



naga

Limited



Research & Development Initiative

31st ANNUAL REPORT 2021-2022



Inauguration of 29 **OYALO** PIZZA Outlets



Erode



K Pudur, Madurai



Salem



Kumbakonam



Kovilpatti



Goundanpalayam, Coimbatore



Hosur



Gandhi Park, Coimbatore



Anna Nagar, Madurai



Mayiladuthurai



Thillapipuram, Namakkal



CORPORATE INFORMATION

<p>Board of Directors:</p> <p>Sri. K.S. Kamalakannan, Chairman & Managing Director</p> <p>Smt. Mageswari Kannan, Joint Managing Director</p> <p>Sri. Sounder Kannan, Whole-Time Director</p> <p>Sri. D. Vijay Anand, Technical Director</p> <p>Sri. S. Ramesh, Director (Projects)</p> <p>Sri. P. Arivanandam, Independent Director</p> <p>Sri. Ramesh Krishnan, Independent Director</p> <p>Sri. S. Neelakantan, Independent Director</p> <p>Chief Financial Officer Sri. T.R. Sivaraman</p> <p>Company Secretary Sri. V. Marikannan</p> <p>Bankers:</p> <p>Axis Bank Ltd, Dindigul HDFC Bank Ltd, Dindigul State Bank of India, Dindigul Standard Chartered Bank, Mumbai ICICI Bank Ltd, Dindigul Indusind Bank, Dindigul IDBI Bank, Dindigul IDFC First Bank, Chennai Karur Vysya Bank, Dindigul</p>	<p>Registered Office:</p> <p>No.1, Anna Pillai Street, Chennai - 600 001.</p> <p>CIN : U24246TN1991PLC020409 Telephone : 044-25363535 Website : www.nagamills.com Email : cs@nagamills.com</p> <p>Factories:</p> <ol style="list-style-type: none">1) Naga Limited - Foods (Unit - I), No.1, Trichy Road, Dindigul - 624 005.2) Naga Limited - Foods (Unit - II), No.133, Trichy Road, Dindigul - 624 005.3) Naga Limited, R&D Division - I & Silos, No.1, Trichy Road, Dindigul - 624 005.4) Naga Limited, R&D Division - II, No.1, Padiyur Road, Pudhupatti, Padiyur Post, Vedasandur Taluk, Dindigul - 624 005.5) Naga Limited - Foods Aruppukottai, 3/315, Melakandamangalam Village, Aruppukottai, Virudhunagar - 626 101.6) Naga Limited - Minerals, No.9, Trichy Road, Dindigul - 624 005.7) Naga Limited - Detergents, No.1, Oddanchatram Road, Vedasandur-624710.8) Naga Limited - Consumer Division Unit-I, No.131, Trichy Road, Dindigul - 624 005.9) Naga Limited - Consumer Division Unit-II, No.1, Padiyur Road, Pudhupatti, Padiyur Post, Vedasandur Taluk, Dindigul - 624 005.10) Naga Limited - Consumer Division Unit-III, No.4/213, Padiyur, Dindigul - 624 005.11) Windmills : Coimbatore, Dharapuram, Theni & Thirunelveli.
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AUDITORS

STATUTORY AUDITORS

M/s. MSKA & Associates
Chartered Accountants,
5th Floor, Main Building, Guna Complex
New No. 443 & 445, Old No. 304 & 305.
Mount Road, Teynampet, Chennai - 600 018.
Telephone: +91 44 6131 0200
Email ID: geethajeyakumar@mska.in

INTERNAL AUDITOR

M/s. KPMG Assurance and Consulting Services LLP
KRM Tower Ground Floor, No.1, Harrington Road,
Chetpet, Chennai - 600 031.
Phone Number: +91 94421 00689
Email ID: rahull@kpmg.com &
vikramsurana1@kpmg.com

COST AUDITOR

Dr. I. Ashok, M.Com., FCMA., FICWA., PGDFM.,
Cost and Management Accountant,
471/4, Madurai Road, Near Periyar Statute,
Thirumangalam - 625 706.
Telephone: 04549 280216
Email ID: ashokficwai@yahoo.co.in

SECRETARIAL AUDITOR

M/s. GSR & Co.,
Practising Company Secretaries,
Flat No. A-2, 2nd Floor, Sai Niranthara,
No.14/23, Nagarjuna Nagar 1st Street,
Rangarajapuram, Kodambakkam, Chennai - 600024
Telephone: 044-2484 6890 / Fax: 044-4204 7845
Phone Number : +91 98404 26264
E-Mail ID: gstrandco2020@gmail.com

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.,
“Subramanian Building”,
No.1, Club House Road, Chennai - 600 002.
Telephone: 044-40020700 / 0710
E-Mail ID: cameo@cameoindia.com

COMPOSITION OF COMMITTEE

AUDIT COMMITTEE

Sri. P. Arivanandam	Chairman
Smt. Mageswari Kannan	Member
Sri. S. Neelakantan	Member
Sri. Ramesh Krishnan	Member

NOMINATION AND REMUNERATION COMMITTEE

Sri. P. Arivanandam	Chairman
Sri. S. Neelakantan	Member
Sri. Ramesh Krishnan	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri. Ramesh Krishnan	Chairman
Smt. Mageswari Kannan	Member
Sri. Sounder Kannan	Member

CSR COMMITTEE

Sri. Ramesh Krishnan	Chairman
Smt. Mageswari Kannan	Member
Sri. Sounder Kannan	Member

FINANCE COMMITTEE

Sri. K.S. Kamalakannan	Chairman
Smt. Mageswari Kannan	Member
Sri. Sounder Kannan	Member
Sri. D. Vijay Anand	Member



CHAIRMAN'S SPEECH

DEAR SHAREHOLDERS,

Myself along with my colleagues on the Board welcome you all for the 31st Annual General Meeting of your Company. The Annual Report and Audited Accounts of the Company for the year ended March 31, 2022 have been with you for some time and I take them as read. Despite various vagaries faced, we could complete the year with a reasonable performance.

Financial Year 2021-22 was an eventful year with the Country weathering two waves of Covid-19. The Global economy is projected to have grown by 5.9% in 2021, the fastest rate recorded in over four decades. After recovering from a historic contraction of 7.3% in the preceding year India's economy is estimated to have grown by 9% in FY 2021-22 surpassing the pre pandemic level.

I am glad to inform you that your Company has achieved a turnover of Rs. 1726.80 Cr during the year as compared to Rs. 1506.63 Cr achieved during the corresponding previous year. All efforts were focused to maximize the turnover and profitability despite many challenges. This has resulted in sustaining the profitability before and after tax of the previous year. However despite the best efforts your Company could not achieve the expected growth in terms of profitability due to a variety of factors including competition and the pandemic related issues.

Your Directors are glad to inform you that India Rating and Research (formerly known as FITCH India Ratings) enhanced the rating of your Company to A- (Stable) for the year 2021-22. This is a specific achievement due to the untiring efforts put in by all the Executives and Business Heads under the able Leadership of Joint Managing Director. Consistence performance in terms of turnover and profitability and timely servicing of debt obligations along with interest despite the pandemic resulted in the upgrade.

I now present the performance of the various Divisions of the Company hereunder:

FOODS:

On a perusal of the last 5 years performance, you could observe that this Division has achieved a reasonable performance during the year under review despite stiff competition.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Production (MT)	236068	219915	228692	240501	227979
Growth %	7	(4)	(5)	6	46

CONSUMER:

Due to varied factors including free ration by State Government the results of the Division got reduced marginally.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Production (MT)	53549	54084	34583	33875	29302
Growth %	(1)	56	2	16	27



DETERGENTS:

This Division has maintained its production level with a marginal increase. We have completed 31 years of dedicated operations in this unit. You will be glad to note that we are the third largest manufacturers of detergents to M/s. Hindustan Unilever Limited.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Production (MT)	175442	165456	156145	151864	120735
Growth %	6	6	3	26	14

MINERALS:

We are glad to record a good performance of this Division during the year under review owing to the excellent efforts of Team Naga.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Production (MT)	153395	142535	103385	102524	102740
Growth %	8	38	-	-	5

MANUFACTURING (Total):

Despite various issues and problems including competition your Company could sustain the production at a reasonable level.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Production (MT)	618454	581990	522805	528764	480756
Growth %	6	11	(1)	10	25

ENERGY:

This Division operates with 12 Windmills with a capacity of 11.125 MW including Solar power of 0.60 MW. Happy to inform you that this Division caters to 43% of consumption of electricity. This has helped your Company to reduce the cost of production.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Units Generated*	162	149	154	163	178
Units Consumed*	375	343	302	304	190
Purchased*	213	194	148	141	12

* (Units in Lakhs)

FINANCIAL INFORMATION:

The book value of your company's share stood at Rs. 111.37 indicating the growth achieved in all these years.

Year	2021-22	2020-21	2019-20	2018-19	2017-18
Per Share Value (in Rs.)	111.37	103.55	95.62	88.82	77.13

**DIVIDEND POLICY:**

Considering the future growth and expansion plans and the interim dividend of Rs 1.00 per equity share (10% on paid-up equity capital) declared and paid, Your Directors decided not to declare any further dividend for the year.

VOLUNTARY DELISTING:

The delisting of the equity shares of your Company was completed w.e.f. April 16, 2021 vide notice number MSE/LIST/10267/2021 dated March 31, 2021. During the Exit Window Period, 68,375 Equity Shares aggregating to 0.48% of the paid-up capital of the Company were accepted from Residual Public Shareholders.

ACKNOWLEDGMENT:

I thank all the Shareholders of the Company for their continued support to the Company at all points of time.

I extend my heartfelt thanks to all my colleagues on the Board both executive and independent directors present and retired during the year for their excellent guidance, support and encouragement to run the Company at critical times.

I am very much thankful to employees at all levels of the Company whose contribution helped the Company to achieve best results.

I convey my thanks to Customers, Suppliers and Service Providers for their best support and cooperation.

My thanks are equally due to various departments of Central and State Governments and Banks.

WITH BLESSINGS OF THE ALMIGHTY.

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN 01601589

LAST 10 YEARS FINANCIAL HIGHLIGHTS

(All amounts are in Crores of Indian Rupees unless otherwise stated)

PARTICULARS	CAGR	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
PROFIT & LOSS											
Operating Income / Turnover (A)	19%	1726.80	1506.63	1003.30	837.19	893.92	665.92	432.74	463.53	423.30	366.69
Other Income		5.41	1.56	6.39	14.13	8.95	2.59	2.91	2.22	1.37	3.58
Total Income (B)	19%	1732.21	1508.19	1009.69	851.32	902.87	668.51	435.65	465.75	424.67	370.27
Operating Expenses (C)	20%	1648.59	1424.25	934.23	769.21	808.61	584.13	389.69	418.02	371.81	322.97
EBDITA (D=B-C)	7%	83.63	83.95	75.46	82.11	94.26	84.38	45.96	47.73	52.86	47.30
Depreciation (E)	12%	36.97	35.62	33.06	27.42	25.29	21.41	18.88	17.46	16.44	13.78
Interest (F)	8%	29.99	32.82	33.63	29.07	31.98	22.98	18.23	19.95	22.74	15.34
Profit Before Tax (PBT) (G=(D-E-F))	-1%	16.67	15.51	8.77	25.62	36.99	39.98	8.86	10.32	13.68	18.17
Profit After Tax (PAT) (H)	-1%	12.36	12.33	12.92	18.12	22.15	24.38	5.12	7.62	10.13	14.04
Cash Generation (Post Tax) (I=E+H)	7%	49.33	47.95	45.98	45.54	47.44	45.79	24.00	25.08	26.57	27.82
Equity Dividend (%) (J)	6%	10%	10%	8%	8%	8%	8%	8%	8%	6%	6%
Dividend Payout (K=N*J)		1.42	1.42	1.14	1.14	1.14	1.14	1.14	1.14	0.85	0.85
Dividend Payout Ratio (%) (L=K/H)	7%	12%	12%	9%	6%	5%	5%	22%	15%	8%	6%
No of Equity Shares (M)		1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Face Value of Equity Shares (Rs) (N)		10	10	10	10	10	10	10	10	10	10
Equity Share Capital		14.25	14.25	14.25	14.25	14.25	14.25	14.25	14.25	14.25	14.25
Reserves and Surplus (O)	16%	144.43	133.30	121.99	112.30	95.63	81.00	57.49	53.75	47.61	38.47
Shareholders Funds/Networth (P=N+O)	13%	158.68	147.55	136.24	126.55	109.88	95.25	71.74	67.99	61.86	52.72
Long Term Debt (Q)	6%	183.70	191.71	213.58	146.02	141.44	92.30	99.70	102.05	105.77	104.80
Gross Fixed Assets (R)	10%	481.71	417.25	376.97	281.02	222.99	309.00	262.00	249.00	229.00	211.00
Net Fixed Assets (S)	9%	302.35	274.45	269.80	206.90	176.00	165.66	139.76	145.52	142.88	141.10
Earning Per Share (Rs.) (T=H/N)	-1%	8.67	8.65	9.07	12.72	15.55	17.11	3.59	5.35	7.11	9.85
Book Value Per Share (Rs.) (U=P/M)	13%	111.37	103.55	95.62	88.82	77.13	66.85	50.35	47.72	43.41	37.00
Debt (Longterm) Equity Ratio (V=Q/P)		1.16	1.30	1.57	1.15	1.29	0.97	1.39	1.50	1.71	1.99
Leverage : TOL/TNW (W)		2.91	2.85	3.00	1.92	3.04	3.65	2.62	2.44	3.03	3.45
EBDITA/Turnover (X=D/A)	-10%	4.84%	5.57%	7.52%	9.81%	10.54%	12.67%	10.62%	10.30%	12.49%	12.90%
Interest Coverage Ratio (Y=D/F)		2.79	2.56	2.24	2.82	2.95	3.67	2.52	2.39	2.32	3.08
RONW (%) (Z=H/P)	-13%	7.79%	8.35%	9.48%	14.32%	20.16%	25.60%	7.14%	11.21%	16.38%	26.63%
RATIOS											
BALANCE SHEET											



NAGA LIMITED

Registered Office: No.1, Anna Pillai Street, Chennai - 600 001. Ph : 044-25363535 website: www.nagamills.com,
Corporate Identity Number (CIN):U24246TN1991PLC020409 Investors Relations Email Id: cs@nagamills.com.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First (31st) Annual General Meeting of the Members of **NAGA LIMITED** will be held at the Presidency Club, No. 51, Ethiraj Salai, Egmore, Chennai - 600 008 on Wednesday, August 10, 2022 at 12.45 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Reports of the Board of Directors' and the Auditors' thereon; and
 - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Report of Auditors' thereon.
2. To confirm the payment of interim dividend for the financial year 2021-22.
3. To appoint a Director in place of Smt. Mageswari Kannan (DIN 02107556) who retires by rotation and being eligible, offers herself for re-appointment.

“RESOLVED THAT Smt. Mageswari Kannan (DIN 02107556), who retires by rotation, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditor for the financial year 2022-23 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year 2022-23 to Dr. I. Ashok, CMA (M. No. 011929), Cost Accountant appointed by the Board of Directors of the Company on 1st June, 2022 to conduct the audit for products covered under Minerals & Detergents Divisions of the Company for the financial year 2022-23, on a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses at actual be and is hereby approved and confirmed.”

“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

5. **Appointment of Sri. P. Arivanandam (DIN 06981964) as an Independent Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Sri. P. Arivanandam (DIN 06981964), who was appointed as an Additional Independent Director of the Company w.e.f 28th August, 2021 by the Board of Directors at their meeting held on 28th August, 2021, be and is hereby appointed as an Independent Director of the Company for a term of five years from 28th August, 2021, not liable to retire by rotation.”

“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. **Appointment of Sri. Ramesh Krishnan (DIN 05340141) as an Independent Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to Section 149 and Section 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Sri. Ramesh Krishnan (DIN 05340141), who was appointed as an Additional Independent Director of the Company w.e.f 11th February, 2022 by the Board of Directors at their meeting held on 11th February, 2022, be and is hereby appointed as an Independent Director of the Company for a term of five years from 11th February, 2022, not liable to retire by rotation.”

“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7. **Appointment of Sri. S. Ramesh (DIN 01620265) as Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Sri. S. Ramesh (DIN 01620265), who was appointed as an Additional Director by the Board on 11th February 2022 and who holds office upto the date of this 31st Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Sri. S. Ramesh (DIN 01620265) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”



“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

8. Approval for designating Sri. S. Ramesh (DIN 01620265), Director (Projects) of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Schedule V Part II Section II thereto and subject to such approvals, if any, as may be necessary, appointment of Sri. S. Ramesh (DIN 01620265) designated as Director (Projects) of the Company for a period of five (5) years w.e.f. 11th February, 2022 liable to retire by rotation, on the terms and conditions as set out in the explanatory statement attached to this notice with liberty to the Board of the Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force be and is hereby approved.”

“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

Place : Dindigul
Date : 1st June, 2022

BY ORDER OF THE BOARD
For NAGA LIMITED

V. MARIKANNAN
COMPANY SECRETARY
M. No.A30767



Notes:

An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto.

Corporate Members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (PDF/ JPEG format) authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

In accordance with, the General Circular No. 02/2021 dated January 13, 2021 issued by MCA owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditors' report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

Members holding shares in physical mode and dematerialised mode who have not updated their email addresses with the Company are requested to update their email addresses by using this link <https://investors.cameoindia.com>.

The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.nagamills.com/Investors.html.

Proxy:

A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote on a poll instead of him and such proxy need not be a Member of the Company.

A person can act as a Proxy on behalf of Members not exceeding Fifty and holding in the aggregate not more than ten percent of the total carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a Proxy for any other person.

The instrument appointing the Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

Particulars of Directors:

Particulars of Director seeking re-appointment is given in Appendix - A.

Dividend:

The interim dividend declared in February, 2022 has been considered as final dividend for the year 2021-22 and hence the Board of Directors did not recommend any final dividend.

Unclaimed Dividend:

Unclaimed dividend for over 7 years and the underlying shares thereof will be transferred to the Investor Education and Protection Fund. Members may refer to Page No. 34 of the Annual Report and lodge their claim, if any, immediately either with the Company Secretary or Investor Education and Protection Fund.

**E-Communication:**

Members are requested to opt for electronic mode of communication and support the Green initiatives of the Government.

Member Identification:

Members are requested to bring the attendance slips duly filled in and copy of the Annual Report to the meeting.

Gifts:

No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in term of Clause 14 of the Secretarial Standards (SS-2) pertaining to distribution of Gifts at Annual General Meeting.

Route Map:

Route Map showing the location of and directions to reach the venue of the 31st Annual General Meeting is given at the end of this AGM Notice as per the requirements of the Secretarial Standard 2 on “General Meeting”.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**Item No.4:**

The Board of Directors of the Company, at their meeting held on 1st June, 2022 on the recommendation of the Audit Committee, approved the appointment and remuneration of Dr. I. Ashok, CMA (M.No.011929), Cost Accountant, to conduct the cost audit for Minerals & Detergents Divisions of the Company for the financial year 2022-23 on a remuneration of Rs. 50,000/- plus GST and reimbursement of out-of-pocket expenses, subject to approval by Shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Shareholders of the Company. Accordingly, the Shareholders are requested to approve the remuneration payable to the Cost Auditor for the year 2022-23 as set out in the Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the resolution.

Item No.5:

The Board of Directors of the Company at their meeting held on 28th August, 2021 appointed Sri. P. Arivanandam (DIN 06981964), as an Additional Independent Director of the Company w.e.f 28th August, 2021 pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act) and Article 119 of the Article of Association of the Company. Sri. P. Arivanandam (DIN 06981964) will hold office upto the date of this Annual General Meeting. The Company has received a declaration from Sri. P. Arivanandam (DIN 06981964) that he meets the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Act. In the opinion of the Board, Sri. P. Arivanandam (DIN 06981964) fulfills the conditions for his appointment as an Independent Director as specified in the Act. Sri. P. Arivanandam (DIN 06981964) is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Sri. P. Arivanandam (DIN 06981964)

Sri. P. Arivanandam (DIN 06981964), a post graduate in Economics from the University of Madras and a Certified Associate of Indian Institute of Bankers, Mumbai (CAIIB). He started his career as a Research Fellow in Evaluation and Applied Research (E & AR) Department of Government of Tamil Nadu. Thereafter, he joined Indian Bank, spanning over a period of nearly four decades, he had spent his glorious career with the Bank and rose to the position of Chief General Manager (A post created for the first time in the Bank). He retired in 2013 and continued as Advisor till 2014. Thereafter, he was Honorary Faculty for Banking and Insurance with M.S. University, Baroda. He is also the visiting faculty at Indian Bank Management Academy and Honorary Member in various social organizations. He is also the guest faculty with the Institute of Cost and Management Accountants of India.

Sri. P. Arivanandam does not hold by himself or for any other person on a beneficial basis, any shares in the Company as per declaration given by him. The Board based on the experience / expertise declared by Sri. P. Arivanandam, is of the opinion that Sri. P. Arivanandam has the requisite qualification to act as an Independent Director of the Company.

Accordingly, the Board recommends the resolution for the appointment of Sri. P. Arivanandam as an Independent Director, for the approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Sri. P. Arivanandam.

Item No.6:

The Board of Directors of the Company at their meeting held on 11th February, 2022 appointed Sri. Ramesh Krishnan (DIN 05340141) as an Additional Independent Director of the Company w.e.f 11th February, 2022 pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act) and Article 119 of the Articles of Association of the Company. Sri. Ramesh Krishnan (DIN 05340141) will hold office upto the date of this Annual General Meeting. The Company has received a declaration from Sri. Ramesh Krishnan (DIN 05340141) that he meets the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Act. In the opinion of the Board, Sri. Ramesh Krishnan (DIN 05340141) fulfills the conditions for his appointment as an Independent Director as specified in the Act. Sri. Ramesh Krishnan (DIN 05340141) is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Sri. Ramesh Krishnan (DIN 05340141)

Sri. Ramesh Krishnan (DIN 05340141), a post graduate in Mechanical Engineering from the University of Bangalore who is having 35 years of end to end supply chain experience with proven skills in productivity improvement, cost optimization, unlocking capacity and waste reduction. Sri. Ramesh Krishnan started his career in the year 1986 and got appointed in managerial roles in various Companies for the period from 1994 till 2001. Subsequently, he got appointed as Lead Consultant of Supply Chain Management in M/s. Satyam Computer Services Limited, Chennai till October, 2002 and as the Chief Executive Officer in M/s. Nyanza Bottling Company Limited, Tanzania (Coco Cola Franchise) for the period from November, 2002 to May 2008. He is practicing as management consultant since January 2018 independently.

Sri. Ramesh Krishnan does not hold by himself or for any other person on a beneficial basis, any shares in the Company as per declaration given by him. The Board based on the experience / expertise declared by Sri. Ramesh Krishnan, is of the opinion that Sri. Ramesh Krishnan has the requisite qualification to act as an Independent Director of the Company.

Accordingly, the Board recommends the resolution for the appointment of Sri. Ramesh Krishnan as an Independent Director, for the approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Sri. Ramesh Krishnan.

Item No.7:

Sri. S. Ramesh was appointed as an Additional Director of the Company with effect from 11th February, 2022. In terms of Section 161 of the Companies Act, 2013, Sri. S. Ramesh holds office only upto the date of this annual general meeting. The Directors recommend the said resolution to be approved as an ordinary resolution by the Shareholders.

The Board of Directors of the Company at the meeting held on 11th February, 2022 has co-opted Sri. S. Ramesh (DIN 01620265) as Additional Director of the Company and approved the remuneration package based on the recommendation of the Nomination and Remuneration Committee. Now the approval of the Members is being sought to the terms, conditions and stipulations for the appointment of Sri. S. Ramesh as Director.

Brief resume of Sri. S. Ramesh (DIN 01620265)

Sri. S. Ramesh (DIN 01620265), a commerce graduate from the Madurai Kamaraj University who has more than 40 years of experience in Finance, Marketing, Manufacturing of Foods, Detergents and Civil Projects.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Sri. S. Ramesh.

Item No.8:

The Board of Directors of Company at its meeting held on 11th February, 2022 has designated Sri. S. Ramesh (DIN 01620265) as Director (Projects) for a period of 5 years (11th February, 2022 to 10th February, 2027) as recommended by the Nomination and Remuneration Committee subject to the approval of Shareholders as per the details mentioned below:

The details of remuneration are as follows:

Name	Sri. S. Ramesh (DIN 01620265)
Salary	Rs. 1.50 Lakhs per month (Rupees One Lakh and Fifty Thousand only)
Perquisites	(a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

In the event of absence or inadequacy of profit in any financial year during the tenure of the above Director, the remuneration shall be paid subject to the overall ceiling under Section 196, 197 and Section II of Part II of Schedule V of the Companies Act, 2013.

General Information:

S. No.	Particulars	Details		
1	Nature of Industry	Manufacturing of Wheat Products, Detergents, Minerals & Power Generation		
2	Date or expected date of commencement of commercial production	25.04.1991		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial Performance based on given indicators: Net Turnover - EBITDA - PBT - PAT - Dividend (in %)	(Rs. In Crores)		
		2021-22	2020-21	2019-20
		1726.80	1506.63	1003.30
		83.63	83.95	75.46
		16.67	15.51	8.77
	12.36	12.33	12.92	
	10	10	8	
5	Foreign Investments or collaborations, if any	Nil		

Information about the Appointee:

S. No.	Particulars	Sri. S. Ramesh, Director (Projects)
1	Background Details	Having more than 40 years of experience in Finance, Marketing, Manufacturing of Foods, Detergents and expertise in Civil Projects and related business activities
2	Past Remuneration	Rs. 75,000/- p.a (Sitting Fees)
3	Recognition or Awards	-
4	Job Profile and his suitability	Sri. S. Ramesh was appointed as Non-Executive/ Independent Director of the Company from 8 th March, 2006 to 31 st January, 2022 and has more than 40 years in Finance, Marketing, Manufacturing of Foods, Detergents and expertise in Civil Projects and related business activities.
5	Remuneration Proposed	Rs. 1.50 Lakhs p.m.
6	Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the Position and Person	Considering the profile and experience, current trend of compensation package in corporates, the remuneration proposed is reasonable.
7	Pecuniary Relationship directly or indirectly with the Company or Relationship with the Managerial Personnel	Nil

Other Information:

S. No.	Particulars	Details
1	Reasons of loss or inadequate profits	Due to fluctuation in the main raw material prices, there may be fluctuations in selling prices and consequently in profitability.
2	Steps taken or proposed to be taken for improvement	The Company is constantly working for efficient way way of procuring raw materials and contain costs including control of expenses to achieve reasonable profits.
3	Expected increase in productivity and profits in measurable terms.	The Company is gearing itself to achieve better production, turnover and profitability based on budgeted workings.

Disclosures:

S. No.	Particulars	Sri. S. Ramesh, Director (Projects)
1	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc of the Director	Refer Page No. 11
2	Details of fixed component and performance linked incentives along with the performance criteria	Nil
3	Service contracts, notice period, severance fees	NA
4	Stock Options Details	NA

The Board recommends the resolution set out in Item No.8 for approval of the Members.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Place : Dindigul

Date : 1st June, 2022

BY ORDER OF THE BOARD

For NAGA LIMITED

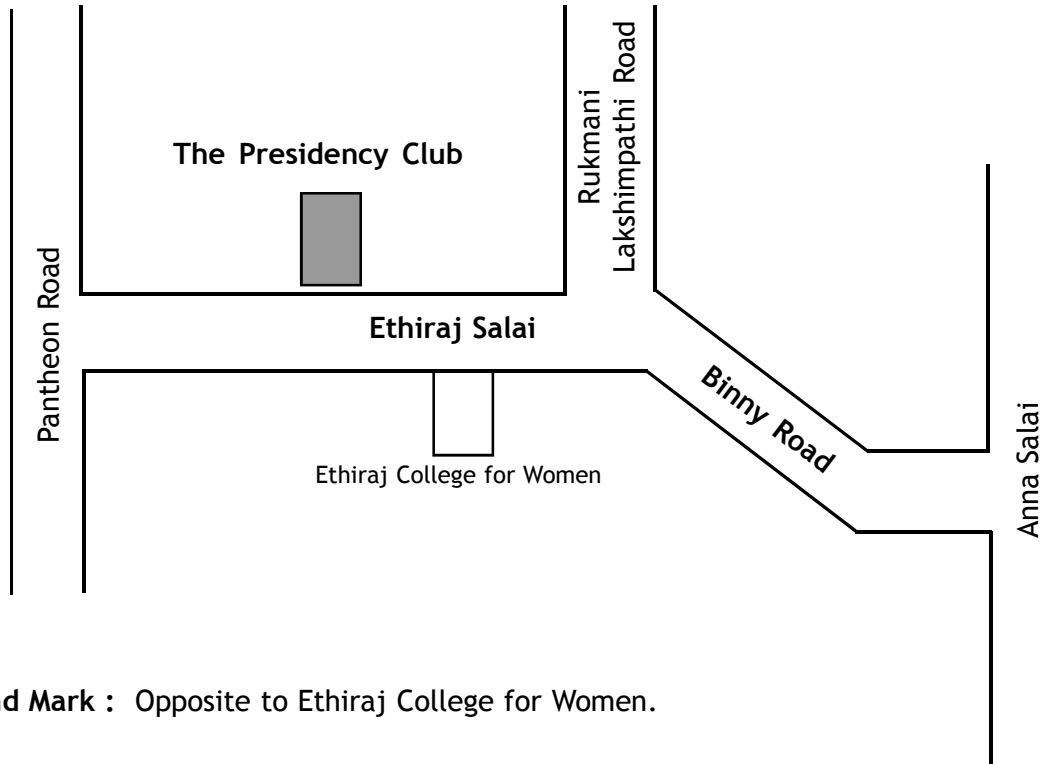
V. MARIKANNAN
Company Secretary
M.No. A30767

**Reappointment of Director:
Information required to be furnished under Secretarial Standards-2 on General Meetings.
The particulars of Director to be appointed / re-appointed at this meeting are given below:**

1.	Name of Director	Smt. MAGESWARI KANNAN	Sri.P. ARIVANANDAM	Sri. RAMESH KRISHNAN	Sri. S. RAMESH
2.	Date of Birth & Age	27th January, 1959 & 63 years	27th September, 1953 & 68 years	22nd August, 1963 & 58 years	9th July, 1966 & 56 years
3.	Qualification	B.Sc.,	M.Sc. in Economics	M.E. in Mechanical Engineering	B.com.,
4.	Expertise in specific functional areas	Experience in Flour Milling, Minerals & Manufacturing Detergents for the past 40 Years	Rich expertise in Evaluation and Applied Research (E & AR) Department of Government of Tamil Nadu and Indian Bank as Chief General Manager.	35 years of end to end supply chain experience with proven skills in productivity improvement, cost optimization, unlocking capacity and waste reduction and Management Consultant.	Experience in Finance, Marketing and Production of Food, Leather, Detergent Industries and Civil Projects.
5.	Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Smt. Mageswari Kannan who was re-appointed as a Joint Managing Director, is liable to retire by rotation	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto, Sri. P. Arivanandam is proposed to be appointed as an Independent Director	As per the resolution at Item No.6 of the Notice convening this Meeting read with explanatory statement thereto, Sri. Ramesh Krishnan is proposed to be appointed as an Independent Director	As per the resolution at Item No.8 of the Notice convening this Meeting read with explanatory statement thereto, Sri. Ramesh is proposed to be appointed as a Director (Projects)
6.	Remuneration last drawn (FY 2020-21)	Rs. 7.50 Lakhs per month	NA	NA	NA
7.	Remuneration proposed to be paid	Rs. 7.50 Lakhs per month	Rs. 25,000/- per day meeting (Sitting Fees)	Rs. 25,000/- per day meeting (Sitting Fees)	Rs. 1.50 Lakhs per month
8.	Date of first appointment on the Board	01.08.1998	28.08.2021	11.02.2022	11.02.2022
9.	Number of shares held in the Company	2479512	Nil	Nil	Nil
10.	Relationship with other Directors / KMP	Wife of Sri. K.S.Kamalakaran Mother of Sri. Sounder Kannan Mother-in-Law of Sri.D. Vijay Anand	-	-	-
11.	Number of meetings of the board attended during the financial year 2021-22	Held-4 Attended-4	Held-2 Attended-2	Held-1 Attended-1	Held-1 Attended-1
12.	List of Directorship held in other Companies	Nagalakshmi Energy Private Limited M.M.Detergents Company Private Limited Annai Power Private Limited Dindigul Foods Park Private Limited Tutifood Private Limited	Nil	Nil	Nil
13.	Membership/Chairmanship of Committees of the Public Companies (includes only Audit, Nomination and Remuneration, Stakeholders Relationship and CSR Committees)	Naga Limited i) Audit Committee ii) Stakeholders Relationship Committee iii) CSR Committee iv) Finance Committee	Naga Limited i) Audit Committee ii) Nomination & Remuneration Committee	Naga Limited i) Audit Committee ii) Nomination & Remuneration Committee iii) Stakeholders Relationship Committee iv) CSR Committee	Nil
14.	Justification on Appointment of Independent Director	-	The Board satisfied that its directors possess requisite skills for the effective functioning of the Company	The Board satisfied that its directors possess requisite skills for the effective functioning of the Company	-

Route Map to the AGM Venue

Venue : The Presidency Club, 51, Ethiraj Salai, Egmore, Chennai - 600 008.



Land Mark : Opposite to Ethiraj College for Women.

31ST DIRECTORS' REPORT

TO THE MEMBERS OF NAGA LIMITED

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts for the year ended 31st March, 2022.

1. WORKING RESULTS

The standalone and consolidated audited financial results of your Company for the year under review along with the figures for the previous year are as follows:

(Rs. in Cr)

Working Results	Standalone		Consolidated	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Sales and other operating Income	1726.80	1506.63	1726.80	1506.63
Other Income	5.41	1.56	5.66	2.07
Total Income	1732.21	1508.19	1732.46	1508.70
Profit before Interest, Depreciation and Tax	83.63	83.95	83.78	83.68
Finance Cost	29.99	32.82	29.99	32.12
Depreciation	36.97	35.62	36.97	35.62
Profit before Tax	16.67	15.51	16.82	15.94
Provision for Current Tax	3.07	4.99	3.07	4.99
MAT Credit	(3.07)		(3.07)	
Provision for deferred Tax	4.31	(1.81)	4.31	(1.81)
Net Profit	12.36	12.33	12.51	12.76
Other Comprehensive Income (OCI)				
Remeasurement of Defined Benefit Plans (Net of Taxes)	0.20	0.40	0.20	0.40
Total OCI for the year (Net of tax)	12.56	12.73	12.71	13.16
Add: Surplus from Previous Year	128.49	117.39	128.01	116.48
Total	141.05	130.12	140.72	129.64
Appropriations				
Dividend paid during the year	1.43	1.42	1.42	1.42
Tax on Dividend Distribution	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.21	0.21	0.21	0.21
Balance carried forward	139.41	128.49	139.09	128.01

2. DIVIDEND

Considering the future growth and expansion plans and the interim dividend of Rs 1.00 per equity share (10% on paid-up equity capital) declared and paid, Your Directors did not declare any final dividend for the year.

3. TRANSFER TO RESERVE

Your Board proposes to transfer Rs. 0.21 Cr to the General Reserve. An amount of Rs. 3.55 Cr is proposed to be retained in the General Reserve Account.

4. COMPANY PERFORMANCE FY 2021-2022

As you are aware after a period of nearly two years of the Pandemic the Companies worldwide and in India took strenuous efforts to normalize the operations and worked hard to achieve reasonable results. Your Company did its best and could achieve a reasonable Turnover of Rs 1726.80 Cr as against Rs 1506.63 Cr achieved during the corresponding period of last year. All efforts were focused to maximize the turnover and profitability despite many challenges. This has resulted in sustaining the profitability before and after tax of the previous year. However despite the best efforts your Company could not achieve the expected growth in terms profitability due to a variety of factors including competition and the pandemic related issues.

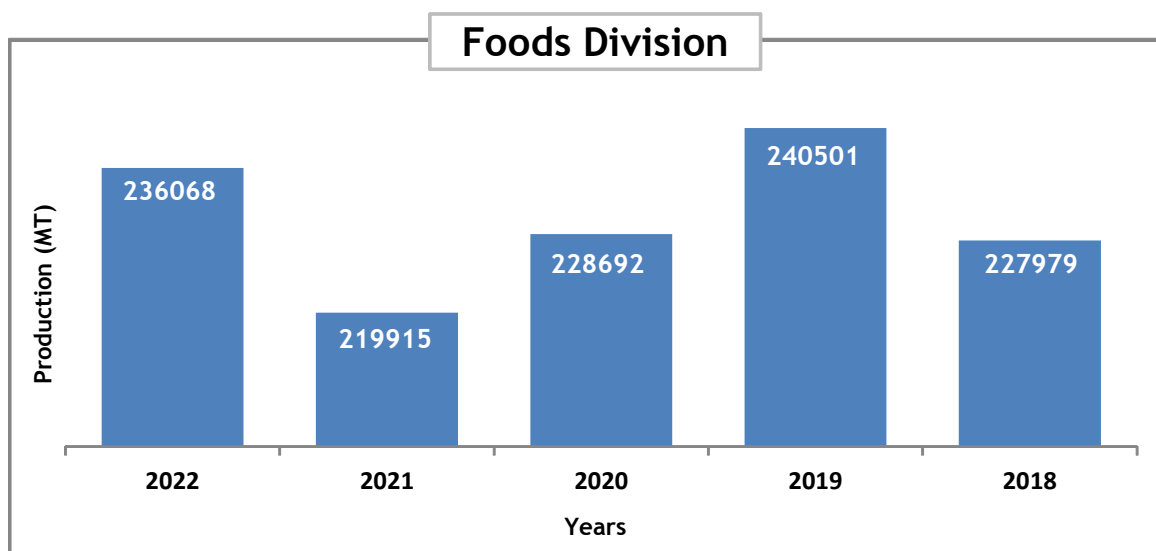
5. CREDIT RATING

Your Directors are glad to inform you that India Rating and Research (formerly known as FITCH India Ratings) enhanced the rating of your Company to A- (Stable) for the year 2021-22. This is a specific achievement due to the untiring efforts put in by all the Executives and Business Heads under the able Leadership of Joint Managing Director. Consistence performance in terms of turnover and profitability and timely servicing of debt obligations along with interest despite the pandemic resulted in the upgrade.

6. FOODS DIVISION

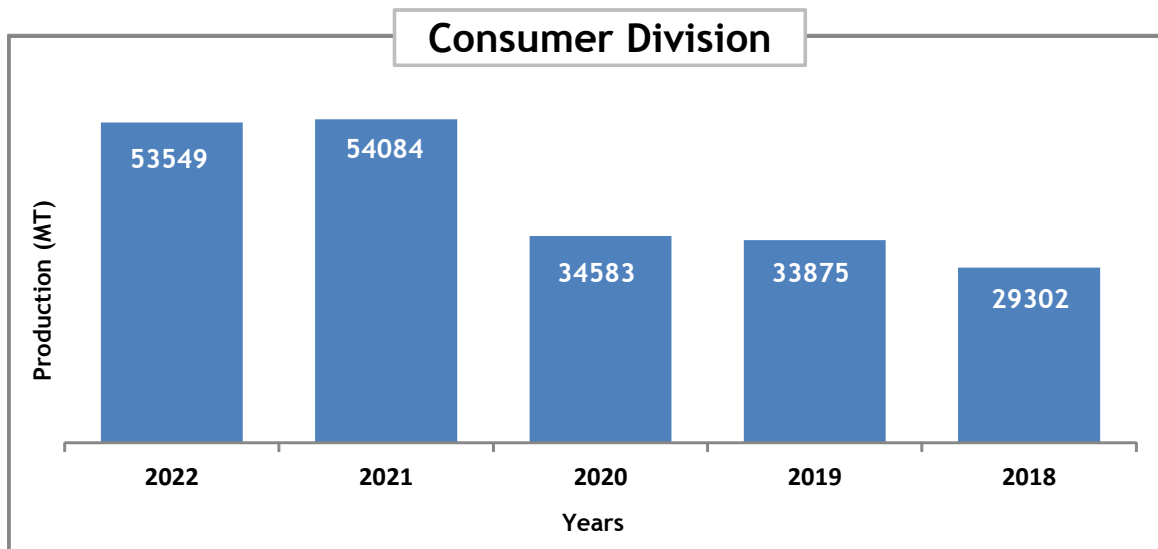
Naga Limited’s Foods Division is located at Dindigul & in a leased premises at Aruppukottai. The total installed capacity is 1100 tons per day. The state-of-the-art setup includes an entire Buhler plant with PLC control. The facility also consists of Silos for storage of wheat up to 76,000 tonnes.

This division has achieved a turnover of Rs. 684.18 Cr for the year under review as against Rs. 629.85 Cr achieved during the corresponding previous year. The Profitability improved due to effective usage of raw materials and better prices in some segments.



7. CONSUMER DIVISION

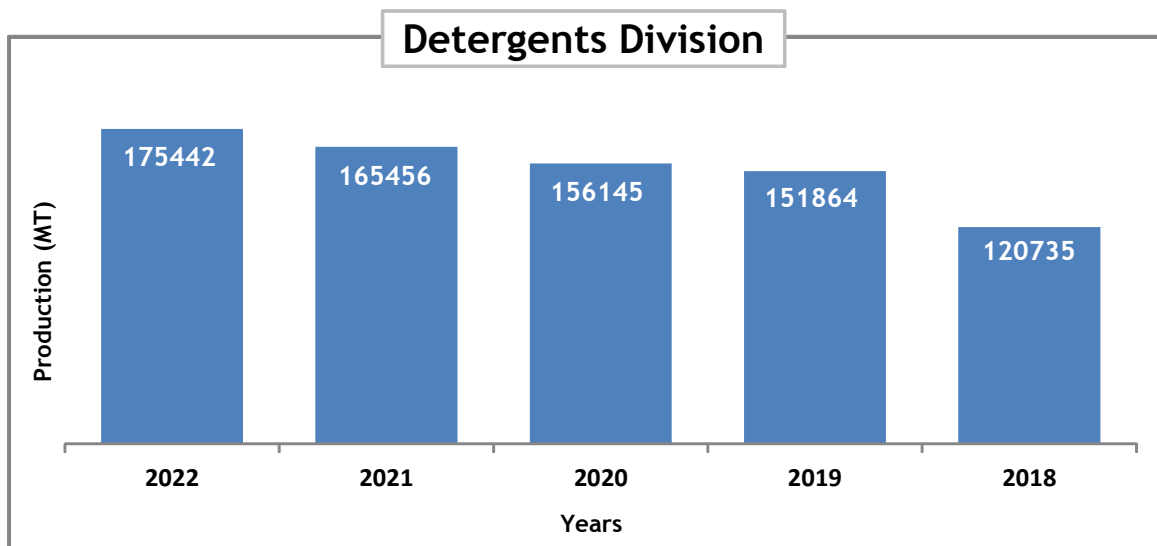
The Consumer Division of the Company has a production capacity of 140 tons per day. The Division achieved a turnover of Rs 241.84 Cr as against Rs 251.74 Cr achieved in the last year. Despite competition and slump in the market the Division could end up with profitability during the year.



8. DETERGENTS DIVISION

Detergents Division is located at Vedasandur and has a production capacity of 3,00,000 tonnes per annum. The Company is the third largest manufacturer of detergents for M/s. Hindustan Unilever Limited.

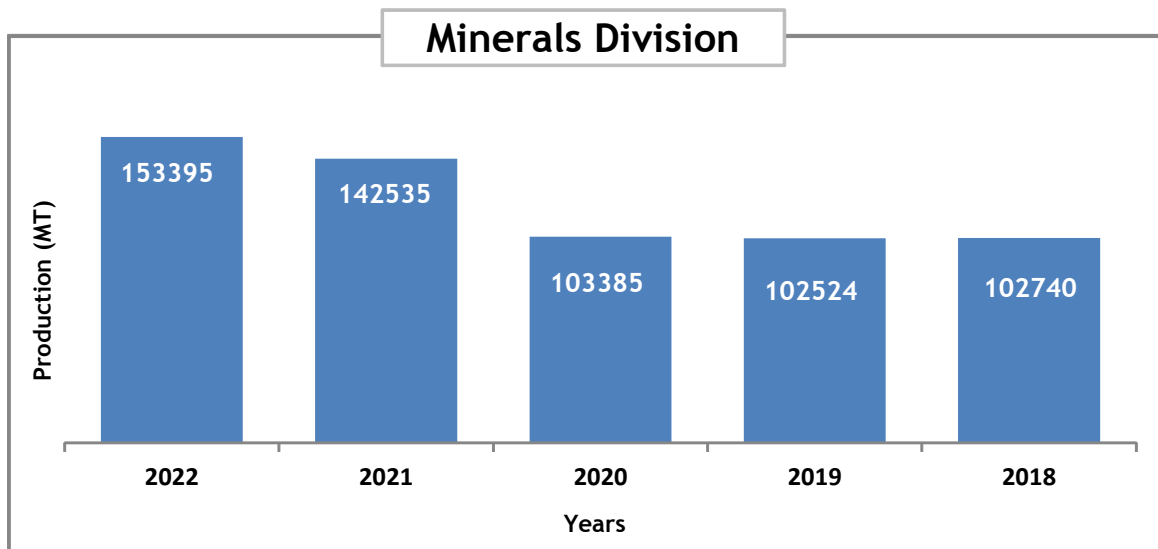
This Division has achieved a Turnover of Rs. 743.11 Cr as against Rs. 576.45 Cr achieved during the last year. However increased input costs and changes in costing parameters by the customer resulted reduced profitability.



9. MINERALS DIVISION

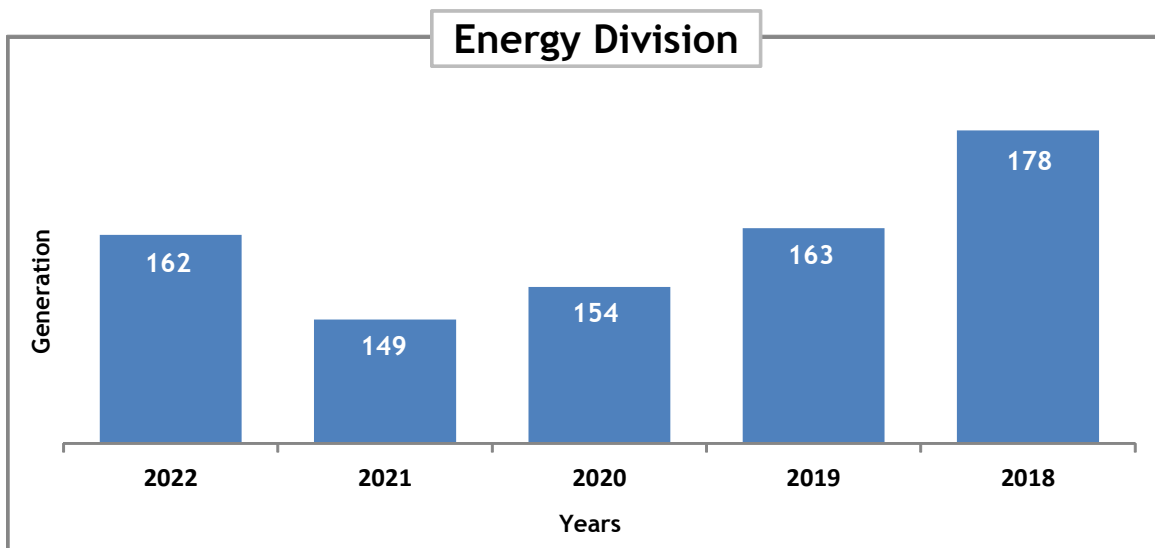
Minerals Division, located at Dindigul has a production capacity of 2,00,000 tonnes per annum.

This division has achieved an increased turnover of Rs. 58.16 Cr as against Rs. 47.63 Cr achieved during the corresponding period of last year. Higher input costs coupled with increased finance cost resulted in lower profitability.



10. WIND & SOLAR POWER DIVISION

The Energy Division has 13 windmills of a capacity of 11.125 MW including solar power of 0.60 MW at various locations in Coimbatore, Dharapuram, Theni & Tirunelveli. This Division has improved the production and sale of units as well as profitability for the year under review.



11. FINANCE

Installment of Term Loans and interest due on Term Loans and Working Capital borrowings were paid on due dates. During the year, your Company has availed Rs 23.21 Cr as emergency credit in the form of ECLGS from various Banks.

12. ACCREDITATION

The Company continues to be certified under FSSC 22000:2005 including ISO 22000:2005, ISO/TS 22000- 1:2009. The Company also continues to get certified as Grade A under BRC Global Standard for food safety.

13. SUBSIDIARIES AND ASSOCIATES

Your Company has 2 Wholly Owned Subsidiaries and 2 Associates as at March 31, 2022. The consolidated financial statements of the Company & its wholly owned subsidiaries & associates which form part of Annual Report have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing the salient features of the Financial Statement of Subsidiary Companies & Associate Companies in the prescribed format AOC-1 is annexed with Consolidated Financial Statements. The statement also provides the details of performance and financial position of the Wholly Owned Subsidiary Companies & Associate Companies.

In accordance with Section 136 of the Companies Act, 2013 the Audited Financial Statements, including the consolidated financial statements & related information of the Company & Audited Accounts of its Subsidiary Companies are available on the website www.nagamills.com. These documents will also be available for inspection during business hours at the registered office of the Company. Any Member desirous of obtaining a copy of the said financial statement may write to the Company Secretary at the Registered Office of the Company.

The Consolidated net profit of the Company and its Subsidiaries amounted to Rs. 12.72 Cr for the financial year ended 31st March, 2022 as compared to Rs. 13.16 Cr for the previous financial year ended 31st March, 2021. Additional details regarding performance of the Associate Companies & Subsidiary Companies are submitted in the succeeding paragraphs.

14. ASSOCIATE COMPANIES

i) Annai Power Private Limited

The Company is engaged in the business of leasing of Assets and wind mill power generation.

This Company recorded a profit of Rs. 0.72 Cr for the year ended 31st March, 2022 (Previous year: Loss of Rs. 0.05 Cr).

ii) Nagalakshmi Energy Private Limited

The Company is engaged in the business of wind mill power generation and logistics.

This Company recorded a loss of Rs. 0.62 Cr for the year ended 31st March, 2022 (Previous year: Loss of Rs. 0.51 Cr).

15. OVERSEAS SUBSIDIARIES

i) Naga Far East Private Limited (Singapore)

The Company has been formed to carry on the business of international trading in commodities, supply chain management to food products, investing and holding assets and trading in mines & quarries world wide.

This Company recorded a loss of US\$ 81/- (equivalent to ₹ 0.0006 Cr) for the year ended 31st March, 2022 (Previous Year : Loss of US\$ 5385/- (₹ 0.04 Cr).

Despite the intention to route all export and import activities through this Company, the COVID-19 hampered many such decisions. However, your Directors are taking steps to revive the activities in future.

ii) Naga Mills Private Limited (Bangladesh)

The Company operates in the business of manufacturing and job works related to Detergents.

This Company recorded a loss of Taka 3,47,714/- (equivalent to ₹ 0.03 Cr) for the year ended 31st March, 2022 (Previous Year : Profit of Taka 56,96,837/- (₹ 0.49 Cr).

Due to COVID-19 and the intention of our customers to start his own factory in Bangladesh, your Directors have decided to close this Company and already initiated action.

16. DELISTING

The delisting of the equity shares of your Company was completed w.e.f. April 16, 2021 vide notice number MSE/LIST/10267/2021 dated March 31, 2021. In accordance with Regulation 27 (1)(a) of the Delisting Regulations, and as announced earlier in the Exit Offer PA and Post Offer PA, the Residual Shareholders who did not or were not able to participate in the Reverse Book Building process (“RBBP”) or who unsuccessfully tendered their Equity Shares in the RBBP were given opportunity to tender their Equity Shares to the Promoter Acquirers at the Exit Price of Rs. 83/- (Rupees Eighty Three Only) per Equity Share (“Exit Price”) for a period of one year starting from the date of delisting of the Equity Shares of the Company from MSEI i.e. April 16, 2021 (“the Exit Window”) till April 15, 2022 (both days inclusive).

During the Exit Window Period, 68,375 Equity Shares aggregating to 0.48% of the paid-up capital of the Company were accepted from Residual Public Shareholders. As at the end of Exit Window Period the shareholding of the Company is as follows:

Sr.No.	Category	No.of Shares	%
1.	Promoter and Promoter Group	1,41,23,390	99.13
2.	Residual Public Shareholders	1,24,610	0.87
	Total	1,42,48,000	100.00

17. I-FOODS DIVISION

Considering the intention of your company to expand the activities and also to remain competitive in the market your company wanted to add a variety of products in the basket to attract the customers. With this aim your company acquired the pasta and vermicelli plants in the earlier years. To augment the facilities and to consolidate the activities, the Chennai and Bangalore plants were also relocated to Dindigul.

In this direction and taking advantage of market intelligence, your Company entered into an MOU with M/s. Hatsun Agro Products for purchase of all movable assets on “as is where is” condition by outright basis pertaining to their Ready to Eat (RTE) plant located at Karur along with Oyalo Brand . The assets proposed to be acquired comprises of movable assets such as Plant & Machinery, Oven, Freezers, Air-conditioner, Generator, Computer, TV, Sign board etc., along with brand name “OYALO”. The sale consideration of the scheduled assets will be Rs. 25 Crores (Rupees Twenty Five Crores only) excluding applicable taxes.

18. ENVIRONMENTAL PROTECTION

The Company is conscious of the importance of environmentally clean and safe operations. The Company’s policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliance of environmental regulations and preservation of natural resources. The Company continues to provide utmost attention to the conservation and improvement of the environment. Various provisions and precautions are taken to enable the Company to comply with the Pollution Control norms on a sustainable basis.

19. RESEARCH AND DEVELOPMENT

Glad to inform you that the R&D Unit II of your company received the DSIR recognition during the current year 2022-23 in May 2022. This is another mile stone in the history of the Company. As you are aware that already our R&D Unit I got the DSIR recognition two years back and got the renewal during the year 2021-22. Taking into consideration this prestigious recognition your company is gearing itself towards innovation of new products and processes for supply of best products to the consumers thereby helping the company to increase the turnover and profitability.

20. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act 2013, the Annual Return as on March 31, 2022 will be placed on the Company’s website at www.nagamills.com/Investors after the conclusion of the AGM.

21. DIRECTORS’ RESPONSIBILITY STATEMENT

While preparing the annual accounts, the Company has adhered to the following:

- a) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards referred to in Section 129 (1) of the Companies Act, 2013 read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a “going concern” basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company had made investments as detailed below:-

S.No.	Company Name	No.of Shares	Value (in Rs.)
Investment in Group Companies			
1	Dindigul Foods Park Private Limited	1,33,000	13,30,000
Investment in Other Companies			
1.	Nellai Renewables Private Limited	13,50,000	1,35,00,000
2.	AR VE EM Energy Private Limited	416	41,600

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 are furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 in “Annexure-A”.

24. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in “Annexure-B” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Policy is available on the Company’s website www.nagamills.com/Investors.

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

26. VIGIL MECHANISM

In reference to Section 177(9) of the Companies Act, 2013 read with relevant rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014, the Company has established a vigil mechanism over seen by the Audit Committee. The policy has been uploaded in the Company website. During the year, no complaint under this facility was received.

27. SECRETARIAL STANDARDS

The Company complies with Secretarial Standards to the extent applicable.

28. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

29. MATERIAL CHANGES AND COMMITMENTS

During the year under review, there was no change in the nature of business of the Company. There are no material changes and commitments in the business operations of the Company since the close of the financial year as on 31st March, 2022 to the date of this report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed in “Annexure-C”.

31. CASH FLOW STATEMENT AND CONSOLIDATED ACCOUNTS

The consolidated financial statements prepared in accordance with the relevant Accounting Standards and as per Section 129(3) of the Companies Act, 2013 forms an integral part of the Annual Report.

32. INTERNAL FINANCIAL CONTROL

The Company maintains all the records in ERP System developed exclusively for your Company and the work flow and majority approvals are routed through this system. The Company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed an external Chartered Accountant Firm as Internal Auditor for periodically checking and monitoring the internal control measures. Internal Auditor is present at the Audit committee meetings where internal audit reports are discussed alongside of Managements comments and final observation of the Internal Auditor. The Board of Directors have adopted various policies like Related Party Transaction Policy and Whistle Blower Policy and put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business of the Company, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Statutory Auditors have also expressed satisfaction with the existing system in their audit report to Shareholders.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditor during the course of his audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

33. INDUSTRIAL RELATIONS

Relation between Management and Employees were cordial throughout the year under review. The commitment, competence and dedication shown by employees of all divisions of the Company to achieve the targets is fully appreciated by the Company. The Company's HR Policy contains the structured induction process along with KRA based appraisal system for the better growth of the employees and the Company. The commitment of the Company in enhancing, nurturing and retaining the talents through superior learning and organizational development will enable the Company to achieve growth and sustainability in the long run.

34. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Sri. L.A. Irudayaraj, Independent Director resigned from Board of Director of the Company on personal reasons with effect from September 1, 2021. Your Board of Directors place on record their appreciation for the meritorious services extended by Sri. L. A. Irudayaraj during his entire tenure as Independent Director and as Audit Committee Chairman.

During the year, Sri. P. Arivanandam was appointed as an Additional Independent Director of the Company w.e.f. August 28, 2021. He holds office up to the date of the forthcoming Annual General Meeting ("AGM") of the Company.

During the year, Sri. Dr. K. Venkatachalam, Independent Director Retired from Board of Director of the Company with effect from January 12, 2022. Your Board of Directors place on record their appreciation for the meritorious services extended by Dr. K. Venkatachalam during his entire tenure as Independent Director and as Chairman of CSR Committee.

During the year, Sri. S. Ramesh, Independent Director resigned from Board of Director of the Company with effect from January 31, 2022. Your Board of Directors place on record their appreciation for the meritorious services extended by Sri. S. Ramesh during his entire tenure as Independent Director and as Chairman of Stakeholders Relationship Committee.

During the year, Sri Ramesh Krishnan was appointed as an Additional Independent Director of the Company w.e.f. February 11, 2022. He holds office up to the date of the forthcoming Annual General Meeting ("AGM") of the Company.

During the year, Sri. S. Ramesh who was appointed as an Additional Director of the Company w.e.f. February 11, 2022 and designated as Director (Projects). He holds office upto the date of forthcoming Annual General Meeting (AGM) of the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Smt. Mageswari Kannan (DIN 02107556), Joint-Managing Director, retires by rotation and being eligible, offers herself for reappointment at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of manufacturing, finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining and mineral industries and e-commerce; and they hold high standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, Mr. P. Arivanandam and Mr. S. Neelakantan have cleared online proficiency self-assessment test conducted by IICA. Mr. Ramesh Krishnan has been exempted from clearing online proficiency self-assessment test conducted by the institute.

35. BOARD & COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

I) Board Meetings:

The Board Meeting dates are tentatively fixed before the start of the year. Audit Committee and Board Meetings are convened on the same day to obviate avoidable travel and recognizing the time constraints of the Independent Directors.

Notice for Board Meetings is issued normally three weeks in advance. Detailed Agenda papers are circulated one week in advance.

Board Meetings are governed by structured Agenda containing comprehensive information and extensive details that are circulated well in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all present. Power Point presentation is made to facilitate pointed attention and purposeful deliberations at the meetings.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes proactive steps to guide against the slippages and take remedial measures as appropriate. The Board is apprised of risk assessment and minimization procedures that are periodically reviewed. The Board is committed to discharge all key functions and responsibilities as spell out in the Companies Act, 2013. The governance process includes effective post meeting follow up and reporting process for pending decisions for approval of the Board.

During the financial year 2021-22, the Board of Directors of the Company duly met Four time i.e. on 28th May, 2021, 28th August, 2021, 25th November, 2021 and 11th February, 2022. The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013. Further, the status of Attendance of Board meeting by each of Director is as follow:

S.No.	Name of the Directors	Board Meeting		Last AGM held on August 28, 2021	
		Held	Attended	Attended	Not Attended
1.	Sri. K.S. Kamalakannan	4	4	Yes	-
2.	Smt. Mageswari Kannan	4	4	Yes	-
3.	Sri. Sounder Kannan	4	4	Yes	-
4.	Sri. D. Vijay Anand	4	4	Yes	-
5.	Sri. L.A. Irudayaraj (Resigned w.e.f. 01.09.2021)	4	2	Yes	-
6.	Sri. S. Ramesh	4	4	Yes	-

7.	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	4	3	Yes	-
8.	Sri. S. Neelakantan	4	4	Yes	-
9.	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	4	2	No	-
10.	Sri. Ramesh Krishnan (Appointed w.e.f. 11.02.2022)	4	1	No	-

II) BOARD COMMITTEES

i) Audit Committee:

The Board has constituted an Audit Committee comprising three Non-Executive Independent Directors and the Joint Managing Director of the Company, with more than two-third being independent. The Chairman of the Audit Committee is an Independent Director and was present at the Annual General Meeting of the Company. It meets at regular intervals not exceeding 120 days between any two consecutive meetings and subject to a minimum of 4 meetings in a year. Division Heads are present as invitees while CFO, Statutory Auditors and Internal Auditor are also present in most meetings.

The Audit Committee conforms to Section 177 of the Act in all respects concerning its constitution, meetings, functioning, role and powers, mandatory review of required information, approval of related party transactions and accounting treatment for major items. Appointments of Statutory Auditors, Cost Auditor, GST Auditors, Secretarial Auditors and Internal Auditor are done on recommendation of the Audit Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. During the year, the Audit Committee met Four times on 28th May, 2021, 28th August, 2021, 25th November, 2021 and 11th February, 2022.

Its composition and attendance during 2021-22 is given hereunder:

S. No.	Name of the Directors	Position	Category	Attendance
1	Sri. L.A. Irudayaraj (Resigned w.e.f. 01.09.2021)	Chairman	Non Executive - Independent Director	2 out of 4
2	Sri. S. Ramesh (Resigned w.e.f. 31.01.2022)	Member	Non Executive - Independent Director	3 out of 4
3	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	Member	Non Executive - Independent Director	3 out of 4
4	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	Chairman	Non Executive - Independent Director	2 out of 4
5	Sri. S. Neelakantan	Member	Non Executive - Independent Director	1 out of 4
6	Sri. Ramesh Krishnan (Appointed w.e.f. 11.02.2022)	Member	Non Executive - Independent Director	-
7	Smt. Mageswari Kannan	Member	Promoter - Executive Director	4 out of 4

ii) Nomination and Remuneration Committee:

The Board of Directors has constituted a Nomination and Remuneration Committee of the Board comprising of three Independent Directors.

The powers, role and terms of reference of the Committee cover the areas as contemplated under Section 178 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors.

The role includes:

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director;
- Recommending to the Board a remuneration policy for Directors, Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

During the year, the Committee met Three times on 28th May, 2021, 28th August, 2021 and 11th February, 2022. Its composition and attendance during the year 2021-22 is given hereunder:

S. No.	Name of the Directors	Position	Category	Attendance
1	Sri. L.A. Irudayaraj (Resigned w.e.f. 01.09.2021)	Chairman	Non Executive - Independent Director	2 out of 3
2	Sri. S. Ramesh (Resigned w.e.f. 31.01.2022)	Member	Non Executive - Independent Director	3 out of 3
3	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	Member	Non Executive - Independent Director	3 out of 3
4	Sri. S. Neelakantan	Member	Non Executive - Independent Director	1 out of 3
5	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	Chairman	Non Executive - Independent Director	1 out of 3

iii) Stakeholders Relationship Committee:

The Board has constituted a Stakeholders Relationship Committee. Its role and responsibility is to expeditiously process and approve transactions in securities, complying with the Companies Act and redressal of investor grievances. The Committee oversees and monitors the performance of the Registrar and Share Transfer Agents and devises measures for overall improvement in quality of investor services.

The Committee currently comprises of 3 Directors, out of which one is Non-Executive Independent Director who also heads the Committee. The Committee met Four times in the year 2021-22 on 28th May, 2021, 28th August, 2021, 25th November, 2021 and 11th February, 2022.

Its composition and attendance during 2021-22 is given hereunder:

S. No.	Name of the Directors	Position	Category	Attendance
1	Sri. S. Ramesh (Resigned w.e.f. 31.01.2022)	Chairman	Non Executive - Independent Director	3 out of 4
2	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	Chairman	Non Executive - Independent Director	1 out of 4
3	Smt. Mageswari Kannan	Member	Promoter - Executive Director	4 out of 4
4	Sri. Sounder Kannan	Member	Promoter - Executive Director	4 out of 4

A summary of various complaints received and cleared by the Company during the FY 2021-22 is given below:

Nature of Complaint	Received	Cleared
Request for Transmission	-	-
Non-receipt of Dividend Warrant	4	4
Non-receipt of Share Certificate	2	2
Miscellaneous	2	2

Normally all complaints / queries are disposed off expeditiously. The Company had no complaint pending at the close of the financial year.

iv) Corporate Social Responsibility (CSR) Committee:

The Company has constituted a Corporate Social Responsibility Committee as mandated by Section 135 of the Act. The policy on CSR formulated by the Company is uploaded on the website of the Company www.nagamills.com/Investors. The Committee has met four times in the year 2021-22 on 28th May, 2021, 28th August, 2021, 25th November, 2021 and 11th February, 2022.

Its composition and attendance during 2021-22 is given hereunder:

S. No.	Name of the Directors	Position	Category	Attendance
1	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	Chairman	Non Executive - Independent Director	3 out of 4
2	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	Chairman	Non Executive - Independent Director	1 out of 4
3	Smt. Mageswari Kannan	Member	Promoter - Executive Director	4 out of 4
4	Sri. Sounder Kannan	Member	Promoter - Executive Director	4 out of 4

v) Other Committee:

Finance Committee:

The Board has constituted a Finance Committee to facilitate quick action in relation to borrowal of money (otherwise than by issue of derivatives) and investments to be made by the Company within limits approved by the Board and take necessary actions in this connection including refinancing for optimizing the borrowing costs. This Committee meets as and when need arises to consider any matter referred to it.

The Committee met 10 times during the year 2021-22 on 17th April , 2021, 20th April, 2021, 25th June, 2021, 12th August, 2021, 13th September, 2021, 09th December, 2021, 30th December, 2021, 09th February, 2022, 23rd February, 2022 and 25th March, 2022.

Its composition and attendance during 2021-22 is given hereunder:

S. No.	Name of the Directors	Position	Category	Attendance
1	Sri. K.S. Kamalakannan	Chairman	Promoter -Executive Director	10 out of 10
2	Smt. Mageswari Kannan	Member	Promoter -Executive Director	10 out of 10
3	Sri. Sounder Kannan	Member	Promoter -Executive Director	10 out of 10
4	Sri. D. Vijay Anand	Member	Promoter - Executive Director	10 out of 10

36. INDEPENDENT DIRECTORS:

a) The Chairman and Managing Director, Joint Managing Director, Whole-Time Director and Technical Director are Executives and fall under Promoter category. The number of Independent Directors constitutes three of the total strength. Any reduction in the strength of Independent Directors will be filled within 3 months for ensuring minimum stipulated strength of Independent Directors in the Board.

b) Independent Directors are appointed for tenure of 5 years taking into account the transitory provision under Section 149(11) of the Act. They would be eligible for one more term on passing a Special Resolution by Members. No Independent Director of the Company serves in more than seven Listed Companies as Independent Director.

c) Independent Directors have been issued Letter of Appointment and terms thereof have been posted on the Company's website: www.nagamills.com.

d) The Company has formulated a familiarisation programme for Independent Directors with the objective of making them familiar with their role, responsibilities, rights, nature of the industry, business model and compliance management. The details of the programme have been uploaded on the Company's website: www.nagamills.com.

e) All the Independent Directors have given the declaration pursuant to Section 149(7) of the Act, affirming that they meet the criteria of independence as provided in sub-section (6).

f) In the opinion of the Board all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Companies Act, 2013.

g) Registration in INED Databank:

All Independent Directors have registered under the "Independent Directors' Databank" as maintained by Indian Institute of Corporate Affairs and the details are furnished hereunder:

S.No.	Name of the Independent	Registration No in the Independent	Valid From	Valid To
1.	Sri. S. Neelakantan	IDDB-DI-202004-024253	20.04.2020	19.04.2027
2.	Sri. P. Arivanandam	IDDB-DI-202107-037745	31.07.2021	30.07.2023
3.	Sri. Ramesh Krishnan	IDDB-DI-202201-040657	21.01.2022	20.01.2023

37. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board on the recommendations of the Nomination and Remuneration Committee has approved a Nomination and Remuneration policy which is uploaded in the Company's website: www.nagamills.com. It, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This policy is accordingly derived from the said Chapter.

i) Criteria for selection of Non-Executive Directors:

- a) The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.
- b) Directors would be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- c) In case of appointment of Independent Directors, the Committee will satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company, confirming in entirety to the conditions specified under Section 149 of the Companies Act, 2013, read with Schedule IV thereto and the Rules made thereunder and the Listing Agreement.
- d) The Committee will ensure that the candidate identified for appointment as a Director is not disqualified in any manner under Section 164 of the Companies Act, 2013.
- e) In the case of re-appointment of Non-Independent Director, the Board will take into consideration the performance evaluation of the Director and his/ her engagement level.

ii) Remuneration policy:

The Remuneration policy aims at attracting and retaining suitable talent and devising a remuneration package commensurate with competition, size of the Company, its nature of business and considered appropriate to the respective role and responsibilities of the employee concerned.

The Remuneration policy seeks to ensure that performance is recognized and achievements rewarded. Remuneration package is transparent, fair and simple to administer, besides being legal and tax compliant.

The policy recognizes the inherent constraint in relating remuneration to individual performance and fixing a meaningful benchmark for variable pay due to the nature of the industry. Employee compensation is not allowed to get significantly impacted by external adversities that are admittedly beyond their realm of control.

iii) Remuneration of Directors and Key Managerial Personnel (KMPs):

The Nomination and Remuneration Committee recommends the remuneration of Directors and KMPs which is approved by the Board of Directors and where necessary, further approved by the Shareholders through ordinary or special resolution, as applicable. Remuneration comprises of both fixed and variable pay. However, the share of variable pay is so devised as to factor in the volatile changes in profit levels inherent to the nature of industry in which the Company operates.

The Chairman and Managing Director, Joint Managing Director, Whole-Time Director and Technical Director are the only Executive Directors entitled for managerial remuneration. Their remuneration for the financial year 2021-22 is disclosed under Note No. 48 of the Standalone Financial Statements.

Certain relatives of the Executive Directors are working as employees in the Company. This has been specifically disclosed in the Financial Statements pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014. Other than sitting fees and direct equity holding, there is no pecuniary relationship or transaction between the Company and its Non-Executive Directors. No stock option has been issued by the Company to Executive Directors.

Non-Whole Time Directors are paid sitting fees for attending the Board and Committee Meetings in accordance with the Articles of Association of the Company.

Remuneration of Non-Executive Directors for 2021-22:

S.No.	Name of the Non-Executive Director	Sitting Fees Paid
1.	Sri. L.A. Irudayaraj (Resigned w.e.f. 01.09.2021)	Rs. 50000/-
2.	Sri. S. Ramesh (Resigned w.e.f. 31.01.2022)	Rs. 75000/-
3.	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	Rs. 75000/-
4.	Sri. S. Neelakantan	Rs. 100000/-
5.	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021)	Rs. 75000/-
6.	Sri. Ramesh Krishnan (Appointed w.e.f. 11.02.2022)	Rs. 25000/-

38. BOARD EVALUATION

The Board of Directors, on the recommendations of the Nomination and Remuneration Committee, approved the Board Evaluation Framework. It has laid down specific criteria for performance evaluation covering:

- * Evaluation of Board Process
- * Evaluation of Committees
- * Individual evaluation of Board Members and the Chairperson
- * Individual evaluation of Independent Directors.

The Independent Directors in their exclusive meeting held on 11th February, 2022 did the evaluation on the performance of Chairperson, Non-Independent Directors and the Board as a whole. They have expressed overall satisfaction on such evaluation. All Independent Director were present at the meeting.

As per section 134(3)(p) regarding the annual evaluation of the performance of Board, its committees and of Individual Directors is not applicable to the Company based on the paid up share capital (Rs. 25 Crore or more).

39. ANTI-SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment in due compliance with the provisions relating to the same under the said Act. All employee (permanent, contractual, temporary, trainees, etc.) are covered under this policy.

No complaints on sexual harassment were received during the financial year 2021-22.

S.No.	Particulars	Status of the No. of complaints received and disposed off
1.	Number of complaints on Sexual harassment received	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending for more than ninety days	Not Applicable
4.	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5.	Nature of action taken by the employer or district officer	Not Applicable

40. RISK MANAGEMENT

The Company has a risk management frame work to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantages. It aims at ensuring that the executive management controls the risk through means of a properly defined frame work.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimisation procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Naga risk management process includes:

1. Identification of the risks at corporate/plant level
2. Description and valuation of the risk by cause and effect
3. Early warning systems and mitigation planning
4. Review and follow up of mitigation measures
5. Reporting on a semiannual basis.

The Audit Committee and the Board periodically reviews the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework. Your Company has identified the following risks.

Key Risk	Impact to Naga Limited	Mitigation Plan
Voltality in Input Costs	The prices of raw materials used in the Food Division depends upon various factors like weather, market fluctuations, effects of Government policies on agricultural programs etc.	While many factors are responsible for raw material prices, it is significant to note that materials are available in plenty from different sources to enable the Company source it without much difficulties.
Competition Price risk	Intense competition is faced for selling our products in the major markets. Competition is severe with well-advertised, well known, branded including private branded and customized products.	The products of your Company are well known brands of the customers with better quality, best prices and with an efficient customer service. Hence your Company is able to perform better despite the competition and threat.
Product Quality and Integrity	The products have to meet the stringent quality parameters to enable the Company stay in the market.	The vision of the Company for quality "Right Quality first time every time" is a key enabler to help provide a premium customer experience.

Socio economic risk	Customers shifting to more generic, low priced and publicity-oriented products. This may lead to reduction in sales and shifting of production and sales to lower margin products there by affecting the results.	Our primary production and sales largely comprise of catering to specific customers based on their preferences and matching our supplies to the specific demands of those customers. In addition bowing to market trends the Company also took effective steps to advertise and publicise the products supplied.
Interest Rate risk	Your Company's level of debt poses vulnerability to economic and industry conditions thereby becoming uncompetitive.	We ensure budgeted targets of production, sales and profits to mitigate the vulnerability of this particular risk.
Health, Safety, Security and Environment (HSSE)	These are critical areas involving humans and various stringent statutory procedures to be followed.	From the very beginning we scrupulously follow all rules, regulations, laws and stipulations to remain safe on all the statutory norms. Our continuous compliance with all laws helps us risk free enabling us concentrate on business.

41. AUDITORS

a) Statutory Auditors

M/s. MSKA & Associates, Chennai Firm Registration No. 105047W were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 28th August, 2021 for a term of five years.

In accordance with the Companies Amendment Act, 2017, notified on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Auditors Report to the Shareholders on the Standalone and Consolidated Financials for the year ended March 31, 2022 does not contain any qualification, reservation or adverse comment.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. G.S.R. & Co., Practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2021-2022 in Form MR-3 is annexed in "Annexure - D". The report does not contain any qualification, reservation or adverse remark.

c) Cost Auditor

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed Dr. I. Ashok, Cost Accountant, Thirumangalam, having Registration No. 011929 as Cost Auditor of the Company, for conducting the audit of cost records of Detergent & Minerals Division for the financial year 2022-23. The audit is in progress and report will be filed with the Ministry of Corporate affairs within the prescribed period.

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act and accordingly such accounts and records are made and maintained in the prescribed manner. The Board of Directors of the Company, has appointed Dr. I. Ashok, Cost Accountant, Thirumangalam, having Registration No. 011929 as the Cost Auditor of the Company to conduct the cost audit of Detergents & Minerals Divisions for the financial year 2022-23.

The remuneration proposed to be paid to the Cost Auditor, subject to the approval by the members of the Company at the ensuing 31st AGM, would be Rs. 50,000/- (Rupees Fifty Thousand only) excluding taxes and out of pocket expenses, if any. The Company has received consent from Dr. I. Ashok, Cost Accountant, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2022-23 along with a certificate confirming their independence and arm's length relationship.

d) Internal Auditors

M/s. KPMG Assurance and Consulting Services LLP, Chartered Accountants, Chennai were appointed as the Internal Auditors for a period of two years, 2021-22 and 2022-23 at the Board Meeting dt. 28th May, 2021.

42. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124(5) of the Companies Act, 2013 dividend remaining unpaid shall be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. Reminders for unpaid dividend are sent to the Shareholders who have not claimed the dividend as per records every year.

Pursuant to the above, the unpaid/unclaimed dividend for the financial year 2013-14 was transferred on 7th September, 2021. The unpaid and unclaimed dividend for the financial year 2014-15 will be transferred during September 2022. Shareholders are, therefore, advised to contact the Company immediately in case of non- receipt or non-encashment of dividend.

Upon Section 124(5) of the Companies Act, 2013 coming into force, Companies while transferring the dividend remaining unclaimed for a period of more than seven years will also have to transfer the underlying equity shares. Accordingly, the unclaimed dividend for the year 2008-09 to 2013-14 as well as the underlying shares have already been transferred to IEPF. The list of Shareholders whose unclaimed dividend/ underlying shares have been transferred to IEPF is put on the website of the Company. Shareholders may take specific note of the same and claim the said unclaimed dividend and the underlying shares from the IEPF Authority.

Particulars of unclaimed dividend as on 31st March, 2022:

Year	Dividend (Rs. Per share)	Date of Declaration of Dividend	Unclaimed		Due date fo transferring to IEPF
			No.of warrants	Rs. in Lakh	
2014-15	0.80	27.07.2015	389	0.42	02.09.2022
2015-16 Interim	0.20	11.03.2016	385	0.29	17.04.2023
2015-16 Final	0.60	12.09.2016	424	0.11	19.10.2023
2016-17	0.80	19.08.2017	428	0.40	10.11.2024
2017-18	0.80	28.09.2018	218	0.11	04.11.2025
2018-19	0.80	26.09.2019	214	0.17	02.11.2026
2019-20 Interim	0.80	12.02.2020	215	0.23	21.03.2027
2020-21 Interim	1.00	05.01.2021	207	0.18	11.02.2028
2021-22 Interim	1.00	11.02.2022	211	0.18	20.03.2029

Disclosure with respect to demat suspense account/unclaimed suspense account:

Particulars	No.of Shareholders	No.of Equity Shares
a) Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1 st April, 2021.	2	200 equity shares
b) Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	0	0 equity shares
c) Number of Shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year.	0	0 equity shares
d) Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to Investor Education & Protection Fund Account during the year.	0	0 equity shares
e) Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 st March, 2022.	2	200 equity shares

It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

43. DEMATERIALISATION OF SHARES

As on March 31, 2022, 36 Shareholders are holding their shares in Demat form and 1,42,11,685 shares have been dematerialised, representing 99.75% of the total Equity Share Capital. Shareholders are advised to convert their holdings from physical mode to demat mode considering overall merits of the depository system.

44. WEBSITE

The Company maintains a functional website www.nagamills.com that contains relevant information updated in time and complies with the Companies Act, 2013.

45. ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS

There is no such order passed by the Regulators/Courts/Tribunals in respect to the Company during the financial year.

46. ACKNOWLEDGMENT

Your Directors place on record their great appreciation of the tireless efforts of all the Executives and Employees of the Company for achieving the results despite various vagaries of business. The Directors also express their sincere thanks to the Government of India, Government of Tamil Nadu and Commercial Banks for their understanding, guidance and assistance and Dealers, Customers, Suppliers and Shareholders for their excellent support at all times.

Place : Dindigul

Date : 1st June, 2022

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN 01601589

ANNEXURE - A TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline on CSR Policy of the Company

- Contribution of 40 cots & beds to Government Hospital, Dindigul to support the efforts of the Government during the COVID-19 pandemic.
- Contribution of Oxygen Generator to the Government Hospital, Dindigul to support the efforts of Government during the COVID-19 pandemic.
- Contribution towards eradication of hunger and malnutrition through a registered Trust.
- Contribution for providing comprehensive care and education for the intellectually disabled persons.
- Contribution towards promoting health care including preventive health care.
- Contribution for environment sustainability and conservation of natural resources.
- Contribution towards employment enhancing vocational skill development program.
- Contribution towards educational and medical needs of the underprivileged.

2. The Composition of the CSR Committee: - Changes in Composition

Sl. No.	Name of the Director	Designation/Nature of Directorship	No. of Meeting of CSR Committee attended during the year	
			Held	Attended
1	Dr. K. Venkatachalam (Retired w.e.f. 12.01.2022)	Chairman of the Committee, Independent Director	4	3
2	Sri. P. Arivanandam (Appointed w.e.f. 28.08.2021) (Relinquished w.e.f. 11.02.2022)	Chairman of the Committee, Independent Director	4	1
3	Sri. Ramesh Krishnan (Appointed w.e.f. 11.02.2022)	Member, Independent Director	-	-
4	Smt. Mageswari Kannan	Member, Joint Managing Director	4	4
5	Sri. Sounder Kannan	Member, Whole-Time Director	4	4

3. The composition of CSR Committee, CSR Policy and CSR Projects approved by the Board of Directors are disclosed on the website of the Company at <https://www.nagamills.com/Investors.html>.
4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl.No	Financial Year	Amount available for set-off from preceding financial years (in Cr.)	Amount required to be set-off for the financial year, if any (in Cr.)
	FY 2020-21 & 2021-22	(1.40)	0.33

6. Average Net Profit of the Company as per Section 135(5): Rs. 16.63 Cr
7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 0.33 Cr
 (b) Surplus arising out of the CSR Projects or Programmes or activities of the Previous years: Nil
 (c) Amount required to be setoff for the financial year, if any: (Rs. 1.40) Cr
 (d) Total CSR Obligation for the financial year if any [7(a)+7(b)+7(c)]: (Rs. 1.07) Cr
8. (a) CSR Amount Spent or Unspent for the financial year:

Total Amount Spent for the financial year 2021-22 (in Rs.)	Amount Unspent (in Cr.)				
	Total Amount transferred to Unspent CSR Account as per Sec 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Sec 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
0.67 Cr	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR Amount Spent against ongoing projects for the financial year: Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent on the project (Rs. in Cr)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Contribution of 40 cots & beds to Government Hospital, Dindigul towards treatment of COVID-19 affected patients	Clause(Viii)	Yes	Tamil Nadu	Dindigul	0.02	Direct	-	-
2	Contribution to Medical Oxygen Plant to our Government Hospital, Dindigul to meet the oxygen demand	Clause(i)	Yes	Tamil Nadu	Dindigul	0.65	Direct	-	-
Total						0.67			

- (d) Amount spent in Administrative Overheads, if any: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total Amount spent for the financial year [8(b)+8(c)+8(d)+8(e)] - Rs. 0.67 Cr

Excess Amount for set off, if any:

Sl. No.	Particulars	Amount (Rs in Cr)
1	CSR Amount brought forward	(1.40)
2	Two percent of average net profit of the Company as per Section 135(5)	0.33
3	Total Amount Spent for the Financial Year 2021-22	0.67
4	Excess Amount Spent for the financial year (1+2-3)	(1.74)
5	Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years, if any	-
6	Amount available for set off in succeeding financial years (4-5)	(1.74)

9. (a) Details of Unspent CSR Amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset wise details): Not Applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act: Not Applicable

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Place : Dindigul
Date : 1st June, 2022

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN 01601589

RAMESH KRISHNAN
Chairman - CSR Committee
DIN 05340141

ANNEXURE - B TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil

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

S.No	Particulars	Details			
a)	Name(s) of the related party	M.M.Detergents Company Pvt. Ltd.,	Annai Power Private Limited	Naga Marine Industries Limited	Naga Mills Limited
b)	Nature of relationship	Two of the Directors of the Company are interested as Director/ shareholder	Three of the Directors of the Company are interested as Director/ shareholder	Two of the Directors of the Company are interested as Director/ shareholder	Three of the Directors of the Company are interested as Director/ shareholder
c)	Nature of contracts / arrangements / transactions	By Agreement	By Agreement	By Agreement	By Agreement
d)	Duration of contracts / arrangements / transactions	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.12.2021	01.04.2021 to 31.12.2021
e)	Salient terms of contracts /arrangements / transactions Including the value, if any	1. Sale of Wheat to Naga Ltd Rs. 146.92 Cr 2. Rent paid to Naga Ltd for lease of office Rs. 0.003 Cr 3. Rent paid by Naga Ltd for lease of Godown Rs.0.10 Cr 4.Sale of Land Naga Ltd Rs. 0.20 Cr 5. Dividend paid by Naga Ltd Rs. 0.12 Cr 6. Freight Income receivable by Naga Ltd Rs. 0.29 Cr	1. Sale of Windmill Energy to Naga Ltd Rs. 2.74 Cr 2. Lease of Wheat flour Milling unit to Naga Ltd - Rs.2.40 Cr 3. Rent paid to Naga Ltd for lease of office Rs. 0.003 Cr	1.Sale of Wheat to Naga Ltd Rs.207.05 Cr 2. Rent paid by Naga Ltd for Lease of Godown - Rs. 0.16 Cr 3. Freight Income Ltd-Rs. 0.30 Cr 4. Dividend paid by Naga Ltd - Rs. 0.04 cr 5. Rent paid to Naga Ltd for lease of office Rs. 0.002 Cr	1. Rent payable to Naga Ltd for Lease of Office - Rs. 0.002 Cr
f)	Justification for entering into such contracts / arrangements / transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board and Shareholders	BM- 05.01.2021, 28.05.2021 & 11.02.2022 EGM 30.01.2021	BM-05.01.2021	BM-05.01.2021 & 28.05.2021, EGM - 30.01.2021	BM-05.01.2021
h)	Amount paid as advances, if any,	Nil	Nil	Nil	Nil

S. No	Particulars	Details				
a)	Name(s) of the related party	Kovil Agencies	Nagalakshmi Energy Private Limited	A.M.Gopinath (Prop. Anugraha International)	Nagalakshmi Charitable Trust	Dinwinn Farms LLP
b)	Nature of relationship	Four of the Directors of the Company are interested as partners	Three of the Directors of the Company are interested as Director/ shareholder	One of the Director of the Company is interested as a relative	Two of the Directors of the Company are interested as trustees	Three of the Directors of the Company is interested as partners
c)	Nature of contracts / arrangements/ transactions	By Agreement	By Agreement	By Agreement	By Agreement	By Agreement
d)	Duration of contracts / arrangements/ transactions	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022
e)	Salient terms of contracts/ arrangements/ transactions Including the value, if any	1. Sale of Wheat by Naga Ltd Rs. 0.13 Cr 2. Sale of Minerals by Naga Ltd Rs. 0.08 Cr 3. Rent paid to Naga Ltd for lease of office Rs. 0.0008 Cr	1. Sale of Windmill Energy to Naga Ltd., Rs. 0.76 Cr 2. Rent receivable from Naga Ltd for Lease of Motor Vehicle - Rs. 0.54 Cr 3. Rent paid to Naga Ltd for lease of office Rs. 0.003 Cr	Commission received from Naga Ltd., towards procurement of materials - Rs. 0.14 Cr.	1. Sale of Wheat Products by Naga Ltd - Rs. 0.02 Cr 2. Medical Camp Charges payable by Naga Ltd Rs. 0.05 Cr 3. Donation given by Naga Ltd Rs. 0.16 Cr	1. Purchase of Agri Product - Rs. 0.01 Cr 2. Freight Income receivable by Naga Ltd Rs. 0.005 Cr
f)	Justification for entering into such contracts/ arrangements/ transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the Ordinary course of business
g)	Date of approval by the Board and Shareholders	BM - 11.02.2022 & 01.06.2022	BM - 05.01.2021	BM - 05.01.2021	BM - 10.02.2021, 28.05.2021	BM - 28.05.2021
h)	Amount paid as advances, if any,	Nil	Nil	Nil	Nil	Nil

S.No	Particulars	Details			
a)	Name(s) of the related party	K.S. Kamalakannan	Mageswari Kannan	Sounder Kannan	D. Vijay Anand
b)	Nature of relationship	Director	Director	Director	Director
c)	Nature of contracts / arrangements / transaction	By Special Resolution	By Special Resolution	By Special Resolution	By Special Resolution
d)	Duration of the contracts / arrangements / transaction	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022
e)	Salient terms of the contracts /arrangements / transactions including the the value, if any	1. Remuneration paid by Naga Ltd - Rs. 1.03 Cr 2. Lease of Godown to Naga Ltd Rs. 1.12 Cr 3. Dividend paid by Naga Ltd Rs. 0.73 Cr	1. Remuneration paid by Naga Ltd., - Rs. 0.90 Cr 2. Dividend paid by Naga Ltd Rs. 0.25 Cr	1. Remuneration paid by Naga Ltd., - Rs. 0.91 Cr 2. Dividend paid by Naga Ltd Rs.0.14 Cr	1. Remuneration paid by Naga Ltd., - Rs. 0.91 Cr. 2. Dividend paid by Naga Ltd Rs.0.01 Cr

S.No	Particulars	Details			
f)	Justification for entering into such contracts/ arrangements/transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board / Shareholders	BM- 05.01.2021, 28.05.2021 AGM 28.08.2021	BM - 28.05.2021 AGM 28.08.2021	BM- 28.05.2021 / AGM -28.08.2021	BM- 28.05.2021 AGM- 28.08.2021
h)	Amount paid as advances, if any,	Nil	Nil	Nil	Nil

S.No	Particulars	Details			
a)	Name(s) of the related party	Smt. Lakshmi Vijayanand	Smt. Monaa Kannan	Ms. M. Jayalalitha	Sri. M. Sukumar
b)	Nature of relationship	Relative of KMP	Relative of KMP	Relative of KMP	Relative of KMP
c)	Nature of contracts / arrangements / transactions	Employment	Employment	Employment	Employment
d)	Duration of contracts / arrangements / transactions	From the Date of Appointment	From the Date of Appointment	From the Date of Appointment	From the Date of Appointment
e)	Salient terms of contracts or arrangements or transactions Including the value, if any	1. Appointment letter - Salary paid by Naga Ltd., Rs. 0.38 Cr. 2. Dividend paid by Naga Ltd.,Rs. 0.09 Cr.	1. Appointment letter - Salary paid by Naga Ltd., Rs. 0.25 Cr. 2. Dividend paid by Naga Ltd.,Rs. 0.01 Cr.	1. Appointment letter - Salary paid by Naga Ltd., Rs. 0.38 Cr. 2. Dividend paid by Naga Ltd.,Rs. 0.01 Cr.	1.Appointment letter - Salary paid by Naga Ltd.,Rs. 0.27 Cr. 2. Dividend Paid by Naga Ltd Rs.0.01 Cr
f)	Justification for entering into such contracts or arrangements or transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board / Shareholders	BM 10.02.2021 EGM 23.03.2018	BM 10.02.2021 EGM 23.03.2018	BM 10.02.2021 EGM 23.03.2018	BM 10.02.2021 EGM 23.03.2018
h)	Amount paid as advances, if any,	Nil	Nil	Nil	Nil

Place : Dindigul

Date : 1st June, 2022

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN 01601589

ANNEXURE - C TO THE DIRECTORS' REPORT

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies
(Accounts) Rules, 2014]

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy : Continuous rationalisation of operations to reduce energy consumption
- (ii) the steps taken by the company for utilising alternate sources of energy : The Company has it's own windmills and solar plant to cater to the power demand.
- (iii) the capital investment on energy conservation equipment : Nil

(B) 1. Research and Development (Totally in-house):

- Establishment Grain Chilling Storage Silos for prevention of insect development and maintain the quality of wheat for longer periods without usage of chemicals.
- Developed and market launched Ready To Cook (RTC) products like Gulab Jamun Mix, Payasam Mix, Rava Idly Mix, Dosa Mix and Rava Upma Mix. Also successfully developed Rava Kesari mix.
- Research on identification of suitable seasoning for Instant and Hakka noodles.
- Detailed Research conducted on stabilization of Wheat Germ for longer shelf life with nutritional benefits
- Developed rice and Ragi based Puttu Flour to add to the staple flour segment.
- Completion of extensive research on development of extruded snacks like Chocos, Chocofils, Cheese balls, Masala puff and Tomato rings.

2. Benefits derived as a result of above R & D:

- Establishment of Cold Storage Silos effectively prevented insect formation and maintained the quality of wheat during the entire storage period. Also the wheat is preserved without usage of chemicals (fumigation) which is an additional feature towards health awareness. This will certainly improve the quality of the wheat products and improve the performance.
- The above Research and development of Ready to cook products has paved the way of increased usage of our product Sooji and wheat germ stabilization has helped to increase the consumption of our by products. This will in turn result in increased Turnover and profitability in the years to come.
- Extruded snacks developed will add to the existing bucket of products and pave way for increased volume of business
- Puttu flour developed will increase the market size as it will cater to other states like Kerala and Karnataka.

3. Future plan of Action:

- Continuous research on procurement of grains in terms of quality and variety.
- Continuous research on analyzing properties of wheat, improvement of quality of products to optimize the cost by supply of best products.
- Continuous research on manufacturing processes for quality improvement, elimination of waste thereby saving cost.
- Research on new products development like Bajji/Bonda mix, health mix, Flavored Cashew, Rice/Ragi Vermicelli, Whole Millets, Vegetable Pasta etc.,

4. Expenditure on R & D during the year:

(Rs. in Cr)

	As at 31.03.2022	As at 31.03.2021
Capital	26.76	1.18
Revenue	1.58	1.52

5. Technology Absorption:

During the year under review, no technology was acquired.

(C) Foreign exchange earnings and Outgo:

(Rs. in Cr)

	As at 31.03.2022	As at 31.03.2021
Earnings	12.52	13.30
Outgo	44.42	31.80

Place : Dindigul

Date : 1st June, 2022

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN 01601589



ANNEXURE-D TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
M/s. Naga Limited
No.1, Anna Pillai Street,
Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Naga Limited bearing CIN: U24246TN1991PLC020409 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company)
- (vii) Other Laws like labour laws, taxation and other laws applicable to the Company was as per representation given by the Management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Memorandum and Articles of Association of the Company.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws as applicable to it.

- (a) Factories Act, 1948 and the rules made thereunder and other Labour laws as certified by the management.
- (b) Water (Prevention and Control of Pollution) Act, 1974;
- (c) Air (Prevention and Control of Pollution) Act, 1981;
- (d) Environment (Protection) Act, 1986
- (e) The Electricity Act, 2003 (as Amended) and the Orders, Guidelines, Rules and Regulations issued thereunder.
- (f) Other Laws as applicable and as certified by the management.

The Company has complied with the following laws specifically applicable to it.

- (a) Food Safety and Standards Act, 2006 and the rules made thereunder;
- (b) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- (c) Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- (d) Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011; and
- (e) The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors.

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

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, reappointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or with the approval of the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in place in the Company commensurate with the size, nature of business and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The following are our observations:

During the financial year, Show Cause Notices vide F.No.Roc/Chn/20409/6(1)/Inspn/2020, F.No.Roc/ Chn/ 20409/6(2)/Inspn/2020, F.No.Roc/Chn/ 20409/6(3)/Inspn/2020 and F.No.Roc/ Chn/20409/6(4)/Inspn/2020 all dated 19.08.2021 were received by the Company and the Officers in default of the Company from the Office of the Registrar of Companies, Tamil Nadu, Chennai to initiate prosecution for non-compliance of certain provisions of Section 211 read with Schedule VI / Section 129 read with Schedule III of the Companies Act, 1956 / 2013 with respect to non-disclosures / inadequate disclosures in the Financial Statements relating to Financial Years ended 31.03.2013, 31.03.2014 and 31.03.2015 and the Company has submitted its replies to the Office of the Registrar of Companies on 1st September, 2021 giving clarifications and explanations along with justification in response to the above show cause notices.

We further report that during the audit period:

- 1) The Company has appointed M/s. KPMG Assurance and Consulting Services LLP as Internal Auditors of the Company for the Financial Year 2021-22 and 2022-23 under Section 138 of the Companies Act, 2013 as approved by the Board of Directors at its meeting held on 28.05.2021 during the financial year.
- 2) The Company has appointed M/s. MSKA & Associates, Chartered Accountants as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 for a term of five years at its Annual General Meeting held on 28.08.2021 during the financial year.
- 3) The Company has passed special resolutions during the financial year at its Annual General Meeting held on 28.08.2021 for increase in remuneration of Mr. K.S. Kamalakannan, Chairman and Managing Director, Mr. Sounder Kannan, Whole-time Director and Mr. D. Vijay Anand, Technical Director of the Company with effect from 01.09.2021 as approved by the Nomination and Remuneration Committee.
- 4) The Board at its meeting held on 28.08.2021 has delegated Borrowing Powers to Finance Committee under Section 179(3) of the Companies Act, 2013 upto a revised limit of Rs.800 Crores.
- 5) During the financial year, the following changes were took place in the composition of Board of Directors of the Company:

- i) Mr. P. Arivanandam was appointed as Additional Independent Director of the Company with effect from 28.08.2021.
 - ii) Mr. L.A. Irudayaraj, Independent Director of the Company resigned from the Board with effect from 01.09.2021.
 - iii) Mr. K. Venkatachalam, Independent Director of the Company relinquished from the office Directorship with effect from 12.01.2022 on account of completion of his second term as Independent Director in the Company.
 - iv) Mr. S. Ramesh, Independent Director of the Company resigned from the Board with effect from 31.01.2022.
 - v) Mr. Ramesh Krishnan was appointed as Additional Independent Director of the Company with effect from 11.02.2022.
 - vi) Mr. S. Ramesh was appointed as Additional Director (Executive) of the Company with effect from 11.02.2022 has been designated as Director (Projects) of the Company for a period of 5 years with effect from the said date subject to ratification of the appointment by the shareholders at the forthcoming General Meeting of the Company.
- 6) The Board at its meeting held on 11.02.2022 has accorded its in principle approval under Section 179(3) of the Companies Act, 2013 for making investment by purchase of all movable assets “as is where is” condition on outright basis towards Ready to Eat (RTE) plant located at Karur and other outlets from M/s. Hatsun Agro Products Limited for a consideration fixed at Rs.25 Crores.
- 7) During the financial year under review, the Company has declared Interim Dividend @10% (Re.1.00 per equity share of Rs.10/- each) for an amount of Rs.142.48 Lakhs at the Board Meeting held on 11.02.2022 on its paid-up equity share capital of Rs.1424.80 Lakhs.
- 8) During the financial year, Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee have been reconstituted since there has been change in the composition of the Board on account of resignation, retirement and appointment of Independent and Executive Directors.
- 9) The Company has passed ordinary resolution at the Extra Ordinary General Meeting held on 21.03.2022 under Section 188 of the Companies Act, 2013 granting approval for entering into material related party transactions with various related parties for the Financial Year 2022-23.
- 10) The Company has passed special resolution at the Extra Ordinary General Meeting held on 21.03.2022 for approval of transactions under Section 192 of the Companies Act, 2013 for the exchange of properties between the Company and Mr. K.S. Kamalakannan, Chairman and Managing Director of the Company at the fair market value as per valuation reports.
- 11) The Company has passed special resolution at the Extra Ordinary General Meeting held on 21.03.2022 for change in the place of maintenance of Statutory Registers and copies of Annual Returns from the Registered Office at No.1, Anna Pillai Street, Chennai - 600001 to the Corporate Office at No.1, Trichy Road, Dindigul - 624005 with effect from 1st April, 2022 under Section 94(1) of the Companies Act, 2013.



12) The Company has passed special resolutions at the Extra Ordinary General Meeting held on 21.03.2022 delegating to the Board borrowing powers and for creation of mortgage / charge on assets / undertakings of the Company not exceeding Rs.1000 crores under sections 180(1)(c) & 180(1)(a) of the Companies Act, 2013.

Note:

Metropolitan Stock Exchange of India Limited on which the Company's equity shares have been listed vide its Letter No.MSE/LIST/2021/373 dated 31st March, 2021 approved the application filed for delisting of equity shares of the Company and confirmed that trading in equity shares of the Company be suspended with effect from 8th April, 2021 and accordingly the Company was delisted from the Capital Market Segment of the Stock Exchange with effect from 16th April, 2021.

**For G.S.R. & Co.,
COMPANY SECRETARIES**

Place : Dindigul

Date : 1st June, 2022

**G. SREENIVASA RAO
(M.No. FCS-5691 & C.P. No. 4966)
UDIN: F005691D000444668**

Note: This report is to be read with our letter of even date which is annexed as Appendix-A and forms an integral part of this report.



APPENDIX-‘A’

To
The Members
M/s. Naga Limited
No.1, Anna Pillai Street,
Chennai - 600001

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

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

For G.S.R. & Co.,
COMPANY SECRETARIES

Place : Dindigul
Date : 1st June, 2022

G. SREENIVASA RAO
(M.No. FCS-5691 & C.P. No. 4966)
UDIN: F005691D000444668



M S K A & ASSOCIATES
Chartered Accountants

Floor 5, Main Building,
Guna Complex, New No.443 & 445,
Old No.304 & 305, Anna Salai,
Teynampet, Chennai 600018.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NAGA LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Naga Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the 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.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the -Financial Highlights, Chairman's statement, Director's report along with annexures but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matters

The standalone financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 28, 2021 expressed an unmodified opinion on those statements. However our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (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 are 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 the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AKCMIB8734

Place: Dindigul
Date: June 01, 2022



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NAGA LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No.029409

UDIN: 22029409AKCMIB8734

Place: Dindigul

Date: June 01, 2022



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NAGA LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment including Right to use asset and investment property.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The company has a planned programme of verification of all the items of Property, Plant and Equipment, right to use asset and investment property over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets), Investment property and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements are filed with such Banks/ financial institutions are in agreement with the books of account.
- iii. (a) According to the information and explanation provided to us, during the year, Company has not 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. Hence, the requirements under paragraph 3(iii)(a) of the Order are not applicable to the Company.
(b) Company has made an investment during the year which in our opinion is not prejudicial to the interest of the Company.

The Company has not 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. Hence, the requirements under paragraph 3(iii)(c-f) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues, including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and any other statutory dues applicable to it though there has been a slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, there are no dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues that has not been deposited on account of any dispute. This does not include Show Cause Notices (pending formal demand notices) received by the Company.

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) In our opinion and according to the information and explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system that commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued by internal auditors for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



- xvii. According to the information and explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly reporting under clause xviii is not applicable.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of 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 audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
Membership No. 029409
UDIN: 22029409AKCMIB8734

Place: Dindigul
Date: June 01, 2022



ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NAGA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Naga Limited** on the Financial Statements for the year ended March 31, 2022]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Naga Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements 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) (the "Guidance Note").

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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR

Partner

Membership No.029409

UDIN: 22029409AKCMIB8734

Place: Dindigul

Date: June 01,2022

Naga Limited

CIN : U24246TN1991PLC020409

Standalone Balance Sheet as at March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	Notes	As at March 31,2022	As at March 31,2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	283.72	273.05
b) Right of Use Assets	4.a	7.23	-
c) Capital work in progress	5	21.12	15.33
d) Investment Property	4.b	10.27	-
e) Other Intangible Assets	6	1.13	1.40
f) Financial assets			
i) Investments	7	4.20	3.64
ii) Other financial assets	8	9.90	8.71
g) Other non-current assets	9	<u>12.51</u>	<u>10.91</u>
Total non-current assets		<u>350.08</u>	<u>313.04</u>
Current assets			
a) Inventories	10	164.47	188.37
b) Financial assets			
i) Trade receivables	11	88.97	50.65
ii) Cash and cash equivalents	12	2.81	4.14
iii) Bank balances other than (ii) above	13	4.98	7.30
iv) Loans	14	0.90	0.86
v) Other financial assets	15	0.94	2.68
c) Current Tax Assets (Net)	16	1.24	2.10
d) Other current assets	17	<u>20.71</u>	<u>11.71</u>
Total current assets		<u>285.02</u>	<u>267.81</u>
Total Assets		<u>635.10</u>	<u>580.85</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	18	14.25	14.25
b) Other equity	19	<u>144.43</u>	<u>133.30</u>
Total equity		<u>158.68</u>	<u>147.55</u>
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
Borrowings	20	183.70	191.71
b) Provisions	21	2.73	2.25
c) Deferred Tax Liabilities (Net)	22	<u>14.03</u>	<u>12.72</u>
Total non-current liabilities		<u>200.46</u>	<u>206.68</u>
Current liabilities			
a) Financial liabilities			
i) Borrowings	23	145.59	109.61
ii) Trade payables			
a) Total Outstanding dues of micro and small enterprises	24	4.46	0.51
b) Total Outstanding dues of creditors other than micro and small enterprises	24	96.59	100.74
iii) Other financial liabilities	25	13.52	9.32
b) Provisions	21	1.04	0.47
c) Other current liabilities	26	<u>14.76</u>	<u>5.97</u>
Total current liabilities		<u>275.96</u>	<u>226.62</u>
Total Liabilities		<u>476.42</u>	<u>433.30</u>
Total Equity and Liabilities		<u>635.10</u>	<u>580.85</u>

The accompanying notes form an integral part of the financial statements
For and on behalf of the Board

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

Place : Dindigul
Date : 1st June, 2022

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

V. MARIKANNAN
Company Secretary
M.No: A30767

Naga Limited

CIN : U24246TN1991PLC020409

Standalone Statement of Profit & Loss for the year ended March 31st, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Continuing Operations			
A Income			
Revenue from operations	27	1726.80	1506.63
Other income	28	5.41	1.56
Total income		<u>1,732.21</u>	<u>1508.19</u>
B Expenses			
Cost of materials consumed	29	1,387.27	1241.54
Purchases of stock in trade	30	65.71	44.85
Changes in inventories of finished goods, Work-in-Progress and stock-in-trade	31	19.80	(13.38)
Employee benefits expense	32	55.52	48.71
Financial costs	33	29.99	32.82
Depreciation and amortisation expense	34	36.98	35.62
Other expenses	35	120.27	102.52
Total expenses		<u>1,715.54</u>	<u>1492.68</u>
C Profit before tax		16.67	15.51
D Tax Expenses / (Credit)			
- Current tax		3.07	4.99
- MAT Credit Recognized		(3.07)	
- Defferred tax charge / (credit)		4.31	(1.81)
Profit for the year		<u>12.36</u>	<u>12.33</u>
E Other comprehensive income / (loss) for the year item that will not be subsequently reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit obligations		0.27	0.53
Income tax effect on above		(0.07)	(0.13)
Total other comprehensive income / (loss), net of tax		<u>0.20</u>	<u>0.40</u>
Total Comprehensive income for the year		<u>12.56</u>	<u>12.73</u>
Earnings per Equity Share (EPS) (Face value of ₹ 10 each)			
Basic earnings per share (in ₹)	36	8.67	8.65
Diluted earnings per share (in ₹)	36	8.67	8.65

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

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Company Secretary
M.No: A30767

Place : Dindigul
Date : 1st June, 2022

Naga Limited

CIN : U24246TN1991PLC020409

Standalone Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)

**(A) Equity Share Capital**

Balance at the beginning of April 1, 2020	14.25
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	14.25
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	14.25

(B) Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	OCI (Remeasurement of post employee benefit obligations)	Total
Balance as at March 31, 2020	0.11	1.36	3.13	118.23	(0.84)	121.99
Additions/(deductions) during the year	-	-	0.21	(0.21)	-	-
Total Comprehensive Income for the year	-	-	-	12.33	0.40	12.73
Dividend paid	-	-	-	(1.42)	-	(1.42)
Balance as at March 31, 2021	0.11	1.36	3.34	128.93	(0.44)	133.30
Additions/(deductions) during the year	-	-	0.21	(0.21)	-	-
Total Comprehensive Income for the year	-	-	-	12.36	0.20	12.56
Dividend paid	-	-	-	(1.43)	-	(1.43)
Balance as at March 31, 2022	0.11	1.36	3.55	139.65	(0.24)	144.43

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

Place : Dindigul
Date : 1st June, 2022

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

V. MARIKANNAN
Company Secretary
M.No: A30767

Naga Limited

CIN : U24246TN1991PLC020409

Standalone Statement of Cash Flow for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating Activities		
Profit before tax	16.67	15.51
Adjustments for :		
Depreciation and amortisation expense	36.98	35.62
Loss / (Profit) on sale of Property, plant and equipment (net) *	0.00	(0.06)
Interest income	(0.75)	(0.51)
Provision for doubtful debts & advances	0.60	-
Bad debts written-off	1.05	0.85
Unrealised net (gain)/loss on foreign currency transactions and translations	0.68	-
Rental income from Investment property	(1.52)	-
Loss on fair valuation of investments carried at FVTPL	0.93	-
Finance cost on others	29.99	32.82
Operating profit before working capital changes	<u>84.63</u>	<u>84.23</u>
Movement in Working Capital :		
Decrease in Other financial assets	0.71	0.08
Decrease/ (Increase) in Inventories	23.89	(30.22)
(Increase)/Decrease in Trade receivables	(39.98)	4.95
(Increase)/Decrease in Other assets	(9.49)	5.04
Increase in Other financial liabilities	1.43	-
Increase in Other liabilities	8.79	20.31
(Decrease)/Increase in trade payables	(0.89)	22.12
Increase in provision for gratuity & compensated absences	1.32	-
Cash generated from operations	<u>70.41</u>	<u>106.51</u>
Income tax paid (net of refund)	(2.21)	(4.60)
Net cash from operating activities (A)	<u>68.20</u>	<u>101.91</u>
Cash Flows From Investing Activities		
Payment for property, plant and equipment and intangible assets	(66.31)	(49.56)
Proceeds from sale of property, plant and equipment and intangible assets	0.43	0.05
Interest income	0.75	0.51
Purchases of investments	(1.50)	-
Rental income on lease arrangements	1.52	-
Bank Balance not considered as cash and cash equivalents :		
Deposit matured (net)	2.17	(2.60)
Net cash used in investing activities (B)	<u>(62.94)</u>	<u>(51.60)</u>

Naga Limited

CIN : U24246TN1991PLC020409

Standalone Statement of Cash Flow for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings	35.97	(40.55)
(Repayment of) / Proceeds from long term borrowings	(8.01)	10.85
(Increase) / decrease in loans given	(0.04)	0.17
Interest paid	(33.09)	(32.82)
Dividend paid	(1.42)	(1.42)
Net cash used in financing activities (C)	(6.59)	(63.77)
Net (Decrease) in cash and cash equivalents (A+B+C)	(1.33)	(13.46)
Cash and cash equivalents at the beginning of the year	4.14	17.60
Cash and cash equivalents at end of the year	2.81	4.14

* Values are shown as zero due to rounded off being lesser value.

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents:

Balances with banks

- in Current Accounts

- Cash on hand

2.66

0.15

2.81

3.96

0.18

4.14

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board**K.S. KAMALAKANNAN**

Chairman & Managing Director

DIN : 01601589

MAGESWARI KANNAN

Joint Managing Director

DIN : 02107556

T.R. SIVARAMAN

Chief Financial Officer

M.No: 023228

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR

Partner

M.No: 029409

Place : Dindigul**Date : 1st June, 2022****V. MARIKANNAN**

Company Secretary

M.No: A30767



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. Notes to the Financial statements

Company Background

Naga Limited is a public limited company incorporated in India under the Companies Act, 1956 and is domiciled in India. Its Registered Office is located at No 1, Anna Pillai Street, Chennai- 600001 and the Corporate Office at No 1, Trichy Road, Dindigul-624005. The Company's Equity Shares which were listed in the Metropolitan Stock Exchange of India till 31.03.2021, were delisted with effect from 16.04.2021. The Company is engaged in the manufacture of Wheat Products, Minerals, Detergents and in Power Generation. The Plants of the Company are located in various places in and around Dindigul and its Power Generating windmills are located in Coimbatore, Dharapuram, Theni and Tirunelveli.

2. Significant Accounting Policies and key accounting estimates and judgments

Significant Accounting Policies

2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accounting Policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

2.2 Basis of Preparation and Compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below. The financial statements are prepared on a "going concern" basis using accrual concept except for the cash flow information. Historical cost is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimate using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date assuming the market participants act in their economic best interest.

Fair value for measurement and/or disclosure purpose in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2- Inventories or values in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as '-' in these financial statements.

2.3 Current/Non-Current Classification

An asset or liability is classified as Current if it satisfies any of the following conditions:

- (a) The asset / liability is expected to be realized / settled in the Company's normal operating cycle;
- (b) The asset is intended for sale or consumption;
- (c) The asset / liability is held primarily for the purpose of trading;
- (d) The asset / liability is expected to be realized / settled within twelve months after the reporting period;
- (e) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (f) In case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as Non- Current. For the purpose of Current / Non- Current classification, the Company has reckoned its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets or inventories for processing and their realization in cash or cash equivalents.

Deferred Tax assets and liabilities are classified as Non-Current. Advances given towards acquisition of fixed assets, outstanding at each Balance Sheet date, are disclosed as other Non-current assets.

2.4 New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

2.5 Property, Plant and Equipment (PPE)

Property, Plant and Equipment are tangible items that:

- (a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes: and
- (b) Are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment shall be recognised as an asset if and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the entity; and
- (b) The cost of the item can be measured reliably.

An item of PPE that qualifies for recognition as an asset is measured on initial recognition at cost.

Following initial recognition PPEs are carried at its cost less accumulated depreciation and accumulated impairment losses.

(i) The cost of an item of PPE comprises of purchase price, taxes and duties net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of PPE if the recognition criteria are met.

Borrowing cost (net of interest earned on temporary investments of those borrowings) directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of the assets till the assets are substantially ready for its intended use.

(ii) The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

(iii) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalized at Cost. Costs in nature of repairs and maintenance are recognized in the statement of Profit and Loss as and when incurred. All up gradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

(iv) Capital advances and Capital Work-in-Progress

Advances given towards acquisition of Property, Plant & Equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as Capital Work-in-Progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

(v) Depreciation of PPE

Depreciation on Property, Plant & Equipment is provided to the extent of depreciable amount on written down value (WDV) method in respect of Soaps & Detergents Division at Vendasandur and under the straight line method in respect of other divisions. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

(vi) Estimated useful lives of the assets are as follows:

<u>Asset</u>	<u>Years</u>
Factory Buildings	30
Buildings (Other than factory buildings)	60
Plant and Equipment - continuous process plants	25
Plant and Equipment - Other than continuous process plants	5-15
Wind Power Generation Plant	22
Furniture and Fixtures	3-10
Vehicles - Motor Cycles, Scooter and Mopeds	3-10
Other vehicles	10
Office Equipment	5
Servers & Networks	6
End user devices such as desktops, laptops etc.,	3

Assets costing Rs. 5,000/- and below are depreciated in full within the Financial Year.

2.6 Investment Property

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property shall be recognized as an asset when, and only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably. An investment property shall be measured at its cost less depreciation. Transaction costs shall be included in the initial measurement. An investment property shall be derecognized (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

2.7 Intangible Assets

a) Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

b) Useful lives of Intangible Assets

Intangible Assets are amortised equally over the estimated useful life.

2.8 De-recognition of tangible and intangible assets

An item of tangible and intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the Asset. Any gain or loss arising on the disposal or retirement of an item of tangible and intangible assets is determined as the difference between the sale proceeds, if any, and the carrying amount of the asset and is recognised in the Statement of Profit or Loss.

2.9 Impairment of tangible and intangible assets

The Company annually reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment of loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment of loss is recognised immediately in Statement of Profit and Loss.

2.10 Revenue Recognition

Effective from 1st April, 2018 the Company has adopted Ind AS 115 “Revenue from Contracts with Customers”.

(a) Sale of products

Revenue is recognised at a point in time upon transfer of control of the products to customers i.e., when the products are delivered to the common carrier, in an amount that reflects the consideration that the Company expects to receive in exchange for those products.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the actual underlying performance obligation that corresponds to the progress by the customer / indenter towards earning the discount / incentive.

(b) Dividend and Interest Income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

(c) Insurance Claims

Insurance claims are recognized on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(d) Rental Income / Warehousing Charges

Rental income and warehousing charges from operating leases are recognized on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost of inflation index.

2.12 Inventories

Inventories including traded goods are valued at lower of cost and net realizable value. Materials and other items intended for use in the production of inventories are not written -down below cost if the finished goods in which they will be incorporated or expected to be sold at or above cost. Cost includes taxes and duties (other than taxes and duties for which input tax credit is available), freight and other direct expenses. Stocks of Raw materials, Stores & Spares and chemicals are valued at cost on First in First Out. Finished Goods / Stock-in-Progress are valued at lower of cost and net realisable value and cost includes material, direct labour, overheads (other than selling and administrative overheads) incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are periodically identified and provision is made where necessary.

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest 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.

2.14 Leases

As Lessor:

Company as lessor assess lease contract to operating lease or finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. A lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

As Lessee:

The Company assesses whether a contract contains a lease at the inception of a contract. Certain lease contracts include the options to extend or terminate the lease before the end of the lease term. The leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Company as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized as an expense as and when incurred.

The Right-of-Use assets are initially recognized at cost comprising initial lease liability which include lease payments made on or before the commencement date and discounted future less payments. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related Right-of-Use assets if the Company changes its assessment as to whether it will exercise an extension or a termination option. Right-of-Use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset. Right-of use assets and lease liability have been separately presented in the balance sheet and lease payments have been classified as financing cash flow in the cash flow statement

2.15 Employee Benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognises the undiscounted amount of Short Term Employee Benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(b) Post-employment benefits

(i) Defined Contribution Plan

Payments to Defined Contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions to Provident Fund and Superannuation Fund are treated as Defined Contribution Plans, since funded with Provident Fund Commissioner (as per the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952) and Life Insurance Corporation of India, respectively.

(ii) Defined Benefit Plans

The company operates the Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan. Gratuity and Retirement Benefit Schemes operated by the Company are treated as Defined Benefit Plans. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Re-measurement of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit s liability / asset) , are recognized in Other Comprehensive Income and taken to retained earnings. (Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods). The Company presents the above liability / (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary, however, the entire liability towards gratuity to employees (other than Directors) is considered as current as the company will contribute this amount to gratuity fund within the next twelve months.

(c) Other Long-term Employee Benefits

As per policy of the Company, compensated absence is not accumulated.

2.16 Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtual certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Profit and Loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

2.18 Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Classification of financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost. The debt instruments carried at amortised cost includes Deposits, Loans and advances recoverable in cash.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are subsequently measured at fair value.

(b) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognized in the Statement of Profit and Loss.

(c) Investment in Equity Instruments at FVTOCI

(i) Investments in Equity Instruments in Subsidiaries and associates

The Company has elected to carry investment in equity instruments in subsidiaries and associates at cost in accordance with paragraph 10 of Ind AS 27- Separate Financial Statements.

(ii) Investments in Other Equity Instruments

The Company has irrevocably designated to carry investment in Other Equity Instruments at Fair Value through Other Comprehensive Income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in Fair Value in Other Comprehensive Income pertaining to Investments in Equity Instruments. This election is not permitted if the equity investment is held for trading. These elected investments were initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for Equity Instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within Equity.

The Company has Equity Investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see Note 7). Fair value is determined in the manner described in Note 2.2.

(d) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss'(ECL) model, for evaluating impairment of financial assets other than those measured at fair value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instruments).
- For Trade receivable, Company applies "simplified approach" which requires expected life time losses to be recognized from initial recognition of these receivables.
- For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk, if there is significant increase in credit risk full lifetime ECL is used.

(e) Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109, a financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Concomitantly, if the asset is one that is measured at

(a) Amortised cost, the gain or loss is recognized in the Statement of Profit and Loss.

(b) Fair value through Other Comprehensive Income, the cumulative fair value adjustments previously taken to Reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is classified within equity.

2.19 Financial Liabilities and Equity Instruments

(a) Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received, net of direct issue costs.

(c) Financial Liabilities

All financial liabilities are initially recognized at the value of respective contractual obligations. Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the "Finance costs" line item.

(d) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

2.20 Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, by means of foreign exchange forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.21 Foreign Currency Transactions

Functional currency of the Company is determined as Indian National Rupee (INR).

(a) Initial Recognition

On initial recognition, transactions in foreign currencies are recorded in the functional currency (ie Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency as at the date of the transaction.

(b) Measurement of foreign currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

(c) Recognition of exchange difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Statement of Profit and Loss in the period in which they arise.

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.23 Taxes on Income

Taxes on income comprise of Current Tax and Deferred Tax.

(a) Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from “profit before tax” as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (temporary difference) and items that are never taxable or deductible (permanent difference) under the Income Tax Act, 1961. Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to tax payable in respect of previous years.

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognized.

Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

(c) Current and Deferred Tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity respectively.

2.24 Events after reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

2.25 Financial and Management Information System

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013 to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

2.27 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares..

3. Key Accounting Estimates and Judgements

3.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

(a) Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(b) Useful life of Property, Plant and Equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

(c) Cash Discounts

In accordance with Ind AS 115, the Company deducts cash discounts from the revenue for sale of products. Cash discounts on the sale of products in the last month of the year is estimated based on the past experience.

(d) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

(e) Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, Management provides for its best estimate of liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

(f) Tax expense

Significant judgments and estimates are involved in estimating the budgeted profits for the purposes of advance tax, determining the provision for income tax, Minimum Alternate Tax and MAT Credit which may get revised pursuant to the determination by the Income Tax authorities.



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Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)

4 Property, Plant and Equipment (PPE)

Particulars	Land	Buildings	Plant and Equipment	Electrical Installation	Furniture and fixture	Computer	Vehicles	Windmill /Solar	Total
Gross Block									
As at April 1, 2021	37.75	68.02	223.35	21.85	0.85	4.40	20.73	38.29	415.24
Additions	0.58	8.01	46.38	1.72	0.45	0.32	0.58	-	58.04
Transferred to Investment Property (Refer Note No. 8 below)	0.00	(10.60)	-	-	-	-	-	-	(10.60)
Disposals	(0.17)	-	(0.05)	(0.08)	-	(0.24)	(0.30)	-	(0.84)
Cost as at March 31, 2022	38.16	65.43	269.68	23.49	1.30	4.48	21.01	38.29	461.84
Depreciation									
As at April 1, 2021	-	9.37	98.09	10.64	0.37	2.11	10.70	10.91	142.19
Charge for the year	-	2.94	26.75	1.99	0.20	0.77	2.13	1.91	36.69
Ind AS Adjustments	-	-	-	-	-	-	-	-	-
Transferred to Investment Property	-	(0.34)	-	-	-	-	-	-	(0.34)
Disposals	-	-	(0.05)	(0.01)	-	(0.18)	(0.18)	-	(0.42)
As at March 31, 2022	-	11.97	124.79	12.62	0.57	2.70	12.65	12.82	178.12
Net Block									
As at March 31, 2021	37.75	58.65	125.26	11.21	0.48	2.29	10.03	27.38	273.05
As at March 31, 2022	38.16	53.46	144.89	10.87	0.73	1.78	8.36	25.47	283.72

Notes:

- The Company has availed borrowings from Banks which carry charge over the assets of the Company (Refer Note No 46, for securities pledged against loan).
- Refer Note No.42.b for Disclosure of Contractual Capital Commitments for the acquisition of Property, Plant and Equipments.
- The amount of borrowing costs capitalised during the year ended March 31, 2022 was Rs. 3.10 Cr (PY : Rs. 2.20 Cr). The Company has applied capitalisation rate of 9.12% which is average cost of capital of the company.
- The amount of employee cost capitalized during the year ended March 31, 2022 was Rs. 1.41 Cr (PY : Rs. 1.58 Cr)
- Additions in capital expenditure incurred during the year ended March 31, 2022 was Rs.26.20 Cr (PY : Rs. 1.08 Cr) at Company's in house R&D facilities at Dindigul are eligible for deduction under section 35(2AB) of the Income Tax Act, 1961.
- Additions in capital expenditure incurred during the year ended March 31, 2022 was Rs.0.56 Cr (PY : Rs. 0.09 Cr) at Company's inhouse R&D facilities at Dindigul are eligible for deduction under section 35(1)(iv) of the Income Tax Act, 1961.
- The company has implemented Indian Accounting Standard for Leases ("Ind AS 116") w.e.f. March 27, 2022. The right of use asset comprise of Land taken on lease.
- Land pertaining to the investment property was rounded off to the nearest crore.

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts are in Crores of Indian Rupees, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
4.a. Right of Use Assets		
Carrying amounts of:		
Leasehold land	7.23	-
Total	<u>7.23</u>	<u>-</u>
Leasehold Land		
Cost :		
Balance at the beginning and end of the year 2020-21	-	-
Additions during the year	7.23	-
Balance at the end of March 2022	7.23	-
Accumulated depreciation		
Balance at the beginning and end of the year 2020-21	-	-
Amortisation expense *	0.00	-
Balance at the end of March 2022	0.00	-
Carrying amount as on March 31, 2021	-	-
Carrying amount as on March 31, 2022	7.23	-
* Values are shown as zero due to rounded off being lesser value.		
4.b. Investment Property		
Carrying amounts of:		
Investment Property	10.27	-
Total	<u>10.27</u>	<u>-</u>
Investment Property		
Cost :		
Gross Carrying amount as at 1 April 2020	-	-
Additions	-	-
Disposals	-	-
As at 31 March 2021	<u>-</u>	<u>-</u>
Classified as Investment Property during the year	10.54	-
Additions	0.07	-
Closing as at 31 March 2022	<u>10.61</u>	<u>-</u>
Accumulated depreciation		
Accumulated depreciation as at 1 April 2020	-	-
For the year	-	-
Disposals	-	-
Up to 31 March 2021	<u>-</u>	<u>-</u>
Additions		
Classified as Investment Property during the year *	0.00	-
Depreciation for the year	0.34	-
Closing as at 31 March 2022	<u>0.34</u>	<u>-</u>
Net block		
As at 31 March 2021	-	-
As at 31 March 2022	10.27	-
Information regarding income and expenditure of Investment property		
Rental income derived from investment properties	1.52	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	<u>1.52</u>	-
Less : Depreciation	<u>(0.34)</u>	-
Profit arising from investment properties before indirect expenses	1.18	-
Less : Indirect expenses	<u>(0.14)</u>	-
Profit from investment properties	<u>1.04</u>	<u>-</u>
* Values are shown as zero due to rounded off being lesser value.		

**5. Capital Work in Progress (CWIP)**

As at March 31, 2022

a. CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Projects in Progress	10.19	9.37	-	1.56	21.12
Projects temporarily suspended	-	-	-	-	-

b. CWIP completion schedule for whose completion has exceeded original plan has been provided below.

Particulars	To be completed in				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Bakery Division	1.56	-	-	-	1.56
TOTAL	1.56	-	-	-	1.56

As at March 31, 2021

a. CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Projects in Progress	13.77	0.03	1.38	0.15	15.33
Projects temporarily suspended	-	-	-	-	-

b. CWIP completion schedule for whose completion has exceeded original plan has been provided below.

Particulars	To be completed in				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Bakery Division	-	1.53	-	-	1.53
TOTAL	-	1.53	-	-	1.53

6. Other Intangible Assets

Particulars	Other Intangible Assets		Total
	Softwares	Trade Mark (Refer note 1 below)	
Gross Block			
As at April 01, 2021	1.75	0.26	2.01
Additions	0.02	-	0.02
Cost as at March 31, 2022	1.77	0.26	2.03
Amortisation			
As at April 01, 2021	0.61	-	0.61
Charge for the year	0.29	-	0.29
As at March 31, 2022	0.90	-	0.90
Net Block			
As at March 31, 2021	1.14	0.26	1.40
As at March 31, 2022	0.87	0.26	1.13

Notes:

- Trade Marks with carrying amount of Rs 0.26 crores has been considered as intangible with indefinite useful life as there are no technical, technological or contractual limitations for the trade marks based on management assessment on March 31, 2022.
- The management has tested for impairment of trade marks as of 31 March, 2022 and concluded no impairment to be recognized during the year.

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
7 Financial assets - Non-current investments		
Trade Quoted		
Investments in Equity instruments measured at Fairvalue through profit and loss account (FVTPL)		
400 (31 March 2021: 400) equity shares of ₹ 10 each fully paid-up in Indian Overseas Bank *	0.00	0.00
Trade Unquoted		
Investments in Subsidiary Companies* (At Cost)		
10,000 (31 March 2021: 10,000) Equity Shares of USD 10/- each fully paid-up in Naga Far East Private Limited	0.48	0.48
9,641 (31 March 2021: 9,641) Equity Shares of BDT 10/- each fully paid-up in Naga Mills Private Limited	0.01	0.01
Investments in Associate Companies* (At Cost)		
62,400 (31 March 2021: 62400) Equity Shares of ₹ 100/- each fully paid-up in Annai Power Private Limited	0.62	0.62
26,000 (31 March 2021: 26,000) Equity Shares of ₹ 10/- each fully paid-up in Nagalakshmi Energy Private Limited	0.03	0.03
Investments in Equity instruments measured at Fairvalue through profit and loss account (FVTPL)		
21,960 (31 March 2021: 21,960) Equity Shares of ₹ 10/- each fully paid-up in Mojro Technologies Private Limited	0.79	1.50
CY : Nil (31 March 2021: 3,250) Equity Shares of ₹ 10/- each fully paid-up in Dhanalaxmi Vidyut Private Limited *	-	0.00
Investments in Equity instruments measured at Fairvalue through other comprehensive income (FVTOCI)		
1,35,000 (31 March 2021: Nil) Equity Shares of ₹ 10/- each fully paid-up in Nellai Renewables Private Limited	1.36	-
1,33,000 (31 March 2021: Nil) Equity Shares of ₹ 10/- each paid-up in Dindigul Foods Park Private Limited	0.13	-
416 (31 March 2021: Nil) Equity Shares of ₹ 10/- each fully paid-up in AR VE EM Energy Private Limited *	0.00	-
Total equity instruments (a)	<u>3.42</u>	<u>2.64</u>
Trade Unquoted		
Investments in Preference share instruments measured at Fairvalue through profit and loss account (FVTPL)		
21,710 (31 March 2021: 21,710) Preference Shares of ₹ 10/- each fully paid-up in Mojro Technologies Private Limited	0.78	1.00
Total preference instruments (b)	<u>0.78</u>	<u>1.00</u>
Total Investments (a + b)	<u>4.20</u>	<u>3.64</u>
Aggregate amount of quoted investments *	0.00	0.00
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	4.20	3.64
Aggregate amount of impairment in value of investments	-	-
Category wise Non-Current investments		
Financial Assets measured at cost	1.14	1.14
FVTPL	1.57	2.50
FVOCI	1.49	-

* Values are shown as zero due to rounded off being lesser value.

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(All amounts are in Crores of Indian Rupees, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
8 Other non-current financial assets		
(Unsecured, considered good)		
Security Deposits	3.22	2.65
Rent deposits	0.97	0.51
Bank deposits maturing after 12 months from the reporting date *	<u>5.71</u>	<u>5.55</u>
	<u>9.90</u>	<u>8.71</u>

* Represents balances with banks that are restricted from being exchanged or used to settle a liability more than 12 months from the balance sheet date.

9 Other non-current assets		
(Unsecured, considered good)		
Capital advances	11.90	10.79
Statutory and other deposits	<u>0.61</u>	<u>0.12</u>
	<u>12.51</u>	<u>10.91</u>

10 Inventories *		
Raw Materials (At Cost)	114.77	120.42
Work-in-progress	6.83	33.31
Finished goods (At Lower of cost and Net realisable value)	22.38	17.80
Finished goods-in-transit (At Lower of cost and Net realisable value)	2.10	-
Packing materials (At Cost)	9.72	8.62
Stores and spares (At Cost)	<u>8.67</u>	<u>8.22</u>
	<u>164.47</u>	<u>188.37</u>

* For method of valuation please refer note no 2.12
Please refer Note 23 for security created on Inventories.

11. Financial Assets - Current : Trade receivables
At amortised cost

- Secured, considered good	-	-
- Unsecured, considered good *	88.97	50.65
- Unsecured, significant increase in credit risk	0.60	-
	<u>89.57</u>	<u>50.65</u>
Less: Allowance for credit impairment	<u>(0.60)</u>	<u>-</u>
Total Trade Receivables	<u>88.97</u>	<u>50.65</u>

* Includes Rs.0.06Cr dues from related parties, Refer note no. 48

Trade receivables Ageing Schedule

 As on 31st March 2022

Particulars	Not Billed	Not Due	<6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed								
- Trade Receivables - considered good	14.00	22.51	48.41	2.74	0.90	0.11	0.30	88.97
- Trade Receivables - credit impaired	-	-	-	-	0.25	0.12	0.23	0.60
	<u>14.00</u>	<u>22.51</u>	<u>48.41</u>	<u>2.74</u>	<u>1.15</u>	<u>0.23</u>	<u>0.53</u>	<u>89.57</u>
Less: Significant increase in credit risk	-	-	-	-	(0.25)	(0.12)	(0.23)	(0.60)
Less: Credit Impaired	-	-	-	-	-	-	-	-
Total Trade Receivables	<u>14.00</u>	<u>22.51</u>	<u>48.41</u>	<u>2.74</u>	<u>0.90</u>	<u>0.11</u>	<u>0.30</u>	<u>88.97</u>

As on 31st March 2021

Particulars	Not Billed	Not Due	<6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed								
- Trade Receivables - considered good	-	11.06	35.59	0.81	1.30	1.41	0.48	50.65
- Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	11.06	35.59	0.81	1.30	1.41	0.48	50.65
Less: Credit Impaired	-	-	-	-	-	-	-	-
Total Trade Receivables		11.06	35.59	0.81	1.30	1.41	0.48	50.65

12 Cash and cash equivalents

- Balances with Banks In Current Account	2.66	3.96
- Cash- on- Hand	0.15	0.18
Total	2.81	4.14

13 Bank Balance other than cash and cash equivalents**In fixed deposits**

In Margin money with Banks Maturing within 12 months from the reporting date*	4.63	7.28
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In Earmarked Accounts

Unpaid Dividend Account	0.02	0.02
Supplier Scheme Account	0.33	-

Total	4.98	7.30
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* The company has deposited towards margin money for short term borrowings and non-fund limits.

14 Loans

(Unsecured, considered good)

Loans and advances to employees	0.42	0.41
Loans to subsidiary company	0.48	0.45
Total	0.90	0.86

15 Other current financial assets

Insurance Claims Receivable *	0.00	0.83
MTM Assets on derivative contracts not designated through cash flow hedge	0.85	1.78
Expenses recoverable from subsidiaries	0.09	0.07
Total	0.94	2.68

* Values are shown as zero due to rounded off being lesser value.

16 Tax Assets (Net)

Advance income-tax net of provision for tax of Rs. 3.07 Cr
(PY : Rs. 4.99 Cr)

	1.24	2.10
Total	1.24	2.10

17 Other current assets

(Unsecured, considered good)

Gratuity assets	0.21	0.06
Advance to suppliers	16.58	8.26
Prepaid expenses	3.92	3.39
Total	20.71	11.71

**18 Equity Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
2,75,00,000 Equity Shares of Rs 10/- each	27,500,000	27.50	27,500,000	27.50
	27,500,000	27.50	27,500,000	27.50
Issued, Subscribed and fully paid up Share Capital				
1,42,48,000 Equity Shares of Rs10/- each fully paid	14,248,000	14.25	14,248,000	14.25
	14,248,000	14.25	14,248,000	14.25

Notes:**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	14,248,000	14.25	14,248,000	14.25
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	14,248,000	14.25	14,248,000	14.25

(b) Details of shares held by each shareholder holding more than 5% shares of the total share capital

Name of the share holder	March 31, 2022		March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Sri. K.S. Kamalakannan	7,252,047	50.90%	7,233,082	50.76%
Smt. Mageswari Kannan	2,479,512	17.40%	2,444,388	17.16%
Sri. Sounder Kannan	1,317,327	9.25%	1,459,015	10.24%
M/s. M.M.Detergents Company (P) Ltd.,	1,633,460	11.46%	1,188,960	8.35%
Smt. Lakshmi Vijayanand	857,152	6.02%	998,840	7.01%

(c) Terms/Rights attached to Equity Shares

The equity shares of the Company having par-value of Rs.10/- per share rank pari-pasu in all respects including voting rights, dividend entitlement and repayment of capital.

(d) Details of shares held by Promoters

Name of the Promoters	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	% of Holding	% Change during the year	Number of shares held	% of Holding	% Change during the year
Sri. K.S. Kamalakannan	7,252,047	50.90%	0.13%	7,233,082	50.77%	8.16%
M/s. K.S. Kamalakannan HUF	34,700	0.24%	-	34,700	0.24%	-
Smt. Mageswari Kannan	2,479,512	17.40%	0.24%	2,444,388	17.16%	4.14%
Sri. Sounder Kannan	1,317,327	9.25%	(0.99%)	1,459,015	10.24%	4.50%
M/s. Sounder Kannan HUF	37,800	0.26%	-	37,800	0.26%	-
Smt. Monaa Kannan	142,480	1.00%	1.00%	-	-	-
Sri. D. Vijay Anand	142,480	1.00%	1.00%	-	-	-
Smt. Lakshmi Vijayanand	857,152	6.02%	(0.99%)	998,840	7.01%	4.50%
Ms. M. Jayalalitha	142,906	1.00%	0.00%	142,490	1.00%	1.00%
Sri. M. Sukumar	72,041	0.51%	0.01%	71,240	0.50%	0.50%
M/s. M.M.Detergents Company Private Limited	1,633,460	11.46%	3.12%	1,188,960	8.34%	1.15%
M/s. Naga Marine Industries Limited	-	-	(3.12%)	444,500	3.12%	-
	14,111,905	99.04%	0.40%	14,055,015	98.64%	23.95%

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts are in Crores of Indian Rupees, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
19 Other Equity		
a) Capital Reserves	0.11	0.11
b) Securities Premium Account	1.36	1.36
c) General Reserve	3.55	3.34
d) Profit and Loss Account	139.65	128.93
e) Other Comprehensive Income	<u>(0.24)</u>	<u>(0.44)</u>
Total	<u>144.43</u>	<u>133.30</u>
a) Capital Reserve		
Balance at the beginning and end of the year	0.11	0.11
b) Securities Premium Reserve		
Balance at the beginning and end of the year	1.36	1.36
c) General Reserve		
Balance at the beginning of the year	3.34	3.13
Additions during the year	0.21	0.21
Deductions/Adjustments during the year	-	-
Balance at the end of the year	<u>3.55</u>	<u>3.34</u>
d) Retained earnings		
Balance at the beginning of the year	128.93	118.23
Net profit for the period	12.36	12.33
Transfers to General Reserve	(0.21)	(0.21)
Dividend paid during the year	<u>(1.43)</u>	<u>(1.42)</u>
Balance at the end of the year	<u>139.65</u>	<u>128.93</u>
e) Other Comprehensive Income		
Balance at the beginning of the year	(0.44)	(0.84)
Additions during the year	0.20	0.40
Deductions/Adjustments during the year	-	-
Balance at the end of the year	<u>(0.24)</u>	<u>(0.44)</u>
* During the year 2021-22, Company has declared and paid interim dividend @ Rs. 1 per share amounting to Rs. 1.43 Crs. (PY : Rs.1.42 Crs)		
20 Long Term Borrowings		
Secured - At Amortized Cost		
Term loans from Banks*	183.70	191.52
Loans from Directors**	<u>0.00</u>	<u>0.19</u>
	<u>183.70</u>	<u>191.71</u>
Term loan from Banks are secured by lien on non-callable Fixed Deposits. The Company has also availed working capital facilities and other non-fund based facilities viz. bank guarantees and buyers credit, which are secured by hypothecation of current assets. Working capital loans and other non-fund based facilities which are repayable on demand with interest rate ranging from 8.55% p.a to 9.00% p.a.		
* Refer Note 46 for security details.		
** Represents loan availed from Executive Directors @ 12% p.a., repayable after 12 months		
21 Provisions		
Non Current		
Provision for gratuity - Directors	<u>2.73</u>	<u>2.25</u>
	<u>2.73</u>	<u>2.25</u>
Current		
Provision for Compensated absences	<u>1.04</u>	<u>0.47</u>
	<u>1.04</u>	<u>0.47</u>

**22 Deferred Tax Liability - Net**

As at March 31, 2022	As at March 31, 2021	Recognised in P&L during 2021-22	OCI 2021-22	As at March 31, 2022
<u>Deferred Tax Liabilities</u>				
Difference between written down value/ Capital Work in Progress of Fixed Assets as per books of accounts and Income Tax Act, 1961.				
	13.55	5.46	-	19.01
Expenses allowed on payment	0.13	-	0.07	0.20
Total	13.68	5.46	0.07	19.21
<u>Deferred Tax Assets</u>				
Expenses allowed on payment	0.96	0.10	-	1.06
Expenses allowed on Fairvalue change on financial instruments classified under FVTPL	-	0.21	-	0.21
Provision for doubtful debts	-	0.15	-	0.15
Carry forwarded loss	-	0.69	-	0.69
Total	0.96	1.15	-	2.11
Deferred Tax Liability (Net)	12.72	4.31	0.07	17.10
MAT Credit Entitlement	-	(3.07)	-	(3.07)
Net Deferred Tax Liability (Net)	12.72	1.24	0.07	14.03

As at March 31, 2021	As at March 31, 2020	Recognised in P&L during 2020-21	OCI 2020-21	As at March 31, 2021
<u>Deferred Tax Liabilities</u>				
Difference between written down value / Capital Work in Progress of Fixed Assets as per books of accounts and Income Tax Act, 1961.				
	15.57	(2.02)	-	13.55
Expenses allowed on payment	(0.26)	0.26	0.13	0.13
Total	15.31	(1.76)	0.13	13.68
<u>Deferred Tax Assets</u>				
Expenses allowed on payment	0.91	0.05	-	0.96
Total	0.91	0.05	-	0.96
Deferred Tax Liabilited (Net)	14.40	(1.81)	0.13	12.72

23 Current liabilities - Financial Liabilities:**i) Borrowings ****

a) Secured - At Amortised Cost

Loans repayable on demand from banks *	64.85	60.28
b) Buyers Credit	24.30	-
c) Current Maturities of Long Term Borrowings	56.44	49.33
	145.59	109.61

The loans have been utilized for the purpose for which it were obtained and no short term funds have been used for long term purpose.

* Secured by pari-passu charge on inventories & trade receivables and are repayable on demand.

** Secured by personal guarantees of some of the Directors of the Company.

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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24 Current liabilities - Financial Liabilities:

ii. Trade Payables

Particulars

At amortised cost

- Total outstanding dues of micro and small enterprises
- Total outstanding dues of creditors other than micro and small enterprises

Total Trade Payables

As at March 31, 2022	As at March 31, 2021
4.46	0.51
<u>96.59</u>	<u>100.74</u>
<u>101.05</u>	<u>101.25</u>

Trade Payables Ageing Schedule

As on 31 March, 2022

Particulars	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	4.46	-	-	-	4.46
Total outstanding dues of creditors other than micro and small enterprises	74.86	20.87	0.61	0.17	0.08	96.59
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total Trade Payables	74.86	25.33	0.61	0.17	0.08	101.05

As on 31 March, 2021

Particulars	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	0.51	-	-	-	0.51
Total outstanding dues of creditors other than micro and small enterprises	35.37	65.09	0.20	-	0.08	100.74
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total Trade Payables	35.37	65.60	0.20	0.00	0.08	101.25

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31-Mar-22	31-Mar-21
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	4.46	0.51
Interest	-	-
Total	<u>4.46</u>	<u>0.51</u>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
25 Current liabilities - Financial Liabilities:		
iii) Other financial liabilities		
At amortized cost		
Security Deposits	2.76	3.02
Capital Creditors	2.77	-
Employee related payables	7.97	6.28
Unclaimed / Unpaid dividends	0.02	0.02
	<u>13.52</u>	<u>9.32</u>
26 Other current liabilities		
Advances received for supply of goods	11.96	3.06
Statutory dues payable to government authorities	2.80	2.91
	<u>14.76</u>	<u>5.97</u>
27 Revenue from operations		
Sale of Products		
Manufactured Products		
Wheat and Wheat Products	841.63	828.87
Minerals	798.52	619.09
Traded Goods		
Wheat	71.31	45.34
Minerals	0.58	-
Total sale of products (a)	<u>1,712.04</u>	<u>1,493.30</u>
Other Operating Income		
Weighbridge Income	0.50	0.44
Windmill Income	0.21	0.02
Lorry Income	2.43	5.22
Sale of scrap	11.62	7.65
Total other operating income (b)	<u>14.76</u>	<u>13.33</u>
Total Revenue from operations (a+b)	<u>1,726.80</u>	<u>1,506.63</u>
28 Other income		
Interest Income from deposits with banks etc. - carried at amortized cost	0.75	0.51
Profit on sale of PPE (net) *	0.00	0.06
Rent Receipts	1.52	-
Warehousing Charges	1.61	0.50
Mark to markup gain on forward contracts	0.86	-
Other miscellaneous income	0.67	0.49
Total other income	<u>5.41</u>	<u>1.56</u>
* Values are shown as zero due to rounded off being lesser value.		
29 Cost of materials consumed		
Wheat	695.83	688.27
Minerals	691.44	553.27
	<u>1,387.27</u>	<u>1,241.54</u>
30 Purchases of Stock in Trade		
Wheat	65.23	44.85
Minerals	0.48	-
	<u>65.71</u>	<u>44.85</u>

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
31 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening Stock		
Work-in-Progress		
Wheat Products	8.46	3.20
Minerals	24.85	13.61
Finished Goods		
Wheat Products	6.34	9.98
Minerals	11.46	10.94
(a)	<u>51.11</u>	<u>37.73</u>
Closing Stock		
Work-in-Progress		
Wheat Products	6.83	8.46
Minerals	-	24.85
Finished Goods		
Wheat Products	11.36	6.34
Minerals	13.12	11.46
(b)	<u>31.31</u>	<u>51.11</u>
Total changes in inventories (a-b)	<u>19.80</u>	<u>(13.38)</u>
32 Employee benefits expense *		
Salaries, wages and bonus	46.35	42.09
Contribution to provident and other funds	3.20	2.26
Staff Welfare Expenses	2.20	2.24
Directors' Remuneration	3.77	2.12
	<u>55.52</u>	<u>48.71</u>
* Employee benefit expense is net of Employee cost capitalised of Rs. 1.41 Cr (PY Rs. 1.58 Cr)		
33 Finance Cost *		
Interest Paid - Banks	27.19	30.28
- Financial Institution	0.74	-
- Buyers Credit	0.39	-
- Others	0.20	1.84
Other Borrowing Cost	1.47	0.70
	<u>29.99</u>	<u>32.82</u>
* Finance cost is net of Interest capitalised of Rs.3.10 Cr (PY Rs. 2.20 Cr)		
34 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	36.69	35.38
Amortization of Intangible assets	0.29	0.24
Amortization of Right of use assets *	0.00	-
	<u>36.98</u>	<u>35.62</u>
* Values are shown as zero due to rounded off being lesser value.		

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Notes to the Standalone Financial Statements for the year ended March 31, 2022

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
35 Other expenses		
Manufacturing Expenses		
Production Expenses	16.69	13.75
Power and Fuel	17.60	15.61
Repairs to Machinery	10.54	10.43
Laboratory Expenses	2.20	2.87
(A)	47.03	42.66
Selling and Distribution Expenses		
Advertisement	5.74	2.60
Brokerage and Commission	1.17	1.31
Discount & Claims and Settlement	1.71	1.87
Sales Promotion	1.42	3.01
Freight and Handling	32.32	27.52
(B)	42.36	36.31
Establishment Expenses		
Repairs and Maintenance - Buildings	1.96	1.48
- Others	3.78	3.60
Bank Charges and Commission	0.66	0.47
Loss on Foreign Currency Fluctuation	0.68	0.24
Provision for doubtful debts	0.60	-
Bad Debts Written Off	1.05	0.85
Printing & Stationery and Communication	1.02	0.86
Professional Charges	2.52	1.72
Payments to auditors [refer note 37]	0.15	0.07
Directors' Sitting Fees	0.04	0.04
Donations	0.67	0.09
Travelling Expenses	3.40	2.33
Insurance, Rates, Licence and Taxes	4.24	2.83
Rent & Electricity	6.07	5.58
CSR Expenses [refer note 38]	0.33	0.68
Windmill Expenses	1.36	1.32
Net gain / (loss) arising on financial instruments mandatorily measured at FVTPL	0.93	-
Miscellaneous Expenses *	1.42	1.39
(C)	30.88	23.55
Total Other Expenses	(A+B+C) 120.27	102.52
* Miscellaneous expenses consists of Security Charges, Pooja Expenses & Subscription Expenses.		
36 Earnings per share (EPS)		
Net Profit after tax for the year	12.36	12.33
Basic earnings per share (Rs. 10)		
Weighted average no. of ordinary shares outstanding	1.42	1.42
Nominal value of ordinary shares (Rs. Per share)	10.00	10.00
Basic earnings for ordinary shares (in Rs. Per share)	8.67	8.65
Diluted earnings per share (Rs. 10)		
Weighted average no. of ordinary shares outstanding	1.42	1.42
Nominal value of ordinary shares (Rs. Per share)	10.00	10.00
Diluted earnings for ordinary shares (in Rs. Per share)	8.67	8.65

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
37 Payment to auditors		
As statutory auditors :		
For Audit	0.13	0.06
Tax audit fees	0.01	0.01
Other Services	0.01	-
Reimbursement of expenses	-	-
In other capacity :		
Taxation Matters	-	-
	<u>0.15</u>	<u>0.07</u>
38 Expenditure on Corporate Social Responsibility (CSR)		
a) Gross amount required to be spent on Corporate Social Responsibility during the year		
(i) Brought Forward	(1.40)	0.20
(ii) During the year	<u>0.33</u>	<u>0.48</u>
	<u>(1.07)</u>	<u>0.68</u>
b) Amount spent during the year		
(i) Construction and/ or acquisition of any asset	0.67	-
(ii) Other purposes [other than (i) above]	-	<u>2.08</u>
	<u>0.67</u>	<u>2.08</u>
c) Closing amount of over spent as at March 31, 2022	<u>(1.74)</u>	<u>(1.40)</u>
d) Nature of CSR activities		
- TamilNadu State Drought Relief Fund	-	1.03
- PM Cares Fund	-	0.50
- Blooming Foundation Trust	-	0.04
- TamilNadu State Disaster Management Authority	-	0.50
- Skill Development Programme	-	0.01
- Installation of Oxygen Plant in Government Hospital, Dindigul	0.67	-
39 Income tax expense		
(a) Major Components of Income Tax Expenses		
Current tax		
Current tax on the Taxable Income for the year	3.07	4.99
MAT Credit availed	(3.07)	0.00
	-	4.99
Deferred tax		
Deferred Tax Liabilities (Refer Note 22)	4.31	(1.81)
	<u>4.31</u>	<u>(1.81)</u>
Income tax expense	<u>4.31</u>	<u>3.18</u>
b) Reconciliation of Tax Expense and the Accounting		
Profit for the year is as under :		
Enacted income tax rate in India applicable to the Company	25.17%	34.61%
Profit Before Tax	16.67	15.51
Current tax expense on profit before tax at the enacted Income Tax rate in India	4.19	5.37
Tax effect of the amounts which are not deductible/ (taxable) in calculated taxable income	0.41	(0.38)
Effect on differential tax rate for fair value changes on financial instruments	0.04	
Others	(0.33)	(1.81)
Income tax expense	<u>4.31</u>	<u>3.18</u>

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Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
40 Foreign exchange earnings & outgo		
Foreign exchange earnings	12.52	13.30
Foreign exchange outgo	44.42	31.80
41 Expenditure in foreign currency		
Interest	1.12	2.41
Professional / Technical Fees	-	0.15
Investment in subsidiaries	-	0.50
	<u>1.12</u>	<u>3.06</u>
42 Contingent liabilities and Commitments		
a) Contingent Liability *		
1. Disputed Electricity Tax-Pending before Hon'ble Supreme Court	0.86	0.76
2. Disputed Electricity Tax-Pending before Hon'ble Madras High Court	0.05	0.03
3. Deemed Demand (Power Purchase) pending before Hon'ble Madras High Court	0.17	0.16
4. Disputed Windmill banking adjustments pending before Hon'ble Madras High Court	0.26	0.26
5. Export obligations pending to be completed	1.04	2.85
b) Commitments		
1. Estimated amount of Contracts remaining to be executed on Capital account not provided for	55.35	6.58
*Does not include show cause notice received.		
43 Non-Cancellable Operating Leases		
The Company has various offices, warehouses and retail stores under non-cancellable leases expiring within two to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, terms of lease are renegotiated.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
-Within one year	0.87	0.32
-Later than one year but not later than five years	0.76	0.42
	<u>1.63</u>	<u>0.74</u>
44 Operating lease arrangements		
As Lessor		
The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Total lease income recognised in the Statement of Profit and Loss	1.52	0.50



45 Financial Instruments

Capital Management

The Company adheres to a cautious Capital management that seeks to trigger growth creation and maximisation of shareholders' value. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company. The Company has been funding its growth and acquisition plans and working capital requirements through a balanced approach of internal accruals and external debt from banks. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the over all debt component of the Company.

The Following table summarises the capital of the Company:

Particulars		March 31, 2022	March 31, 2021
Share Capital		14.25	14.25
Other Equity		144.43	133.30
Equity	(A)	158.68	147.55
Cash and Cash Equivalent		2.81	4.14
Other Bank Balances		4.98	7.30
Total Fund	(B)	7.79	11.44
Debt (CM + LTL+STL)		329.29	301.33
Total Debt	(C)	329.29	301.33
Net Debt	(D=C-B)	321.50	289.89
Total Capital (Equity + Net Debt)		480.18	437.74
Net Debt to Equity Ratio (No of Times)	(E=D/A)	0.67	0.66

Categories of Financial Instruments	March 31, 2022	March 31, 2021
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	9.90	8.71
Trade receivables	88.97	50.65
Cash and cash equivalents	2.81	4.14
Bank balances other than above	4.98	7.30
Loans given (current)	0.90	0.86
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Investments (non-current)	1.57	2.50
c. Measured at Cost		
Investments (non-current)	1.14	1.14
d. Measured at fair value through other comprehensive income (FVOCI)		
Investments (non-current)	1.49	-
Financial liabilities		
a. Measured at amortised cost		
Borrowings (Non-current)	183.70	191.71
Borrowings (Current)	145.59	109.61
Trade payables	101.05	101.25



Financial risk management

Objectives and Policies

The Company's financial liabilities comprises mainly of term loan borrowings, trade payables and other payables. The Company's financial assets comprises mainly of cash and cash equivalents, other balances with banks, trade receivables and investments. The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarises the exposure to the financial risks

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises of three types of risk-currency risk, interest risk and other price risk. The financial instruments affected by market risk includes Rupee Term Loan and Loans and Advances.

a) Interest rate exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has availed significant Rupee Term Loan at floating rate of interest. The Company has not entered into any of the interest rate swaps and hence is exposed to interest rate risk.

Interest rate sensitivity Analysis

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure) at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole of the year. A 25 basis point +/- fluctuation in the interest rate is used for disclosing the sensitivity analysis.

Impact on Profits before Tax

	As at 31 March, 2022	As at 31 March, 2021
Interest rates- Increase by 25 basis points	(0.82)	(0.54)
- Decreased by 25 basis points	0.82	0.54

The increase /decrease in interest rate expense is mainly attributable to Company's exposure to interest rates on its variable rate of borrowings. The interest rate sensitivity analysis is done holding on the assumption that all other variables remaining constant.

b) Foreign Currency risk exposure

The Company imports wheat, minerals, stores & spares and capital goods for which payables are denominated by foreign currency. The Company is exposed to foreign currency risk on these transactions. The Company follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity co-terminous with the maturity period of foreign currency liabilities. (underlying) In respect of exports, exports are made against advances received. Hence, the Company is not exposed to any significant foreign currency risk in respect of its exports.

c) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company's investment in fixed deposits with banks is fixed and hence there is no risk price movement arising to the Company. The Company's equity investments in its Subsidiaries and Associates is for strategic purpose and not held for trading. They are carried at cost and hence are not subject to price related risk. Other investments in equity instruments are held with a view to hold them for long term basis and not for trading.



Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged Using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged Using derivatives	Net asset exposure on the currency	
USD	0.42	0.25	0.17	0.00*	-	-	(0.17)
EURO	0.01	-	0.01	-	-	-	(0.01)
BDT	-	-	-	0.62	-	0.62	0.62
In INR	31.34	17.89	13.45	0.56	-	0.56	(12.89)

* Values are shown as zero due to rounded off being lesser value.

As on March 31, 2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged Using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged Using derivatives	Net asset exposure on the currency	
USD	0.40	0.38	0.02	0.00*	-	-	(0.02)
EURO	0.01	-	0.01	-	-	-	(0.01)
BDT	-	-	-	0.61	-	0.61	0.61
In INR	28.31	26.00	2.31	0.53	-	0.53	(1.78)

* Values are shown as zero due to rounded off being lesser value.

2 Credit Risk

The credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets as trade receivables, bank balances, other balances with banks and other receivables. The credit risk rising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counter parties are Public sector Banks.

Trade receivables consists of a large number of customers. The Company has established a credit policy under which every customer is analysed for credit worthiness. Major customers places advances. The Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes provision at each reporting period wherever outstanding is for longer period and involves higher risk.

3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Company manages the liquidity risk by i) maintaining adequate and sufficient cash and cash equivalents including investments in mutual funds ii) making available the funds from realising timely maturities of financial assets to meet obligations when due. The liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities.



Financial arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period :

Details	March 31, 2022	March 31, 2021
Expiring within one year	151.73	225.19
Expiring beyond one year	-	-

The Company makes an annual /long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

46 Security details of Long Term Borrowings

- (i) Term loan from The Standard Chartered Bank amounting to Rs. 7.06 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs.17.25 Crores) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land measuring 4.01 acres at Vedasandur. External commercial borrowings is fully hedged.
- (ii) Term loan from The ICICI Bank Limited amounting to Rs.2.90 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 4.10 Crores) is primarily secured by hypothecation of the assets purchased under vehicle loan.
- (iii) Term loan from The HDFC Bank Limited amounting to Rs.96.92 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 115.50 Crores) is primarily secured on the assets purchased under the loan and personal assets of some of the Executive Directors
- (iv) Term loan from The IDBI Bank Limited amounting to Rs.20.38 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year - Rs. 19.94 Crores) is primarily secured on the land and building situated at No.133, Trichy Road, Dindigul-624005.
- (v) Term loan from The Karur Vysya Bank Limited amounting to Rs. 45.78 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 50.74 Crores) is primarily secured by equitable mortgage on Agri Godown located at Dindigul.
- (vi) Term loan from The State Bank of India amounting to Rs.17.69 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs.14.61 Crores) is primarily secured on equitable mortgage of the assets of the Company located at Trichy.
- (vii) Term loan from IndusInd Bank Ltd amounting to Rs. 16.65 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 16.54 Crores) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.
- (viii) Term loan from IDFC First bank Limited amounting to Rs.25.66 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. NIL Crores) (Creation of security is pending).
- (ix) Term loan from Kotak Mahindra Bank Ltd amounting to Rs. 0.15 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 0.18 Crores) is primarily secured by hypothecation on the assets purchased under the loan.
- (x) Term loan from Axis Bank Ltd amounting to Rs.6.95 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 2.00 Crores) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.

Note:

- a) The said loans are repayable in monthly / quarterly instalments.
- b) The Company does not have any continuing default as on the Balance Sheet date in the repayment of loan or interest.
- c) The loans to the extent of Rs 239.99 Cr have been guaranteed by some of the Directors of the Company.



Term Loans Outstanding, Rates of Interest & Terms of Repayments *:

(Rs. in Cr)

S. No.	Bank	Loan Amt	ROI	Repayment Terms	Remaining Tenure (Quarter/Months)	O/s as on 31.03.2022
1. TERM LOAN						
1	INDUSIND	9.55	10.50%	Q	7	2.57
2	SCB	12.13	9.75%	Q	3	2.65
3	SCB	20.21	9.75%	Q	3	4.41
4	ICICI	7.60	9.05%	M	29	2.90
5	INDUSIND	15.00	10.25%	Q	14	10.00
6	HDFC	11.50	9.25%	M	82	9.16
7	HDFC	12.30	9.25%	M	59	9.15
8	HDFC	36.00	9.25%	M	60	27.23
9	HDFC	13.13	9.25%	M	82	10.45
10	IDFC	30.00	8.30%	M	63	25.66
TOTAL TERM LOAN						104.18
2. LOAN AGAINST PROPERTY						
1	HDFC	26.00	8.40%	M	37	11.54
2	HDFC	11.00	8.20%	M	37	5.94
3	SBI	17.00	9.30%	M	47	11.00
4	IDBI	16.00	8.75%	M	121	13.01
5	IDBI	3.00	9.15%	M	118	2.49
6	KVB	18.00	10.50%	Q	12	9.24
7	KVB	40.00	10.15%	Q	17	28.22
TOTAL LAP LOAN						81.44
3. VEHICLE LOAN						
1	HDFC	0.53	7.90%	M	6	0.06
2	HDFC	0.54	7.90%	M	6	0.06
3	HDFC	0.40	8.00%	M	5	0.04
4	HDFC	1.60	8.00%	M	4	0.13
5	HDFC	0.29	8.60%	M	14	0.08
6	HDFC	5.49	8.00%	M	4	0.44
7	HDFC	0.41	8.00%	M	4	0.03
8	KOTAK	0.18	8.00%	M	46	0.16
TOTAL VEHICLE LOAN						1.00
4. GECL						
1	IDBI	3.40	8.80%	M	45	3.14
2	KVB	3.15	8.20%	M	46	3.02
3	HDFC	23.58	7.50%	M	46	22.60
4	AXIS	7.10	7.60%	M	47	6.95
5	INDUSIND	4.08	8.15%	M	48	4.08
6	KVB	5.30	8.20%	M	48	5.30
7	SBI	6.69	7.95%	M	48	6.69
8	IDBI	1.74	8.60%	M	48	1.74
TOTAL GECL LOAN						53.52
GRAND TOTAL						240.14

* The outstanding includes current maturities of Long Term Debt (Refer Note No.23)



47 Retirement benefit plans

1. Defined contribution plans

The Company makes Provident Fund which is defined contribution plan for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the pay roll costs to fund the benefit. The Company recognised Rs 3.20 Cr (year ended 31.03.2021 Rs 2.26 Cr) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

2. Defined benefit plans

a) Gratuity

Gratuity to employees (funded) and Gratuity to Directors (non funded), the most recent actuarial valuation of the plan assets and in respect gratuity to employees scheme, the present value of the defined benefit obligation were carried out by actuarial valuation. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan (Employees) and Gratuity (Directors) of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the Gratuity (Employees) benefit through annual contribution and provision is made annually for Gratuity to Directors.

b) Compensated Absence

As per the policy of the Company the Compensated Absence is not accumulated

Investment risk	The probability or likelihood of occurrence of losses relating to the expected return on any particular investment.
Interest risk	The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of liability (as shown in financial statements). A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.



S.No.	Particulars	Post Employment Benefit			
		Gratuity-Employees		Gratuity-Directors	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
i	<u>Changes in Defined Benefit Obligation</u>				
	Present Value-Opening Balance	3.60	3.62	2.23	2.12
	Current Service Cost	0.60	0.60	0.50	0.11
	Interest Cost	0.24	0.23	-	-
	Past services cost	(0.05)	-	-	-
	Actuarial Gain on obligation	(0.22)	(0.49)	-	-
	Benefits Paid and Charges Deducted	(0.35)	(0.36)	-	-
	Present Value- Closing Balance	3.82	3.60	2.73	2.23
ii	<u>Changes in Fair value of Plan Assets</u>				
	Opening Balance	3.66	2.90	-	-
	Expected Return on plan assets	0.26	0.21	-	-
	Actuarial Gain on plan assets	0.05	0.02	-	-
	Contributions by Employer	0.41	0.89	-	-
	Benefits Paid	(0.35)	(0.36)	-	-
	Closing Balance	4.03	3.66	-	-
iii	<u>Amount recognised in the Balance Sheet (as at the Year end)</u>				
	Fair Value of Plan Assets	4.03	3.66	-	-
	Present Value of Obligations	3.82	3.60	2.73	2.23
	Net Asset/(Liability) Recognised	0.21	0.06	(2.73)	(2.23)
iv	<u>Expenses recognised in the Statement of Profit and Loss</u>				
	Current Service Cost	0.60	0.60	0.50	0.11
	Interest on Obligation	(0.02)	0.02	-	-
	Past service cost	(0.05)	0.00	-	-
	Expenses recognised in the Statement of Profit and Loss	0.53	0.62	0.50	0.11
v	<u>Expenses recognised in other Comprehensive Income</u>				
	Actuarial gains/ (losses) on plan obligation	0.22	0.49	-	-
	Difference between actual return and interest income on plan assets	0.05	0.02	-	-
	Net Cost in other comprehensive Income	0.27	0.51	-	-
	Asset Information		-		-
	Insurer Managed	100.00%	100.00%	NA	NA
	<u>Principal Actuarial Assumptions</u>				
	Discount Rate(%)	7.36%	6.91%	7.36%	6.91%
	Rate of Increase in Salary (%)	5.00%	5.00%	10.00%	10.00%
	Attrition Rate (%)	1.00%	5.00%	1.00%	1.00%
	Expected Rate of Return on Plan Assets(%)	7.36%	6.91%	NA	NA
	Expected average remaining life of employees Years	20.70	13.39	14.00	15.10

**48 Related party disclosure****a) List of parties having significant influence**

Holding company	The Company does not have any holding company
Subsidiaries and joint ventures	Naga Far East Private Limited Naga Mills Private Limited
Associate Companies	Annai Power Private Limited Nagalakshmi Energy Private Limited

Investing Parties having substantial interest

Sri. K.S. Kamalakannan	Chairman and Managing Director(KMP)
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Key Management Personnel

Smt. Mageswari Kannan	Joint Managing Director
Sri. Sounder Kannan	Whole Time Director
Sri. D. Vijay Anand	Technical Director
Sri. S. Ramesh	Director (Projects)
Sri. T.R. Sivaraman	Chief Financial Officer
Sri. V. Marikannan	Company Secretary

Directors

Sri. P. Arivanandam	Independent Director
Sri. Ramesh Krishnan	Independent Director
Sri. S. Neelakantan	Independent Director

Relatives of Key Managerial Personnel

Smt. Lakshmi Vijayanand
Smt. Monaa Kannan
Ms. M. Jayalalitha
Sri. M. Sukumar
Sri. A.M. Gopinath
Sri. R. Hema Kumar
Sri. R. Ragavendar

Enterprises over which Key Managerial Personnel are able to exercise significant influence

Nagalakshmi Charitable Trust
M.M. Detergents Company Private Limited
Naga Marine Industries Limited
Naga Mills Limited
Kovil Agencies
Dinwinn Farms LLP



b) Transaction during the year

S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	Annai Power Private Limited		
	Wind Power Charges paid	2.74	2.85
	Rent Paid	2.40	2.40
	Rent Received *	0.00	0.00
2	Sri. K.S. Kamalakannan		
	Remuneration	1.03	0.48
	Rent Paid	1.12	0.80
	Interest Paid *	0.00	0.25
	Dividend Paid	0.73	0.61
	Unsecured Loan - Received	-	17.00
	- Repaid	0.04	16.97
3	Smt. Mageswari Kannan		
	Remuneration	0.90	0.45
	Rent Free Accomodation	0.07	0.06
	Interest Paid *	0.00	0.14
	Dividend Paid	0.25	0.19
	Unsecured Loan - Received	-	9.64
	- Repaid	0.07	11.05
4	Sri. Sounder Kannan		
	Remuneration	0.91	0.42
	Dividend Paid	0.14	0.08
	Interest Paid *	0.00	0.10
	Unsecured Loan - Received	-	8.46
	- Paid	0.09	8.48
5	Sri. D. Vijay Anand		
	Remuneration	0.91	0.77
	Dividend Paid	0.01	-
6	Sri. S. Ramesh		
	Remuneration	0.02	-
7	Sri. T.R. Sivaraman		
	Remuneration	0.13	0.12
8	Sri. V. Marikannan		
	Remuneration	0.13	0.13
9	Smt. Lakshmi Vijayanand		
	Salary	0.38	0.35
	Dividend Paid	0.09	0.04
10	Smt. Monaa Kannan		
	Salary	0.25	0.27
	Dividend Paid	0.01	-
11	Ms. M. Jayalalitha		
	Salary	0.38	0.35
	Dividend Paid *	0.01	0.00

Naga Limited

CIN : U24246TN1991PLC020409

Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts are in Crores of Indian Rupees, unless otherwise stated)



S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
12	Sri. M. Sukumar		
	Salary	0.27	0.23
	Dividend Paid	0.01	-
13	Sri. A.M.Gopinath (Prop. Anugraha International)		
	Commission Paid	0.14	0.19
14	Naga Mills Limited		
	Rental Income *	0.00	0.00
15	Dinwinn Farms LLP		
	Purchase of Agri Product	0.01	-
	Freight Income Received *	0.00	-
16	Kovil Agencies		
	Sale of Wheat	0.13	-
	Sale of Minerals	0.08	-
	Rental Income *	0.00	-
17	Naga Marine industries Limited		
	Purchases	207.05	273.42
	Rent Paid	0.16	0.18
	Rental Income *	0.00	0.00
	Dividend Paid	0.04	0.04
	Freight Charges Received	0.30	-
18	Nagalakshmi Charitable Trust		
	Sale of Wheat Products	0.02	-
	Donation Paid	0.16	0.09
	Medical Camp Charges Paid	0.05	-
19	Nagalakshmi Energy Private Limited		
	Freight Charges Paid	0.54	0.44
	Purchase of Windmill Energy	0.76	1.34
	Rental Income *	0.00	0.00
20	M.M.Detergents Company Private Limited		
	Purchases	146.92	58.48
	Rental Income *	0.00	0.00
	Rent Paid	0.10	-
	Sale of Land	0.20	-
	Dividend Paid	0.12	0.10
	Freight Charges Received	0.29	-

Notes :

1. Post employment benefits are actuarially determined on overall basis and hence not separately provided.
2. M/s. Naga Marine Industries Limited & M/s. Naga Mills Limited were merged with M/s. M.M.Detergents Company Private Limited w.e.f. November 17, 2021.

* Values are shown as zero due to rounded off being lesser value.



c) Balance at the end of the year

S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	Sri. K.S. Kamalakannan		
	Unsecured Loans	-	0.03
	Remuneration payable	0.05	0.04
2	Smt. Mageswari Kannan		
	Unsecured Loans	-	0.07
	Remuneration payable	0.05	0.04
3	Sri. Sounder Kannan		
	Unsecured Loans	-	0.09
	Remuneration payable	0.05	0.04
4	Sri. D. Vijay Anand		
	Remuneration payable	0.07	0.07
5	Sri. S. Ramesh		
	Remuneration payable	0.01	-
6	Naga Mills Private Limited		
	Loans Receivable	0.48	0.45
	Expenses Recoverable	0.09	0.07
7	Naga Far East Private Limited		
	Expenses Recoverable	0.02	0.02
8	M.M.Detergents Company Pvt. Ltd.,		
	Advance Paid	6.69	-
	Rent Receivable	-	-
	Trade Payable	-	0.89
	Trade Receivable	0.05	-
9	Nagalakshmi Charitable Trust		
	Trade Receivable *	0.00	0.00
10	Dinwinn Farms LLP		
	Trade Receivable	0.01	-

* Values are shown as zero due to rounded off being lesser value.



d) Transaction summary with related parties

Particulars	Subsidiaries	Associate Companies	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Over Key Managerial are able to exercise significant Influence	Total
Purchases	- -	- -	- -	- -	353.98 [331.90]	353.98 [331.90]
Wind Power Charges paid	- -	3.50 [4.19]	- -	- -	- -	3.50 [4.19]
Remuneration/Salary	- -	- -	4.03 [2.37]	1.28 [1.20]	- -	5.31 [3.57]
Provision for gratuity	- -	- -	0.49 [0.11]	- -	- -	0.49 [0.11]
Rental Income	- -	- -	- -	- -	0.01 [0.01]	0.01 [0.01]
Rent Paid	- -	2.40 [2.40]	1.12 [0.80]	- -	0.26 [0.18]	3.78 [3.38]
Freight Charges paid	- -	0.54 [0.44]	- -	- -	- -	0.54 [0.44]
Freight Income Received	- -	- -	- -	- -	0.59 -	0.59 -
Interest Paid on loan *	- -	- -	0.00 [0.49]	- -	- -	0.00 [0.49]
Commission paid	- -	- -	- -	0.14 [0.19]	- -	0.14 [0.19]
Dividend paid	- -	- -	1.13 [0.88]	0.12 [0.04]	0.16 [0.14]	1.41 [1.06]
Donation	- -	- -	- -	- -	0.16 [0.09]	0.16 [0.09]
Investment in equity shares	0.50 [0.50]	0.64 [0.64]	- -	- -	- -	1.14 [1.14]
Loan received during the year	- -	- -	- [35.10]	- -	- -	- [35.10]
Loan repaid during the year	- -	- -	0.19 [36.50]	- -	- -	0.19 [36.50]
Expenses Recoverable	0.07 [0.53]	- -	- -	- -	- -	0.07 [0.53]
Creditors & Other Payables	- -	- -	- [0.18]	- -	- [0.89]	- [1.07]

Note : Figures in brackets represents previous year's amounts.

* Values are shown as zero due to rounded off being lesser value.



49 Ratio Analysis and its elements

a) Ratio

Particulars	As at March 31, 2022	As at March 31, 2021	% Change from FY "21 to FY "22
(a) Current Ratio	1.03	1.18	(13%)
(b) Debt-Equity Ratio	1.51	1.63	(7%)
(c) Debt Service Coverage Ratio	1.07	1.11	(4%)
(d) Return on Equity Ratio (%)	10.51	10.51	0%
(e) Inventory Turnover Ratio	8.35	7.35	14%
(f) Trade Receivables Turnover Ratio	24.73	28.13	(12%)
(g) Trade Payables Turnover Ratio	14.13	14.64	(4%)
(h) Net Capital Turnover Ratio	10.88	10.21	7%
(i) Net Profit Ratio (%)	0.73	0.84	(14%)
(j) Return on Capital Employed (%)	13.00	13.64	(5%)
(k) Return on Investment (%)	7.93	8.63	(8%)

b) Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
(a) Current Ratio	Current Assets	Current Liabilities	285.02	275.96	267.81	226.62
(b) Debt-Equity Ratio	Debt (LTB+CM)	Total Equity	240.14	158.68	241.05	147.55
(c) Debt Service Coverage Ratio	EBITDA	Debt (Principal+Interest)	83.64	78.28	83.95	75.47
(d) Return on Equity Ratio	Profit before Tax	Total Equity	16.67	158.68	15.51	147.55
(e) Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	1,472.78	176.42	1,273.01	173.25
(f) Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	1,726.80	69.81	1,506.63	53.55
(g) Trade Payables Turnover Ratio	Purchases	Average Trade Payables	1,429.08	101.15	1,316.61	89.91
(h) Net Capital Turnover Ratio	Revenue from Operations	Total Equity	1,726.80	158.68	1,506.63	147.55
(i) Net Profit Ratio	Profit for the year	Revenue from Operations	12.56	1,726.80	12.73	1,506.63
(j) Return on Capital Employed	EBIT	Total Assets - Current Liabilities	46.66	359.15	48.33	354.23
(k) Return on Investment	Profit for the year	Total Equity	12.56	158.68	12.73	147.55

**50 Loans granted to Related Parties**

Type of Borrower	Loan granted individually or jointly with Others	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	31-Mar-22		31-Mar-21	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding	% of Total
Naga Mills Private Limited (Subsidiary company)	Individually	Yes	Yes	0.48 *	53%	0.45	52%
Total of Loan (Refer Note No-14)				0.90		0.86	

* The increase is an account of reinstatement of foreign currency as per Ind AS 21.

51 Details of Benami Property :

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

52 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

Quarterly returns/statements filed by the Company with banks consisting of inventory and trade receivables aged less than 90 days are in agreement with the books of account except for the quarterly return filed during quarter ended March 31, 2021, wherein the stock and debtors filed with banks was excess by Rs 6.76 Cr due to inventory valuation changes made during the statutory audit.

53 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at 31-Mar-22	Balance outstanding as at 31-Mar-21
C S T AGRO AND FOOD PRODUCTS PRIVATE LIMITED	Receivables	NA	NIL	0.03

54 Expenditure on Scientific Research eligible

Nature	As at 31-Mar-22	As at 31-Mar-21
a) Revenue		
U/s 35(2AB)	1.45	0.93
U/s 35(1)(iv)	0.13	0.60
b) Capital		
U/s 35(2AB)	26.20	1.08
U/s 35(1)(iv)	0.56	0.09

55 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

56 Wilful Defaulter

The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

**57 Utilisation of borrowed funds and securities premium**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

58 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

59 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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).

60 Note on Social Security Code 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

61 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors at their meeting held on 1st June, 2022.

For and on behalf of the Board

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

GEETHA JEYAKUMAR
Partner
M.No: 029409

Place : Dindigul
Date : 1st June, 2022

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

V. MARIKANNAN
Company Secretary
M.No: A30767



M S K A & ASSOCIATES
Chartered Accountants



Floor 5, Main Building,
Guna Complex, New No.443 & 445,
Old No.304 & 305, Anna Salai,
Teynampet, Chennai 600018.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NAGA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Naga Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, including other comprehensive income the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Financial highlights, Chairman's statement, Director's report along with annexures but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs.0.93 crores as at March 31, 2022, total revenues Nil and net cash flows amounting to Rs.0.36 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 0.19 crores for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 2 associate, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

All subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 28, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India are 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 controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates, Refer Note 42 to the consolidated financial statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies incorporated in India.
 - iv. (1) The respective Managements of the Holding Company and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such associates to or in any other person or entity, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company, and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such associates from any person or entity, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of its associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.



2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 2 subsidiaries and 2 associates, as the provisions of the aforesaid section is not applicable to private company/companies.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
Membership No. 029409
UDIN: 22029409AKCMOD9293

Place: Dindigul
Date: June 01, 2022



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NAGA LIMITED

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
Membership No. 029409
UDIN: 22029409AKCMOD9293

Place: Dindigul
Date: June 01, 2022



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NAGA LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Naga Limited on the consolidated Financial Statements for the year ended March 31, 2022.

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Naga Limited (hereinafter referred to as "the Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, and its associate companies, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a



material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such associate companies incorporated in India.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR

Partner

Membership No. 029409

UDIN: 22029409AKCMOD9293

Place: Dindigul

Date: June 01, 2022

Naga Limited

CIN : U24246TN1991PLC020409

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	Notes	As at March 31,2022	As at March 31,2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	283.72	273.05
b) Right of Use Assests	4.a	7.23	-
c) Capital work in progress	5	21.12	15.33
d) Investment Property	4.b	10.27	-
e) Other Intangible Assets	6	1.13	1.40
f) Investment accounted for using the equity method	7	0.52	0.33
g) Financial assets			
i) Investments	7	3.06	2.50
ii) Other financial assets	8	9.89	8.71
h) Other non-current assets	9	<u>12.51</u>	<u>10.91</u>
Total non-current assets		<u>349.45</u>	<u>312.23</u>
Current assets			
a) Inventories	10	164.47	188.37
b) Financial assets			
i) Trade receivables	11	88.99	50.65
ii) Cash and cash equivalents	12	3.68	4.64
iii) Bank balances other than (ii) above	13	4.98	7.30
iv) Loans	14	0.44	0.41
v) Other financial assests	15	0.87	2.60
c) Current Tax Assests (Net)	16	1.24	2.10
d) Other current assets	17	<u>20.72</u>	<u>12.24</u>
Total current assets		<u>285.39</u>	<u>268.31</u>
Total Assets		<u>634.84</u>	<u>580.54</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	18	14.25	14.25
b) Other equity	19	<u>144.15</u>	<u>132.82</u>
Total equity		<u>158.40</u>	<u>147.07</u>
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
Borrowings	20	183.70	191.71
b) Provisions	21	2.73	2.25
c) Deferred Tax Liabilities (Net)	22	<u>14.03</u>	<u>12.72</u>
Total non-current liabilities		<u>200.46</u>	<u>206.68</u>
Current liabilities			
a) Financial liabilities			
i) Borrowings	23	145.59	109.61
ii) Trade payables			
a) Total Outstanding dues of micro and small enterprises	24	4.46	0.51
b) Total Outstanding dues of creditors other than micro and small enterpirses	24	96.61	100.77
iii) Other financial libilites	25	13.52	9.46
b) Provisions	21	1.04	0.47
c) Other current liabilities	26	<u>14.76</u>	<u>5.97</u>
Total current liabilities		<u>275.98</u>	<u>226.79</u>
Total Liabilities		<u>476.44</u>	<u>433.47</u>
Total Equity and Liabilities		<u>634.84</u>	<u>580.54</u>

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board

For M S K A & Associates
Chartered Accountants

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

Place : Dindigul
Date : 1st June, 2022

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

V. MARIKANNAN
Company Secretary
M.No: A30767

Naga Limited

CIN : U24246TN1991PLC020409

Consolidated Statement of Profit & Loss for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Continuing Operations			
A Income			
Revenue from operations	27	1726.80	1506.63
Other income	28	5.60	2.07
Total income		<u>1,732.40</u>	<u>1508.70</u>
B Expenses			
Cost of materials consumed	29	1387.27	1241.54
Purchases of stock in trade	30	65.71	44.85
Changes in inventories of finished goods, Work-in-Progress and stock-in-trade	31	19.80	(13.38)
Employee benefits expense	32	55.52	48.71
Financial costs	33	29.99	32.82
Depreciation and amortisation expense	34	36.97	35.62
Other expenses	35	120.31	102.60
Total expenses		<u>1,715.57</u>	<u>1492.76</u>
C Profit before tax		16.83	15.94
D Tax Expenses / (Credit)			
Current tax		3.07	4.99
MAT Credit Recognized		(3.07)	-
Defferred tax charge / (credit)		4.31	(1.81)
Profit for the year		<u>12.52</u>	<u>12.76</u>
E Other comprehensive income / (loss) for the period / year item that will not be subsequently reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit obligations		0.27	0.53
Income tax effect on above		(0.07)	(0.13)
Total other comprehensive income / (loss), net of tax		<u>0.20</u>	<u>0.40</u>
Total Comprehensive income for the year		<u>12.72</u>	<u>13.16</u>
Earnings per Equity Share (EPS) (Face value of Rs. 10 each)			
Basic earnings per share (in ₹)	36	8.79	8.96
Diluted earnings per share (in ₹)	36	8.79	8.96

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

Place : Dindigul
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As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

V. MARIKANNAN
Company Secretary
M.No: A30767

Naga Limited

CIN : U24246TN1991PLC020409

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)

**(A) Equity Share Capital**

Balance at the beginning of April 1, 2020	14.25
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	14.25
Changes in equity share capital during the year	-
Balance at the end of March 31, 2022	14.25

(B) Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	OCI (Remeasurment of post employee benefit obligations)	Total
Balance as at March 31, 2020	0.11	1.36	3.13	117.32	(0.84)	121.08
Additions/(deductions) during the year	-	-	0.21	(0.21)	-	-
Total Comprehensive Income for the year	-	-	-	12.76	0.40	13.16
Dividend paid	-	-	-	(1.42)	-	(1.42)
Balance as at March 31, 2021	0.11	1.36	3.34	128.45	(0.44)	132.82
Additions/(deductions) during the year	-	-	0.21	(0.21)	-	-
Total Comprehensive Income for the year	-	-	-	12.52	0.20	12.72
Earlier period times	-	-	-	(0.08)	-	(0.08)
Dividend paid	-	-	-	(1.43)	-	(1.43)
Other foreign currency translation reserve	-	-	-	0.12	-	0.12
Balance as at March 31, 2022	0.11	1.36	3.55	139.37	(0.24)	144.15

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

V. MARIKANNAN
Company Secretary
M.No: A30767

Place : Dindigul

Date : 1st June, 2022

Naga Limited

CIN : U24246TN1991PLC020409

Consolidated Statement of Cashflow for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating Activities		
Profit before tax	16.83	15.94
Adjustments for :		
Depreciation and amortisation expense	36.97	35.62
Loss / (Profit) on sale of Property, plant and equipment (net)	(0.00)	(0.06)
Interest income	(0.75)	(0.51)
Provision for doubtful debts & advances	0.60	-
Bad debts writtenoff	1.05	0.85
Unrealised net (gain)/loss on foreign currency transactions and translations	(0.19)	-
Rental income from Investment property	(1.52)	-
Loss on fair valuation of investments carried at FVTPL	0.93	-
Finance cost on others	29.99	32.82
Operating profit before working capital changes	<u>83.91</u>	<u>84.66</u>
Movement in Working Capital :		
Decrease in Other financial assets	0.72	0.08
Decrease/(Increase) in Inventories	23.90	(30.22)
(Increase)/Decrease in Trade receivables	(39.99)	4.95
(Increase)/Decrease in Other assets	(8.97)	5.04
Increase in Other financial liabilities	1.29	-
Increase in Other liabilities	8.79	19.79
(Decrease)/Increase in trade payables	(0.02)	22.12
Increase in provision for gratuity & compensated absences	1.34	-
Cash generated from operations	<u>70.97</u>	<u>106.42</u>
Income tax paid (net of refund)	(2.21)	(4.60)
Net cash from operating activities (A)	<u>68.76</u>	<u>101.82</u>
Cash Flows From Investing Activities		
Payment for property, plant and equipment and intangible assets	(66.30)	(49.56)
Proceeds from sale of property, plant and equipment and intangible assets	0.43	0.05
Interest income	0.75	0.51
Purchases of investments	(1.70)	-
Rental income on lease arrangements	1.52	-
Bank Balance not considered as cash and cash equivalents : Deposit matured (net)	2.17	(2.61)
Net cash used in investing activities (B)	<u>(63.13)</u>	<u>(51.61)</u>

Naga Limited

CIN : U24246TN1991PLC020409

Consolidated Statement of Cashflow for the year ended March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings	35.97	(40.55)
(Repayment of)/ Proceeds from long term borrowings	(8.01)	10.86
(Increase) / decrease in loans given	(0.04)	0.17
Interest paid	(33.09)	(32.82)
Dividend paid	<u>(1.42)</u>	<u>(1.42)</u>
Net cash used in financing activities (C)	<u>(6.59)</u>	<u>(63.76)</u>
Net (Decrease) in cash and cash equivalents (A+B+C)	<u>(0.96)</u>	<u>(13.55)</u>
Cash and cash equivalents at the beginning of the year	<u>4.64</u>	<u>18.19</u>
Cash and cash equivalents at end of the year	3.68	4.64

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents:

Balances with banks

- in Current Accounts

3.53

4.45

- Cash on hand

0.15

0.19

3.68

4.64

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board**K.S. KAMALAKANNAN**Chairman & Managing Director
DIN : 01601589**MAGESWARI KANNAN**Joint Managing Director
DIN : 02107556**T.R. SIVARAMAN**Chief Financial Officer
M.No: 023228**Place : Dindigul****Date : 1st June, 2022**

As per our report of even date

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

GEETHA JEYAKUMARPartner
M.No: 029409**V. MARIKANNAN**Company Secretary
M.No: A30767



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Notes to the Financial statements

Group Background

Naga Limited (“Company”/ “Naga”) is a public limited company incorporated in India under the Companies Act, 1956 and is domiciled in India. Its Registered Office is located at No 1, Anna Pillai Street, Chennai-600001 and the Corporate Office at No 1, Trichy Road, Dindigul-624005. The Company’s Equity Shares which were listed in the Metropolitan Stock Exchange of India till 31.03.2021, were delisted with effect from 16.04.2021. The Company is engaged in the manufacture of Wheat Products, Minerals, Detergents and in Power Generation. The Plants of the Company are located in various places in and around Dindigul and its Power Generating windmills are located in Coimbatore, Dharapuram, Theni and Tirunelveli.

Naga Limited, together with its subsidiaries and associates is hereinafter referred to as the Group.

Group’s consolidated financial statements were approved by the Group’s Board of Directors on June 01, 2022.

Company’s subsidiaries are involved in business of trading of wheat, associates are involved in business of power generation.

2. Significant Accounting Policies and key accounting estimates and judgments

Significant Accounting Policies

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. Group.

Accounting Policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

2.2 Basis of Consolidation

Naga consolidates entities which it owns or controls. The Consolidated financial statements comprise the financial statements of the Company, its controlled entities and its subsidiaries, as disclosed below:

Subsidiary Companies

- a) Naga Far East Private Limited, Singapore
- b) Naga Mills Private Limited, Bangladesh

Associate Companies

- a) Annai Power Private Limited
- b) Nagalakshmi Energy Private Limited

Control and significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Company in its capacity as an investor that provides it the power and consequential ability to direct the investee’s activities and significantly affect the Company’s’ returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The entity is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

Subsidiaries are entities controlled by the Company. Associates are entities over which the Company exercise significant influence but does not control.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the noncontrolling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

An investment in an associate is initially recognised at cost on the date of the investment, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method'). All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Basis of Preparation and Compliance

Naga consolidated financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below. The financial statements are prepared on a "going concern" basis using accrual concept except for the cash flow information. Historical cost is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimate using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date assuming the market participants act in their economic best interest.

Fair value for measurement and/or disclosure purpose in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2- Inventories or values in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as '-' in these financial statements.

2.3 Current/Non-Current Classification

An asset or liability is classified as Current if it satisfies any of the following conditions:

- (a) The asset / liability is expected to be realized / settled in the Group's normal operating cycle;
- (b) The asset is intended for sale or consumption;
- (c) The asset / liability is held primarily for the purpose of trading;
- (d) The asset / liability is expected to be realized / settled within twelve months after the reporting period;
- (e) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (f) In case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as Non- Current. For the purpose of Current / Non- Current classification, the Group has reckoned its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets or inventories for processing and their realization in cash or cash equivalents.

Deferred Tax assets and liabilities are classified as Non-Current. Advances given towards acquisition of fixed assets, outstanding at each Balance Sheet date, are disclosed as other Non-current assets.

2.4 New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

2.5 Property, Plant and Equipment (PPE)

Property, Plant and Equipment are tangible items that:

- (a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes: and
- (b) Are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment shall be recognised as an asset if and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the entity; and
- (b) The cost of the item can be measured reliably.

An item of PPE that qualifies for recognition as an asset is measured on initial recognition at cost.

Following initial recognition PPEs are carried at its cost less accumulated depreciation and accumulated impairment losses.

- (i) The cost of an item of PPE comprises of purchase price, taxes and duties net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of PPE if the recognition criteria are met.

Borrowing cost (net of interest earned on temporary investments of those borrowings) directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of the assets till the assets are substantially ready for its intended use.

- (ii) The Group identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.
- (iii) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalized at Cost. Costs in nature of repairs and maintenance are recognized in the statement of Profit and Loss as and when incurred. All up gradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits.
- (iv) Capital advances and Capital Work-in-Progress
Advances given towards acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as Capital Work-in-Progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.
- (v) Depreciation of PPE
Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on written down value (WDV) method in respect of Soaps & Detergents Division at Veda sandur and under the straight line method in respect of other divisions. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

(vi) Estimated useful lives of the assets are as follows:

<u>Asset</u>	<u>Years</u>
Factory Buildings	30
Buildings (Other than factory buildings)	60
Plant and Equipment - continuous process plants	25
Plant and Equipment - Other than continuous process plants	5-15
Wind Power Generation Plant	22
Furniture and Fixtures	3-10
Vehicles - Motor Cycles, Scooter and Mopeds	3-10
Other vehicles	10
Office Equipment	5
Servers & Networks	6
End user devices such as desktops, laptops etc.,	3

Assets costing Rs. 5,000/- and below are depreciated in full within the Financial Year.

2.6 Investment Property

Investment property is property (land or a building—or part of a building—or both) held

(by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property shall be recognized as an asset when, and only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably. An investment property shall be measured at its cost less depreciation. Transaction costs shall be included in the initial measurement. An investment property shall be derecognized (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

2.7 Intangible Assets

a) Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

b) Useful lives of Intangible Assets

Intangible Assets are amortised equally over the estimated useful life,

2.8 De-recognition of tangible and intangible assets

An item of tangible and intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the Asset. Any gain or loss arising on the disposal or retirement of an item of tangible and intangible assets is determined as the difference between the sale proceeds, if any, and the carrying amount of the asset and is recognised in the Statement of Profit or Loss.

2.9 Impairment of tangible and intangible assets

The Group annually reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment of loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment of loss is recognised immediately in Statement of Profit and Loss.

2.10 Revenue Recognition

Effective from 1st April, 2018 the Group has adopted Ind AS 115 “Revenue from Contracts with Customers”.

(a) Sale of products

Revenue is recognised at a point in time upon transfer of control of the products to customers i.e., when the products are delivered to the common carrier, in an amount that reflects the consideration that the Group expects to receive in exchange for those products.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the actual underlying performance obligation that corresponds to the progress by the customer / indenter towards earning the discount / incentive.

(b) Dividend and Interest Income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

(c) Insurance Claims

Insurance claims are recognized on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(d) Rental Income / Warehousing Charges

Rental income and warehousing charges from operating leases are recognized on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost of inflation index.

2.11 Ind AS 115- Revenue from contracts with customers

The standard is notified on 28.03.2018 and it is applicable for the accounting periods commencing on or after 01.04.2018 and accordingly your Group has adopted this standard.

2.12 Inventories

Inventories including traded goods are valued at lower of cost and net realizable value. Materials and other items intended for use in the production of inventories are not written -down below cost if the finished goods in which they will be incorporated or expected to be sold at or above cost. Cost includes taxes and duties (other than taxes and duties for which input tax credit is available), freight and other direct expenses. Stocks of Raw materials, Stores & Spares and chemicals are valued at cost on First in First Out. Finished Goods / Stock-in-Progress are valued at lower of cost and net realisable value and cost includes material, direct labour, overheads (other than selling and administrative overheads) incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are periodically identified and provision is made where necessary.

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest 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.

2.14 Leases

As Lessor:

Group as lessor assess lease contract to operating lease or finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. A lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

As Lessee:

The Group assesses whether a contract contains a lease at the inception of a contract. Certain lease contracts include the options to extend or terminate the lease before the end of the lease term. The leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Group as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized as an expense as and when incurred.

The Right-of-Use assets are initially recognized at cost comprising initial lease liability which include lease payments made on or before the commencement date and discounted future less payments. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,

using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related Right-of-Use assets if the Group changes its assessment as to whether it will exercise an extension or a termination option. Right-of-Use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset. Right-of-use assets and lease liability have been separately presented in the balance sheet and lease payments have been classified as financing cash flow in the cash flow statement

2.15 Employee Benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognises the undiscounted amount of Short Term Employee Benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(b) Post-employment benefits

(i) Defined Contribution Plan

Payments to Defined Contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions to Provident Fund and Superannuation Fund are treated as Defined Contribution Plans, since funded with Provident Fund Commissioner (as per the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952) and Life Insurance Corporation of India, respectively.

(ii) Defined Benefit Plans

The Group operates the Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan. Gratuity and Retirement Benefit Schemes operated by the Group are treated as Defined Benefit Plans. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Re-measurement of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit s liability / asset) , are recognized in Other Comprehensive Income and taken to retained earnings. (Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods). The Group presents the above liability / (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary, however, the entire liability towards gratuity to employees (other than Directors) is considered as current as the Group will contribute this amount to gratuity fund within the next twelve months.

(c) Other Long-term Employee Benefits

As per policy of the Group, compensated absence is not accumulated.

2.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtual certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Profit and Loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

2.18 Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Classification of financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost. The debt instruments carried at amortised cost includes Deposits, Loans and advances recoverable in cash.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are subsequently measured at fair value.

(b) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognized in the Statement of Profit and Loss.

(c) Investment in Equity Instruments at FVTOCI

(i) Investments in Equity Instruments in Subsidiaries and associates

The Group has elected to carry investment in equity instruments in subsidiaries and associates at cost in accordance with paragraph 10 of Ind AS 27- Separate Financial Statements.

(ii) Investments in Other Equity Instruments

The Group has irrevocably designated to carry investment in Other Equity Instruments at Fair Value through Other Comprehensive Income. On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in Fair Value in Other Comprehensive Income pertaining to Investments in Equity Instruments. This election is not permitted if the equity investment is held for trading. These elected investments were initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for Equity Instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within Equity.

The Group has Equity Investments which are not held for trading. The Group has elected the FVTOCI irrevocable option for these investments (see Note 7). Fair value is determined in the manner described in Note 2.2.

(d) Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses "Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instruments).
- For Trade receivable, Group applies "simplified approach" which requires expected life time losses to be recognized from initial recognition of these receivables.
- For other assets, the Group uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk, if there is significant increase in credit risk full lifetime ECL is used.

(e) Derecognition of Financial Assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109, a financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Concomitantly, if the asset is one that is measured at

(a) Amortised cost, the gain or loss is recognized in the Statement of Profit and Loss.

(b) Fair value through Other Comprehensive Income, the cumulative fair value adjustments previously taken to Reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is classified within equity.

2.19 Financial Liabilities and Equity Instruments

(a) Classification as Debt or Equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognized at the proceeds received, net of direct issue costs.

(c) Financial Liabilities

All financial liabilities are initially recognized at the value of respective contractual obligations. Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the "Finance costs" line item.

(d) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

2.20 Derivative Financial Instruments and Hedge Accounting

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, by means of foreign exchange forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. The hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the Other Comprehensive Income is transferred to the Statement of Profit and Loss.

2.21 Foreign Currency Transactions

Functional currency of the Group is determined as Indian National Rupee (INR).

(a) Initial Recognition

On initial recognition, transactions in foreign currencies are recorded in the functional currency (ie Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency as at the date of the transaction.

(b) Measurement of foreign currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

(c) Recognition of exchange difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Statement of Profit and Loss in the period in which they arise.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

For the preparation of the consolidated financial statements: (a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end; (b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss.

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.23 Taxes on Income

Taxes on income comprise of Current Tax and Deferred Tax.

(a) Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from “profit before tax” as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (temporary difference) and items that are never taxable or deductible (permanent difference) under the Income Tax Act, 1961. Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to tax payable in respect of previous years.

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognized.

Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. MAT Credit Entitlement is in the form of unused tax credits and is accordingly grouped under Deferred Tax Assets.

(c) Current and Deferred Tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity respectively.

2.24 Events after reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

2.25 Financial and Management Information System

The Group’s Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013 to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

2.26 Segment Reporting

The Group has the following reporting segments, which are considered as its reporting segments. These segments offer different types of products to different customers and are managed separately because they require different technology and production process. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

<u>Reporting Segment</u>	<u>Products Offered</u>
Foods and Windmill	Wheat Products and Power Generation
Minerals and Detergents	various minerals and Detergents

2.27 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares..

3. Key Accounting Estimates and Judgements

3.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

(a) Fair value measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(b) Useful life of Property, Plant and Equipment

The Group reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.



(c) Cash Discounts

In accordance with Ind AS 115, the Group deducts cash discounts from the revenue for sale of products. Cash discounts on the sale of products in the last month of the year is estimated based on the past experience.

(d) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

(e) Claims, Provisions and Contingent Liabilities

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, Management provides for its best estimate of liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

(f) Tax expense

Significant judgments and estimates are involved in estimating the budgeted profits for the purposes of advance tax, determining the provision for income tax, Minimum Alternate Tax and MAT Credit which may get revised pursuant to the determination by the Income Tax authorities.



Naga Limited
CIN : U24246TN1991PLC020409
Notes to the Consolidated Financial Statements for the ended March 31, 2022
 (All amounts are in Crores of INR, unless otherwise stated)

4 Property, Plant and Equipment (PPE)

Particulars	Land	Buildings	Plant and Equipment	Electrical Installation	Furniture and fixture	Computer	Vehicles	Windmill /Solar	Total
Gross Block									
As at April 1, 2021	37.75	68.02	223.35	21.85	0.85	4.40	20.73	38.29	415.24
Additions	0.58	8.01	46.38	1.72	0.45	0.32	0.58	-	58.04
Transferred to Investment Property (Refer Note No. 8 below)	0.00	(10.60)	-	-	-	-	-	-	(10.60)
Disposals	(0.17)	-	(0.05)	(0.08)	-	(0.25)	(0.30)	-	(0.85)
Cost as at March 31, 2022	38.16	65.43	269.68	23.49	1.30	4.47	21.01	38.29	461.83
Depreciation									
As at April 1, 2021	-	9.37	98.09	10.64	0.37	2.11	10.70	10.91	142.19
Charge for the year	-	2.93	26.75	1.99	0.20	0.77	2.13	1.91	36.68
Ind AS Adjustments	-	-	-	-	-	-	-	-	-
Transferred to Investment Property	-	(0.34)	-	-	-	-	-	-	(0.34)
Disposals	-	-	(0.05)	(0.01)	-	(0.18)	(0.18)	-	(0.42)
As at March 31, 2022	-	11.96	124.79	12.62	0.57	2.70	12.65	12.82	178.11
Net Block									
As at March 31, 2021	37.75	58.65	125.26	11.21	0.48	2.29	10.03	27.38	273.05
As at March 31, 2022	38.16	53.47	144.89	10.87	0.73	1.77	8.36	25.47	283.72

Notes:

- The Company has availed borrowings from Banks which carry charge over the assets of the Company (Refer Note No 47, for Securities pledged against loan).
- Refer Note No.42.b for Disclosure of Contractual Capital Commitments for the acquisition of Property, Plant and Equipments.
- The amount of borrowing costs capitalised during the year ended March 31, 2022 was Rs.3.10 Cr (PY : Rs.2.20 Cr). The Company has applied capitalisation rate of 9.12% which is average cost of capital of the company.
- The amount of employee cost capitalized during the year ended March 31, 2022 was Rs. 1.41 Cr (PY : Rs. 1.58 Cr)
- Additions in capital expenditure incurred during the year ended March 31, 2022 was Rs.26.20 Cr (PY : Rs.1.08 Cr) at Company's inhouse R&D facilities at Dindigul are eligible for deduction under section 35(2AB) of the Income Tax Act, 1961.
- Additions in capital expenditure incurred during the year ended March 31, 2022 was Rs.0.56 Cr (PY : Rs.0.09 Cr) at Company's inhouse R&D facilities at Dindigul are eligible for deduction under section 35(1)(iv) of the Income Tax Act, 1961.
- The company has implemented Indian Accounting Standard for Leases ("Ind AS 116") w.e.f. March 27, 2022. The right of use asset comprise of Land taken on lease.
- Land pertaining to the investment property was rounded off to nearest crore.



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
4.a. Right of Use Assets		
Carrying amounts of:		
Leasehold land	7.23	-
Total	<u>7.23</u>	<u>-</u>
Leasehold Land		
Cost :		
Balance at the beginning and end of the year 2020-21	-	-
Additions during the year	7.23	-
Balance at the end of March 2022	<u>7.23</u>	<u>-</u>
Accumulated depreciation		
Balance at the beginning and end of the year 2020-21	-	-
Amortisation expense *	0.00	-
Balance at the end of March 2022	0.00	-
Carrying amount as on March 31, 2021	-	-
Carrying amount as on March 31, 2022	7.23	-
* Values are shown as zero due to rounded off being lesser value.		
4.b. Investment Property		
Carrying amounts of:		
Investment Property	10.27	-
Total	<u>10.27</u>	<u>-</u>
Investment Property		
Cost		
Gross Carrying amount as at 1 April 2020	-	-
Additions	-	-
Disposals	-	-
As at 31 March 2021	-	-
Classified as Investment Property during the year	10.54	-
Additions	0.07	-
Closing as at 31 March 2022	<u>10.61</u>	<u>-</u>
Accumulated depreciation		
Accumulated depreciation as at 1 April 2020	-	-
For the year	-	-
Disposals	-	-
Up to 31 March 2021	-	-
Additions		
Classified as Investment Property during the year *	0.00	-
Depreciation for the year	0.34	-
Closing as at 31 March 2022	<u>0.34</u>	<u>-</u>
Net block		
As at 31 March 2021	-	-
As at 31 March 2022	10.27	-
Information regarding income and expenditure of Investment property		
Rental income derived from investment properties	1.52	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	1.52	-
Less - Depreciation	(0.34)	-
Profit arising from investment properties before indirect expenses	1.18	-
Less - Indirect expenses	(0.14)	-
Profit from investment properties	<u>1.04</u>	<u>-</u>
* Values are shown as zero due to rounded off being lesser value.		



5. Capital Work in Progress (CWIP)

As at March 31, 2022

a. CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Projects in Progress	10.19	9.37	-	1.56	21.12
Projects temporarily suspended	-	-	-	-	-

b. CWIP completion schedule for whose completion has exceeded original plan has been provided below.

Particulars	To be completed in				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Bakery Division	1.56	-	-	-	1.56
TOTAL	1.56	-	-	-	1.56

As at March 31, 2021

a. CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Projects in Progress	13.77	0.03	1.38	0.15	15.33
Projects temporarily suspended	-	-	-	-	-

b. CWIP completion schedule for whose completion has exceeded original plan has been provided below.

Particulars	To be completed in				Total
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	
Bakery Division	-	1.53	-	-	1.53
TOTAL	-	1.53	-	-	1.53

6. Other Intangible Assets

Particulars	Other Intangible Assets		Total
	Softwares	Trade Mark (Refer note 1 below)	
Gross Block			
As at April 01, 2021	1.75	0.26	2.01
Additions	0.02	-	0.02
Cost as at March 31, 2022	1.77	0.26	2.03
Depreciation / Amortisation / Impairment			
As at April 01, 2021	0.61	-	0.61
Charge for the year	0.29	-	0.29
As at March 31, 2022	0.90	-	0.90
Net Block			
As at March 31, 2021	1.14	0.26	1.40
As at March 31, 2022	0.87	0.26	1.13

Notes:

- Trade Marks with carrying amount of Rs 0.26 crores has been considered as intangible with indefinite useful life as there are no technical, technological or contractual limitations for the trade marks based on management assessment on March 31, 2022.
- The management has tested for impairment of trade marks as of 31 March, 2022 and concluded no impairment to be recognized during the year.



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
7 Financial assets - Non-current investments		
Trade Unquoted		
Investment in equity instruments in Associate Company (carrying amount determined using the equity method of Accounting)		
62,400 (31 March 2021: 62400) Equity Shares of ₹ 100/- each fully paid-up in Annai Power Private Limited	0.52	0.33
26,000 (31 March 2021: 26,000) Equity Shares of ₹ 10/- each fully paid-up in Nagalakshmi Energy Private Limited	-	-
Total (A)	0.52	0.33
Trade Quoted		
Investments in Equity instruments measured at Fairvalue through profit and loss account (FVTPL)		
400 (31 March 2021: 400) equity shares of ₹ 10 each fully paid-up in Indian Overseas Bank *	0.00	0.00
Investments in Equity instruments measured at Fairvalue through profit and loss account (FVTPL)		
21,960 (31 March 2021: 21,960) Equity Shares of ₹ 10/- each fully paid-up in Mojro Technologies Private Limited	0.79	1.50
CY : Nil (31 March 2021: 3,250) Equity Shares of ₹ 10/- each fully paid-up in Dhanalaxmi Vidyut Private Limited *	-	-
Investments in Equity instruments measured at Fairvalue through other comprehensive income (FVTOCI)		
1,35,000 (31 March 2021: Nil) Equity Shares of ₹ 10/- each fully paid-up in Nellai Renewables Private Limited	1.36	-
1,33,000 (31 March 2021: Nil) Equity Shares of ₹ 10/- each paid-up in Dindigul Foods Park Private Limited	0.13	-
416 (31 March 2021: Nil) Equity Shares of ₹ 10/- each fully paid-up in AR VE EM Energy Private Limited *	0.00	-
Total equity instruments (B)	2.28	1.50
Trade Unquoted		
Investments in Preference share instruments measured at Fairvalue through profit and loss account (FVTPL)		
21,710 (31 March 2021: 21,710) Preference Shares of ₹ 10/- each fully paid-up in Mojro Technologies Private Limited	0.78	1.00
Total preference instruments (C)	0.78	1.00
Total Investments (B + C)	3.06	2.50
Aggregate amount of quoted investments *	0.00	0.00
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	3.58	2.83
Aggregate amount of impairment in value of investments	-	-
Category wise Non-Current investments		
Financial Assets measured at cost	0.52	0.33
FVTPL	1.57	2.50
FVOCI	1.49	-

* Values are shown as zero due to rounded off being lesser value.



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
8 Other non-current financial assets		
(Unsecured, considered good)		
Security Deposits	3.22	2.65
Rent deposits	0.96	0.51
Bank deposits maturing after 12 months from the reporting date *	5.71	5.55
	<u>9.89</u>	<u>8.71</u>
9 Other non-current assets		
(Unsecured, considered good)		
Capital advances	11.90	10.79
Statutory and other deposits	0.61	0.12
	<u>12.51</u>	<u>10.91</u>
10 Inventories *		
Raw Materials (At Cost)	114.77	120.42
Work-in-progress	6.83	33.31
Finished goods (At Lower of cost and Net realisable value)	22.38	17.80
Finished goods-in-transit (At Lower of cost and Net realisable value)	2.10	-
Packing materials (At Cost)	9.72	8.62
Stores and spares (At Cost)	8.67	8.22
	<u>164.47</u>	<u>188.37</u>

* For method of valuation please refer note no. 2.12.

Please refer Note 23 for security created on Inventories.

11. Financial Assets - Current : Trade receivables

At amortised cost

- Secured, considered good	-	-
- Unsecured, considered good *	88.99	50.65
- Unsecured, significant increase in credit risk	0.60	-
	<u>89.59</u>	<u>50.65</u>
Less: Allowance for credit impairment	(0.60)	-
Total Trade Receivables	<u>88.99</u>	<u>50.65</u>

* Includes Rs.0.06 Cr dues from related parties. Refer note no.49

Trade receivables Ageing Schedule

As on 31st March 2022

Particulars	Not Billed	Not Due	<6 months	6 months to 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed								
- Trade Receivables - considered good	14.00	22.51	48.43	2.74	0.90	0.11	0.30	88.99
- Trade Receivables - credit impaired	-	-	-	-	0.25	0.12	0.23	0.60
	<u>14.00</u>	<u>22.51</u>	<u>48.43</u>	<u>2.74</u>	<u>1.15</u>	<u>0.23</u>	<u>0.53</u>	<u>89.59</u>
Less: Significant increase in credit risk	-	-	-	-	(0.25)	(0.12)	(0.23)	(0.60)
Less: Credit Impaired	-	-	-	-	-	-	-	-
Total Trade Receivables	<u>14.00</u>	<u>22.51</u>	<u>48.43</u>	<u>2.74</u>	<u>0.90</u>	<u>0.11</u>	<u>0.30</u>	<u>88.99</u>

As on 31st March 2021

Particulars	Not Billed	Not Due	<6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed								
- Trade Receivables - considered good	-	11.06	35.59	0.81	1.30	1.41	0.48	50.65
- Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	11.06	35.59	0.81	1.30	1.41	0.48	50.65
Less: Credit Impaired	-	-	-	-	-	-	-	-
Total Trade Receivables		11.06	35.59	0.81	1.30	1.41	0.48	50.65

12 Cash and cash equivalents

- Balances with Banks In Current Account	3.53	4.45
- Cash- on- Hand	0.15	0.19
Total	3.68	4.64

13 Bank Balance other than cash and cash equivalents**In fixed deposits**

In Margin money with Banks Maturing within 12 months from the reporting date*	4.63	7.28
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In Earmarked Accounts

Unpaid Dividend Account	0.02	0.02
Supplier Scheme Account	0.33	-

Total	4.98	7.30
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* The company has deposited towards margin money for short term borrowings and non-fund limits.

14 Loans

(Unsecured, considered good)

Loans and advances to employees	0.44	0.41
Total	0.44	0.41

15 Other current financial assets

Insurance Claims Receivable *	0.00	0.83
MTM Assets on derivative contracts not designated through cash flow hedge	0.87	1.77
Total	0.87	2.60

16 Tax Assets (Net)

Advance income-tax net of provision for tax of Rs. 3.07 Cr
(PY : Rs.4.99 Cr)

	1.24	2.10
Total	1.24	2.10

17 Other current assets

(Unsecured, considered good)

Gratuity assets	0.21	0.06
Advance to suppliers	16.59	8.79
Prepaid expenses	3.92	3.39
Total	20.72	12.24

**18 Equity Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
2,75,00,000 Equity Shares of Rs 10/- each	27,500,000	27.50	27,500,000	27.50
	27,500,000	27.50	27,500,000	27.50
Issued, Subscribed and fully paid up Share Capital				
1,42,48,000 Equity Shares of Rs10/- each fully paid	14,248,000	14.25	14,248,000	14.25
	14,248,000	14.25	14,248,000	14.25

Notes:**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	14,248,000	14.25	14,248,000	14.25
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	14,248,000	14.25	14,248,000	14.25

(b) Details of shares held by each shareholder holding more than 5% shares of the total share capita

Name of the share holder	March 31, 2022		March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Sri. K.S. Kamalakannan	7,252,047	50.90%	7,233,082	50.76%
Smt. Mageswari Kannan	2,479,512	17.40%	2,444,388	17.16%
Sri. Sounder Kannan	1,317,327	9.25%	1,459,015	10.24%
M/s. M.M.Detergents Company (P) Ltd.,	1,633,460	11.46%	1,188,960	8.35%
Smt. Lakshmi Vijayanand	857,152	6.02%	998,840	7.01%

(c) Terms/Rights attached to Equity Shares

The equity shares of the Company having par-value of Rs.10/- per share rank pari-pasu in all respects including voting rights, dividend entitlement and repayment of capital.

(d) Details of shares held by Promoters

Name of the Promoters	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	% of Holding	% Change during the year	Number of shares held	% of Holding	% Change during the year
Sri. K.S. Kamalakannan	7,252,047	50.90%	0.13%	7,233,082	50.77%	8.16%
M/s. K.S. Kamalakannan HUF	34,700	0.24%	-	34,700	0.24%	-
Smt. Mageswari Kannan	2,479,512	17.40%	0.24%	2,444,388	17.16%	4.14%
Sri. Sounder Kannan	1,317,327	9.25%	(0.99%)	1,459,015	10.24%	4.50%
M/s. Sounder Kannan HUF	37,800	0.26%	-	37,800	0.26%	-
Smt. Monaa Kannan	142,480	1.00%	1.00%	-	-	-
Sri. D. Vijay Anand	142,480	1.00%	1.00%	-	-	-
Smt. Lakshmi Vijayanand	857,152	6.02%	(0.99%)	998,840	7.01%	4.50%
Ms. M. Jayalalitha	142,906	1.00%	0.00%	142,490	1.00%	1.00%
Sri. M. Sukumar	72,041	0.51%	0.01%	71,240	0.50%	0.50%
M/s. M.M.Detergents Company Private Limited	1,633,460	11.46%	3.12%	1,188,960	8.34%	1.15%
M/s. Naga Marine Industries Limited	-	-	(3.12%)	444,500	3.12%	-
	14,111,905	99.04%	0.40%	14,055,015	98.64%	23.95%



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
19 Other Equity		
a) Capital Reserves	0.11	0.11
b) Securities Premium Account	1.36	1.36
c) General Reserve	3.55	3.34
d) Profit and Loss Account	139.37	128.45
e) Other Comprehensive Income	<u>(0.24)</u>	<u>(0.44)</u>
Total	<u>144.15</u>	<u>132.82</u>
a) Capital Reserve		
Balance at the beginning and end of the year	0.11	0.11
b) Securities Premium Reserve		
Balance at the beginning and end of the year	1.36	1.36
c) General Reserve		
Balance at the beginning of the year	3.34	3.13
Additions during the year	0.21	0.21
Deductions/Adjustments during the year	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>3.55</u>	<u>3.34</u>
d) Retained earnings		
Balance at the beginning of the year	128.45	117.32
Net profit for the period	12.52	12.77
Transfers to General Reserve	(0.21)	(0.21)
Earlier Period Items	(0.08)	-
Dividend paid during the year	(1.43)	(1.43)
Other foreign currency translation reserve	0.12	-
Balance at the end of the year	<u>139.37</u>	<u>128.45</u>
e) Other Comprehensive Income		
Balance at the beginning of the year	(0.44)	(0.84)
Additions during the year	0.20	0.40
Deductions/Adjustments during the year	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>(0.24)</u>	<u>(0.44)</u>
* During the year 2021-22, Company has declared and paid interim dividend @ Rs. 1 per share amounting to Rs. 1.43 Cr (PY : Rs.1.43 Cr)		
20 Long Term Borrowings		
Secured - At Amortized Cost		
Term loans from Banks	183.70	191.52
Loans from Directors**	<u>0.00</u>	<u>0.19</u>
	<u>183.70</u>	<u>191.71</u>
Term loan from Banks are secured by lien on non-callable Fixed Deposits. The Company has also availed working capital facilities and other non-fund based facilities viz. bank guarantees and buyers credit, which are secured by hypothecation of current assets. Working capital loans and other non-fund based facilities which are repayable on demand with interest rate ranging from 8.55% p.a to 9.00% p.a.		
* Refer Note 47 for security details.		
** Represents to loans availed from Executive Directors @ 12% p.a., repayable after 12 months		
21 Provisions		
Non Current		
Provision for gratuity - Directors	<u>2.73</u>	<u>2.25</u>
	<u>2.73</u>	<u>2.25</u>
Current		
Provision for Compensated absences	<u>1.04</u>	<u>0.47</u>
	<u>1.04</u>	<u>0.47</u>



Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
22 Deferred Tax Liability/ (Asset) - Net				
As at March 31, 2022	As at March 31, 2021	Recognised in P&L during 2021-22	OCI 2021-22	As at March 31, 2022
<u>Deferred Tax Liabilities</u>				
Difference between written down value/ Capital Work in Progress of Fixed Assets as per books of accounts and Income Tax Act, 1961.				
	13.55	5.46	-	19.01
Expenses allowed on payment	0.13	-	0.07	0.20
Total	13.68	5.46	0.07	19.21
<u>Deferred Tax Assets</u>				
Expenses allowed on payment	0.96	0.10	-	1.06
Expenses allowed on Fairvalue change on financial instruments classified under FVTPL	-	0.21	-	0.21
Provision for doubtful debts	-	0.15	-	0.15
Carry forwarded loss	-	0.69	-	0.69
Total	0.96	1.15	-	2.11
Deferred Tax Liability (Net)	12.72	4.31	0.07	17.10
MAT Credit Entitlement	-	(3.07)	-	(3.07)
Net Deferred Tax Liability (Net)	12.72	1.24	0.07	14.03
As at March 31, 2021	As at March 31, 2020	Recognised in P&L during 2020-21	OCI 2020-21	As at March 31, 2021
<u>Deferred Tax Liabilities</u>				
Difference between written down value / Capital Work in Progress of Fixed Assets as per books of accounts and Income Tax Act, 1961.				
	15.57	(2.02)	-	13.55
Expenses allowed on payment	(0.26)	0.26	0.13	0.13
Total	15.31	(1.76)	0.13	13.68
<u>Deferred Tax Assets</u>				
Expenses allowed on payment	0.91	0.05	-	0.96
Total	0.91	0.05	-	0.96
Deferred Tax Liabilited (Net)	14.40	(1.81)	0.13	12.72
23 Current liabilities - Financial Liabilities:				
i) Borrowings **				
a) Secured - At Amortised Cost				
Loans repayable on demand from banks *			64.85	60.28
b) Buyers Credit			24.30	-
c) Current Maturities of Long term Borrowings			56.44	49.33
			145.59	109.61

The loans have been utilized for the purpose for which it were obtained and no short term funds have been used for long term purpose.

* Secured by pari-passu charge on inventories and trade receivables and are repayable on demand

** Secured by personal guarantees of some of the Directors of the Company

**24 Current liabilities - Financial Liabilities:****ii. Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- Total outstanding dues of micro and small enterprises	4.46	0.51
- Total outstanding dues of creditors other than micro and small enterprises	96.61	100.77
Total Trade Payables	101.07	101.28

Trade Payables Ageing Schedule**As on 31 March, 2022**

Particulars	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	4.46	-	-	-	4.46
Total outstanding dues of creditors other than micro and small enterprises	74.86	20.89	0.61	0.17	0.08	96.61
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total Trade Payables	74.86	25.35	0.61	0.17	0.08	101.07

As on 31 March, 2021

Particulars	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	0.51	-	-	-	0.51
Total outstanding dues of creditors other than micro and small enterprises	35.37	65.12	0.20	(0.00)	0.08	100.77
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total Trade Payables	35.37	65.63	0.20	(0.00)	0.08	101.28

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31-Mar-22	31-Mar-21
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	4.46	0.51
Interest	-	-
Total	4.46	0.51
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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Notes to the Consolidated Financial Statements for the year ends March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
25 Other financial liabilities		
At amortized cost		
Security Deposits	2.76	3.02
Capital Creditors	2.77	0.00
Employee related payables	7.97	6.42
Unclaimed /Unpaid dividends	0.02	0.02
	<u>13.52</u>	<u>9.46</u>
26 Other current liabilities		
Advances received for supply of goods	11.96	3.06
Stutory dues payable to government authorities	2.80	2.91
	<u>14.76</u>	<u>5.97</u>
27 Revenue from operations		
Sale of Products		
Manufactured Products		
Wheat and Wheat Products	841.63	828.87
Minerals	798.52	619.09
Traded Goods		
Wheat	71.31	45.34
Minerals	0.58	-
Total sale of products (A)	<u>1,712.04</u>	<u>1,493.30</u>
Other Operating Income		
Weighbridge Income	0.50	0.44
Windmill Income	0.21	0.02
Lorry Income	2.43	5.22
Sale of scrap	11.62	7.65
Total other operating income (B)	<u>14.76</u>	<u>13.33</u>
Total Revenue from operations (A + B)	<u>1,726.80</u>	<u>1,506.63</u>
28 Other income		
Interest Income from deposits with banks etc. - carried at amortized cost	0.75	0.51
Profit on sale of PPE (net) *	0.00	0.06
Rent Receipts	1.52	-
Warehousing Charges	1.61	0.50
Mark to markup gain on forward contracts	0.86	-
Other miscellaneous income	0.67	1.02
Share of Profit/(Loss)	0.19	(0.02)
	<u>5.60</u>	<u>2.07</u>
* Values are shown as zero due to rounded off being lesser value.		
29 Cost of materials consumed		
Wheat	695.83	688.27
Minerals	691.44	553.27
	<u>1,387.27</u>	<u>1,241.54</u>
30 Purchases of Stock in Trade		
Wheat	65.23	44.85
Minerals	0.48	-
	<u>65.71</u>	<u>44.85</u>



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
31 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening Stock		
Work-in-Progress		
Wheat Products	8.46	3.20
Minerals	24.85	13.62
Finished Goods		
Wheat Products	6.34	9.98
Minerals	11.46	10.92
(A)	<u>51.11</u>	<u>37.72</u>
Closing Stock		
Work-in-Progress		
Wheat Products	6.83	8.46
Minerals	-	24.85
Finished Goods		
Wheat Products	11.36	6.34
Minerals	13.12	11.46
(B)	<u>31.31</u>	<u>51.10</u>
Total changes in inventories	(A - B) <u>19.80</u>	(13.38) <u>(13.38)</u>
32 Employee benefits expense		
Salaries, wages and bonus	46.35	42.09
Contribution to provident and other funds	3.20	2.26
Staff Welfare Expenses	2.20	2.24
Directors' Remuneration	3.77	2.12
	<u>55.52</u>	<u>48.71</u>
* Employee benefit expense is net of employee cost capitalised of Rs. 1.41 Cr (PY Rs. 1.58 Cr)		
33 Finance Cost *		
Interest Paid- Banks	27.19	30.28
- Financial Institution	0.74	-
- Buyers Credit	0.39	-
- Others	0.20	1.84
Other Borrowing Cost	1.47	0.70
	<u>29.99</u>	<u>32.82</u>
* Finance cost is net of Interest capitalised of Rs.3.10 Cr (PY Rs. 2.20 Cr)		
34 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	36.68	35.38
Amortization of Intangible assets	0.29	0.24
Amortization of Right of use assets *	0.00	-
	<u>36.97</u>	<u>35.62</u>
* Values are shown as zero due to rounded off being lesser value.		
35 Other expenses		
Manufacturing Expenses		
Production Expenses	16.69	13.75
Power and Fuel	17.60	15.61
Repairs to Machinery	10.54	10.43
Laboratory Expenses	2.20	2.87
(A)	<u>47.03</u>	<u>42.66</u>

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Notes to the Consolidated Financial Statements for the year ends March 31, 2022

(All amounts are in Crores of INR, unless otherwise stated)



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Selling and Distribution Expenses		
Advertisement	5.74	2.60
Brokerage and Commission	1.17	1.31
Discount & Claims and Settlement	1.71	1.87
Sales Promotion	1.42	3.01
Freight and Handling	32.32	27.52
(B)	<u>42.36</u>	<u>36.31</u>
Establishment Expenses		
Repairs and Maintenance - Buildings	1.96	1.48
- Others	3.78	3.60
Bank Charges and Commission	0.66	0.47
Loss on Foreign Currency Fluctuation	0.68	0.24
Provision for doubtful debts	0.60	-
Bad Debts Written Off	1.05	0.85
Printing & Stationery and Communication	1.02	0.86
Professional Charges	2.53	1.76
Payments to auditors [refer note 37]	0.15	0.08
Directors' Sitting Fees	0.04	0.04
Donations	0.67	0.09
Travelling Expenses	3.40	2.33
Insurance, Rates, Licence and Taxes	4.25	2.84
Rent & Electricity	6.08	5.61
CSR Expenses [refer note 38]	0.33	0.68
Windmill Expenses	1.36	1.32
Net gain / (loss) arising on financial instruments mandatorily measured at FVTPL	0.93	-
Miscellaneous Expenses *	1.43	1.38
(C)	<u>30.92</u>	<u>23.63</u>
Total Other Expenses	(A+B+C) <u>120.31</u>	<u>102.60</u>
* Miscellaneous expenses consists of Security Charges, Pooja Expenses & Subscription Expenses.		
36 Earnings per share (EPS)		
Net Profit after tax for the year	12.52	12.76
Basic earnings per share (Rs. 10)		
Weighted average no. of ordinary shares outstanding	1.42	1.42
Nominal value of ordinary shares (Rs. Per share)	10.00	10.00
Basic earnings for ordinary shares (in Rs. Per share)	<u>8.79</u>	<u>8.96</u>
Diluted earnings per share (Rs. 10)		
Weighted average no. of ordinary shares outstanding	1.42	1.42
Nominal value of ordinary shares (Rs. Per share)	10.00	10.00
Diluted earnings for ordinary shares (in Rs. Per share)	<u>8.79</u>	<u>8.96</u>
37 Payment to auditors		
As statutory auditors :		
For Audit	0.13	0.06
Tax audit fees	0.01	0.01
Other Services	0.01	-
Reimbursement of expenses		
In other capacity :		
Taxation Matters	-	-
	<u>0.15</u>	<u>0.07</u>

**38 Expenditure on Corporate Social Responsibility (CSR)**

a) Gross amount required to be spent on Corporate Social Responsibility during the year		
(i) Brought Forward	(1.40)	0.20
(ii) During the year	0.33	0.48
	<u>(1.07)</u>	<u>0.68</u>
b) Amount spent during the year		
(i) Construction and/ or acquisition of any asset	0.67	-
(ii) Other purposes [other than (i) above]	-	2.08
	<u>0.67</u>	<u>2.08</u>
c) Closing amount unspent / (over spent)	<u>(1.74)</u>	<u>(1.40)</u>
d) Nature of CSR activities		
- TamilNadu State Drought Relief Fund	-	1.03
- PM Cares Fund	-	0.50
- Blooming Foundation Trust	-	0.04
- TamilNadu State Disaster Management Authority	-	0.50
- Skill Development Programme	-	0.01
- Installation of Oxygen Plant in Government Hospital, Dindigul	0.67	-

39 Income tax expense**(a) Major Components of Income Tax Expenses****Current tax**

Current tax on the Taxable Income for the year	3.07	4.99
MAT Credit availed	(3.07)	0.00
	<u>-</u>	<u>4.99</u>

Deferred tax

Deferred Tax Liabilities (Refer Note 22)	4.31	(1.81)
	<u>4.31</u>	<u>(1.81)</u>

Income tax expense

	<u>4.31</u>	<u>3.18</u>
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b) Reconciliation of Tax Expense and the Accounting**Profit for the year is as under :**

Enacted income tax rate in India applicable to the Company	25.17%	34.61%
Profit Before Tax	16.67	15.51
Current tax expense on profit before tax at the enacted		
Income Tax rate in India	4.19	5.37
Tax effect of the amounts which are not deductible/(taxable)		
in calculated taxable income	0.41	(0.38)
Effect on differential tax rate for fair value changes		
on financial instruments	0.04	
Others	(0.33)	(1.81)
Income tax expense	<u>4.31</u>	<u>3.18</u>

40 Foreign exchange earnings & outgo

Foreign exchange earnings	12.52	13.30
Foreign exchange outgo	44.42	31.80

41 Expenditure in foreign currency

Interest	1.12	2.41
Professional / Technical Fees	-	0.15
Investment in subsidiaries	-	0.50
	<u>1.12</u>	<u>3.06</u>



42 Contingent liabilities and Commitments

a) Contingent Liability *

1. Disputed Electricity Tax-Pending before Hon'ble Supreme Court	0.86	0.76
2. Disputed Electricity Tax-Pending before Hon'ble Madras High Court	0.05	0.03
3. Deemed Demand (Power Purchase) pending before Hon'ble Madras High Court	0.17	0.16
4. Disputed Windmill banking adjustments pending before Hon'ble Madras High Court	0.26	0.26
5. Export obligations pending to be completed	1.04	2.85

b) Commitments

1. Estimated amount of Contracts remaining to be executed on Capital account not provided for	55.35	6.58
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*Does not include show cause notice received.

43 Non-Cancellable Operating Leases

The Company has various offices, warehouses and retail stores under non-cancellable leases expiring within two to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, terms of lease are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

-Within one year	0.87	0.32
-Later than one year but not later than five years	0.76	0.42
	<u>1.63</u>	<u>0.74</u>

44 Operating Segments

The Company is engaged in the business of "Wheat Products, Minerals, Detergents and in Generation of Power" and has two reportable segment. As per Ind As 108 "Operating Segments" the same is presented as part of Consolidated Financial Statement.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2022
Segment Revenue:		
(a) Foods & Windmill	926.12	883.13
(b) Minerals & Detergents	800.68	623.50
(c) Unallocated Income	-	-
Net Income from Operations	<u>1726.80</u>	<u>1506.63</u>
Segment Results:		
(a) Foods & Windmill	34.18	26.66
(b) Minerals & Detergents	14.69	24.57
Total	<u>48.87</u>	<u>51.23</u>
Less : Interest & Finance Charges	29.99	32.82
Less : Other net unallocable Income / (Expenses)	(2.05)	(2.47)
Total Profit Before Tax	<u>16.83</u>	<u>15.94</u>
Segment Assets:		
(a) Foods & Windmill	404.33	369.67
(b) Minerals & Detergents	200.48	178.48
(c) Unallocated Assets	30.03	32.39
Total Segment Assets	<u>634.84</u>	<u>580.54</u>
Segment Liabilities:		
(a) Foods & Windmill	313.71	233.80
(b) Minerals & Detergents	140.21	116.52
(c) Unallocated Liabilities	22.52	83.14
Total Segment Liabilities	<u>476.44</u>	<u>433.46</u>



45 Operating lease arrangements

As Lessor

The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.

	Year ended March 31, 2022	Year ended March 31, 2021
Total lease income recognised in the Statement of Profit and Loss	1.52	0.50

46 Financial Instruments

Capital Management

The Company adheres to a cautious Capital management that seeks to trigger growth creation and maximisation of shareholders' value. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company. The Company has been funding its growth and acquisition plans and working capital requirements through a balanced approach of internal accruals and external debt from banks. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the over all debt component of the Company.

The Following table summarises the capital of the Company:

Particulars	March 31, 2022	March 31, 2021
Share Capital	14.25	14.25
Other Equity	144.15	132.82
Equity (A)	158.40	147.07
Cash and Cash Equivalents	3.68	4.64
Other Bank Balances	4.98	7.30
Total Fund (B)	8.66	11.94
Debt (CM + LTL+STL)	329.29	301.33
Total Debt (C)	329.29	301.33
Net Debt (D=C-B)	320.63	289.39
Total Capital (Equity + Net Debt)	479.03	436.45
Net Debt to Equity Ratio (No of Times) (E=D/A)	2.02	1.97

Financial assets

a. Measured at amortised cost

Other non-current financial assets	9.89	8.71
Trade receivables	88.99	50.65
Cash and cash equivalents	3.68	4.64
Bank balances other than above	4.98	7.30
Loans given (current)	0.44	0.41

b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments (non-current)	1.57	2.50
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c. Measured at Cost

Investments (non-current)	0.52	0.33
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d. Measured at fair value through profit or loss (FVOCI)

Investments (non-current)	1.49	-
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Financial liabilities

a. Measured at amortised cost

Borrowings (Non-current)	183.70	191.71
Borrowings (Current)	145.59	109.61
Trade payables	101.07	101.28



Financial risk management

Objectives and Policies :

The Company's financial liabilities comprises mainly of term loan borrowings, trade payables and other payables. The Company's financial assets comprises mainly of cash and cash equivalents, other balances with banks, trade receivables and investments. The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarises the exposure to the financial risks

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises of three types of risk-currency risk, interest risk and other price risk. The financial instruments affected by market risk includes Rupee Term Loan and Loans and Advances.

a) Interest rate exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has availed significant Rupee Term Loan at floating rate of interest. The Company has not entered into any of the interest rate swaps and hence is exposed to interest rate risk.

Interest rate sensitivity Analysis

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure) at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole of the year. A 25 basis point +/- fluctuation in the interest rate is used for disclosing the sensitivity analysis.

Impact on Profits before Tax	As at 31 March, 2022	As at 31 March, 2021
Interest rates - Increase by 25 basis points	(0.82)	(0.54)
- Decreased by 25 basis points	0.82	0.54

The increase /decrease in interest rate expense is mainly attributable to Company's exposure to interest rates on its variable rate of borrowings. The interest rate sensitivity analysis is done holding on the assumption that all other variables remaining constant.

b) Foreign Currency risk exposure

The Company imports wheat, minerals, stores & spares and capital goods for which payables are denominated by foreign currency. The Company is exposed to foreign currency risk on these transactions. The Company follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity co-terminous with the maturity period of foreign currency liabilities. (underlying) In respect of exports, exports are made against advances received. Hence, the Company is not exposed to any significant foreign currency risk in respect of its exports.

c) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company's investment in fixed deposits with banks is fixed and hence there is no risk price movement arising to the Company. The Company's equity investments in its Subsidiaries and Associates is for strategic purpose and not held for trading. They are carried at cost and hence are not subject to price related risk. Other investments in equity instruments are held with a view to hold them for long term basis and not for trading.



Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2022

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged Using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged Using derivatives	Net asset exposure on the currency	
USD	0.42	0.25	0.17	0.00*	-	-	(0.17)
EURO	0.01	-	0.01	-	-	-	(0.01)
BDT	-	-	-	0.62	-	0.62	0.62
In INR	31.34	17.89	13.45	0.56	-	0.56	(12.89)

* Values are shown as zero due to rounded off being lesser value.

As on March 31, 2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged Using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged Using derivatives	Net asset exposure on the currency	
USD	0.40	0.38	0.02	0.00*	-	-	(0.02)
EURO	0.01	-	0.01	-	-	-	(0.01)
BDT	-	-	-	0.61	-	0.61	0.61
In INR	28.31	26.00	2.31	0.53	-	0.53	(1.78)

* Values are shown as zero due to rounded off being lesser value.

2 Credit Risk

The credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets as trade receivables, bank balances, other balances with banks and other receivables. The credit risk rising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counter parties are Public sector Banks.

Trade receivables consists of a large number of customers. The Company has established a credit policy under which every customer is analysed for credit worthiness. Major customers places advances. The Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes provision at each reporting period wherever outstanding is for longer period and involves higher risk.

3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Company manages the liquidity risk by i) maintaining adequate and sufficient cash and cash equivalents including investments in mutual funds ii) making available the funds from realising timely maturities of financial assets to meet obligations when due. The liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities.



Financial arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period :

Details	March 31, 2022	March 31, 2021
Expiring within one year	151.73	225.19
Expiring beyond one year	-	-

The Company makes an annual /long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

47 Security details of Long Term Borrowings

- (i) Term loan from The Standard Chartered Bank amounting to Rs. 7.06 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs.17.25 Crores) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land measuring 4.01 acres at Vedasandur and personal assets of some of the Executive Directors. External commercial borrowings is fully hedged.
- (ii) Term loan from The ICICI Bank Limited amounting to Rs.2.90 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 4.10 Crores) is primarily secured by hypothecation of the assets purchased under vehicle loan.
- (iii) Term loan from The HDFC Bank Limited amounting to Rs.96.92 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 115.50 Crores) is primarily secured on the assets purchased under the loan and personal assets of some of the Executive Directors
- (iv) Term loan from The IDBI Bank Limited amounting to Rs.20.38 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year - Rs. 19.94) is primarily secured on the land and building situated at No.133, Trichy Road, Dindigul-624005.
- (v) Term loan from The Karur Vysya Bank Limited amounting to Rs. 45.78 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 50.74 Crores) is primarily secured by equitable mortgage on Agri Godown located at Dindigul.
- (vi) Term loan from The State Bank of India amounting to Rs.17.69Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs.14.61 Crores) is primarily secured on equitable mortgage of the assets of the Company located at Trichy.
- (vii) Term loan from IndusInd Bank Ltd amounting to Rs. 16.65 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 16.54 Crores) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.
- (viii) Term loan from IDFC First bank Limited amounting to Rs.25.66 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. NIL Crores).
- (ix) Term loan from Kotak Mahindra Bank Ltd amounting to Rs. 0.15 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 0.18 Crores) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.
- (x) Term loan from Axis Bank Ltd amounting to Rs.6.95 Crores (Including Current maturities) outstanding as at 31.03.2022 (Previous year Rs. 2.00 Crores) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.

Note:

- a) The said loans are repayable in monthly / quarterly instalments.
- b) The Company does not have any continuing default as on the Balance Sheet date in the repayment of loan or interest.
- c) The loans to the extent of Rs 239.99 Cr have been guaranteed by some of the Directors of the Company.



Term Loans Outstanding, Rates of Interest & Terms of Repayments *:

(Rs. in Cr)

S. No.	Bank	Loan Amt	ROI	Repayment Terms	Remaining Tenure (Quarter/Months)	O/s as on 31.03.2022
1. TERM LOAN						
1	INDUSIND	9.55	10.50%	Q	7	2.57
2	SCB	12.13	9.75%	Q	3	2.65
3	SCB	20.21	9.75%	Q	3	4.41
4	ICICI	7.60	9.05%	M	29	2.90
5	INDUSIND	15.00	10.25%	Q	14	10.00
6	HDFC	11.50	9.25%	M	82	9.16
7	HDFC	12.30	9.25%	M	59	9.15
8	HDFC	36.00	9.25%	M	60	27.23
9	HDFC	13.13	9.25%	M	82	10.45
10	IDFC	30.00	8.30%	M	63	25.66
TOTAL TERM LOAN						104.18
2. LOAN AGAINST PROPERTY						
1	HDFC	26.00	8.40%	M	37	11.54
2	HDFC	11.00	8.20%	M	37	5.94
3	SBI	17.00	9.30%	M	47	11.00
4	IDBI	16.00	8.75%	M	121	13.01
5	IDBI	3.00	9.15%	M	118	2.49
6	KVB	18.00	10.50%	Q	12	9.24
7	KVB	40.00	10.15%	Q	17	28.22
TOTAL LAP LOAN						81.44
3. VEHICLE LOAN						
1	HDFC	0.53	7.90%	M	6	0.06
2	HDFC	0.54	7.90%	M	6	0.06
3	HDFC	0.40	8.00%	M	5	0.04
4	HDFC	1.60	8.00%	M	4	0.13
5	HDFC	0.29	8.60%	M	14	0.08
6	HDFC	5.49	8.00%	M	4	0.44
7	HDFC	0.41	8.00%	M	4	0.03
8	KOTAK	0.18	8.00%	M	46	0.16
TOTAL VEHICLE LOAN						1.00
4. GECL						
1	IDBI	3.40	8.80%	M	45	3.14
2	KVB	3.15	8.20%	M	46	3.02
3	HDFC	23.58	7.50%	M	46	22.60
4	AXIS	7.10	7.60%	M	47	6.95
5	INDUSIND	4.08	8.15%	M	48	4.08
6	KVB	5.30	8.20%	M	48	5.30
7	SBI	6.69	7.95%	M	48	6.69
8	IDBI	1.74	8.60%	M	48	1.74
TOTAL GECL LOAN						53.52
GRAND TOTAL						240.14

* The outstanding includes current maturities of Long Term Debt (Refer Note No.23)



48 Retirement benefit plans

1. Defined contribution plans

The Company makes Provident Fund which is defined contribution plan for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the pay roll costs to fund the benefit. The Company recognised Rs 3.20 Cr (year ended 31.03.2021 Rs 2.26 Cr) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

2. Defined benefit plans

a) Gratuity

Gratuity to employees (funded) and Gratuity to Directors(non funded), the most recent actuarial valuation of the plan assets and in respect gratuity to employees scheme, the present value of the defined benefit obligation were carried out by actuarial valuation. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan (Employees) and Gratuity(Directors) of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the Gratuity (Employees) benefit through annual contribution and provision is made annually for Gratuity to Directors.

b) Compensated Absense

As per the policy of the Company the Compensated Absense is not accumulated

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of liability (as shown in financial statements). A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.



S.No.	Particulars	Post Employment Benefit			
		Gratuity-Employees		Gratuity-Directors	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
i	<u>Changes in Defined Benefit Obligation</u>				
	Present Value-Opening Balance	3.60	3.62	2.23	2.12
	Current Service Cost	0.60	0.60	0.50	0.11
	Interest Cost	0.24	0.23	0	0
	Past services cost	-0.05	0.00	0	0
	Actuarial Gain on obligation	-0.22	-0.49	0	0
	Benefits Paid and Charges Deducted	-0.35	-0.36	0	0
	Present Value- Closing Balance	3.82	3.60	2.73	2.23
ii	<u>Changes in Fair value of Plan Assets</u>				
	Opening Balance	3.66	2.90	0	0
	Expected Return on plan assets	0.26	0.21	0	0
	Actuarial Gain on plan assets	0.05	0.02	0	0
	Contributions by Employer	0.41	0.89	0	0
	Benefits Paid	-0.35	-0.36	0	0
	Closing Balance	4.03	3.66	0.00	0.00
iii	<u>Amount recognised in the Balance Sheet (as at the Year end)</u>				
	Fair Value of Plan Assets	4.03	3.66		0
	Present Value of Obligations	3.82	3.60	2.73	2.23
	Net Asset/(Liability) Recognised	0.21	0.06	-2.73	-2.23
iv	<u>Expenses recognised in the Statement of Profit and Loss</u>				
	Current Service Cost	0.60	0.60	0.50	0.11
	Interest on Obligation	-0.02	0.02	0	0
	Past service cost	-0.05	0.00	0	0
	Expenses recognised in the Statement of Profit and Loss	0.53	0.62	0.50	0.11
v	<u>Expenses recognised in other Comprehensive Income</u>				
	Actuarial gains/(losses) on plan obligation	0.22	0.49	0.00	0.00
	Difference between actual return and interest income on plan assets	0.05	0.02	0.00	0.00
	Net Cost in other comprehensive Income	0.27	0.51	0.00	0.00
	Asset Information		-		-
	Insurer Managed	100.00%	100.00%	NA	NA
	Principal Actuarial Assumptions				
	Discount Rate(%)	7.36%	6.91%	7.36%	6.91%
	Rate of Increase in Salary (%)	5.00%	5.00%	10.00%	10.00%
	Attrition Rate (%)	1.00%	5.00%	1.00%	1.00%
	Expected Rate of Return on Plan Assets(%)	7.36%	6.91%	NA	NA
	Expected average remaining life of employees Years	20.70	13.39	14.00	15.10



49 Related party disclosure

a) List of parties having significant influence

Holding company The Company does not have any holding company

Associate Companies Annai Power Private Limited
Nagalakshmi Energy Private Limited

Investing Parties having substantial interest

Sri. K.S. Kamalakannan Chairman and Managing Director(KMP)

Key Management Personnel

Smt. Mageswari Kannan Joint Managing Director
Sri. Sounder Kannan Whole Time Director
Sri. D. Vijay Anand Technical Director
Sri. S. Ramesh Director (Projects)
Sri. T.R. Sivaraman Chief Financial Officer
Sri. V. Marikannan Company Secretary

Directors

Sri. P. Arivanandam Independent Director
Sri. Ramesh Krishnan Independent Director
Sri. S. Neelakantan Independent Director

Relatives of Key Managerial Personnel

Smt. Lakshmi Vijayanand
Smt. Monaa Kannan
Ms. M. Jayalalitha
Sri. M. Sukumar
Sri. A.M. Gopinath
Sri. R. Hema Kumar
Sri. R. Ragavendar

Enterprises over which Key Managerial Personnel are able to exercise significant influence

Nagalakshmi Charitable Trust
M.M. Detergents Company Private Limited
Naga Marine Industries Limited
Naga Mills Limited
Kovil Agencies
Dinwinn Farms LLP



b) Transaction during the year

S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	Annai Power Private Limited		
	Wind Power Charges paid	2.74	2.85
	Rent Paid	2.40	2.40
	Rent Received *	0.00	0.00
2	Sri. K.S. Kamalakannan		
	Remuneration	1.03	0.48
	Rent Paid	1.12	0.80
	Interest Paid *	0.00	0.25
	Dividend Paid	0.73	0.61
	Unsecured Loan - Received	-	17.00
	- Repaid	0.04	16.97
3	Smt. Mageswari Kannan		
	Remuneration	0.90	0.45
	Rent Free Accomodation	0.07	0.06
	Interest Paid *	0.00	0.14
	Dividend Paid	0.25	0.19
	Unsecured Loan - Received	-	9.64
	- Repaid	0.07	11.05
4	Sri. Sounder Kannan		
	Remuneration	0.91	0.42
	Dividend Paid	0.14	0.08
	Interest Paid *	0.00	0.10
	Unsecured Loan - Received	-	8.46
	- Paid	0.09	8.48
5	Sri. D. Vijay Anand		
	Remuneration	0.91	0.77
	Dividend Paid	0.01	-
6	Sri. S. Ramesh		
	Remuneration	0.02	-
7	Sri. T.R. Sivaraman		
	Remuneration	0.13	0.12
8	Sri. V. Marikannan		
	Remuneration	0.13	0.13
9	Smt. Lakshmi Vijayanand		
	Salary	0.38	0.35
	Dividend Paid	0.09	0.04
10	Smt. Monaa Kannan		
	Salary	0.25	0.27
	Dividend Paid	0.01	-
11	Ms. M. Jayalalitha		
	Salary	0.38	0.35
	Dividend Paid *	0.01	0.00

Naga Limited

CIN : U24246TN1991PLC020409

Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts are in Crores of Indian Rupees, unless otherwise stated)



S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
12	Sri. M. Sukumar Salary Dividend Paid	0.27 0.01	0.23 -
13	Sri. A.M.Gopinath (Prop. Anugraha International) Commission Paid	0.14	0.19
14	Naga Mills Limited Rental Income *	0.00	0.00
15	Dinwinn Farms LLP Purchase of Agri Product Freight Income Received *	0.01 0.00	- -
16	Kovil Agencies Sale of Wheat Sale of Minerals Rental Income *	0.13 0.08 0.00	- - -
17	Naga Marine industries Limited Purchases Rent Paid Rental Income * Dividend Paid Freight Charges Received	207.05 0.16 0.00 0.04 0.30	273.42 0.18 0.00 0.04 -
18	Nagalakshmi Charitable Trust Sale of Wheat Products Donation Paid Medical Camp Charges Paid	0.02 0.16 0.05	- 0.09 -
19	Nagalakshmi Energy Private Limited Freight Charges Paid Purchase of Windmill Energy Rental Income *	0.54 0.76 0.00	0.44 1.34 0.00
20	M.M.Detergents Company Private Limited Purchases Rental Income * Rent Paid Sale of Land Dividend Paid Freight Charges Received	146.92 0.00 0.10 0.20 0.12 0.29	58.48 0.00 - - 0.10 -

Notes :

1. Post employment benefits are actuarially determined on overall basis and hence not separately provided.
2. M/s. Naga Marine Industries Limited & M/s. Naga Mills Limited were merged with M/s. M.M.Detergents Company Private Limited w.e.f. November 17, 2021.

* Values are shown as zero due to rounded off being lesser value.



c) Balance at the end of the year

S.No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	Sri. K.S. Kamalakannan Unsecured Loans	-	0.03
	Remuneration payable	0.05	0.04
2	Smt. Mageswari Kannan Unsecured Loans	-	0.07
	Remuneration payable	0.05	0.04
3	Sri. Sounder Kannan Unsecured Loans	-	0.09
	Remuneration payable	0.05	0.04
4	Sri. D. Vijay Anand Remuneration payable	0.07	0.07
5	Sri. S. Ramesh Remuneration payable	0.01	-
6	M.M.Detergents Company Pvt. Ltd., Advance Paid	6.69	-
	Rent Receivable	-	-
	Trade Payable	-	0.89
	Trade Receivable	0.05	-
7	Nagalakshmi Charitable Trust Trade Receivable *	0.00	0.00
8	Dinwinn Farms LLP Trade Receivable	0.01	-

* Values are shown as zero due to rounded off being lesser value.



d) Transaction summary with related parties

Particulars	Associate Companies	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Over Key Managerial are able to exercise significant Influence	Total
Purchases	- -	- -	- -	353.98 [331.90]	353.98 [331.90]
Wind Power Charges paid	3.50 [4.19]	- -	- -	- -	3.50 [4.19]
Remuneration/Salary	- -	4.03 [2.37]	1.28 [1.20]	- -	5.31 [3.57]
Provision for gratuity	- -	0.49 [0.11]	- -	- -	0.49 [0.11]
Rental Income	- -	- -	- -	0.01 [0.01]	0.01 [0.01]
Rent Paid	2.40 [2.40]	1.12 [0.80]	- -	0.26 [0.18]	3.78 [3.38]
Freight Charges paid	0.54 [0.44]	- -	- -	- -	0.54 [0.44]
Freight Income Received	- -	- -	- -	0.59 -	0.59 -
Interest Paid on loan *	- -	0.00 [0.49]	- -	- -	0.00 [0.49]
Commission paid	- -	- -	0.14 [0.19]	- -	0.14 [0.19]
Dividend paid	- -	1.13 [0.88]	0.12 [0.04]	0.16 [0.14]	1.41 [1.06]
Donation	- -	- -	- -	0.16 [0.09]	0.16 [0.09]
Investment in equity shares	0.64 [0.64]	- -	- -	- -	0.64 [0.64]
Loan received during the year	- -	- [35.10]	- -	- -	- [35.10]
Loan repaid during the year	- -	0.19 [36.50]	- -	- -	0.19 [36.50]
Creditors & Other Payables	- -	- [0.18]	- -	- [0.89]	- [1.07]

Note : Figures in brackets represents previous year's amounts.

* Values are shown as zero due to rounded off being lesser value.

Naga Limited

CIN : U24246TN1991PLC020409

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Crores of Indian Rupees, unless otherwise stated)


50 Information relating to subsidiaries
A. Information relating to non-wholly owned subsidiaries with material non-controlling interests

Name of Subsidiary	Proportion of ownership and voting rights held by non-controlling interest		Total Other Comprehensive allocated to non-controlling interest		Accumulated non-controlling interest	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Naga Far East Private Limited	NIL	NIL	NIL	NIL	NIL	NIL
Naga Mills Private Limited	0.28%	0.28%	0.00	0.00	0.28%	0.28%

Both the Companies have been incorporated during 17-18. While Naga Far East Private Limited has commenced its operations in the year 2018-19, Naga Mills Private Limited is yet to commence its operations.

Summarised financial information in respect of each of the Groups subsidiaries that has material non-controlling interests as set out below. The summarised financial information below represents amounts before intragroup eliminations.

(Values represented in the table are in INR/USD/BDT)

Details	NAGA FAR EAST PRIVATE LTD		NAGA MILLS PRIVATE LIMITED	
	Year ended March 31, 2022		Year ended March 31, 2022	
	in INR	in USD	in INR	in BDT
Current assets	4,116,394	54,311	5,181,794	5,880,584
Non-current assets	-	-	-	-
Total assets	4,116,394	54,311	5,181,794	5,880,584
Current liabilities	280,586	3,702	5,629,471	6,388,632
Non-current liabilities	-	-	-	-
Total liabilities	280,586	3,702	5,629,471	6,388,632
Equity attributable to owners of the Company	3,835,808	50,609	(446,424)	(506,625)
Non-controlling interests	-	-	(1,253)	(1,423)
Revenue	-	-	-	-
Expenses (including tax)	6,139	81	306,395	347,714
Profit for the year	(6,139)	(81)	(306,395)	(3,47,714)
Attributable to owners of the company	(6,139)	(81)	(305,537)	(346,740)
Attributable to non-controlling interests	-	-	(858)	(974)
Profit for the year	(6,139)	(81)	(306,395)	(347,714)
OCI attributable to owners of the company	-	-	-	-
OCI attributable to non-controlling interests	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total Comprehensive Income attributable to Owners of the company	-	-	-	-
Total Comprehensive Income attributable to non-controlling interests	-	-	-	-
Total Comprehensive Income for the year	(6,139)	(81)	(306,395)	(347,714)
Dividend paid to non-controlling interest	-	-	-	-
Net cash from operating activities	(22,427)	(296)	3,579,935	4,062,706
Net cash from investing activities	-	-	-	-
Net cash from financing activities	-	-	-	-
Net Cash (outflow)/ Inflow	(22,427)	(296)	3,579,935	4,062,706

**B. Goodwill on consolidation**

Particulars	Year ended	
	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Goodwill at the beginning of the year	0.00	0.00
Add: Goodwill recognised during the year	0.00	0.00
Goodwill at the end of the year	-	-
Less: Impairment during the year	0.00	0.00
Carrying amount of goodwill	-	-

Allocation of goodwill to cash generating units

Each of the subsidiaries is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to these cash-generating units.

Particulars	Year ended	
	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Naga Far East Private Limited	0.00	0.00
Naga Mills Private Limited	0.00	0.00
	-	-

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

51 Information relating to associates

There are no associates which are individually material and thus, only aggregate information of associates that are not individually material is given below

Aggregate information of the associates	Year ended	
	March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
The Group's Share of profit / (loss) from continuing operations	0.19	(0.02)
The Group's Share of other comprehensive income	0.00	0.00
Aggregate carrying amount of the Group's interests in these associates	0.52	0.33
Unrecognised share of loss of an associate for the year*	-	-
Cumulative share of profit/ loss of an associate	(0.28)	(0.40)

* consequent to investment being nil under equity accounting

**52 Details of Benami Property :**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

53 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

Quarterly returns/statements filed by the Company with banks consisting of inventory and trade receivables aged less than 90 days are in agreement with the books of account except for the quarterly return filed during quarter ended March 31, 2021, wherein the stock and debtors filed with banks was excess by Rs 6.76 Cr due to inventory valuation changes made during the statutory audit.

54 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at 31-Mar-22	Balance outstanding as at 31-Mar-21
C S T AGRO AND FOOD PRODUCTS PRIVATE LIMITED	Receivables	NA	NIL	0.03

55 Expenditure on Scientific Research eligible

Nature	As at 31-Mar-22	As at 31-Mar-21
a) Revenue		
U/s 35(2AB)	1.45	0.93
U/s 35(1)(iv)	0.13	0.60
b) Capital		
U/s 35(2AB)	26.20	1.08
U/s 35(1)(iv)	0.56	0.09

56 Wilful Defaulter

The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

57 Utilisation of borrowed funds and securities premium

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- 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)
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**58 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

59 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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).

60 Note on Social Security Code 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

61 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors at their meeting held on 1st June, 2022.

For and on behalf of the Board

As per our report of even date

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589**MAGESWARI KANNAN**
Joint Managing Director
DIN : 02107556**For M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W**GEETHA JEYAKUMAR**
Partner
M.No: 029409**Place : Dindigul**
Date : 1st June, 2022**T.R. SIVARAMAN**
Chief Financial Officer
M.No: 023228**V. MARIKANNAN**
Company Secretary
M.No: A30767

ANNEXURE TO THE CONSOLIDATED FINANCIAL STATEMENT

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with
Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/
associate companies**

Part “A”: Subsidiaries

(Rs. in Lakhs)

S. No.	Particulars	Financial Year		Financial Year	
		2022	2021	2022	2021
1	Name of the Subsidiary	Naga Far East Private Limited, Singapore		Naga Mills Private Limited, Bangladesh	
2	The date since when subsidiary was acquired	13 th September 2017		06 th February 2018	
3	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
4	Reporting currency and Exchange rate as on the last date of the Financial year	United States Dollar 1 USD = 75.793 INR	United States Dollar 1 USD = 73.009 INR	Bangladeshi Taka (BDT) 1 BDT = 0.881 INR	Bangladeshi Taka (BDT) 1 BDT = 0.863 INR
5	Share Capital (including Share Application)	55.31	55.31	0.85	0.84
6	Reserves and surplus	(19.06)	(18.30)	(5.32)	4.34
7	Total assets	41.16	39.86	51.82	62.67
8	Total Liabilities	2.81	2.86	56.29	57.49
9	Investments	-	-	-	-
10	Turnover	0	0	0	52.36
11	Profit/ (loss) before taxation	(0.06)	(3.93)	(3.06)	49.19
12	Provision for taxation	-	-	-	-
13	Profit/ (loss) after taxation	(0.06)	(3.93)	(3.06)	49.19
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100.00%	100.00%	99.72%	99.72%



Part "B": Associates



Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies:

(Rs. in Lakhs)

S. No.	Particulars	Financial Year		Financial Year	
		2021	2022	2021	2022
1.	Name of Associates	Annai Power Private Limited		Nagalakshmi Energy Private Limited	
2.	Latest audited Balance Sheet Date	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022
3.	No. Shares of Associate held by the company on the year end	62,400 Equity Shares		26,000 Equity Shares	
4.	Amount of Investment in Associate / Joint Venture	62.40	62.40	2.60	2.60
5.	Extent of Holding %	26%	26%	26%	26%
6.	Description of how there is significant influence	The explanation to Section 2(6) of the Companies Act, 2013 provides that significant influence means control of atleast 20% of total share capital. The Company holds morethan 20% in the Equity Share of its Associate. Hence, the Company is having significant influence over it associate.			
7.	Reason why the associate is not consolidate	Not applicable	Not applicable	Not applicable	Not applicable
8.	Net worth attributable to shareholding as as per latest audited Balance Sheet	(1.41)	18.79	(13.16)	(16.01)
9.	Profit Loss for the year:				
10.	Considered in Consolidation	(1.41)	18.79	(0.16)	-
11.	Not Considered in Consolidation	-	-	(13.00)	(16.01)

Part "C" Joint Venture - There are no Joint Ventures in the Group.

ENTITIES FORMED/ ACQUIRED AND CEASED DURING THE FINANCIAL YEAR 2021-22:

S. No.	Name of the Subsidiary/ Associate Company
A	Formed/ Acquired: Nil
B	Ceased: Nil

For and on behalf of the Board

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.R. SIVARAMAN
Chief Financial Officer
M.No: 023228

Place : Dindigul
Date : 1st June, 2022

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GEETHA JEYAKUMAR
Partner
M.No: 029409

V. MARIKANNAN
Company Secretary
M.No: A30767



**FORM NO. MGT 11
PROXY FORM**

(Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

NAGA LIMITED

(CIN U24246TN1991PLC020409)

Registered Office : No.1, Anna Pillai Street, Chennai - 600 001.

E-mail : cs@nagamills.com, Website : www.nagamills.com

Phone/Fax : 044-25363535

Name of member(s) :	
Registered address :	
E Mail Id :	
Folio No. / DPID - Client ID :	

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint :

1) Name _____ E Mail : _____

Address : _____

_____ Signature _____ Or failing him / her

2) Name _____ E Mail : _____

Address : _____

_____ Signature _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31st Annual General Meeting of the Company, to be held on Wednesday, 10th day of August, 2022 at 12.45 P.M. at Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai-600 008 and at any adjournment thereof in respect of such resolutions, as are indicated below :

Resolution No.	Description	Type of Resolution	* Optional	
			For	Against
Ordinary Business :				
1.	Adoption of Audited Financial Statements and Reports of the Board of Directors and Auditors for the financial period ended on 31 st March 2022.	Ordinary		
2.	To confirm the payment of interim dividend for the financial year 2021-22.	Ordinary		
3.	To appoint a Director in place of Smt. Mageswari Kannan (DIN 02107556), who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
Special Business :				
4.	To approve the remuneration of the Cost Auditor for the Financial year 2021-2022.	Ordinary		
5.	To appoint Sri. P. Arivanandam, Independent Director of the Company,	Ordinary		
6.	To appoint Sri. Ramesh Krishnan, Independent Director of the Company.	Ordinary		
7.	To appoint Sri. S. Ramesh, Director of the Company.	Ordinary		
8.	To designate Sri. S. Ramesh as Director (Projects) of the Company.	Special		



Signed this day of 2022

Signature of Shareholder : Signature of Proxy holder(s) :

Affix Re.1 revenue stamp

NOTE:

- 1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting;
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st AGM;
*3. It is optional to put a 'tick' in the appropriate column against the Resolution indicated in the Box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate;
4. Please complete all details including details of member(s) in above box before submission.

Attendance Slip

NAGA LIMITED

(CIN U24246TN1991PLC020409)

Registered Office : No.1, Anna Pillai Street, Chennai - 600 001.

E-mail : cs@nagamills.com, Website : www.nagamills.com

Phone/Fax : 044-25363535

31st Annual General Meeting - 10th August, 2022

Registered Folio No. / DP ID No. / Client ID No.

Grid for registration details

Number of Shares held

Grid for number of shares held

I certify that I am a member / proxy for the members of the Company.

I hereby record my presence at the 31st Annual General Meeting of the Company at the Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai - 600 008 on Wednesday, 10th day of August, 2022 at 12.45 P.M.

Name of the Member / Proxy (in BLOCK letters)

Signature of the Members / Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall, members are requested to bring their copies of the Annual Report to the AGM.



Anna Nagar, Madurai



Periyanaickenpalayam - Coimbatore



Thanjavur



Palayamkottai, Thirunelveli



2nd Gate Tuticorin



Sastri Road, Trichy



Namakkal



Sundarapuram Coimbatore



Teachers Colony, Tuticorin



Karur



Bryant Nagar, Tuticorin



Thiyagaraja Nagar, Tirunelveli



Podanur - Coimbatore



Karaikudi



Ganapathy - Coimbatore



TVS Tollgate - Trichy



Pudukottai



Hope's College, Coimbatore

