

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KICHHA SUGAR COMPANY LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **KICHHA SUGAR COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, read together with Notes on Accounts, and subject to our observations contained in the Paragraphs below, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2022, its Profit and its Cash flows for the year ended on that date.

- 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.
- 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 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.
- 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.
- 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.
- 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.
- 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, neither interest income has been accounted for on accrual basis.
- 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 oly till 05.02.2013. There is no document available to know the current validity of the guarantee.
- 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.



Basis For Opinion

We conducted our audit in accordance with the standards on auditing 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

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 in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other Than The Financial Statements And Auditors' Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 standalone 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.

Management's Responsibility 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act.

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities For The Audit Of The Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 financial statements, including the disclosures, and whether the 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 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 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, 2013 and on the basis of such checks of the Books and records of the Company as we considered appropriate and according to the information and explanations given to us, the report of the said Order is as per Annexure-A attached herewith.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements except disclosures related to AS-17 (Segment Reporting), AS-19 (Leases), AS-22 (Accounting for Taxes on Income), comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and except as stated elsewhere.
 - e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of Internal Financial Control system and operating effectiveness of such controls, refer to our separate report enclosed in 'Annexure-B'.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company doesn't have any pending litigations which would impact its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B VISHAL & ASSOCIATES
F.R.N. - 020000N
CHARTERED ACCOUNTANTS



(CA. BIPLAW VISHAL)
Partner
M.R.N.: 500964
UDIN:- 22500964AWWTAV5935

New Delhi, 27th September 2022

Annexure - B to the Auditors' Report of even date on the Financial Statements of KICHHA SUGAR COMPANY LIMITED for the Year Ended 31st March, 2022

Report on the Internal Financial Controls 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 KICHHA SUGAR COMPANY LIMITED ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company does not appear to have an adequate internal financial control policies or procedure in place that provide management with reasonable assurance of meeting control objective as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B VISHAL & ASSOCIATES
F.R.N. – 020000N
CHARTERED ACCOUNTANTS**


**(CA. BIPLAW VISHAL)
Partner
M.R.N.: 500964**

New Delhi, 27th September 2022

Annexure-A as referred in paragraph-1 under 'Report on other Legal and Regulatory Requirements' of our report of even date on the Accounts of Kichha Sugar Company Limited for the Year Ended 31st March, 2022:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our Audit, we report that:

- i. (a) (A) As informed to us, the work of compiling fixed asset register showing full particulars including quantitative details and situation of Property, Plant and Equipment is yet to be maintained.

(B) The company has no intangible assets disclosed in the financial statements.

(b) We have not been provided any evidence or report to verify whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; In the absence of any report, we cannot comment whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

(c) According to the information and explanation received by us, the company has no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements. As per financial statements, there are self-constructed buildings, constructed over these lease hold lands where the company is the lessee and the lease agreements are duly executed in favor of the company, and as explained to us there are no title deed required for these self-constructed buildings.

(d) As per information provided to us the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) The management confirms that 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 thereunder,

- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion frequency of verification is reasonable. According to the information and explanation provided to us and as examined by us, no material discrepancies were noticed on such verification.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions, on the basis of security of current assets; and as per information provided to us and as per our test check the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to information and explanation provided to us, during the year the company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, sub clause 'a' to 'f' of clause 3(iii) of the report is not applicable.



- (iv) In our opinion and as per information and explanation provided to us, the company has not granted any loans, investments, guarantees, and security, to which provisions of sections 185 and 186 of the Companies Act is applicable.
- (v) According to information and explanations provided to us, the company has not accepted any deposit or amounts which are deemed to be deposits during the year, where the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, were applicable.
- (vi) As per our test check and as per information and explanation and information provided to us, The Company has complied with provisions specified by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) (a) According to information and explanations provided to us and as per our test check, the company is generally regular, except some occasional minor delays, in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. However, as per our examination there is an outstanding demand of interest over TDS amounting to Rs. 1,96,037, which is outstanding for a period of more than six months from the date they became payable.
- (b) According to information and explanations provided to us there are dues of provident Fund which have not been deposited till the year end on account of disputes. Detail of the same is annexed herewith vide Annexure 'C'
- (viii) According to information and explanations provided and as confirmed by the management, there was no case where any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Further, information related to any assessment procedure was also not made available for our cross verification.
- (ix) (a) According to information and explanations provided to us by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under consideration. However, as informed to us, the company had defaulted in loan repayment of Uttarakhand Government in earlier years, detail as per Annexure 'D', enclosed herewith.
- (b) As informed to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender;
- (c) According to information and explanations provided and as per our examination, no fresh term loans has been obtained during the year.
- (d) According to information and explanations provided to us and on an examination of the balance sheet of the Company, we didn't find any case where funds raised on short term basis have been utilised for long term purposes.



(e) According to information and explanations provided to us and on an examination of the balance sheet of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to information and explanations provided to us and on an examination of the balance sheet of the Company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) According to information and explanations provided to us and on an examination of the balance sheet of the Company, we report that the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) Since the company has not raised any money during the year, this clause is not applicable.

(xi) (a) According to information and explanations provided to us by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement, we report that no fraud by the company or any fraud on the company has been noticed or reported during the year.

(b) According to information and explanations provided to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there were no whistle-blower complaints received by the company during the year.

(xii) (a) In our opinion the company is not a Nidhi Company. Therefore clause 3(xii) and their subclauses of this report is not applicable, hence not being commented upon.

(xiii) As per information provided to us and as examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.

(xiv) (a) Internal Audit was not applicable over the company during the year, hence other sub clauses to this clause are not being commented upon.

(xv) According to information and explanations provided to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).



(b) According to information and explanations provided to us by the management and as examined by us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, subclause 'd' to this clause is not applicable.

(xvii) The Company has not incurred cash loss in the current financial year. However, there was loss before depreciation amounting to Rs. 65.08 Crores during the immediately preceding financial year.

(xviii) As per information provided to us, there was not any resignation of the statutory auditors during the year.

(xix) According to information and explanations provided to us, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) According to information and explanations provided to us and on the basis of our examination, we report that the company has no unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

(b) According to information and explanations provided to us, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

(xxi) Consolidated financial statements is not applicable over this company, hence this clause is not being commented upon.

For B VISHAL & ASSOCIATES
F.R.N. – 020000N
CHARTERED ACCOUNTANTS



(CA. BIPLAWW VISHAL)
Partner
M.R.N.: 500964

New Delhi, 27th September 2022

ANNEXURE – C TO THE AUDITORS' REPORT

Caluse 3(VIII)(b) of 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, 2013

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs.)	Remarks
Central Excise Act, 1944	Excise Duty	Hon'ble High Court of Uttarakhand	January 2005 to March 2008	96,81,536	Tribunal has decided the case in favour of Kichha Sugar Company Ltd. And the Department as preferred an appeal.
Central Excise Act, 1944	Excise Duty	Hon'ble High Court of Uttarakhand	October, 2013 to August, 2014	28,28,750.	Tribunal has decided the case in favour of Kichha Sugar Company Ltd. And the Department as preferred an appeal.
Central Excise Act, 1944	Excise Duty	Hon'ble High Court of Uttarakhand	10.05.2008 to 31.03.2009 and 01.04.2011 to 31.03.2012	29,99,672	Tribunal has decided the case in favour of Kichha Sugar Company Ltd. And the Department as preferred an appeal.
Central Excise Act, 1944	Excise Duty	Hon'ble High Court of Uttarakhand	February 2013 to/ September 2013	12,52,998	Tribunal has decided the case in favour of Kichha Sugar Company Ltd. And the Department as preferred an appeal.
Central Excise Act, 1944	Excise Duty	Custom Excise and Service Tax Appellate Tribunal (CESTA), Delhi	Sep. 2014 to May, 2015	6,82,672	The Commissioner (Appeals) Central Excise, Meerut-1 has rejected the appeal. Against this order the company has appealed to higher forum.



Central Excise Act, 1944	Excise Duty	Custom Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	June, 2015 to March, 2016	24,45,172	The Commissioner (Appeals) Central Excise, Meerut-I has rejected the appeal. Against this order the company has appealed to higher forum.
The Employee's Provident Fund and Miscellaneous Act, 1952	Provident Fund	Hon'ble High Court of Uttarakhand	May 2007 to Apr. 2008	14,81,409	The company is in appeal against the order of Employees Provident fund Tribunal New Delhi.
The Employee's Provident Fund and Miscellaneous Act, 1952	Provident Fund	Hon'ble High Court of Uttarakhand	Sep 2008 to Apr 2011	1,45,124	The company is in appeal against the order of Employees Provident fund Tribunal New Delhi.
The Employee's Provident Fund and Miscellaneous Act, 1952	Provident Fund	Central Govt. Industrial Tribunal Lucknow.	Retaining Allowance off seasons 2017 late payment	14,55,087	The company is in appeal against the order of Regional P.J. Commissioner Haldwani.



ANNEXURE – ‘D’ TO THE AUDITORS’ REPORT

Caluse 3(ix)(a) of 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, 2013

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
For Cane Price Payment	Uttarakhand Govt.	75,00,000	Principal	19 years	Nil
		15,22,00,000	Principal	18 years	Nil
		10,09,70,000	Principal	14 years	Nil
		7,70,75,323	Principal	13 years	Nil
		22,68,23,000	Principal	9 years	Nil
		40,30,46,000	Principal	8 years	Nil
		11,55,55,000	Principal	8 years	Nil
		8,00,00,000	Principal	7 years	Nil
		1,16,31,69,323			



KICHHA SUGAR COMPANY LIMITED
KICHHA, U.S. NAGAR, UTTARAKHAND
CIN: U15421UR1972SGC003513
BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in Lakh Rs.)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,798.64	1,798.64
(b) Reserves and Surplus			
(i) Other Reserve			
Molasses Storage Facilities Reserve Fund	2	17.71	16.95
(ii) Profit and loss Account	2.1	(29,439.67)	(31,466.05)
(c) Money received against Share Warrants		-	-
(2) Share Application Money Pending Allotment		-	-
(3) Non Current Liabilities			
Long Terms Borrowings	3	300.00	300.00
(4) Current Liabilities			
(a) Short-Term Borrowings	4	1,805.91	9,085.28
(b) Trade Payables	5	6,256.21	5,301.74
(c) Other Current Liabilities	6	33,210.34	31,600.55
(d) Short-Term Provisions	7	1,341.43	905.11
Total Equity & Liabilities		15,290.57	17,542.22
II. ASSETS			
(a) Property, Plant & Equipment			
(i) Tangible Assets	8	298.29	331.16
(ii) Intangible Assets			
(iii) Capital WIP			
(iv) Intangible Assets under development			
(b) Non Current Investments	9	0.02	0.02
(2) Current Assets			
(a) Inventories	10	12,515.33	16,116.35
(b) Trade receivables	11	52.91	43.18
(c) Cash and Bank Balances	12	1,853.39	707.79
(d) Short-term loans and advances	-	-	-
(e) Other current assets	13	570.63	343.72
Total Assets		15,290.57	17,542.22
Significant Accounting Policies and Notes to Accounts (Notes attached there to form an integral part of Balance Sheet)	24		

For and on behalf of Board KICHHA SUGAR COMPANY LTD
CIN: U15421UR1972SGC003513


(S.K. Pandey)
C.F.O.
PAN: AUSPP4490R


(Saurabh Gupta)
COMPANY SECRETARY
PAN: BFZPG3786A


(Trilok Singh Martolia)
EXECUTIVE DIRECTOR
DIN: 09311718


(VIJAY KUMAR YADAV)
CHAIRMAN
DIN: 09462188

As per our Report of even date attached herewith.

PLACE: DEHRADUN

PLACE: DEHRADUN

FOR B VISHAL & ASSOCIATES

Firm Reg. No: 020000N

Chartered Accountants

BIPLAW VISHAL

Partner

Membership No. 500964

UDIN: 22500964AWWTAV5935

PLACE: New Delhi

Dated: 27-09-22

Dated: 27-09-22

Dated: 27-09-22

KICHA SUGAR COMPANY LIMITED

KICHA, U.S. NAGAR, UTTARAKHAND

CIN: U15421UR1972SGC003513

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Amount in Lakh Rs.)

Sr. No	Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Revenue from operations	14	20,740.19	15,052.00
II	Other Income	15	20,740.19	15,052.00
			1,444.03	360.59
III	<i>III. Total Income (I + II)</i>		22,184.22	15,412.59
IV	Expenses:			
	Cost of materials consumed	16	16,099.08	14,325.50
	Changes in inventories of finished goods and work-in-progress	17	3,628.43	1,073.69
	Employee Benefit Expenses	18	3,108.60	2,975.41
	Financial Costs	19	2,169.79	2,673.51
	Depreciation and Amortization Expenses	20	36.21	46.05
	Other Expenses	21	1,139.07	872.98
	<i>Total Expenses (IV)</i>		26,181.18	21,967.14
V	Profit / (Loss) before exceptional and extraordinary items and tax		(3,996.96)	(6,554.55)
VI	Exceptional Items -net expenses	22	1.50	(79.87)
VII	Profit / (Loss) before extraordinary items and tax (V - VI)		(3,998.46)	(6,474.68)
VIII	Extraordinary Items	23	6,024.84	4,809.80
IX	Profit/(Loss) before tax (VII - VIII)		2,026.38	(1,664.88)
X	Tax expense:			
	(1) Current tax		-	-
	(2) Earlier year tax adjustment		-	-
	(3) Deferred tax		-	-
	(4) MAT Credit		-	-
XI	Profit(Loss) from the period from continuing operations (IX-X)		2,026.38	(1,664.88)
XII	Earning per equity share:			
	(1) Basic (Amount in Rs.)		113	(93)

Significant Accounting Policies and Notes to Accounts
(Notes attached there to form an integral part of Profit and Loss Account)

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For and on behalf of Board KICHA SUGAR COMPANY LTD
CIN: U15421UR1972SGC003513

(S.R. Pandey)

C.F.O.

PAN: AUSPP4490R

(Saurabh Gupta)

COMPANY SECRETARY

PAN: BFZPG3786A

(Trilok Singh Martolia)

EXECUTIVE DIRECTOR

DIN: 09311718

(Vijay Kumar Yadav)

CHAIRMAN

DIN: 09462188

As per our Report of even date attached herewith.

PLACE: DEHRADUN

PLACE: DEHRADUN

FOR B VISHAL & ASSOCIATES

Firm Reg. No: 020000N

Chartered Accountants

BIPLAW VISHAL

Partner

Membership No. 500964

UDIN: 22500964AWWTAV5935

PLACE: New Delhi
Dated: 27-09-2022

DATED: 27-09-22

DATED: 27-09-22

KICHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

1.1 Share Capital

Sr. No.	Particulars	Amount in Lakh Rs.	
		as at 31.03.2022	as at 31.03.2021
1	AUTHORIZED CAPITAL 20,00,000 Equity Shares of Rs. 100/- each, 3000-9% (Free of company's tax but subject to deduction of tax at source) Redeemable cumulative preference shares of Rs. 1000/-each.	2,000.00 30.00	2,000.00 30.00
		2,030.00	2,030.00
2	ISSUED 1840635 Equity share of Rs.100/- each (2020-21 : 1840635 Equity Shares of Rs. 100/- each)	1,840.64	1,840.64
3	SUBSCRIBED 1799042 Equity Shares of Rs. 100/-each (2020-21 : 1799042 equity shares of Rs.100/-each)	1,799.04	1,799.04
4	PAID UP 1798643 Equity Shares of Rs. 100/- (2020-21: 1798643 Equity shares of Rs.100/-each)	1,798.64	1,798.64
	Total in lakh Rs.	1,798.64	1,798.64

1.2 The reconciliation of the number of shares issued is set out below:-

Sr. No.	Particulars	Equity Shares	
		Number	Amount
	Shares issued at the beginning of the year	18,40,635	1,840.64
	Add: Shares issued during the year	-	-
	Less: Shares bought back during the year	-	-
	Shares issued outstanding at the end of the year	18,40,635	1,840.64

1.3 The reconciliation of the number of shares subscribed is set out below:-

Sr. No.	Particulars	Equity Shares	
		Number	Amount
	Shares subscribed at the beginning of the year	17,99,042	1,799.04
	Add: Shares subscribed during the year	-	-
	Less: Shares withdrawn back during the year	-	-
	Shares subscribed at the end of the year	17,99,042	1,799.04

1.4 The reconciliation of the number of shares paid up is set out below:-

Sr. No.	Particulars	Equity Shares	
		Number	Amount
	Shares paid up at the beginning of the year	17,98,643	1,798.64
	Add: Shares paid up during the year	-	-
	Less: Shares withdrawn back during the year	-	-
	Shares paid up at the end of the year	17,98,643	1,798.64

1.5 The reconciliation of the number of shares outstanding in respect of shares issued and share Subscribed is set out below:-

Sr. No.	Particulars	Equity Shares	
		Number	Amount
	Shares outstanding at the beginning of the year	41,593	41.59
	Add: Shares issued during the year	-	-
	Less: Shares bought back during the year	-	-
	Shares outstanding at the end of the year	41,593	41.59

1.6 Rights, preferences and restrictions:- Equity Share Capital

Ordinary Equity Shares with voting rights & dividend.
Repayment after settlement of Redeemable cumulative

1.7 Shares held by holding Company

NA

NA


Sanjay Kumar Pandey
C.F.O.
KICHA SUGAR COMPANY LIMITED
KICHA SUGAR COMPANY LIMITED



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

1.8 The details of Shareholders holding more than 5% shares :

Sr. No.	Name of the Shareholder	as at 31.03.2022	
		No. of Shares	% held
1	Hon'ble Governor of Uttarakhand	17,53,584	97.49
Total in lakh Rs.		17,53,584	97.49

There is no change in the equity shareholding of the company during the current year

1.9 Shares reserved

NIL NIL

1.10 Information of 5 years immediately preceding 31.03.2019

1	Shares allotted as fully paid up pursuant to contracts without payment in cash.	NIL	NIL
2	Shares allotted as fully paid up bonus shares-	NIL	NIL
3	Shares bought back-	NIL	NIL

1.11 Terms of any securities convertible-

NA NA

1.12 Calls unpaid-

NIL NIL

1.13 Forfeited Shares-

NIL NIL

2 Reserve & Surplus:- Other reserve (Molasses Storage facility reserve)

(Amount in Lakh Rs.)

Sr. No	Particulars	as at 31.03.2022		as at 31.03.2021	
1	Molasses storage facility reserve fund				
	Balance brought forward from previous year		16.95		15.80
	Add: Provision during the year		0.76		1.15
	Less: Expenses related		-		-
	Total in lakh Rs.		17.71		16.95

Note :- The company has created this reserve as per directive of the State Govt. in 1989 for the preservation and maintenance of the adequate storage facility of Molasses. The company transferred the fund in this reserve @ rate prescribed in the notification.

2.1 Reserve & Surplus:- Profit & Loss Account

(Amount in Lakh Rs.)

Sr. No	Particulars	As at 31.03.2022		As at 31.03.2021	
1	Surplus (Profit & Loss Account)				
	Balance brought forward from previous year		(31,466.05)		(29,801.17)
	Less:				
	Provision for Income Tax		-		-
	Provision for Interest on Income Tax		-		-
	Add : Profit for the period		2,026.38		(1,664.88)
	Total in lakh Rs.		(29,439.67)		(31,466.05)

3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2022		As at 31.03.2021	
1	Term Loan				
	i) SECURED		-		-
	ii) UNSECURED		-		-
2	Loan from Related Parties				
	a) Loan received from Uttarakhand Govt.		300.00		300.00
	(All loan are unsecured . The detail of each loan is given at the note 3.1)				
	Total in lakh Rs.		300.00		300.00


 Sanjay Kumar Pandey
 C.F.O.
 Kichha Sugar Company Limited
 (Uttarakhand State)



KIRIHA SUGAR COMPANY LIMITED, KICHHA

Note No. 3.1

DETAILS OF UNSECURED LOAN RECEIVED FROM GOVT. OF UTTARAKHAND AS ON 31/03/2022

Sl. No.	Year of Receipt	PARTICULARS	AMOUNT (Rs.)	Amount payable till 31/03/2022 (No. of Instt.)	Other Current Liabilities	Long Term	Interest Rate	Interest upto 31.03.2021	Interest accrued during the year	Total Interest
1	2002-03	The loan of Rs. 100 Lacs was sanctioned from Uttarakhand Govt. vide letter Dehradun-374/Van Gram VI/ Ganna 202 dt. 28 Oct., 2002 for Cane Price payment repayable in five equal yearly instalments . There is no interest Clause and Rs. 25 Lacs was refund during 2006-07. The net outstanding loan is Rs. 75,00,000/=	75,00,000	5	75,00,000	-	NA	-	-	-
2	2003-04	The loan of Rs. 400 Lacs was sanctioned from Uttarakhand Govt. vide letter No. 367/Ganna-Chini-2003 dt. 13/10/2003 for Cane Price payment repayable in five equal yearly instalments interest rate @ 18% p.a. with condition, if timely payment is made then rebate @ 3.5% will be provided. There is no repayment till the date.	400,00,000	5	400,00,000	-	18%	1257,04,918	72,00,000.00	1329,04,918.00
3	2003-04	The loan of Rs. 1122 Lacs was sanctioned from Uttarakhand Govt. vide letter No. 601(i) Ganna-Chini-2003 dt. 27/11/03 for cane Price payment repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	1122,00,000	5	1122,00,000	-	18%	3502,29,541	201,96,000.00	3704,25,541.00
4	2007-08	The loan of Rs.450 Lacs was sanctioned from Uttarakhand Govt. Dehradun for Cane price payment received on 04/07/07, repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	450,00,000	5	450,00,000	-	18%	1113,19,672	81,00,000.00	1194,19,672.00
5	2007-08	The loan of Rs. 559.70Lacs was sanctioned from Uttarakhand Govt. for Cane price payment received on 29/10/07, repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	559,70,000	5	559,70,000	-	18%	1352,36,366	100,74,600.00	1453,10,966.00
6	2008-09	The loan of Rs. 636.29 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. 520(i) 10/07/XIV-02/2008 dt. 07/10/08 received from the Asstt. Cane Commissioner, vide Cheque No. 734097 dt. 14/10/08 for Cane price payment (2007-08) repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	636,29,000	5	636,29,000	-	18%	1427,41,638	114,53,220.00	1541,94,858.00
7	2008-09	The loan of Rs.1,34,46,323/- was sanctioned from Uttarakhand Govt. vide G.O. No. 34/XIV-2/10/2007 dt. 16/01/09 received on 19/01/09 for Cane price payment (07-08) repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	134,46,323	5	134,46,323	-	18%	295,21,493	24,20,338.14	319,41,831.14



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Sl. No.	Year of Receipt	PARTICULARS	AMOUNT (Rs.)	Amount payable till 31/03/2022 (No. of Instt.)	Other Current Liabilities	Long Term	Interest Rate	Interest upto 31.03.2021	Interest accrued during the year	Total Interest
8	2012-13	The loan of Rs. 660 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. 823/XIV-02/10/2012 dt. 16/07/12 received from the Asstt. Cane Commissioner, vide Cheque No. 201738 dt. 19/07/2012 for Cane price payment (2011-12) repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	660,00,000	5	660,00,000	-	18%	1034,69,918	118,80,000.00	1153,49,918.00
9	2012-13	The loan of Rs. 1608.23 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. 1229/XIV-2/2012 dt. 04/10/2012 received from the Asstt. Cane Commissioner vide D.O. No. 350270 dt. 06/10/2012 for Cane price payment (2011-12) repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	1608,23,000	5	1608,23,000	-	18%	2457,81,605	289,48,140.00	2747,29,745.00
10	2013-14	The loan of Rs.1999 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. 736/XIV-02/2013/10/2007 dt. 05/07/2013 for Cane price payment (2012-13) repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	1999,00,000	5	1999,00,000	-	18%	2781,95,079	359,82,000.00	3141,77,079.00
11	2013-14	The loan of Rs. 500 Lacs was sanctioned from Uttarakhand Govt. for Cane price payment (2012-13) received on 22.08.2013 repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	500,00,000	5	500,00,000	-	18%	684,73,973	90,00,000.00	774,73,973.00
12	2013-04	The loan of Rs. 15,31,46,000/= was sanctioned from Uttarakhand Govt. for Cane price payment (2012-13) received on 23.09.2013 repayable in five equal yearly instalments interest rate 18% p.a. . There is no repayment till the date.	1531,46,000	5	1531,46,000	-	18%	2074,64,578	275,66,280.00	2350,30,858.00
13	2014-15	The loan of Rs. 1155.55 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. 588/XIV-02/2014/3(6)/3013 dt. 10.06.2014 for Cane price payment (2013-14) repayable in five equal yearly instalments interest rate 9.25% p.a. . There is no repayment till the date.	1155,55,000	5	1155,55,000	-	9.25%	727,71,950	106,88,837.50	834,60,787.50
14	2015-16	The loan of Rs. 800 Lacs was sanctioned from Uttarakhand Govt. vide G.O. No. /XIV-02/2014/9(16)/2014 dt. 21.01.2016 for Cane price payment (2014-15) repayable in five equal yearly instalments at Nil interest rate. There is no repayment till the date.	800,00,000	5	800,00,000	-	NA	-	-	-
15	2018-19	The loan of Rs. 300 lacs was sanctioned by Uttarakhand Govt. for salary & retaining allowance of workers vide no. 451/XIV-2/2018/. Terms & condition for repayment are silent. There is no repayment till date.	300,00,000	-	-	300,00,000	NA	-	-	-
		Total	11931,69,323		11631,69,323	300,00,000		18709,10,731	1835,09,415.64	20544,20,146.64



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 Chartered Accountants
 Firm, New Delhi

KICHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

4. Short Term Borrowings

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Loan Repayable on Demand (Working Capital Loans)		
	- From Bank (Fully secured against stock.)		
(a)	Cash Credit account with U.S. Nagar District Co-operative Bank Ltd. Kichha (Non scheduled Bank) (The Bank has sanctioned cash credit against pledging of Sugar stock in our Godown.)	1,772.14	8,820.72
(b)	State Bank of India, Kichha. (The overdraft facility sanctioned against the pledge of FDRs)	33.77	264.56
	Total in lakh Rs.	1,805.91	9,085.28

5 Trades Payable

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Cane Price payable	6,217.85	5,251.80
2	Creditors for Material and Supplies:	38.36	49.94
	Total in lakh Rs.	6,256.21	5,301.74

Trading payables aging schedule

Particulars as on 31-03-2022	Less than 6 month	6 m. to 1 Year	1-2 Year	2-3 Year	More years
(i) MSME	19.79	0.14	-	-	-
(ii) Others	6229.74	3.23	1.34	0.17	1.80
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

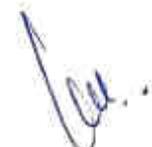
6 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Current Maturity of Long Term debt	11,631.69	11,631.69
2	Interest accrued and due to Uttarakhand Govt.	20,544.20	18,709.11
3	Other liabilities	1,034.45	1,259.75
4	Income Tax Payable	-	-
	Total in lakh Rs.	33,210.34	31,600.55

Note -: The Company has borrowed from time to time to meet its short term as well as long term requirements from State Government and Co-operative Bank. However, company has failed/defaulted in payment of interest to the State Government on becoming its due. It has also defaulted in payment of installments due of the Differential Cane Price loan borrowed from the State Government. The principal amount along with interest accrued and due but not paid to the State Government is reflected under the head 'Other Current Liabilities'.

6.1 Current Maturity of Long Term debt

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Loan received from Uttarakhand Govt. (All loan are unsecured. The detail of each loan is given at the note 3.1. Due to financial constraint, the Company defaulted in repayment of loan and interest on due date to Uttarakhand Govt.)	11,631.69	11,631.69
	Total in lakh Rs.	11,631.69	11,631.69


Sanjay Kumar Pandey
 C.F.O.
 Kichha Sugar Company Limited
 Kichha (Udhampur Singh Nagar)



KICHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

6.2 Interest accrued & due on loans to Uttarakhand Govt.

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Interest accrued thereon on loans from Uttarakhand Govt. (All loan are unsecured . The detail of each loan is given at the note 3.1 Due to financial constraint, the Company defaulted in repayment of loan and interest on due date to Uttarakhand Govt. Interest accrued and due are shown under other current liabilities.)	20,544.20	18,709.11

7. Short Term Provisions

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Govt. Guarantee fee	307.10	220.47
2	Gratuity Premium- Contributory scheme	56.57	102.14
3	Provision for Arrear of Salary & Wages of officials	394.60	394.60
4	Provision for Leave encashment	228.58	169.03
5	Provision for Society & Council Commission	326.13	-
6	Short term provision for Expenses liability	4.71	4.71
7	Short term provision for selling commission	23.74	14.16
Total in lakh Rs.		1,341.43	905.11

As per the notification letter received from the Uttarakhand government, 1% guarantee fee payable to Uttarakhand government, in respect of cash credit limit, have been waived off for the year 2019-2020.

Non current Assets

8. Property, Plant & Equipment

Tangible Assets(Net Block)

(Amount in Lakh Rs.)

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Land (Lease Hold) *	-	-
2	Building	75.49	84.05
3	Plant & Equipment	201.15	223.98
4	Furniture & Fixtures	1.83	1.40
5	Vehicles	3.58	4.74
6	Office Equipment	0.66	0.68
7	Others	15.58	16.31
Total in lakh Rs.		298.29	331.16

* Leasehold rights has been renewed for a period of 30 years upto the year 2047.

8.1 Detail Property, Plant & Equipment chart Annexed at 8.1

9. Non Current Investments

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
(a)	Investment in equity instruments	-	-
(i)	NSC (Pledged with Government Authority)	0.02	0.02
Total in lakh Rs.		0.02	0.02


Sanjay Kumar Pandey
 C.F.O.
 KICHA SUGAR COMPANY LIMITED
 KICHA (Uttarakhand Nagar)



KICHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

10. Inventories

(Amount in Lakh Rs.)

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
A	RAW MATERIAL SUGAR CANE AT PURCHASE PRICE	12.01	6.27
B	LOWER OF COST OR NET REALIZABLE VALUE		
1	Finished Sugar	10,927.99	15,207.82
2	Sugar in process	109.67	67.53
	AT NET REALISABLE VALUE		
3	Molasses	1,173.24	581.22
4	Molasses in process	31.74	23.85
5	Bagasse	23.97	20.37
C	AT WEIGHTED AVERAGE COST		
6	Other stores & spares parts	235.53	207.80
7	Loose Tools.	1.18	1.49
	Total in lakh Rs.	12,515.33	16,116.35

11. Trade Receivables

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
	a) Unsecured, Considered Good :		
1	Outstanding for more than six months	52.91	43.18
2	Others	-	-
	b) Unsecured, Considered Doubtful		
1	Outstanding for more than six months	-	-
	Less Provision	-	-
2	Others	-	-
	Total in lakh Rs.	52.91	43.18

Trade Receivables aging schedule for trade receivable outstanding

Particulars as on 31-03-2022	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1 - 2 Year	2-3 Year	> 3 Years
(i) Undisputed Trade Receivables - Considered good	5.92	10.75	17.26	4.97	14.01
(ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-

12. Cash & Cash Equivalent

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
A-	Cash-in-Hand		
	Cash Balance	0.92	1.44
	Sub Total (A)	0.92	1.44
B-	Bank Balance		
(A)	With Scheduled Bank		
(i)	In Current account PNB : Rs. 211948/- SBI : Rs. 8197746.07 BOB : 1783.50	84.11	0.89
(ii)	State Bank of India (In fixed deposit including interest accrued thereon)	685.84	679.99
	i) FDR pledged with SBI Rs. 67774967/- for overdraft facility.		
	Cont....		

Chartered Accountants,
G.F.O.
Kichha Sugar Company Limited
Kichha (Udhani Singh Nagar)



KICHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
(Amount in Lakh ₹)			
12. Cash & Cash Equivalent Cont.			
	ii) FDR pledged with Registrar Genreal Hon'ble High Court Uttarakhand Rs. 615415/-		
	iii) FDR pledged with Bank for Bank Guranteeof Rs. 100000/- with Pollution Control Board. Current value Rs. 193377/-		
(iii)	Fixed deposit, with State Bank of India	-	-
(B)	<u>With Non Scheduled Bank :</u>		
(a)	<u>In Current account</u>		
(i)	With U.S. Nagar Distt. Co-op. Bank Ltd. For Cane Price Account. (Maximum outstanding balance at any time during the year 2021-22 Rs. 177979356/-)	104.20	0.01
(ii)	With U.S. Nagar Distt. Co-op. Bank Ltd. For Cane Transportation A/c. (Maximum outstanding balance at any time during the year 2021-22 Rs. 13351006/-)	0.02	0.02
(iii)	With U.S. Nagar Distt. Co-op. Bank Ltd. Current A/c No. 24 (Maximum outstanding balance at any time during the year 2021-22 Rs.148917992.36/-)	837.83	0.02
(iv)	With U.S. Nagar Distt. Co-op. Bank Ltd. Society & Council Commission A/c No.001535003100004 (Maximum outstanding balance at any time during the year 2021-22 Rs. 4623658/-)	0.01	0.01
(v)	With Kurmanchal Nagar Sahkari Bank Ltd. (Maximum outstanding balance at any time during the year 2021-22 Rs. 10189619.65/-)	3.67	1.00
(vi)	Axis Bank (Maximum outstanding balance at any time during the year 2021-22 Rs. 3351581.58)	0.02	0.05
(b)	<u>In fixed deposits with</u>		
(i)	With U.S. Nagar Distt. Co-op. Bank in fixed deposit ibluding interest accrued thereon(Maximum outstanding balance at any time during the year 2021-22 Rs. 33000771/-)	330.01	17.99
(ii)	With Kurmanchal Bank in fixed deposit including interest accrued thereon (Maximum outstanding balance at any time during the year 2021-22 Rs. 673675/-)	6.74	6.35
(c)	<u>With Post office :</u>		
	In Saving account (pledge with Govt.)	0.02	0.02
	Sub Total (B)	1,852.47	706.35
	Total In lakh Rs. [A + B]	1,853.39	707.79

12.1 All the Fixed Deposits with the various bankers as stated above represent net realizable value with the Interest Accrued (Net of TDS) on the date of Balance Sheet, and as reconcile with the balace certificate received from them.


 Charanjit Singh Pandey
 G.F.O.
 KICHA Sugar Company Limited
 Lucknow (Uttam Singh Nagar)



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

13. Other Current Assets

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1	Interest accrued on other deposits	5.87	5.88
2	Advances receivable in cash or kind	283.79	103.55
3	Advances to Uttarakhand Shakari Chini Mills Sangh Ltd.	151.54	110.04
4	Administrative charges on Molasses	1.51	1.73
5	Security/ trade Deposit	8.24	8.24
6	Income Tax deducted collected at source	11.31	6.13
7	Prepaid Expenses	7.88	7.66
8	MAT Credit	100.49	100.49
	Total in lakh Rs.	570.63	343.72



Sanjay Kumar Pandey
C.F.O.
Kichha Sugar Company Limited
(Incorporated in India)



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

14. Revenue from Operations

(Amount in Lakh Rs.)

Sr. No	Particulars	2021-22	2020-21
	Finished Product		
1	Sugar	19,396.14	13,651.39
	By Product		
2	Molasses	1,319.13	1,297.79
3	Bagasse	5.52	85.19
4	Press Mud	19.40	17.63
		20,740.19	15,052.00
	Less: Excise duty on Sugar & Molasses		
	Total in lakh Rs.	20,740.19	15,052.00

15. Other Income

Sr. No	Particulars	2021-22	2020-21
1	Miscellaneous Receipts	0.02	-
2	Farm Rent	1.26	8.66
3	Sale of Tender Form	1.04	1.59
4	Sale of Scrap	16.15	0.68
5	Rent Received from Staff	-	-
6	Other interest (including FDR & Post office saving account)	52.35	43.85
7	Interest on Income Tax refund	-	0.14
8	Buffer Stock Claim Received	276.98	86.87
9	Export sugar claim 2018-19	1,080.68	204.15
10	Damages Recovered	14.36	14.65
11	MISC SALE	0.94	
12	Security Money Forfeited	0.25	-
	Total in lakh Rs.	1,444.03	360.59

16. Cost of Material Consumed

Sr. No	Particulars	2021-22	2020-21
a)	<u>RAW MATERIALS AND STORES CONSUMED</u>		
1	Cost of Sugar Cane	15,008.38	13,325.27
2	Other Direct Incidental charges	390.01	420.26
3	Packing Material	154.45	121.93
4	Other Consumable Stores	156.07	99.52
5	Society & Council Commission	367.05	347.11
6	Store Freight & Incidental Charges	23.12	11.41
	Total in lakh Rs.	16,099.08	14,325.50

Note :- Other consumable stores included the cost of chemicals which are necessitated for the processing of raw material to finished goods.

(Signature)
Sanjay Kumar Pandey
G.E.O.
Kichha Sugar Company Limited



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

17. Change in Inventories

(Amount in Lakh Rs.)

Sr. No	Particulars	2021-22	2020-21
1	Inventories (at close)		
	Finished Sugar	10,927.99	15,207.82
	Sugar in Process	109.67	67.52
	Molasses	1,173.24	581.22
	Molasses in Process	31.74	23.85
	Bagasse	23.97	20.37
	Sugar Cane	12.01	6.27
		12,278.62	15,907.05
2	Inventories (at commencement)		
	Finished Sugar	15,207.82	15,675.92
	Sugar in Process	67.52	158.93
	Molasses	581.22	979.31
	Molasses in Process	23.85	44.91
	Bagasse	20.37	17.86
	Sugar Cane	6.27	103.81
		15,907.05	16,980.74
	Total in lakh Rs.	3,628.43	1,073.69

18. Employment Benefit Expenses

Sr. No	Particulars	2021-22	2020-21
1	Directors Remuneration	15.18	13.37
2	Salary & Wages including retaining allowance	2,012.72	1,882.62
3	Salary & wages towards out source man power agency	564.99	538.77
4	Workmen & Staff Welfare	42.41	38.49
5	Contribution to provident fund	183.80	166.65
6	Contribution towards pension fund	45.56	49.57
7	Contribution to Employees Deposit Link Insurance Fund	3.26	3.12
8	Retirement Gratuity	193.19	222.85
9	Provision for Arrears of officials	47.49	59.97
	Total in lakh Rs.	3,108.60	2,975.41

19. Financial Cost

Sr. No	Particulars	2021-22	2020-21
1	Interest on Loans From Bank	334.70	626.13
2	Other Interest on Unsecured loan From U.K. Govt.	1,835.09	1,835.09
3	Interest on income tax	-	12.29
	Total in lakh Rs.	2,169.79	2,673.51

20. Depreciation & Amortised Cost

Sr. No	Particulars	2021-22	2020-21
1	Depreciation	36.21	46.05
	Total in lakh Rs.	36.21	46.05

20.1 Detail Property, Plant & Equipment chart Annexed at 8.1


 Chief Executive Officer
 Kichha Sugar Company Limited
 Kichha (Udham Singh Nagar)



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

(Amount in Lakh Rs.)

21. Other Expenses

Sr. No	Particulars	2021-22	2020-21
1	Power and Fuel	182.80	166.62
2	Provision for Govt. Guarantee fee	86.63	77.26
3	Molasses Storage Facilities reserve Fund	0.76	1.15
4	Selling Expenses (including brokerage)	95.10	68.24
5	Insurance	17.47	20.06
6	Cane Development Expenses	27.74	15.79
7	Rates & Taxes including Licence fee	2.96	2.54
8	Rent for Cane out centers	1.91	2.56
9	Repair and Maintenance- Building	53.36	5.16
10	Repair and Maintenance- Machinery	449.02	332.86
11	Repair and Maintenance-Other Repairs	8.81	4.72
12	Travelling Expenses:		
	i) Executive Director	0.25	-
	ii) Others	0.73	1.28
	iii) Conveyance Expenses	0.53	-
13	Statutory Auditors Remuneration:		
	i) Audit Fee	0.30	0.30
	ii) Tax Audit Fee	0.10	0.10
14	Cost Audit Fee	0.20	0.15
15	Entertainment and Guest House Expenses	2.78	0.72
16	Vehicle Running Expenses	7.13	6.84
17	Legal Expenses	1.85	1.94
18	Advertisement	2.57	1.02
19	Bank Charges	0.40	0.19
20	Postage and Telephone	2.34	2.69
21	Printing and Stationery	3.64	3.39
22	Books and Periodicals	0.15	0.18
23	Filing fee	0.36	0.23
24	General Stores consumed	1.03	0.81
25	Sundries	0.29	-
26	Expenses incurred on pollution Control	13.44	1.83
27	Computer and Software Expenses	4.45	0.50
28	Uttarakhand Sugar's Adm. Exp.	79.08	62.73
29	Meeting & Conference expenses	1.01	0.89
30	Professional Expenses	5.45	2.15
31	C.G.S.T. Expenses	-	0.03
32	S.G.S.T. Expenses	-	0.03
33	IGST Exp.	-	0.06
34	CSR Exp.	0.22	-
35	Boiler Ash Removal Exp.	6.60	3.47
36	Short Term provision for sugar selling commission	-	-
37	Out side Godown rent & Other Expenses	48.83	84.49
38	Short Term provision for Expenses & Store	-	-
39	Exses Provision of interest on FDR's written off	28.78	-
	Total in lakh Rs.	1,139.07	872.98


 Chartered Accountant
 Chartered Accountant
 Chartered Accountant
 Chartered Accountant



KICHHA SUGAR COMPANY LIMITED

Notes on Financial Statements for the Year ending 31st March, 2022

22. Exceptional Items (Prior Period Items) F.Y. 2021-22

(Amount in Lakh Rs.₹)

Sr. No	Particulars		2021-22	2020-21
1	Prior year expenses	Dr.	1.50	7.05
2	Income Pertaining to Earlier Years	Cr.	-	(86.92)
	Net Expenses		1.50	79.87

23. Extra ordinary Items F.Y. 2021-22

Sr. No	Particulars	2021-22	2020-21
1	Subsidy received for cane price 2020-21 season from Govt. Of Uttarakhand	6,024.84	4,809.80
	Total in lakh Rs.	6,024.84	4,809.80

Note -: The company has received government subsidy of Rs. 602483750/- for Cane price payment for cane purchase for the Season 2020-21 and the same has been shown as income under "Extra Ordinary Items" during the year under audit.


Sanjay Kumar Pandey
CFO,
Kichha Sugar Company Limited
Kichha, Dehra Dun, U.P. 224124



KICHA SUGAR COMPANY LIMITED, KICHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

A. Significant accounting policies and notes to accounts

1. Corporate information

The company was incorporated on dated 17th February, 1972 having CIN U15421UR1972SGC003513 with the main object to carry on the business of Sugar manufacturing. It is owned and control by the Govt. of Uttarakhand, to pursue its main objects, the company purchases the sugar cane from the farmers at the rate prescribed by the State Govt. However the sale price of the main product i.e. sugar and major bye product i.e. molasses is also regulated and control by the Uttarakhand Co-operative Sugar Mills Federation Ltd.(Uttarakhand Sugars). The other residual product i.e. bagasse which remain surplus after the in-house use is sold in open market by recalling tenders.

In order to regulate and control the business affairs of the company Executive Director (ED) is appointed by the State Govt. of Uttarakhand. The State Govt. also provide subsidy to the company for differential Cane price as per the policies of the government from time to time.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

i. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these

estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Property, Plant and Equipment (PPE):

Property, Plant and Equipment (PPE), are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant and Equipment (PPE) is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

iii. Depreciation on tangible Property, Plant and Equipment (PPE)

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated / amortized over the revised remaining useful lives. Depreciation on

Sudip Kumar Pandey

Kicha Sugar Company Limited



KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

addition to Property, Plant and Equipment (PPE) have been calculated on pro-rata basis from the date of acquisition / installation.

iv. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

v. Inventories

Direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories have been valued on the following basis:-

- | | | |
|----|--------------------------------------|---|
| 1. | Raw Material (Sugar Cane) | The valuation is at the weighted average cost |
| 2. | Finished Goods (Sugar) | Free Sugar at cost or Estimated Net realizable value whichever is lower. |
| 3. | Sugar-in-process | At cost or Estimated Net realizable value whichever is lower (On the basis of Equivalent Unit Method). |
| 4. | Bye Products and Residual Products : | |
| | a) Molasses : | The cost of this by product is not ascertainable therefore the valuation is made on Estimated Net realizable value. |
| | b) Molasses-in-process: | Molasses-in-process is valued at Estimated Net realizable value at equivalent unit method. |
| | c) Bagasse : | Bagasse is valued at Estimated Net realizable value. |
| 5. | Store and spare parts | Store and spare parts (including Consumable stores) are valued at weighted average cost |


Kichha Sugar Company Limited
Kichha (Jharkhand, India)



KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

vi. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

1. Revenue in respect of sale of sugar is recognized at the point of dispatch.
2. All income and expenses are accounted for on mercantile basis **except the following:-**
 - a) Income on sale of Press mud and Scrap sale is accounted for on the basis of realization in the respective accounting year.
 - b) Buffer Stock claims, Subsidies, Reliefs, Concessions, amount received due to revision of rates of Levy Sugar termed as Levy differential price claims, Insurance and other claims export incentive/ receipts are accounted for in the year of actual realization.
 - c) Rent from the factory farm's has accounted for in the year of actual realization.

The arrear of wages and salaries including dearness allowance is accounted for in the Financial Year in which the notification/government order is issued by the competent authorities.

In view of various Notification issued by Ministry of Consumer Affairs, Food & Public distribution, New Delhi, in case of Export made Under Minimum Indication Export Quotas (MIEQ), valuation is done on actual realized price. Export incentive is accounted for in the year of actual realization.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

vii. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has subscribed the LIC gratuity plan for gratuity payments to its employees and yearly contribution to the annuity is charges to the

Statement of Profit & Loss in the year of its accrual of payment.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

viii. Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.


Sd/- 
Chartered Accountants
FIRM ON NEW DELHI HALDWANI
CHARTERED ACCOUNTANTS

KICHHHA SUGAR COMPANY LIMITED, KICHHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

ix. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income

will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

x. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a



KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xi. Provisions and Contingent Liabilities:

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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

xii. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xii. Government Grants

In accordance with AS-12 "Government Grants", issued by the Institute of Chartered Accountants of India, the Government Grants received is dealt as follow:

- a) The grants related to specific fixed asset as shown as deduction from the gross value of the asset concern in arriving at their book value and in case where the grant is virtually whole of the cost of asset, the asset is shown at the nominal value as per the Companies Act, 2013.
- b) The grant related to the compensation or subsidy or assistance for any expense or loss incurred in previous accounting year shall be recognized and disclosed in the profit loss account of the year in which the grant is received / approved and shown as prior period / extra-ordinary item.

Note 2: Other important notes

1. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
2. In the opinion of the board of directors, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.
3. The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006. Since no confirmations have been received, we are not able to comment if there are any amounts due to any micro or small enterprise under the MSMED Act, 2006. Further, the company's liability towards

Sanjay Kumar Pandey
G.F.O.
Kichha Sugar Company Limited
Kichha (Jhansi District, U.P.)



KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

any interest for delayed payments under the provisions of the Act is not likely to be material.

4. The firm does not call for confirmation of balances under the head Sundry Creditors & Sundry Debtors at the year end.


Sd/-  Pandey
Kichha Sugar Company Limited
(Incorporated in India)



KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

B- Notes to the Accounts :

1. Borrowings :

The Company has borrowed from time to time to meet its short term as well as long term requirements from State Government and Co-operative Bank. However, company has failed/defaulted in payment of interest to the State Government on becoming its due. It has also defaulted in payment of installments due of the Differential Cane Price loan borrowed from the State Government. The principal amount along with interest accrued and due but not paid to the State Government is reflected under the head 'Other Current Liabilities'.

2. Short Term Provision :

- i) The company has made provision for the Government guarantee fee as per the directions of Auditor General being 1% of the closing balance of Term Loan account and Cash Credit account loan under Government Guarantee maintained with Co-operative Bank as at the end of the financial year.
- ii) The company has taken a retirement annuity plan from Life Insurance Corporation of India (LIC) for its employees and any additional contribution required under the scheme for the said financial year is being provided for and such liability and that is reflected under short term provisions. During the year under audit, there is a provision of Rs. 5657091/- towards contribution to such annuity plan.

3. Govt. Subsidy :

The company has received government subsidy of Rs. 60,24,83,750/- for Cane price payment for cane purchase for the Season 2020-21 and the same has been shown as income under "Extra Ordinary Items" during the year under audit.

4. Managerial remuneration :

Remuneration paid to the Directors (including Managing Director) included in the Profit and Loss Account is as under :-

Particulars	For the year ended on 31 st March, 2022	For the year ended on 31 st March, 2021
Salaries and allowances	15,18,072/-	13,37,472/-
Total :	15,18,072/-	13,37,472/-



Sanjay Kumar Pandey
C.A.
Kichha, Odisha, India

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

5. Auditor's Remuneration (excluding GST) :

Particulars	For the year ended on 31 st	For the year ended on 31 st
	March, 2022	March, 2021
Statutory Audit	30,000/=	30,000/=
Tax Audit	10,000/=	10,000/=
Reimbursement of expenses	22000/=	15,500/=
Total	62,000/=	55,500/=

6. Earnings per share :

The computation of basic earnings/(loss) per share is set out below:

Particulars	For the year ended on 31 st	For the year ended on 31 st
	March, 2022	March, 2021
Net profit for the period attributable to equity share holders (Rs.)	20,26,37,841	(16,64,87,568)
Number of fully paid up equity shares	17,98,643	17,98,643
Basic earnings per share (Rs.)	113	(93)

7. Provision for the deferred tax on Accumulated losses and unabsorbed depreciation has not been recognized in absence of virtual uncertainty of available of sufficient future taxable income being foreseeable at the end of the financial year 31st March, 2023.

8. Quantitative Details of Raw Material, Finished Goods and Bye-Products: (Qty in Qtls)

Particulars	Raw Material	WIP		Finished Product	By Product		
	Sugar Cane	Sugar In Process	Molasses	Sugar	Molasses	Bagasse	Brown Sugar
Opening Stock	1,965.37	2,714.00	4,274.00	5,05,980.00	1,04,135.90	9,345.64	3.00
Add Purchase	42,30,371.67	-	-	-	-	19,039.90	-
Add Production	-	4,129.00	3,538.00	4,42,464.00	1,78,473.00	12,78,106.65	2,505.00
Total (A)	42,72,337.04	6,843.00	7,812.00	9,48,444.00	2,82,608.90	13,06,492.19	2,508.00
Less Consumption	42,68,124.34	-	-	-	-	12,94,766.39	-
Less Wastage	771.96	-	-	-	-	-	-
Less Sale	-	-	-	6,17,641.00	1,51,812.85	2,195.80	2,505.00
Less Issued for Reprocess	-	2,714.00	4,274.00	-	-	-	3.00
Total (B)	42,68,896.30	2,714.00	4,274.00	6,17,641.00	1,51,812.85	12,96,962.19	2,508.00
Closing Stock	3,440.74	4,129.00	3,538.00	3,30,803.00	1,30,796.05	9,530.00	-

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

9. Debit balance laying in the name of Gadarpur Sugar Factory in respect of internal transactions in past is yet to be adjusted however old materials are being received from Gadarpur Sugar Factory for which no financial transaction recorded in the books.

10. (a) Related Party Disclosures:

Sl. No.	Related Parties	Relation with the Company
1.	Trilok Singh Martolia	Key Managerial Person.
2.	Smt. Ruchi Mohan Rayal	Key Managerial Person.
3.	Uttarakhand Government	Major Share Holders. (97.49%)

(b) Transactions with related Parties:

Sl. No.	Particulars of related party transactions	Holding Company/ Share Holder	Key Management personnel.
a)	Remuneration to Directors (i) Smt. Ruchi Mohan Rayal (ii) Trilok Singh Martolia	-	569565/- 948507/-
b)	Interest on Loan due but not paid to Uttarakhand Government	18,35,09,416/-	-

11. There are legal cases pending against the company but contingent liability arising out of these can't ascertained and therefore no provision for contingent liability has been created for the financial year ending 31st March, 2022.
12. Previous year figures have been regrouped, rearranged, reclassified where ever necessary to make them comparable and more informative with the previous year.
13. **Undisclosed income**

The Company shall give details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.:- **NA**



Sanjay Kumar Pandey
C.F.O.
Kichha Sugar Company Limited
Kichha (Uttarakhand)

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

14. Corporate Social Responsibility (CSR)

Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:-

(a) Amount required to be spent by the company during the year,	21972.00
(b) Amount of expenditure incurred,	21972.00
(c) Shortfall at the end of the year,	NIL
(d) Total of previous years shortfall,	NIL
(e) Reason for shortfall,	NA
(f) Nature of CSR activities,	Educational

(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,

NAME OF THE RELATED PARTY	Bal Vidya Mandir School, Kichha
NATURE OF RELATIONSHIP	Society Controlled By Company Management
DATE OF APPROVAL IN BOARD MEETING	25 February 2022
TOTAL AMOUNT OF TRANSACTION	Rs. 21,972/-
WHETHER TRANSACTIONS ARE ON ARM'S LENGTH BASIS (YES/NO)	YES

(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. NA

15. Details of Crypto Currency or Virtual Currency - NA

Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:- NA

(a) Profit or loss on transactions involving Crypto currency or Virtual Currency-	NA
(b) Amount of currency held as at the reporting date,	NA
(c) Deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency. :-	NA



Sanjay Kumar Pandey
C.F.O.
Kichha Sugar Company Limited
Kichha (Uttar Pradesh)

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

16. Other Statutory Information

- (i) Title deeds of immovable property not held in the name of the company: *No Immovable Property exists in name of the Company*

Relevant Line Item in the Balance Sheet	Description of Item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being hold in the name of the company
PPE	Land	NIL				
	Building					
Investment Property	Land					
	Building	NIL				
PPE retired from active use and held for disposal	Land					
	Building					
Others		NIL				

- (ii) Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

No Revaluation done.

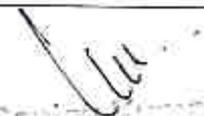
- (iii) Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or NIL

(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	
Directors	NIL	
KMP	NIL	
Related Party	NIL	




 Sanjay Kumar Pandey
 C.F.O.
 Kichha Sugar Company Limited
 Kichha, District - Haridwar (U.P.)

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

(iv) Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress, following ageing schedule shall be given: Nil
CWIP aging schedule

CWIP	Amount in CWIP for a period of				(Amount in Rs.) Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					N. A.
Projects temporarily suspended					

*Total shall tally with CWIP amount in the balance sheet.

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given**: N. A.

CWIP	To be completed in				(Amount in Rs.)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1					
Project 2					

**Details of projects where activity has been suspended shall be given separately.

(v) Intangible assets under development: NIL

(a) For Intangible assets under development, following ageing schedule shall be given;
Intangible assets under development aging schedule

Intangible Assets under development	Amount in CWIP for a period of				(Amount in Rs.) Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					NIL
Projects temporarily suspended					

* Total shall tally with the amount of Intangible assets under development in the balance sheet.

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given**: N.A.

Intangible Assets under development	To be completed in				(Amount in Rs.)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1					
Project 2					

**Details of projects where activity has been suspended shall be given separately.



Sanjay Kumar Pandey
SFC

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

vi) Details of Benami Property held

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-
No such proceedings found initiated or pending.

- | | |
|--|------|
| (a) Details of such property, including year of acquisition, | N.A. |
| (b) Amount thereof, | N.A. |
| (c) Details of Beneficiaries, | N.A. |
| (d) If property is in the books, then reference to the item in the Balance Sheet, | N.A. |
| (e) If property is not in the books, then the fact shall be stated with reasons | N.A. |
| (f) Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor then the details shall be provided, | N.A. |
| (g) Nature of proceedings, status of same and company's view on same. | N.A. |

vii) Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, following:-

- (a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.- **YES**
- (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

viii) Wilful Defaulter*

Where a company is a declared wilful defaulter by any bank or financial institution or other lender, following details shall be given: **NO**

- | | |
|--|------|
| (a) Date of declaration as wilful defaulter, | N.A. |
| (b) Details of defaults (amount and nature of defaults), | N.A. |

* "wilful defaulter" here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

ix) Relationship with Struck off Companies

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:- **NO**

Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities	Nil	
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		



Sanjay Kumar Pandey
 C.F.O.
 Kichha Sugar Company Limited
 (Incorporated in India)

KICHHA SUGAR COMPANY LIMITED, KICHHA

CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

x) Registration of charges or satisfaction with Registrar of Companies

Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.

No details available to us to suggest that the company has any Charges or Satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

xi) Compliance with number of layers of companies:

N.A.

Where the company has not 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, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.

xii) Compliance with approved Scheme(s) of Arrangements

Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.

No such Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

xiii) Utilisation of Borrowed funds and share premium:

- (A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
- (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

As per the details and explanation provided by the management of the Company, the Company has not advanced or loaned or invested funds to any other person with the understanding as given in (A) (i) or (ii) above.

The company shall disclose the following:-

N.A.

- (I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.
- (II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries.
- (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- (iv) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(B) Where a company has 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 the company shall-

- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:-

As per the details and explanation provided by the management of the Company, the Company has not received any funds from any other person with the understanding as given in (B) (i) or (ii) above.



Sanjay Kumar Pandey
C.F.O.
Kichha Sugar Company Limited
Kichha, U.P.

KICHHA SUGAR COMPANY LIMITED, KICHHA

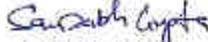
CIN: U15421UR1972SGC003513

Note No. 24- Notes to financial statements for the year ended March 31, 2022

- (I) date and amount of fund received from Funding parties with complete details of each Funding party. NA
(II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries.
(III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

For and on behalf of Board
KICHHA SUGAR COMPANY LTD


(S.K. Pandey)
C.F.O
PAN: AUSPP4490R


(Saurabh Gupta)
Company Secretary
PAN: BFZPG3786A


(Trilok Singh Martolia)
EXECUTIVE DIRECTOR
DIN:09311718


(Vijay Kumar Yadav)
CHAIRMAN
DIN: 09462188

As per our Report of even date attached herewith.

FOR B VISHAL & ASSOCIATES

Firm Reg. No: 020000N

Chartered Accountants


BIPLAWW VISHAL

Partner

Membership No.500964

UDIN: 22500964AWW TAV5935

PLACE: New Delhi

Dated: 27-09-2022

PLACE: DEHRADUN

DATED: 27-09-22

PLACE: DEHRADUN

DATED: 27-09-22



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), उत्तराखण्ड
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
UTTARAKHAND



पत्रांक : पी.ए.जी./उ.ख./ए.एम.जी.-II/वा.ले./कि.शु.क.लि./ 2021-22/5692
 दिनांक: 02/01/2023

औपचारिक

सेवा में,

2946

अधिशाली निदेशक,
 किच्छा शुगर कम्पनी लिमिटेड,
 किच्छा, उधम सिंह नगर
 उत्तराखण्ड।
 ई मेल: sugarkichha@gmail.com

विषय: किच्छा शुगर कम्पनी लिमिटेड, देहरादून के 31 मार्च 2022 के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टीका-टिप्पणियों के सम्बन्ध में।

महोदय

एतत्सह कम्पनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन किच्छा शुगर कम्पनी लिमिटेड, देहरादून के 31 मार्च 2022 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक एवं महालेखापरीक्षक की टीका-टिप्पणियों, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही हैं। कृपया कम्पनी की वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत किए जाने की वास्तविक तिथि की सूचना देने का कष्ट करें।

कृपया पावती भेजें।

भवदीय,

(प्रवीन्द्र यादव)

प्रधान महालेखाकार

संलग्निका: यथापरि।

Dr. Accts.

01-23

कम्पनी अधिनियम 2013
 किच्छा जिला उ.
 प्राप्ति सं. 3977
 पत्रांक 11-01-2023

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF KICHHA SUGAR COMPANY LIMITED FOR
THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of Kichha Sugar Company Limited (Company) for the year ended 31 March 2022 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 September 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of financial statements of Kichha Sugar Company Limited for the year ended 31 March 2022 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

1. Balance Sheet

Current Liabilities

Short Term Provisions (Note 7) - ₹ 13.41 crore

The above does not include ₹ 32.87 lakh being the amount of guarantee fee payable to the Government of Uttarakhand (GoU) for Guarantee issued for Cash Credit Limit availed by the Company. The GoU had guaranteed Cash Credit Limit of ₹ 119.50 crore for the year 2021-22 for which the Company is required to pay Guarantee fee of ₹ 119.50 lakh (@ one per cent of CC limit) to the GoU. However, the company had made provision of guarantee fee payable to GoU of ₹ 86.63 lakh only.

This resulted in understatement of Short Term Provisions (provision of guarantee fee) and overstatement of Profit by ₹ 32.87 lakh each.

Place: Dehradun

Date:

For and on behalf of
Comptroller & Auditor General of India

(PWA WINDING UP)
Principal Accountant General (Audit)
Uttarakhand