liabilities   |                     |                     | 2,629.09            |
|   |                     |                     | (2,431.39)          |
| <b>Total Liabilities</b>  |                     |                     | <b>41,548.44</b>    |
|   |                     |                     | (44,096.20)         |
| Segment Capital Expenditure   | 87.08               | 11.53               | 98.61               |
|   | (114.28)            | (153.28)            | (267.56)            |
| Unallocated Capital Expenditure   |                     |                     | -                   |
|   |                     |                     | (1.18)              |
| <b>Total Capital Expenditure</b>  |                     |                     | <b>98.61</b>        |
|   |                     |                     | (268.74)            |
| - Segment Depreciation  | 277.10              | 711.42              | 988.52              |
|   | (302.92)            | (792.96)            | (1,095.38)          |
| Unallocated Depreciation  |                     |                     | 9.94                |
|   |                     |                     | (13.92)             |
| <b>Total Depreciation</b>   |                     |                     | <b>998.46</b>       |
|   |                     |                     | (1,109.30)          |

49.1 The Company caters only Indian markets.

49.2 Operating segments have been identified on the basis of the nature of products and have been identified as per the quantitative criteria specified in the Ind AS 108.

49.3 The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

49.4 Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

49.5 Unallocated Assets include Deferred Tax Assets includes Rs. 6881.11 Lakhs. (Previous year Rs. 6881.11 Lakhs).

49.6 Segment Assets includes Revaluation Surplus on Land includes Rs.82340.69 Lakhs. (Previous year Rs.44559.14 Lakhs).

49.7 Figures in ( ) denote Previous year figures.

As per our report of even date  
for BASANT RAM & SONS  
Chartered Accountants  
Firm Registration No. 000569N

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

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

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

Directors :

Ravi Malhotra (DIN : 08811471)

Tanmay Sharma (DIN : 08811485)

Udit Pat Singhania (DIN : 07984594)

Radhika Viswanathan

Hoon (DIN : 06436444)

Neeraj Gupta (DIN : 00317395)

R.K. NAYAR  
Partner  
Membership No. 087112  
Place : New Delhi  
Date : 28 May, 2024

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

RAJAT LAL  
Managing Director  
(DIN : 00112489)





**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended March 31, 2024**

**Note No. 50. Financial Risk Management**

The Company’s activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

**A. Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company’s large and diverse customer base. Company has also taken advances and security deposits from its customers/agents, which mitigate the credit risk to an extent. The ageing of trade receivable is given below:

|                        | <b>Up to 12 months</b> | <b>More than 12 months</b> | <b>Total Amount (Rs.in Lakhs)</b> |
|------------------------|------------------------|----------------------------|-----------------------------------|
| As at 31st March, 2024 | 593.68                 | 1.31                       | 594.99                            |
| As at 31st March, 2023 | 779.56                 | 34.14                      | 813.70                            |

**Reconciliation of loss allowance provision**

Following table summaries the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

**(Rs.in Lakhs)**

| <b>Particulars</b>                                 | <b>Rs.</b>    |
|--|---------------|
| As at April 01, 2023                               | 56.45         |
| Provided during the year                           | 23.34         |
| Reversal of provision                              | -             |
| Amounts written off                                | (79.79)       |
| <b>As at March 31, 2024</b>                        | <b>0.00</b>   |
| <b>Other financial assets as on March 31, 2024</b> |               |
| As at April 01, 2023                               | 479.06        |
| Provided during the year                           | 113.65        |
| Reversal of provision                              | -             |
| Amounts written off                                | -             |
| <b>As at March 31, 2024</b>                        | <b>592.71</b> |
| <b>Other financial assets as on March 31, 2023</b> |               |
| <b>As at April 01, 2022</b>                        | <b>454.06</b> |
| Provided during the year                           | 25.00         |
| Reversal of provision                              | -             |
| As at March 31, 2023                               | 479.06        |

Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Term deposits are maintained with banks with which Company has also availed borrowings

**B Liquidity risk :**

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. in Lakhs)

| <b>Particulars</b> | <b>As at March 31st, 2024</b> |                  |                    |                            |              |
|--------------------|-------------------------------|------------------|--------------------|----------------------------|--------------|
|                    | <b>Carrying amount</b>        | <b>On demand</b> | <b>0-12 months</b> | <b>More than 12 months</b> | <b>Total</b> |
| Borrowings         | 5284.93                       | 2256.20          | 1363.47            | 1665.26                    | 5284.93      |
| Trade Payables     | 30316.25                      | 14734.35         | 15170.68           | 411.22                     | 30316.25     |

CONTD.....



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

|                              |                               |                  |                    |                            |                 |
|------------------------------|-------------------------------|------------------|--------------------|----------------------------|-----------------|
| Other financials liabilities | 3068.51                       | -                | -                  | -                          | 3068.51         |
| <b>TOTAL</b>                 | <b>38669.69</b>               | <b>16990.55</b>  | <b>16534.15</b>    | <b>2076.48</b>             | <b>38669.69</b> |
| <b>Particulars</b>           | <b>As at March 31st, 2023</b> |                  |                    |                            |                 |
|                              | <b>Carrying amount</b>        | <b>On demand</b> | <b>0-12 months</b> | <b>More than 12 months</b> | <b>Total</b>    |
| Borrowings                   | 9188.18                       | 3694.10          | 2249.05            | 3245.03                    | 9188.18         |
| Trade Payables               | 28384.51                      | 28215.17         | 76.97              | 92.37                      | 28384.51        |
| Other financials liabilities | 6318.29                       | -                | -                  | -                          | 6318.29         |
| <b>TOTAL</b>                 | <b>43890.98</b>               | <b>31909.27</b>  | <b>2326.02</b>     | <b>3337.40</b>             | <b>43890.98</b> |

**C. Fair value of financial assets and financial liabilities**

Financial instruments measured at fair value can be divided into three levels for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:-

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed credit worthiness.
- Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.
- Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.
- Ind AS 101 allow Company to fair value Property, Plant and Equipment on transition. Company has valued property, plant and equipment as deemed cost.
  - Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements:

(Rs. in Lakhs)

| Particulars                                    | As at March 31st, 2024 |                |               |                |
|--|------------------------|----------------|---------------|----------------|
|  | Carrying amount        | Level 1        | Level 2       | Level 3        |
| <b>Financial assets at amortised cost</b>      |                        |                |               |                |
| Trade receivables                              | 594.99                 |                |               |                |
| Cash and cash equivalents                      | 396.75                 |                |               |                |
| Bank balances                                  | 64.85                  |                |               |                |
| Loan-current                                   | 0.50                   |                |               |                |
| Other financial assets- non current            | 270.18                 |                | 270.18        |                |
| <b>Total</b>                                   | <b>1327.27</b>         | <b>0.00</b>    | <b>270.18</b> | <b>0.00</b>    |
| <b>Financial Liabilities at amortised cost</b> |                        |                |               |                |
| Borrowings - non current                       | 1630.82                |                |               | 1630.82        |
| Borrowings - current                           | 3654.11                | 3654.11        |               |                |
| Trade Payables                                 | 30316.25               |                |               |                |
| Other financial liabilities- current           | 3068.51                |                |               |                |
| <b>Total</b>                                   | <b>38669.69</b>        | <b>3654.11</b> | <b>0.00</b>   | <b>1630.82</b> |



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

ii) (Rs. in Lakhs)

| Particulars                                    | As at March 31st, 2023 |                |               |                |
|--|------------------------|----------------|---------------|----------------|
|  | Carrying amount        | Level 1        | Level 2       | Level 3        |
| Financial assets at amortised cost             |                        |                |               |                |
| Trade receivables                              | 813.69                 |                |               |                |
| Cash and cash equivalents                      | 193.52                 |                |               |                |
| Bank balances                                  | 118.21                 |                |               |                |
| Loan-current                                   | 0.50                   |                |               |                |
| Other financial assets- non current            | 164.79                 |                | 164.79        |                |
| <b>Total</b>                                   | <b>1290.71</b>         | <b>0.00</b>    | <b>164.79</b> | <b>0.00</b>    |
| <b>Financial Liabilities at amortised cost</b> |                        |                |               |                |
| Borrowings - non current                       | 3245.04                |                |               | 3245.04        |
| Borrowings - current                           | 5943.14                | 5943.14        |               |                |
| Trade Payables                                 | 28384.51               |                |               |                |
| Other financial liabilities- current           | 6318.29                |                |               |                |
| <b>Total</b>                                   | <b>43890.98</b>        | <b>5943.14</b> | <b>0.00</b>   | <b>3245.04</b> |

Note :- During the year ended 31st March 2024 & 31st March 2023 there is no transfer between the Level 1 and Level 2

**NOTE NO.51. CAPITAL MANAGEMENT**

There has not been any change in its objectives, policies and processes for managing capital from previous year. The Company is not subject to any externally imposed capital requirements.

| Particulars  | As At<br>31.03.2024<br>Rs. in Lakhs | As At<br>31.03.2023<br>Rs. in Lakhs | Change<br>In % |
|--|-------------------------------------|-------------------------------------|----------------|
| Total equity attributable to equity shareholders                                   | (16,959.56)                         | (16,084.21)                         | (5.44)         |
| Borrowings   | 5284.93                             | 9188.18                             | 42.48          |
| <b>Total Capital</b>   | <b>(11,674.63)</b>                  | <b>(6,896.03)</b>                   | <b>37.04</b>   |
| Total equity attributable to equity shareholders<br>As percentage of Total Capital | 1.45                                | 2.33                                |                |
| Total Borrowing as percentage of Total Capital                                     | (0.45)                              | (1.33)                              |                |

**NOTE NO.52. MARKET RISK**

The Company is exposed to the risk of movements in interest rates, inventory price that affects its assets, liabilities and future transactions.

**i) Interest rate risk**

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. The Company's borrowings are linked to base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

(Rs.in Lakhs)

| Particulars  | As at<br>31st, March 2024 | As at<br>31st, March 2023 |
|--|---------------------------|---------------------------|
| Total debt as at the end of the year                                 | 5284.93                   | 9188.18                   |
| Average annual utilisation of debts at floating rate of interest (%) | 97%                       | 97%                       |
| Average availment of borrowings at floating rate of interest         | 5126.38                   | 8912.53                   |
| Impact of 1% interest rate variation                                 | 51.26                     | 89.13                     |

CONTD.....



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

## ii) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant in given in table below:

(Rs.in Lakhs)

| Particulars                                     | As at<br>31st, March 2024 | As at<br>31st, March 2023 |
|---|---------------------------|---------------------------|
| Sugar inventory held (Qtl. In Lakhs)            | 1.47                      | 1.97                      |
| Impact of sugar price variation by Rs. 100/Qtl. | 146.59                    | 196.71                    |

## iii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and State governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy. However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risks are moderated by not eliminated.

## iv) Commodity price risk

Sugar prices are market driven and sugar industry being cyclical in nature, realizations get adversely affected during downturn Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by products.

| NOTE NO.53. Report on Title Deeds of Immovable Property not held in name of the Company |                                     |                |  |   |  |                                |   |
|---|-------------------------------------|----------------|--|---|--|--------------------------------|---|
| Relevant line item in the Balance Sheet   | Description of the item of property |                | Gross Carrying value. Revalued Amount as on 31.03.2024 | Title deeds held in the name of Company | Whether title deed holder is a promoter, director or relatives # of promoter*/ director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company  |
| Land  | Khasra No.                          | Area (in Sqm.) | * 8388.48 Lakhs (Revalued amount)                      | No.                                     | No.  | 10/04/43                       | Lease Agreement with shivalya Thakurdwar a Jasanwala on 10.04.1943 for 58 Yrs. Land under litigation.             |
| 2270<br>2271  | 2050<br>6150                        |                |  |   |  |                                |   |
| 2286  | 820                                 |                |  | No.                                     | No.  | 25/08/44                       | Lease Agreement with Puran Chand & others with Co. on 25.08.1541 dt. 30.06.2002. Land in possession of the co.no. |
| 2252  | 20707.25                            |                |  | No.                                     | No.  |                                | Lease Agreement with SS Light rly.Co. become the owner of the property on the basis of Court Order.               |

\* The cost of Lease hold land is NIL in the books, however during the year such land has been revalued and revalued amount has been given as above. The title deed of above said land is not in favour of the company, however the same is in the possession of the company.



**NOTE NO. 54**

With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail feature throughout the year for transactions impacting books of accounts. While the circular dated 24 March 2021 laid out the requirement for management to enable the audit trail feature. We are maintaining the Audit Trail accordingly. However, there is need to upgrade and update so that each entry recording in books of accounts shown in Audit Trail transparently and in any instance of the audit trail feature being not tempered. The feature of recording audit trail(edit log) facility was not enabled at the database level to log and direct data changes for the accounting software's used for maintaining the books of account relating to payroll, consolidation process and certain no-editable fields/tables of the account software used for maintaining general ledger.

**NOTE NO. 55.**

“The net worth of the company has since been eroded on account of operational losses, incurred by the company upto the F.Y. 2014-15, which was basically on account of low recovery of sugar from sugarcane. Whereas on account of improvement in the sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. The company has also reported profit during the year ending on 31.03.2020 Rs.384.91 Lakhs as compare to loss Rs. 1410.62 Lakhs during the year ending on 31.03.2021. The company is continuously striving for improvement in the operational efficiencies in other parameters. The company continue to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, reduction of over heads, finance and other cost. During the financial year 2023-24 the Company has substantial decrease in loss due to increase of recovery of sugar from sugar cane & improvement in sugar price. The Government has taken different measures to improve the financial health of Sugar industry to fix obligation for export of sugar (MIEQ-minimum indicative export quota) to reduce sugar availability, fixation of minimum support price(MSP) for sugar. Also, the Government has put a great thrust on promoting ethanol production and has planned to increase the ethanol blending in petrol upto 20 % by 2025. Ethanol will turn around the economic dynamics of the sugar industry positively. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. As such the company will remain as a going concern and is likely to pay it's liabilities including cane dues from expected generation of cash flow. However the accumulated losses of the company as at 31.03.2024 were Rs.16959.56 Lakhs (excluding revaluation reserve) as against the paid up capital of Rs. 525.00 Lakhs”

**NOTE NO.56.**

Events after reporting date:-

There have been no events after the reporting date that required disclosure in stand alone financial statements.

**NOTE NO.57**

The financial statements were approved for issue by the Board of Directors, at its meeting held on 28.05.2024.

**NOTE NO.58.**

Certain previous year figures have been rearranged to make them comparable with current figures.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

**NOTE NO. 59: STATEMENT OF CASH FLOW**

|  | <b>For the<br/>year ended<br/>March 31, 2024<br/>(Rs. in Lakhs)</b> | <b>For the<br/>year ended<br/>March 31, 2023<br/>(Rs. in Lakhs)</b> |
|--|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                                |   |   |
| Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account | (918.67)  | (2,962.19)  |
| Adjustments for :  |   |   |
| Depreciation   | 998.46  | 1,109.29  |
| Interest (Net)   | 421.78  | 853.95  |
| Bad debts & claims written off (Net)   | 130.38  | 25.23   |
| (Profit)/Loss on sale & Disposal of Fixed Assets (Net)                         | (9.39)  | (1.87)  |
| Unclaimed Credit Balances Written Back   | 1.85  | 4.34  |
| Stores Written off   |   |   |
| Operating Profit before working capital changes                                | 624.41  | (971.25)  |
| Adjustment for :   |   |   |
| Trade and other receivables  | 420.75  | 98.53   |
| Inventories  | 2,216.16  | 6,693.16  |
| Trade Payables   | 1,563.90  | 78.22   |
| Cash generated from operations   | 4,825.22  | 5,898.66  |
| Interest paid  | (110.97)  | (382.35)  |
| Direct tax paid (Net)  | 35.80   | 0.30  |
| Net Cash from operating activities   | 4,750.05  | 5,516.61  |
| <b>B. CASH FROM INVESTING ACTIVITIES :</b>                                     |   |   |
| Purchase of fixed assets (including Intangible Assets)                         | (98.61)   | (260.97)  |
| Capital Advance  | (76.84)   | 53.01   |
| Sale/Written off of fixed assets (Net)   | 10.35   | 7.10  |
| Interest received  | 9.62  | 41.10   |
| Net Cash used in investing activities  | (155.48)  | (159.76)  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                 |   |   |
| Proceeds from fixed Deposit/Directors Loan                                     | 154.92  | 126.93  |
| Proceeds from Term Loan/Repayment of Finance Liability                         | (4,058.17)  | (5,427.78)  |
| Interest paid  | (488.09)  | (583.20)  |
| Net Cash used in Financing Activities  | (4,391.34)  | (5,884.05)  |
| Net increase in Cash and Cash equivalents                                      | 203.23  | (527.20)  |
| Opening balance of Cash and Cash equivalents                                   | 193.52  | 720.72  |
| Closing balance of Cash and Cash equivalents                                   | 396.75  | 193.52  |

Note : Figures in ( ) denote Cash Outgo

As per our report of even date  
for BASANT RAM & SONS  
Chartered Accountants  
Firm Registration No. 000569N

R.K. NAYAR  
Partner  
Membership No. 087112  
Place : New Delhi  
Date : 28 May, 2024

G.K. SHARMA  
Chief Financial Officer  
(PAN BKTSP8501G)

VIVEK VISWANATHAN  
Joint Managing Director  
(DIN : 00141053)

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

RAJAT LAL  
Managing Director  
(DIN : 00112489)

RAHUL LAL  
Joint Managing Director  
(DIN : 06575738)

Directors :

Ravi Malhotra (DIN : 08811471)  
Tanmay Sharma (DIN : 08811485)  
Udit Pat Singhania (DIN : 07984594)  
Radhika Viswanathan  
Hoon (DIN : 06436444)  
Neeraj Gupta (DIN : 00317395)