

54th ANNUAL REPORT

2017-2018



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Prof. Dinesh Mohan
Mr. Ravinder Singh Bedi
Mr. Piar Chand Jaswal
Mr. Dharam Pal Sharma - Whole Time Director

COMPANY SECRETARY

Mr. Ashok Kumar Shukla

CHIEF FINANCIAL OFFICER

Mr. B. B. Mehta

AUDITORS

M/s. S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm Registration No:301003E/E300005)
3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity New Delhi - 110037

BANKERS

Punjab National Bank
State Bank of India

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.3, Institutional Area
Sector - 32, Gurgaon - 122001, Haryana
Phone No: 91-124-4298000
Fax No: 91-124-4298300

WORKS

- Mawana Sugar Works, Mawana
Distt. Meerut – 250402 (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

NOTICE

Notice is hereby given that the 54th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Friday
Date : 17.08.2018
Time : 11.00 A.M.
Place : Kamani Auditorium, 1, Copernicus Marg
New Delhi - 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Piar Chand Jaswal (DIN- 07100098) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditors 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 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Rules issued there under, as amended from time to time, and pursuant to resolution passed by the members at the 53rd Annual General Meeting (AGM) of the Company held on July 27, 2017, the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them.”

SPECIAL BUSINESS:

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

“Resolved That pursuant to the provisions of Section 148 and 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(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs.2,40,000/- (Rupees Two Lacs Forty Thousand only) plus GST & out-of-pocket expenses,

if any, payable to M/s Bahadur Murao & Co., Cost Accountants (Firm Registration No.4941), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2018-19, 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.”

5. To Consider and if thought fit, to pass with or without modification(s), the following resolutions as a SPECIAL RESOLUTION:

“Resolved that in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of Central Government, if required and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the payment of the following remuneration to Mr. Dharam Pal Sharma (DIN-07259344) Whole Time Director of the Company for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020:

1.	Basic Salary	Rs.60,000/- per month.
2.	Provident Fund	As per the rules of the Company.
3.	Gratuity	As per the rules of the Company.
4.	Medical (Reimbursement)	Expenses incurred for self and family upto Rs.1,250/- p.m. as per the rules of the Company.
5.	Leave Travel Allowance	Rs.2,000/- per month.
6.	Conveyance Allowance	Rs.1,600/- per month.
7.	Special Allowance	Rs.1,24,950/- per month.
8.	Leave Facility	Leave facility and retirement benefits will be as per the rules of the Company.

Resolved further that the Board be and is hereby authorized to do all acts and to 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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 09.07.2018

NOTICE (Contd.)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY 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 Business 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 13.08.2018 to 17.08.2018 (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. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by Member holding shares in:
 - a) Demat form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and
 - b) Physical form to submit copies of PAN of all shareholders and original cancelled cheque of first shareholder alongwith copy of Pass Book or Bank Statements to the RTA.
10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the RTA for registration of transfer of securities.
11. **As per SEBI notification dated 08.06.2018, request for Transfer of shares held in physical form will not be processed w.e.f. 04.12.2018 and its shall be mandatory to Demat the shares to get the shares transfer in their name. Shareholders are therefore requested to Dematerialize their shares for transfer purpose.**
12. 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.
13. 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 dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates to their Depository Participant (DP).
14. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members a facility to exercise their right to vote at the Annual General

NOTICE (Contd.)

Meeting (AGM) by electronic means and the business may be transacted through such voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited. E-Voting is optional.

Shareholders are requested to please read the instructions/procedures on remote E-Voting carefully which is given on the back side of the Attendance Slip.

15. In support of the "Green Initiative" announced by the Government of India, electronic copies of this Annual Report inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Company/Depository Participants unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Annual Report inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, will be sent to them in the permitted mode.
16. Route map to the venue of the AGM is appended at the end of the Annual Report.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants (Membership No. 4941), New Delhi to audit the cost accounting records of the Company at a total remuneration of Rs.2,40,000/- (Rupees Two Lacs Forty Thousand only) plus GST and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ITEM NO. 5

Mr. Dharam Pal Sharma was appointed as Whole-time Director (WTD) of the Company w.e.f. 13.8.2015 for a period of 5 years on the terms, conditions and remuneration approved by the Board, Nomination and Remuneration Committee and shareholders of the Company, subject to the approval of the Central Govt.

Though the appointment of WTD was approved by the shareholders of the Company in the annual general meeting held on 13.06.2016 for a period of 5 years, the remuneration payable to him was approved for a period of 3 years only w.e.f. 13.08.2015 to 12.08.2018.

The Central Govt. vide its last letter dated 16.11.2016 had directed the Company to recover the entire excess remuneration paid to the directors during the financial year from 2012-13, 2013-14 and 2014-15 even though the Shareholders, in their meeting held on 27.7.2017, had approved the waiver of such excess remuneration paid to the Directors. The Company had filed a representation with Central Government for reconsideration of its waiver request as approved by the Shareholders but the said representation has been returned by Central Government for resubmission in the proper form. Pending resolution of above matter, approval to remuneration to WTD has also been kept pending in the Central Government.

Section 197 of Companies Act, 2013 which empowers the Shareholders to waive such excess remuneration to the Directors has not been notified yet. After notification of the said Section, no approval of Central Government would be necessary and Board shall propose appropriate resolution for consideration of the Shareholders for waiver of excess remuneration paid to the Directors in the past.

Pending the above, it is now proposed to fix the remuneration payable to Mr. Dharam Pal Sharma, Whole-time Director for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020 as stated in Item No.5 of the Notice.

The Nomination and Remuneration Committee of Directors and Board of Directors in their respective meetings held on 09.07.2018 have, approved the proposed remuneration of Mr. Dharam Pal Sharma, Whole-time Director for the remaining period of his term of appointment subject to the approval of shareholders and such other approvals as may be necessary in this regard.

Except Mr. Dharam Pal Sharma 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.

Your Directors recommends the resolution for your approval.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. GENERAL INFORMATION:

(i) Nature of Industry:

The Company is engaged in the manufacturing and marketing of Sugar, Ethanol and Co-generation of Power at its units at Mawana Sugar Works, Mawana, Distt. Meerut, (U.P.) and Nanglamal Sugar Complex. Nanglamal, Distt. Meerut (U.P.). The Company is also producing and marketing Chlor Caustic from its Unit Siel Chemical Complex, Rajpura, Punjab.

(ii) Date or expected date of commencement of commercial production:

The Company is an existing Company and is into manufacturing operation since long.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(iv) Financial performance based on given indicators

The performance of the Company during financial year ended on 31.03.2018 (the latest Audited Balance Sheet of the Company)

Particulars	Amount (Rs./Million)
- Total Revenue	13539.33
- Net Profit/(Loss)	162.40
- Effective Capital	4114.47

(v) Export performance and net foreign exchange collaborations:

Nil

(vi) Foreign investments or collaborators, if any:

None

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details:

Mr. Dharam Pal Sharma, aged 65 years, is B.Sc in (Agriculture) (Hons) and has thorough understanding of sugar industry. He is associated with the sugar industry for more than 37 years and during this period has worked with Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills in various capacities. Mr. Sharma was associated with the Company Since 1997.

Past remuneration (last three years) Per Annum

Particulars	March 31, 2018	March 31, 2017	March 31, 2016*
Salary	17,73,000	17,73,000	11,24,807

*Salary is for the part of the year.

(b) Recognition or Awards:

None

(c) Job Profile and his Suitability:

Mr. Dharam Pal Sharma is designated as Whole Time Director and is entrusted with the responsibility of taking the company out of its difficult phase through different approaches and efforts for the revival of the company.

He is overlooking the cane department on the priority basis and actively involved in developing harmonious relationship with farmers in view of difficult financial position of the Company due to high pending of cane dues.

He is also involved in the financial control functions, strategic decisions formulation and discussions with various stakeholders of the company. He will also be responsible for developing technical team and coordinating with commercial functions etc.

(d) Remuneration Proposed: The proposed remuneration of Mr. Dharam Pal Sharma as Whole Time Director of the Company is detailed in Item No.5 above.

(e) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

(f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Dharam Pal Sharma has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his Remuneration in the capacity of a Whole Time Director.

III. OTHER INFORMATION:

(a) Reasons of loss or inadequate profits

- (i) Sugar, which is the main business of the Company is cyclical in nature and is largely dependent on climatic factors, supply-demand position and government policies, including sugarcane pricing. High sugar production in the country results in softening of sugar prices, which in turn adversely affects the profitability of the sugar mills. Conversely lower production generally results in strong sugar profitability due to higher sugar prices.
- (ii) The sugarcane price, is fixed by the Government of Uttar Pradesh (GoUP) in an arbitrary manner (State Advised Price - SAP) without any linkage to the prevailing sugar price. The GoUP is yet to carry out reforms as advocated by Dr. Rangarajan Committee Report and thus there is a complete mismatch between the output and input prices. The Sugarcane prices have been rising much faster than sugar sales price. This has resulted in huge losses to the sugar factories over a last many years.
- (iii) Under the U.P. Sugar Industry Promotion Policy, the Company has invested Rs. 700 Crores and all the incentives and subsidies due on the investments are held up since the GoUP has withdrawn the incentive Scheme. Since these investments were funded mainly by raising debts, the interest cost has gone up due to non-receipt of incentives from GoUP.

(b) Steps taken or proposed for improvement

The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production of sugar, realizing that it has little control over Government policies. With a view to make its sugar operations more viable, the Company has chalked out a road map with ambitious cane development targets which will further increase the recovery of sugar and increase the profitability of sugar integrated businesses, such as cogeneration and distillery operations. The Company hopes to increase the production volumes, curtailing running cost, reduced manpower and reduced operational losses.

(c) Expected increase in productivity and profit in measurable terms.

In the sugar season 2018-2019, it is expected that the production of sugarcane and recovery will be better than the previous sugar season. The much awaited reforms by the Government in the sugar sector and resumption of normal economic growth in the country may accelerate the turnaround of the Company. The fundamentals of the Company are sound and it has well balanced and diversified business and has the potential of not being just profitable but achieving significant growth.

In view of the facts stated above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 09.07.2018

Brief Profile of Director/s seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Piar Chand Jaswal	Mr. Dharam Pal Sharma
Director Identification Number (DIN)	07100098	07259344
Date of Birth & Age	01.04.1961 (57 years)	6.1.1953 (65 years)
Date of Appointment	18.02.2015	13.8.2015
Qualification	Matriculate	B.Sc (Ag) (Hons)
Expertise	Mr. Piar Chand Jaswal is a retired Junior Commission Officer from Indian Army.	Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry. Over the years, he has developed various other management skills. His experience of more than 37 years with various sugars Company like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills and from last 18 years he is associated with the Company.
Shareholding of Directors in the Company	Nil	Nil
Relationship with other directors and KMPs of the Company	Nil	Nil
No. of Meetings of Board attended during the year	8 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
Directorship held in other Public Companies excluding foreign and private companies	Nil	Nil
Chairmanships/Memberships of Committee	<u>Member:</u> <ul style="list-style-type: none"> - Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee - Corporate Social Responsibility Committee - Risk Management Committee 	Nil

DIRECTORS' REPORT

Your Directors hereby present the 54th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2018.

FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2018	31.3.2017
1.	Profit before interest, depreciation, exceptional items and tax	439.23	1723.15
2.	Interest	209.90	441.65
3.	Depreciation	239.23	303.40
4.	Exceptional Items - Income	147.59	3492.87
5.	Profit before tax	137.69	4470.97
6.	Provision for taxation	(24.71)	842.11
7.	Profit after tax	162.40	3628.86
8.	Other Comprehensive Income	0.51	(18.19)
9.	Total Comprehensive Income	162.91	3610.67

DIVIDEND

In view of inadequacy of distributable profits as per law, your Directors are unable to recommend any dividend for the year under review.

OPERATIONS

1. SUGAR DIVISION (2017-18)

The cane crush during season 2017-18 was 31.42 Lac Tonne as compared to 23.03 Lac Tonne in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season				
		2013-14	2014-15	2015-16	2016-17	2017-18
Cane Crush	Lac MT	25.58	26.77	21.73	23.03	31.42
Recovery	%	9.09	9.49	10.73	11.18	11.25
Sugar Production	Lac MT	2.33	2.54	2.33	2.57	3.54

Intensive cane development work done in the last 3 years has boosted sugar recoveries significantly.

Higher recovery coupled with increased cane production throughout the State, resulted in excess sugar production leading to a steep decline in current sugar prices by Rs.10,000/ Tonne as compared to last year.

In the absence of no linkage in sugar cane and sugar prices, the profitability has come down drastically and huge losses are being incurred by the sugar industry resulting high cane over dues.

2. CHLOR ALKALI DIVISION:

During the 12 months period Apr'17 – Mar'18, overall the business performed well.

The prices of Caustic Soda increased gradually throughout the year due to increase in international prices, whereas the prices of Chlorine kept on decreasing due to low levels of operations of Chlorine consuming industries.

The products and their quality were well accepted in the market during the entire period of 12 months.

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 power exchanges.

SUBSIDIARY COMPANIES

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

Siel Financial Services Limited, a Listed Company is not doing any business since last 16 years and is planned to be disposed. Siel Infrastructure & Estate Developers Private Limited is a Company that holds 49.27% of Siel IE created for assisting in development of Siel IE.

Pursuant to provisions of Section 129 and other applicable provisions of the Act read with Rules made there under, the performance and financial position of each of the subsidiary companies are annexed in Form AOC-I to the Annual Financial Statements.

There has been no change in relationship of any subsidiary Company during the financial year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2017-2018, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

Mr. Piar Chand Jaswal, Director (DIN: 07100098) is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mrs. Parmjit Kaur (DIN: 06714249), an Independent and Non-Executive Woman Director has resigned from the Directorship of the Company w.e.f. 2.5.2018.

Particulars of Director/s seeking appointment/re-appointment have been given in the explanatory statement annexed to the notice for the Annual General Meeting.

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

DIRECTORS' REPORT (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

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

DETAILS IN RESPECT OF FRAUDS REPORTED IN THE UNITS OF THE COMPANY

During the year, frauds pertaining to earlier years have been detected in Company's sugar units at Mawana Sugar Works and Nanglamal Sugar Complex where some employees (who have already left the service of the Company) have embezzled aggregate sum of Rs.29.78 million by forging documents and wrongfully withdrawing payment. FIR has been filed against these persons and necessary legal action in this regard has been initiated to recover the money. No credit for the above amount has been taken in the books, which will be taken once amount is recovered.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial year ended March 31, 2018, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sl. No.	Name	Designation
1.	Mr. Dharam Pal Sharma	Whole Time Director
2.	Dr. Anil Arora*	Chief Financial Officer
3.	Mr. B.B. Mehta**	Chief Financial Officer
4.	Mr. Ashok Kumar Shukla	Company Secretary

* Resigned from the position of Chief Financial Officer of the Company w.e.f. 4.11.2017.

**Appointed as a Chief Financial Officer of the Company w.e.f. 4.11.2017.

MEETINGS OF THE BOARD

During the financial year ended March 31, 2018, eight Board Meetings were held. In addition to Board Meetings, Nine Resolutions by Circulation on various dates were also passed by the Board of Directors with requisite majority. The details of the Board Meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

INTERNAL FINANCIAL CONTROLS

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

The Audit Committee evaluates the internal financial control system periodically.

An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

STATUTORY AUDITORS AND THEIR REPORT

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), were appointed as Statutory Auditors of the Company from the conclusion of 53rd Annual General Meeting (AGM) till the conclusion of 58th AGM of the Company, subject to ratification of their appointment by the members at every intermittent AGM of the Company.