

# **51st ANNUAL REPORT**

**2013-2014**  
**(15 MONTHS)**



**MAWANA SUGARS LIMITED**

# Mawana Sugars Limited

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## BOARD OF DIRECTORS

Mr. Ravinder Singh Bedi  
Prof. Dinesh Mohan  
Mr. Piar Chand Jaswal

## COMPANY SECRETARY

Mr. Ritesh Jain

## AUDITORS

A.F. Ferguson & Co.  
Chartered Accountants  
9, Scindia House  
Kasturba Gandhi Marg  
New Delhi – 110001

## BANKERS

Punjab National Bank  
State Bank of Hyderabad  
State Bank of Travancore  
State Bank of Mysore  
Axis Bank Ltd.

## REGISTERED OFFICE

5th Floor, Kirti Mahal  
19, Rajendra Place, New Delhi – 110125

**Phone No:** 91-11-25739103

**Fax No:** 91-11-25743659

**CIN:** L74100DL1961PLC003413

**E-mail:** corporate@mawanasugars.com

**Website:** www.mawanasugars.com

## CORPORATE OFFICE

Plot No.15, Institutional Area, Sector - 32,  
Gurgaon - 122002, Haryana

**Phone No:** 91-124-4298000

**Fax No:** 91-124-4298300

## WORKS

- Mawana Sugar Works, Mawana  
Distt. Meerut – 250402 (U.P.)
- Titawi Sugar Complex  
Village & P.O. Titawi  
Distt. Muzaffarnagar - 251301 (U.P.)
- Nanglamal Sugar Complex  
Garh Road, Village Nanglamal  
Distt. Meerut – 250001 (U.P.)
- Siel Chemical Complex  
Charatrapur, Vill. Khadauli/Sardargarh  
P.O. Box No.52, Rajpura, Distt. Patiala  
Punjab –140401

## REGISTRAR & SHARE TRANSFER AGENT

### Mas Services Limited

T-34, Okhla Industrial Area, Phase-II,  
New Delhi-110020

Phone No. : 011-26387281-83, Fax: 011-26387384

Website : www.masserv.com

E-mail : info@masserv.com

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## NOTICE

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Notice is hereby given that the 51st Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Monday  
Date : 23.03.2015  
Time : 10.00 AM  
Place : Shriram Bharatiya Kala Kendra (Lawn)  
1, Copernicus Marg, Mandi House, New Delhi – 110001

to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial period 2013-14 (15 Months) comprising of the audited Balance Sheet as at 31st, December, 2014 and the Statement of Profit and Loss account along-with the cash flow statement for the financial period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Dinesh Mohan (DIN-00077959) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. A.F. Ferguson & Co., Chartered Accountants (ICAI Registration Number 112066W) as Statutory Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY RESOLUTION:  
Resolved that, pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement including any statutory modification(s) or reenactment thereof for the time being in force, Prof. Dinesh Mohan (DIN-00077959), Director of the Company, in respect of whom a notice in writing has been received from a member signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years upto December 31, 2019.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY RESOLUTION:  
Resolved that, pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement including any statutory modification(s) or reenactment thereof for the time being in force, Mr. R S Bedi (DIN-01408189), Director of the Company, in respect of whom a notice in writing has been received from a member signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years upto December 31, 2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY RESOLUTION:  
Resolved that, pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement including any statutory modification(s) or reenactment thereof for the time being in force, Mr. Piar Chand Jaswal (DIN-07100098), who was appointed by the Board of Directors as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 with effect from 18th February, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 in writing, proposing his candidature for the office of Director, be and is hereby appointed as an Director on the Board of the Company.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a ORDINARY RESOLUTION:  
RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the Financial Period 2015-16, as approved by the Board of Directors on the recommendation of Audit Committee, to be paid to M/s. Bahadur Murao & Co., Cost

# Mawana Sugars Limited

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## Notice (Contd.)

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Accountants (Firm Registration No.4941) to conduct the audit of the cost records of the Company be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors  
For **Mawana Sugars Limited**

Place : New Delhi  
Dated : 18<sup>th</sup> February, 2015

(**Ritesh Jain**)  
Company Secretary

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the AGM as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20.03.2015 to 23.03.2015 (both days inclusive).
4. In compliance of SEBI requirements, Mas Services Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

#### **Mas Services Limited**

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110020

Phone No. : 011-26387281-83

Fax No. : 011-26387384

Website : www.masserv.com

E-mail : info@masserv.com

5. Members are requested to notify immediately any change in their address to Mas Services Ltd. quoting their folio numbers.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. In terms of Section 72 of the Companies Act, 2013 the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of death.

In case any member wishes to avail the nomination facility in respect of shares held by him/her, please write to the Company to obtain the nomination form.

9. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant (DP) to M/s Mas Services Limited at the address given under SI.No.4 above.

10. **The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Mas Services Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.**

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## Notice (Contd.)

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### **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO. 4 AND 5**

Prof. Dinesh Mohan and Mr. R S Bedi are the independent directors on the Board of the Company. The provisions of newly enacted Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement inter alia stipulates conditions to be complied with by the Company for the appointment of independent directors. Prof. Dinesh Mohan and Mr. R S Bedi have given their respective consents to act as Directors and are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The Company has also received declarations from the proposed appointee that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of them for the office of Directors of the Company.

In the opinion of the Board, Prof. Dinesh Mohan and Mr. R S Bedi fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and they are independent of the management of the Company and/or subsidiary/associate companies.

Accordingly, it is proposed to consider Prof. Dinesh Mohan and Mr. R S Bedi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement and they shall hold office for a period of 5 (five) consecutive years up to December 31, 2019.

They do not have any material pecuniary relationship with promoters, Key Managerial Personnel and their relatives. They are the independent directors and do not have any inter-se relationship among themselves. Accordingly, resolutions set out under item number 4 and 5 are recommended for approval of the members of the Company as Ordinary Resolutions.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Prof. Dinesh Mohan and Mr. R S Bedi being interested in their respective resolutions, is in any way, concerned or interested in these resolutions.

#### **ITEM NO. 6**

Mr. Piar Chand Jaswal was appointed as an Additional Director of the Company with effect from 18th February, 2015 by the Board of Directors. In accordance with the provisions of Section 161 of the Companies Act, 2013, an Additional Director hold office upto the date of the Annual General Meeting. The Company has received notice under section 160 of the Companies Act, 2013 from a member signifying the intention to propose the appointment of Mr. Piar Chand Jaswal as an Director of the Company.

Mr. Piar Chand Jaswal is a Matriculate and is a retired junior commission officer from Indian Army. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Piar Chand Jaswal as an Director for the approval of the Shareholders.

Mr. Piar Chand Jaswal will be Non-Independent and Non-Executive Director on the Board of the Company

Except Mr. Piar Chand Jaswal and his relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

The Board recommends the Ordinary Resolution as set out at item No.6 of the Notice for approval by the Shareholders.

#### **ITEM NO. 7**

The Board of Directors has appointed M/s Bahadur Murao & Co., Cost Auditor (Membership No. 4941), as the Cost Auditor for audit of the cost accounting records of the Company pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for the financial period 2015-16. It is proposed to pay Rs. 2,25,000/- as the remuneration, plus out of pocket expenses incurred/to be incurred by the auditors during the course of audit.

Accordingly, resolution set out under item number 7 is recommended for approval of the members of the Company as Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

By Order of the Board of Directors  
For **Mawana Sugars Limited**

Place : New Delhi  
Dated : 18<sup>th</sup> February, 2015

**(Ritesh Jain)**  
Company Secretary

## Details of the Directors seeking appointment/re-appointment at the forthcoming annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Prof. Dinesh Mohan	Mr. R.S. Bedi	Mr. Piar Chand Jaswal
Age	69 years	72 years	53 years
Date of Appointment	05.05.1992	28.03.2007	18.02.2015
Qualification	Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B.Tech(Hons.) in Mechanical Engineering	Graduate of the National Defence Academy	Matriculate
Expertise	Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi. He is member of the WHO Advisory panel on Accident Prevention. He serves on the editorial board of an international journal. Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses. He is also a recipient of many prestigious awards.	Mr. R.S. Bedi has served in various capacities in the Government of India for 43 years.	Mr. Piar Chand Jaswal is a retired Junior Commission Officer from Indian Army
Shareholding of Directors in the Company	Nil	Nil	Nil
Directorship held in other Public Companies excluding foreign and private companies	Nil	Nil	Nil
Chairmanships/ Memberships of Committee	Chairman 1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Social Responsibility Committee 5. Risk Management Committee	Member 1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Social Responsibility Committee 5. Risk Management Committee	Nil

## DIRECTORS' REPORT

Your Directors hereby present the 51st Annual Report along with Audited Accounts of the Company for the 15 months financial period ended December 31, 2014.

The Ministry of Corporate Affairs vide Circular No. 08/2014 dated 4th April, 2014 clarified that the financial statements and the documents required to be attached thereto, the auditor's and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has accordingly prepared Balance Sheet, Statement of Profit and Loss, the schedules and notes thereto and the Directors' Report in accordance with the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

### FINANCIAL RESULTS

(Rs. Lacs)

Sl. No.	Particulars	Amount	
		31.12.2014 (15 months)	30.9.2013 (12 months)
1.	Profit/(Loss) before interest, depreciation, exceptional items and tax	(4275)	(4440)
2.	Interest	7689	9024
3.	Depreciation	6096	5043
4.	Profit/(Loss) before tax	(18060)	(28786)
5.	Provision for taxation:		
	- Current tax	-	-
	- Provision relating to earlier year	-	29
	- Provision for tax written back relating to earlier year	-	(10)
6.	Profit/(Loss) after tax	(18060)	(28805)

### DIVIDEND

In the absence of profits during the current financial period, your Directors are unable to recommend any dividend for the period under review.

### OPERATIONS

#### 1. SUGAR DIVISION

The year 2013-14 witnessed an decrease in sugar production. The cane crush this season decreased by 25% of cane crush during last season (2012-13). The cane crush this season was 25.58 lac MT as compared to 34.06 lac MT in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season			2013-14
		2010-11	2011-12	2012-13	
Cane Crush	Lac MT	28.58	31.54	34.06	25.58
Recovery	%	9.11	8.60	8.96	9.09
Sugar Production	Lac MT	2.64	2.74	3.07	2.33

The sugar recovery in the western UP remains a major concern mainly due to deterioration of sugarcane quality on account of varietal degeneration. The average sugar recovery for this season remained below the long term average recovery in line with trend in nearby sugar factories.

The sugar business during the season continued to be under stress due to imbalance between cane costs, cost of production and sugar market prices

MSL is continuing its cane development program including distribution of cane seeds of new varieties, fertilizers and insecticides etc. These will help in long term improvements in cane quality and yield

The surplus power generated by the Cogeneration plants was exported to the State grid.

The distillery unit continues to supply ethanol to the Oil Marketing Companies (OMC). The price of ethanol has improved from Rs. 27/litre to Rs. 35/litre. The capacity of ETP of the distillery unit was augmented to increase the production of ethanol and increasing the capacity utilization of the plant. However, our capacity was severely hampered last year due to restriction imposed by CPCB on all UP Distilleries discharging effluent in Ganga in view of Kumbh Mela. Last year pollution norms in general also became very stringent as NGT directed Pollution Control Authorities to inspect all Units polluting Ganga and submit their report to the Court. Distillery industry has been classified as highly polluting.

#### 2. CHLOR ALKALI DIVISION

During the 15 months period Oct'2013-Dec'2014, the business performed well during quarters Q1 and Q2 amidst good demand of both Caustic Soda and Chlorine, but performance deteriorated in Quarters Q3, Q4 and Q5. During Quarters Q3 and Q4, the markets witnessed dumping of low priced Caustic Soda imports from various countries which seriously impacted the domestic product prices. Caustic Soda prices dropped further during Quarter Q5 as demand of Caustic Soda in the North was hit badly with Paper Mills curtailing production due to slump in Paper demand.

Power contributes towards major portion of the input cost. The electricity requirement for the plant was met through Punjab State Power Corporation Limited and through Indian Energy Exchange under Open Access.

The products and their quality were well accepted in the market during the entire period of 15 months.

#### STATUS OF SICKNESS UNDER BIFR

The Company has filed a reference in Form 'A' under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with Hon'ble BIFR on 1.8.2013 and the same has been registered as Case No.63/2013 as communicated by BIFR vide its letter No.3(M-5)/BC/2013 dated 10.9.2013.



## DIRECTORS' REPORT

The matter considering of Mawana Sugars Limited as 'Sick Company' under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 is pending by BIFR.

### SUBSIDIARY COMPANIES

The Company has three subsidiary companies viz. Siel Financial Services Limited, Siel Industrial Estate Limited and Siel Infrastructure & Estate Developers Pvt. Ltd.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiaries is attached to the Accounts.

In terms of the General Circular No. 2/2011 dated 8.2.2011 issued by Central Government relating to directions under Section 212(8) of the Companies Act, 1956, the Board of Directors of the Company has granted its consent by way of a resolution for not attaching the copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries with the Balance Sheet of the Company.

These documents will be made available upon request by any member of the Company or of the subsidiaries interested in obtaining the same.

The annual accounts of the subsidiary companies will also be available for inspection during business hours at the Registered Office of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries', forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its subsidiaries.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the accounting standard (AS-21) on consolidated financial statements read with accounting standard (AS-23) on accounting for investments in associate, the consolidated financial statements are attached, which form part of the Annual Report.

### DIRECTORS

Prof. Dinesh Mohan, Director is liable to retire by rotation and being eligible, offer himself for re-appointment.

Mr. Piar Chand Jaswal has been appointed as an additional director(Non-Independent & Non-Executive) of the Company w.e.f. 18th February, 2015 to hold office upto the forthcoming Annual General Meeting of the Company.

Mr. Ravi Vira Gupta, Director has resigned from the Directorship of the Company w.e.f. 17.6.2014.

Mr. Siddharth Shriram, Chairman and Managing Director and Mr. A.K. Mehra, Whole Time Director of the Company have resigned from the position of Chairman & Managing Director and Whole Time Director and also from the directorship of the Company w.e.f. 31.7.2014.

The Board of Directors of the Company in its meeting held on 13.2.2014 has appointed Mr. Rajendra Khanna as a Whole Time Director for the period from 01.02.2014 to 30.11.2018 and payment of remuneration for a period of 3 years w.e.f. 01.02.2014 to 31.1.2017. The approval of shareholders has been obtained through Postal Ballot on 27.11.2014. The approval of Central Govt. regarding the above appointment and remuneration is still pending.

Mr. Rajendra Khanna has been resigned from the position of Whole Time Director and the directorship of the Company w.e.f. close of business hours of 31.12.2014.

The Board places on record the deep appreciation for the contribution made by Mr. Ravi Vira Gupta, Mr. Siddharth Shriram, Mr. A.K. Mehra and Mr. Rajendra Khanna, during their tenure as Directors of the Company.

Pursuant to Companies Act, 2013 and Clause 49 of the Listing Agreement, Prof. Dinesh Mohan and Mr. Ravinder Singh Bedi, Directors, are proposed to be appointed as Independent Directors of the Company for a period of 5 (five) consecutive years from the date of forthcoming Annual General Meeting.

### AUDITORS AND THEIR REPORT

M/s. A.F. Ferguson & Co., Chartered Accountants, Auditors of the Company (ICAI Registration Number 112066W) who are our Auditors, retire at the ensuing annual general meeting and are eligible for reappointment.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed thereunder and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants, as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

The observations of Auditors in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

### COST AUDITORS

M/s Bahadur Murao & Co., Cost Accountants (Membership Number 4941) were re-appointed as Cost Auditors of the Company for the Financial Period 2015-16 (15 months), for conducting the audit of the cost records maintained by the Company for the products (Sugar, Caustic Soda, Industrial Alcohol, SBP) as mandated by the Central Government, pursuant to its order dated 30th June, 2014 and any amendments thereof, subject to the approval of the Members on the remuneration to be paid to the Cost Auditor.



## DIRECTORS' REPORT

A certificate from them has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and rules framed thereunder.

The Cost Audit Report for the financial year 2012-13 had filed on 27.2.2014, which is within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.

The Cost Audit Report for the financial period 2013-14 (15 months) under the Companies (Cost Audit Report) Rules, 2011, is due to be filed with MCA on or before 30.6.2015 which is within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS

A statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure I and forms an integral part of this report.

### PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the particulars of employees are required to be furnished in statement to be annexed to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the report and accounts are being sent to all the Shareholders excluding the aforesaid Annexure.

The complete annual report including this statement shall be made available for inspection by any shareholder during working hours for a period of 21 days before the date of the Annual General Meeting. Any member interested in obtaining the copy of the statement may write to the Company at its Registered Office.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and of the loss of the company for that period;

- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance along with the Auditors' Certificate confirming compliance is attached on its compliance.

The Management Discussion and Analysis Report forms part of this report and is annexed hereto as Annexure III.

### DELISTING OF GDRs

During the 15 months period ended December 31, 2014, 2,63,519 GDRs (Global Depository Receipts) representing 2,63,519 underlying equity shares of the Company has been cancelled and delisted from London Stock Exchange with effect from December 02, 2014.

### ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers and Vendors of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For & on behalf of the Board of Directors

<b>Sd/-</b> <b>(Dinesh Mohan)</b> Director (DIN : 00077959)	<b>Sd/-</b> <b>(Ravinder Singh Bedi)</b> Director (DIN : 01408189)
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Place : New Delhi

Dated : 18<sup>th</sup> February, 2015

## ANNEXURE - 1 TO DIRECTORS' REPORT

Information as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (disclosure of Particulars in the Report of Board of Directors) Rules, 1998.

### A. CONSERVATION OF ENERGY:

#### (a) Energy conservation measures taken:

- a) Installation of mass flow meter
- b) Installation of VFDs on F.D. Fans 42 bar boilers
- c) Installation of VFD on Mix Juice pump
- d) Installation of load changeover panels at 3.4 MW TG. (During full crush period 8-10 tons/hr of steam was being passed through PRDS for meeting process demand as we were unable to pass through 3.4 MW TG due to power distribution problem. This was overcome by installing load changeover panels)
- e) Arrangement for B massecuite boiling in pan no.8 with 2nd vapour instead of 1st vapour by providing an additional connection of 2nd vapour with 500 MM valve.
- f) Arrangement to heat raw melt with 1st vapour instead of exhaust steam modifying its noxious gas withdrawal system.
- g) Implementation of strict turbine operation controls and steam parameters to increase power generation efficiency at 20 MW Turbine
- h) Provision of 25HP pump at C. Tower for 33% caustic cooling PHE in place of 75HP at Evaporator house
- i) Changed 100HP conventional motor of Chlorination Reactor no.3 in SBP with Energy Efficient 100HP motor
- j) Replacing 40 watt conventional tube lights with 18 Watt LED tube lights (100 Nos.)
- k) Replacing 150 watt Sodium lights with 60 Watt LED street light fittings (18 Nos.)
- l) Provision of VFD for 75HP Hydrogen Blower 'A' of Chlorine House
- m) Refurbishment of Cell House electrolyzers (14 Nos)

#### (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

- a) Installation of VFDs on Dedicated Juice pump, clear Juice pump and Rotary Drier ID fan.
- b) Proposal submitted : Installation of planetary gear drives at last mill for reduction of bagasse moisture by 2.5%, sugar loss in bagasse by 0.02% cane and power consumption by 0.4kwh/MT cane.

#### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- a) Improved Power Export% Cane.
- b) In NSC Power export was increased from 45.40 kw/MT cane (2012-13) to 46.95 kw/MT cane in 2013-14 (15 months). Average power export increased to 9.34 mw/ hr in 2013-14 (15 months) in comparison to last year (2012-13) average power export of 9.1 mw/ hr
- c) In NSC In spite of low average rate of crush 4774 TCD and higher recovery (9.65) in 2013-14 (15 months) in comparison to 2012-13 year average crush of 4904 TCD and low recovery (9.11) steam consumption was maintained at 50.97 % cane (very marginally higher) than In 2012-13 steam cons. 50.89% cane
- d) In NSC Power generation efficiency has been increased from 181.47 kwh / MT steam (2012-13) to 189.57 kwh / MT steam (2013-14- 15 months) by reducing the specific steam consumption of turbine from 5.51 to 5.275 kg/kwh
- e) In NSC Total power units saved 50.77 lac Kwh

#### (d) Total energy consumption and energy consumption per unit of Production.

- Energy Consumption
  - Sugar Production
  - Energy Consumption per MT Sugar.
- As per Form - A.

### B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption  
As per Form - B.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities related to exports initiative taken to increase export, development of new export markets for production and services  
Nil

- (b) Total foreign exchange used and earned

The information is given in notes to accounts.