

किच्छा शुगर कम्पनी लि.,
(उत्तराखण्ड सरकार का प्रतिष्ठान)
पंजीकृत कार्यालय-किच्छा-263148(पू.उ.रे.)
जिला-रुधम सिंह नगर (उत्तराखण्ड)



KICHHA SUGAR CO. LTD.
(A Uttarakhand Govt. Undertaking)
Regd. Office : Kichha-263148(N.E.R.)
Distt. Udham Singh Nagar (Uttarakhand)

CIN: U15421UR19725GCC003513 GSTIN: 05AABCK6699R1ZL
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DIRECTOR'S REPORT

To,
The Members,
Kichha Sugar Company Limited

Your directors are pleased in presenting their 50th Directors Report on the business and operations of your Company together with the Audited Balance Sheet, Profit & Loss Account, Cash Flow statement and the Auditors' Report of your Company for the financial year ended, 31st March, 2022.

The summarized financial results for the year ended 31st March, 2022 are as under: -

FINANCIAL SUMMARY (STANDALONE)

PARTICULARS	CURRENT YEAR (2021-22)	PREVIOUS YEAR (2020-21)
Total Revenue	221,84,22,705	154,12,59,571
Total Expenses excluding Depreciation	261,44,97,488	219,21,09,028
Profit/(Loss) before Depreciation & Tax	(39,60,74,783)	(65,08,49,457)
Less:- Depreciation	36,21,242	46,04,944
Profit/ (Loss) after Depreciation	(39,96,96,025)	(65,54,54,401)
Less: i) Exceptional Items	1,49,884	(79,86,830)
ii) Extraordinary items	60,24,83,750	48,09,80,000
Profit/(Loss) before tax	20,26,37,841	(16,64,87,571)

INDUSTRY SCENARIO AND STATE OF COMPANY'S AFFAIRS

The performance of your Company during F.Y 2021-22 is given above. The financials incorporate the revenues generated by the sale of products.

The Company has closed its books of Accounts for the financial year ended 31st of March, 2022 with a profit of Rs. 20,26,37,841/- (Rupees Twenty Crore Twenty-Six Lacs Thirty-Seven Thousand Eight Hundred Forty-One Only) as compared to the loss of Rs. 16,64,87,571/- (Rupees Sixteen Crore Sixty-Four Lacs Eighty-Seven Thousand Five Hundred Seventy-One Only) for the year ended 31st of March, 2021.

Your Company is involved in the business of manufacturing and trading of Sugar and its by-products like molasses, bagasse, press-muds etc.

The Board of Directors has put in lots of efforts on minimizing costs & expenses and trying their best to run the mill at their higher capacity. Your directors are determined to achieve the organizational goals and are continuously striving hard to explore different avenues of further growth for the company. Your directors expect to achieve good results in the coming future.

Your directors are continuously looking for avenues for future growth of the Company, which is promising and has vast potential.

CHANGE IN THE NATURE OF BUSINESS

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

OPERATING RESULTS

Comparative operating results for the last 10 seasons are given below:

Season	Duration (gross days)	Cane crushed (lac qtl)	Total Sugar Production (in qtl)	Pol %	Average Sugar recovery cane(%)	Sugar losses % cane
2011-12	117	34.25	328100	11.64	9.47	2.18
2012-13	120	36.57	337437	11.29	9.17	2.13
2013-14	104	31.80	280480	10.74	8.64	2.11
2014-15	113	36.59	341320	11.29	9.24	2.06
2015-16	101	31.30	303730	11.69	9.63	2.07
2016-17	104	32.47	325150	11.96	9.93	2.03
2017-18	141	44.21	454053	12.33	10.22	2.11
2018-19	144	41.49	443425	12.74	10.70	2.04
2019-20	159	45.59	478283	12.63	10.49	2.15
2020-21	143	39.73	426490	12.74	10.73	2.02
2021-22	131	39.17	405761	12.29	10.36	1.94

Season	Total Hrs. lost % available	Cane crushing in 24 hrs. including stoppage (qtl)	Cane crushed in 24 Hrs. excluding stoppage (Qtl)	Cane crushed in 22 Hrs. excluding stoppage (Qtl)	Capacity utilization %
2011-12	14.37	29600	34567	31686	74.00
2012-13	10.25	30692	34200	31350	76.73
2013-14	11.72	30750	34834	31932	76.88
2014-15	7.00	32385	34980	32101	81.32
2015-16	8.70	30991	33886	31062	78.80
2016-17	8.03	31221	33823	31004	79.51
2017-18	9.85	31354	35042	32122	78.95
2018-19	15.60	28810	34286	31428	72.03
2019-20	20.19	28957	36280	33256	72.39
2020-21	16.20	28025	33443	30656	70.06
2021-22	15.25	30309	35762	32782	74.76

CANE MANAGEMENT

Daily crushing capacity of your mill is 4000 TCD/Actual 3600 TCD for which 50 lac qtls. sugarcane is required, while 39.17 lac qtls. cane was received during the crushing season 2021-22. We expect that 45.00 lac qtls. sugarcane will be available in the next crushing season 2022-23, our plan to cover the shortage of cane, by promoting cane development and extra Satta plan in the reserved area of the mill. Cane Growers who are engaged in farming but not member of Cane Society, are being made member.

CANE DEVELOPMENT

Keeping in view the betterment of cane growers of reserved areas, your Company has always been contributing to the plans of cane development initiated by the Cane Deptt. of State Government. Early & developed variety of cane is being increased.

In relation to this, your factory has contributed in following Cane Development Plans: -

A. REPLACEMENT OF CANE SEED VARIETY:

1. Under varietal replacement, during winter & summer sowing early variety cane is used.
 2. 100% transportation charges are born by the Company on cane seed procured from Cane seed research centers.
 3. 15% Subsidy is being paid by the Company on pesticides used for cane crop seed & land treatment.
 4. Cane Seed transported from 'Karnal' (Haryana) and 'Faridkot' (Punjab) out of State where Cane Research Centre are established & best quality of cane seed is being distributed to growers through the Cane Development Council.
 5. Rate difference of cane seed from Research Centre & cane price declared by the Govt., is born by the factory.
 6. The facility of Press mud is extended to cane growers on concessional rates.
 7. Special incentive on cane sowing: -An incentive in the form of internal transportation charges is provided to cane growers to increase Early Variety Cane sowing for sowing of Early Variety of cane i.e., COJ 85, CO 0239, 0118, 15023, COS-13235, COLK 14201, COPb-95 and 96.
 8. Soil Testing facility is being made available to the growers with the help of Cane Development Council.
- B. The cane growers are being initiated for using of Trench system, cane sowing at a distance of 4-5' for achieving better farming activities, Excess production per Hect. & Better recovery percentage. Under this system, enough cane sowing is made during the last year & a plan is being made about sowing of cane in most of the agricultural area by adopting this system.

C. ESTABLISHMENT OF CANE SEED FARM AT FACTORY SITE:

A small farm of 12,000 Hect. in mill campus has been developed to multiply the approved varieties of cane brought from Cane Research Centres. During the year, Co- 15023 variety is sowed in the Farm.

Our plan is to produce & distribute the following early variety cane seeds to the cane growers: -

Co. P.B. 95, 96, 98, Co. 118, 239, 12029, 13035, 15023, Co. L.K. 11203, 14201 and Cos. 13235.

DIVIDEND

The directors feel regret to report that, due to accumulated losses your directors do not recommend any dividend for the financial year ended March 31, 2022.

CAPITAL STRUCTURE

During the year under review there has been no changes in the share capital of the company.

Authorized Share Capital:

Authorized Share Capital of your Company remained Rs. 2030.00 Lacs comprising of 3000-9% (Free of Company's Tax but subject to deduction of Tax at source) redeemable cumulative Preference Shares of the face value of Rs. 1000/- each and 20,00,000 Equity Shares of the face value of Rs. 100/- each.

Issued Share Capital:

Issued Share Capital of your Company remained Rs. 18,40,63,500 & divided into 18,40,635 Equity Shares of face value of Rs. 100/- each.

Subscribed Share Capital:

Subscribed Share Capital of your Company remained Rs. 17,99,04,200/- and divided into 17,99,042 Equity Shares of face value of Rs. 100/- each.

Paid up Share Capital:

Paid up share capital of your Company also remained Rs. 17,98,64,300/- and divided into 17,98,643 Equity Share of face value of Rs. 100/- each.

During the Financial Year, 97.49% of Share Capital of your company continued to be held by Hon'ble Governor of Uttarakhand. As such, the Company continued to be a Government Company within the meaning of Section 394 of The Companies Act, 2013.

ENVIRONMENTAL PROTECTION

Your factory has adequate environmental protection arrangement. According to norms of Environment Control Board, we have installed Wet Scrubber, Tertiary Treatment Plant & online monitoring system with the Govt. financial assistance of Rs. 3.07 crore. The system successfully operated during the crushing season 2016-17 to 2021-22.

Factory is running in such a manner that no noise arises of such a nature which adversely affect inside the factory & also factory colony or public life.

RIGHT TO INFORMATION ACT, 2005

Provision of RTI Act is being followed by the Company. During the year under review, Company has received applications under RTI Act and all applications received, have been disposed off as at 31.03.22.

INDUSTRIAL RELATIONS

During the year 2020-21, relations between management & workers remained cordial and harmonious, resulting in successful completion of crushing season.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The day-to-day management of the Company is entrusted to its key managerial personnel who operate under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the Management to ensure that the long-term objective of enhancing stakeholder's value is met.

Your Company's Board comprises of the following Directors and KMP's:

S.No.	Name	Designation	DIN / PAN
1.	Shri Vijay Kumar Yadav	Chairman	09462188
2.	Shri Udayraj Singh	Nominee Director	07205715
3.	Shri Trilok Singh	Whole-Time Director (Executive Director)	09311718
4.	Shri Sanjay Kumar Pandey	Chief Financial Officer	AUSPP4490R
5.	Shri Saurabh Gupta	Company Secretary	BFZPG3786A

Following changes have occurred during the Financial year 2021-2022 in Board of Directors and KMP's :-

1. Cessation of Shri Chandresh Kumar Yadav - Chairman -cum-Director w.e.f 31/07/2021
2. Appointment of Shri Udayraj Singh - Nominee Director w.e.f 16/08/2021
3. Cessation of Smt. Ruchi Mohan Rayal -Executive Director w.e.f. 24/08/2021

4. Appointment of Shri Trilok Singh Martolia -Wholetime director (Executive Director) w.e.f 24/08/2021
5. Appointment of Shri Harbans Singh Chugh as Chairman -cum-Director w.e.f 10/09/2021
6. Change in designation of Shri Ravikant Seth from Additional director to Director w.e.f 27/11/2021
7. Cessation of Shri Harbans Singh Chugh w.e.f 22/12/2021
8. Appointment of Shri Vijay Kumar Yadav as Chairman -cum-Director w.e.f 07/01/2022

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company met '2' times during the year under review on 01.11.2021, and 25.02.2022 in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the minute's book kept by the Company for the purpose. The intervening period between two Board Meetings till 01.11.2021 were not within the maximum time gap of One Hundred twenty days and additional Sixty days extension granted (vide Ministry of Corporate Affairs General Circular No. 08/2021 dated 03.05.2021) due to resurgence of Covid-19 pandemic. But after that board make all of its efforts to meet together and in this regard proper notices were despatched to convene a Board meeting on 09.08.2022 but suddenly due to orders issued by Uttarakhand Government relating to transfer of Secretary, Cane Development & Sugar Industries being Chairman of the Company the newly nominated Chairman has not taken charge at that moment, so the board meeting has been postponed for further availability of Chairman of the Company.

During that period, Uttarakhand Govt. vide another order 477/XXX-1-2021 dated 27 August, 2021 has nominated Shri Harbans Singh Chugh as Secretary, Cane Development & Sugar Industries Department. Since Secretary, Cane Development & Sugar Industries and Chairman of the Company being the same person Shri Harbans Singh Chugh appointed as Chairman of the Company w.e.f 10th September, 2021. After that, board decided to hold a board meeting on 27th September, 2021 and in this regard notice for board meeting has been issued. But due to busy schedule of both Secretary and Addl. Secretary of Cane Development & Sugar Industries, meeting has been postponed for a further date. Finally, the meeting has been held on 01st of November, 2021.

INDEPENDENT DIRECTORS

As per Section 149(4) your Company is required to appoint at least 2 nos. of independent directors in the Board. Now your company do not have any independent director in the Board. Your company striving hard to put this matter in the agenda of Board meeting so that proper appointments will be made. This matter is continuously being made part of every board meeting held on or after 23rd February, 2021 and after going through all the rules and regulations made in this regard board at its meeting held on 23rd August, 2022 has decided to issue offer letter to eligible chartered accountants in Kumaun & Garhwal region who has passed the independent directors' examination or exempted from that. As per Board direction offer letter to Six eligible persons has been issued for seeking their consent and decide their sitting fees. After receiving their consent Board will appoint atleast two independent directors out of them subject to the approval of members in ensuing general meeting.

COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

For effective and efficient functioning of the Company, the Board of Directors has constituted the following Committees:

1) Audit Committee:-

Your company is a government company and due to this some of the provisions of Section 177 of the Companies Act, 2013 are not applicable to your Company. Further, due to lack of appointment of independent directors in the board it was not possible for the company to constitute Audit committee.

2) Nomination and Remuneration Committee:-

As already discussed, your company is a government company and due to MCA notification dated 05th June, 2015 some of the provisions of Section 178 are not applicable to your company. The Company considers human resources as its invaluable assets. Your company has not constituted Nomination and remuneration Committee in terms of the provisions of the Companies Act, 2013 due to lack of independent directors in the board.

MEETINGS OF THE MEMBERS

The 49th Annual General Meeting of the Company for the financial year 2020-21 was held on Saturday, 27th November, 2021 at 12:00 P.M. at the registered office of the Company at Kichha, Udham Singh Nagar, Uttarakhand - 263148.

PARTICULARS OF THE EXTRA-ORDINARY GENERAL MEETING OF THE COMPANY HELD DURING THE YEAR

During the year under review no Extra-ordinary general meeting has been held.

COST AUDIT

The Directors have appointed M/s. Satnam Singh Saggi, Cost Accountant as the Cost Auditors to audit the accounts relating to manufacturing of Sugar for the financial year ending March 31, 2022.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, there are no particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013

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

After the Closure of Financial year and before the signing of this report, following changes have occurred in the board: -

1. Cessation of Shri Dinesh Chandra Pandey - Chief Financial Officer w.e.f 25/04/2022
2. Appointment of Shri Praveen Jaiswal - Chief Financial Officer w.e.f 26/04/2022
3. Cessation of Shri Ravikant Seth - Director w.e.f 23/08/2022
4. Cessation of Shri Praveen Jaiswal - Chief Financial Officer w.e.f 23/08/2022
5. Appointment of Shri Sanjay Kumar Pandey - Chief Financial Officer w.e.f 24/08/2022

Except that there has not been any material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

PARTICULARS OF CONTRACTS OR ARRANGMENTS MADE WITH THE RELATED PARTIES

Company has not entered into any related party transaction which is to be covered under Section 188 of the Companies Act, 2013.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

As the paid share capital of your Company is less than Rs. 25 Crore, the Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance, its Director's and that of its Committees is not applicable on your Company.

DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

None of the employee of your Company, who was employed throughout the financial year, was in receipt of remuneration in aggregate of One Crore two lakh rupees or more or if employed for the part of the financial year was in receipt of remuneration of eight lakh and fifty thousand rupees or more per month.

DETAILS OF THE SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No such kind of orders has been passed by the regulators or courts or tribunals during the financial year 2021-22.

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, there is no Subsidiary, Joint Venture or Associate Company.

DEPOSITS

The Company has not accepted any deposits under the applicable provisions of the Companies Act, 2013 and the rules framed there under.

AUDITORS

Under Section 139 of the Companies Act, 2013, Comptroller & Auditor General of India vide their appointment letter dated 27/08/2021 have appointed M/s. B Vishal & Associates, Chartered Accountants, Haldwani, to conduct the statutory audit of Annual Accounts of the company for the F.Y. ended on 31st March, 2022.

AUDITORS' REPORT

Statutory Auditor in their report has made their observation in following words and pointwise reply of Management to the same is reproduced hereof:

STATUTORY AUDITORS' OBSERVATION	MANAGEMENT REPLY
A. The standalone financial statement doesn't disclose various disclosures required in a financial statement and the format of the financial statement is not in full conformity of the format as per the prescribed Schedule III of The Companies Act, 2013.	Management of the Company has made its best efforts to prepare the standalone financial statement of the company as per Schedule III of the Companies Act, 2013 but due to latest amendments in the said schedule it was difficult for the management to comply with all the amendments in first time. The management make assurance to board that it will incorporate all the amendments in next financial year.
B. With respect to Note para 7(4) of the financial statement, provision for leave encashment amounting to Rs. 2,28,57,862/-, detailed calculation related to current work force amounting to Rs. 1,19,51,853/- was	Provision for balance of Rs. 1,09,06,009/- for leave encashment being made over since past few years and on whom no objection has been raised in any years by any Statutory Auditor as well as CAG. Apart from this, to reverse this provision the records of previous years will have to be properly

<p>made available to us. Balance of Rs. 1,09,06,009/- is old provision which should have been reversed in earlier years during actual payment. Due to this the current provision is in excess to actual liability of the company.</p>	<p>examined and necessary entries would have to be made therein for justification to reverse this provision. Now, as per the auditor's recommendation, company will examine the past records and adjustments will be made in upcoming years' financial statement.</p>
<p>C. With respect to Note Para 13(2) of the financial statement, advance receivable in cash or in kind amounting to Rs. 2,83,78,786/-, It includes Rs. 79,600/- being claims recoverable. Detail for the same from whom this claim is recoverable was not explained. Hence, we are not able to verify the authenticity of this claim.</p>	<p>Advance receivable in cash or in kind amounting to Rs. 2,83,78,786/-, It includes Rs. 79,600/- being claims recoverable. This amount of Rs. 79,600/- are being carried in financial statement since FY 2017-18 as part of claim recoverable since past 20 to 25 years from different sources such as buffer stock claim, electricity charges, excise, FCI, Insurance, reconciliation etc. As on date company do not have the name of parties from whom the claim is recoverable. Company will make necessary entries to adjust this figure in upcoming years after examination of records.</p>
<p>D. With respect to Note Para 13.1 of the financial statement, interest accrued on other deposits amounting to Rs. 5,87,444/-, out of which Rs. 5,82,117/- is opening balance against investment in securities. However, detail of securities against which this interest is receivable was not made available. In the absence of security, interest receivable is not justified. Balance of Rs. 5,326/- is against interest on deposit with post office, for which the detail of deposits was not explained.</p>	<p>With respect to Note Para 13.1 of the financial statement, interest accrued on other deposits amounting to Rs. 5,87,444/-, out of which Rs. 5,82,117/- is opening balance against interest accrued on investment in securities on security deposit with Electricity Distribution Division Rudrapur and some other security deposits made with government/ non-government organisations. A copy of interest credited by electricity distribution division and TDS deducted on same in FY 2020-21 is reflecting in Form 26AS generated from Income tax department. The same is made available to Statutory auditor for verification. Balance of Rs. 5,326/- is against interest on deposit with post office is opening balance of interest on deposit with post office and this is also carried since past few years in financial statement and no document is available with the company for the abovesaid deposit. Company will make necessary entries to adjust this figure in upcoming years after examination of past records.</p>
<p>E. With respect to Notes Para 12(B)(c) of the financial statement, balance in saving account with post office pledged with government amounting to Rs. 2,000/-, saving account statement was not made available and interest earned during the year on saving balance was also not made available.</p>	<p>Balance in post office FD pledged with government amounting to Rs. 2,000/-, the aforesaid FD was deposited with cane commissioner office Haldwani/Kashipur to pledge in favour of District Magistrate, US Nagar since year 1974. So that the details of FD are not available in our records for verification.</p>
<p>F. With respect to Note para 9(ii) of the financial statement, NSC pledged with government authority amounting to Rs. 2,000/-, NSC detail was not made available.</p>	<p>NSC pledged with government authority amounting to Rs. 2,000/- was not available for physical verification due to the reason that this NSC was deposited with the concerned government department for the purpose of</p>

neither interest income has been accounted for on accrual basis.	pledging.
G. As per Note para 12(2)(ii) of the financial statement, FDR have been pledged with bank for bank Guarantee of Rs. 1,00,000/- favouring Pollution Control Board, but as per the Guarantee documents, it was valid only till 05.02.2013. There is no document available to know the current validity of the Guarantee.	FDR of Rs. 1,00,000/- have been pledged with bank for bank Guarantee in favour of Pollution Control Board and the guarantee document executed was valid only till 05.02.2013. After that this guarantee document was not renewed further and only a copy of FD is being made available to Pollution Control Board for their acknowledgement of pledge. Hence, there is no requirement to renew the Guarantee document until asked by the Pollution Control Board.
H. With respect to Note No.-24(B)(9) to financial statement, there is no detail available related to valuation of the goods received from the Gadarpur Sugar Factory and there is uncertainty related to treatment of the same in the books in future. Hence, we are unable to comment over the financial implication of the same over the financial statement.	With respect to Note No.-24(B)(9) to financial statement, the value of goods received from the Gadarpur Sugar Factory for which no financial transaction recorded in the books because goods were received as per the order of Uttarakhand Sugars and in this respect no invoice/bills were raised by Gadarpur Sugar Factory. So, it was not possible to quote any monetary value of goods received until any invoice/bill is raised.

Except that there is no qualification, reservation or adverse remarks or disclaimer made by Statutory auditors in their report.

SECRETARIAL AUDIT REPORT

The requirement of obtaining a Secretarial Audit Report from the Practicing Company Secretary is not applicable to the Company.

SECRETARIAL STANDARDS

Your Company have adopted Secretarial Standard-1 (Board Meeting) and Secretarial Standards-2 (General Meetings) (together referred to as the Secretarial Standards) w.e.f 1st July, 2015 as approved by the Central Government and issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 (the Act), vide ICSI Notification No. 1 (SS) of 2015 dated April 23rd, 2015 and published in the Gazette of India Extraordinary Part III - Section 4.

CORPORATE SOCIAL RESPONSIBILITY

Today, businesses have an extended set of stakeholders - local communities, social organizations and the society in general with the ability to influence the future of business. The stakeholders have ethical, social and environmental expectations that extend beyond financial goals and legal expectations - implicit social contracts that enterprise must honor. We believe that these social covenants are fundamental to nurturing stakeholder trust and ensuring business continuity.

You Company believes that Corporate Social Responsibility (CSR) is about the integration of social, environmental and economic considerations into the decision - making structures and processes of business. It is about using innovation to find creative and value- added solutions and societal and environmental challenges. It is about engaging shareholder and other stakeholders and collaborating with them to more effectively manage potential risks and build credibility and trust in society. Ultimately, it is about delivering improved shareholder value, providing enhanced services, building

trust and credibility in the society in which the business operates, and becoming more sustainable over the longer term.

As per the provisions of Section 135 of the Companies Act, 2013, read with rules framed there under, every company including its holding or subsidiary and a foreign company, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of Section 135 of the Act and its rules.

Since the Company is falling under criteria specified in sub-section (1) of section 135 of the Act, your board of directors have approved a Corporate Social Responsibility ("CSR") Policy at their meeting held on 23rd February, 2021 and vested the duties & functions of CSR committee* in the entire board of directors.

Subject to the Ministry of Corporate Affairs Notification dated 28th September, 2020 attention has been drawn on ***any reference of 'CSR Committee' in this policy shall be discharged by entire Board of Directors of the company until any CSR Committee of the board has not been constituted for the purpose.**

Ministry of Corporate Affairs vide their notification dated 28th September, 2020 related to Companies (Amendment) Act, 2020 have inserted following Sub-section (9) in Section 135 of the Companies Act, 2013:

"(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company."

Your Company falls under the abovementioned criteria and thus entire Board of Directors shall ensure operating system and monitoring mechanism for development and implementation of CSR activities.

CSR programs undertaken by your Company include activities specified in Schedule VII of the Companies Act 2013 & Rules made thereunder for the benefit of community at large. Your Company CSR efforts are focused in the immediate vicinity of its plant where your Company's operation is situated, ensuring that majority CSR funds are spent on activities addressing the needs of the local community.

For the Financial year 2021-22 company have average net profit of Rs. 10,98,584 (Average of F.Y. 2018-19, 2019-20 & 2020-21). It means Rs. 21,972 (2% of average net profit) were required to be contributed towards CSR during the F.Y. 2021-22. Focus areas of your Company's CSR activities are Health, Sanitation, Safe Drinking Water and Education. Accordingly, Board of directors of your Company at its meeting held on 25th of February, 2022 has decided to contribute Rs. 21,972 for development and renovation of Bal Vidya Mandir School, Sugar Mill Premises- Kichha.

Detailed policy of Corporate Social Responsibility ("CSR") as per section 135 of companies Act, 2013 was framed in the financial year 2020-2021 and the same is available at Company's website <http://kichhasugar.com/OtherInfo> for public viewing.

An annual report on detailed CSR activities forming part of this report is annexed as ANNEXURE-A.

HEALTH & SAFETY

The management has identified measures for health and safety in all its operations as a key business imperative. The health initiatives have a special focus on the health of women employees. These are designed to provide an injury - free working environment for a healthy and happy workplace.

VIGIL MECHANISM

The provisions regarding vigil mechanism as provided in Section 177(9) of the Companies Act, 2013 read with rules framed there under are applicable on your Company but due to non-appointment of independent directors in the board this mechanism is not functional.

INTERNAL CONTROL SYSTEMS

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

The Company continues to take new initiatives to further align its HR Policies to meet the growing needs of its business. People development continues to be a key focus area in your Company.

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

Since your company is engaged in the manufacturing activity, information required to be provided under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption and foreign exchange earnings and outgo, have been furnished in considering the nature of activities undertaken by the company during the year under review. The ANNEXURE-B is attached herewith with regard to the Conservation of Energy and Technology Absorption.

LIQUIDITY

Your Company maintains sufficient cash to meet our strategic objectives. We clearly understand that the liquidity in the Balance Sheet is to ensure balance between earning adequate returns and the need to cover financial and business risks. Liquidity also enables your Company to position itself for quick responses to market dynamics.

CORPORATE GOVERNANCE

The Company follows a good governance structure that specifies the distribution of rights and responsibilities among different participants in the organizations (such as the Board of Directors, managers, shareholders, creditors, auditors and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. The structure allows the organization to pursue its objectives together with the alignment of interests of the stakeholders.

The Corporate Governance Philosophy of your Company stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including Shareholders. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholder value, while preserving the interests of multiple stake holders, including the society at large.

Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence, inducting competent professionals across the organization and putting in place appropriate system, process and technology.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the period ended 31.03.2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for the period ended 31.03.2022;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis and
- e) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels. Your Board also wishes to place on record its appreciation for the services rendered by its auditor, consultants and business partners. Your directors' wishes to express their gratitude for the valuable support and co-operation received from the Central and State Government Authorities and place on record its sincere thanks to all the stakeholders including Bankers, Financial Institutions, Investors, Service Providers as well as regulatory and government authorities for extending support and placing their faith and trust on the Board.

Place: Dehra Dun
Date: 27/03/2022

On behalf of the Board
KICHA SUGAR COMPANY LIMITED


Trilok Singh Martolla
(Executive Director)
DIN: 09311718


V. K. Yadav
(Chairman)
DIN: 09462188

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2022

1. Brief outline on CSR Policy of the Company:

The Board of Directors (Board) adopted the CSR Policy (Policy) on February 23, 2021 which is available on the Company's website. The Company's CSR is in alignment with the Kichha Sugar Company Limited focus initiatives – Education, Water, Health, and Sanitation.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Vijay Kumar yadav	Chairman	-	-
2.	Shri Udayraj Singh	Nominee Director	-	-
3.	Shri Trilok Singh Martolia	Whole time Director	-	-

Note: - Subject to the Ministry of Corporate Affairs Notification dated 28th September, 2020 attention has been drawn on any reference of 'CSR Committee' in this annual return/policy shall be discharged by entire Board of Directors of the company until any CSR Committee of the board has not been constituted for the purpose.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - <http://kichhasugar.com/OtherInfo>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NIL	NIL	NIL
2	NIL	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the company as per section 135(5). - **Profit of Rs. 10,98,583.67**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 21,972**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b- 7c). **Rs. 21,972**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount Unspent transferred to CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	Name of the Fund	Amount.	Date of transfer.
21,972	Amount. NA	Date of transfer. NA	Name of the Fund. NIL	Amount. NIL	Date of transfer. NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation- Direct (Yes/No).	(11) Mode of Implementation - Through Agency	
				State	District						Name	CSR Registration number.
1.	-	-	-	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Bal Vidya Mandir School, Sugar Factory Kichha	(ii) Promoting Education among Children	Yes	Uttarakhand	Udham Singh Nagar	21,972	Yes	-	-
2.	-	-	-	-	-	-	-	-	-
TOTAL						21,972			

- (d) Amount spent in Administrative Overheads - NIL
 (e) Amount spent on Impact Assessment, if applicable - NA
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 21,972
 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	21,972
(ii)	Total amount spent for the Financial Year	21,972
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	NA	NIL	NIL	-	-	-	
2.	NA	NIL	NIL	-	-	-	
	TOTAL	NIL	NIL	-	-	-	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project- Completed/Ongoing.
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). - NIL
- (b) Amount of CSR spent for creation or acquisition of capital asset. - NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NIL

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

Trilok Singh Martolia
(Executive Director)
DIN: 09311718


Jay Kumar Yadav
(Chairman)
DIN: 09462188

ANNEXURE - B OF DIRECTORS' REPORT TO THE MEMBERS

Form for disclosure of particulars with respect to conservation of energy, technology absorption & foreign earning & outgo.

(A) Conservation of Energy- Following equipment have been installed to conserve the energy: -

1. Vapour Line Juice Heater for boiling of Raw Juice.
2. Condensate Flash Recovery
3. Double effect Semi Kestner with pre-evaporator.

FORM - A

Particulars	Financial year 2021-22	Financial year 2020-21
Power & Fuel consumption:		
A. Electricity:		
Purchased Unit	17,20,432	16,78,480
Total amount (In Rs.)	1,21,79,036	1,13,51,872
Rate/unit (In Rs.)	7.08	6.76
B. Own Generation:		
i) Units produced through Diesel Generator	57,680	62,400
Units produced by per Ltr. of Diesel	6.55	4.00
Cost per unit	13.28	17.61
ii) Units produced through Steam Turbine	1,14,36,240	1,09,27,234
Unit per Ltr. Gas/Oil	-	-
Units produced per Tonne Bagasse	88.32	85.60
Cost per unit	28.48	22.97
iii) Coal	-	-
Quantity (Tonnes)	-	-
Total cost (In Rs.)	-	-
Average Rate (in Rs.)	-	-
iv) Other Internal Generation	-	-
Units	-	-
Rate/unit	-	-
Power consumed on Generation of per unit:		
Standard, if any.	-	-
Power consumed on per qtl. Sugar production:		
Electricity (Units) Hydel	3.88/ctl.sugar	3.90/ctl.sugar
Coal	-	-
Other - From Diesel (DG set)	0.13/ctl.sugar	0.15/ctl. sugar
From Bagasse (Steam Turbine)	25.85/ctl.sugar	25.43/ctl.sugar

(B) Technology Absorption -

FORM B

Form for disclosure of particulars with respect to absorption

Research & Development:

- | | |
|-----------------------------------|-----|
| 1. Areas in which R & D work done | Nil |
| 2. Profit by R & D work | Nil |
| 3. Expenditure on R & D | Nil |

(C) Receipt & Expenditure of Foreign Currency

- | | |
|------------------------------------|-----|
| 1. Earned Foreign Currency | Nil |
| 2. Expenditure of Foreign currency | Nil |


(D. C. Pandey)
I/c Chief Engineer


(S. K. Mishra)
Chief Chemist


(Trilok Singh Martolia)
Executive Director


(Jay Kumar Yadav)
Chairman