

55th ANNUAL REPORT

2018-2019



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Mr. Ravinder Singh Bedi
Prof. Dinesh Mohan
Mrs. Manju Vira Gupta
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

U.P. Co-operative 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, Gurugram - 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 55th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Friday
Date : 02.08.2019
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, 2019 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, 2019 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Dharam Pal Sharma (DIN-07259344) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. 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 2019-20, 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 such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“RESOLVED that Mrs. Manju Vira Gupta (DIN-05186954), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 26, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mrs. Manju Vira Gupta (DIN-05186954), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing with effect from December 26, 2018 to December 25, 2023, be and is hereby approved.”

5. 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Ravinder Singh Bedi (DIN-01408189), who was appointed as an Independent Director at the 51st Annual General Meeting of the Company and who holds office up to December 31, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in

NOTICE (Contd.)

writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from January 1, 2020 to December 31, 2024 be and is hereby approved."

6. 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Prof. Dinesh Mohan (DIN-00077959), who was appointed as an Independent Director at the 51st Annual General Meeting of the Company and who holds office up to December 31, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from January 1, 2020 to December 31, 2024 be and is hereby approved."

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

(**Ashok Kumar Shukla**)

Company Secretary
ACS-29673

Place : New Delhi
Dated : 24.05.2019

NOTES:

- M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), were appointed as Statutory Auditors of the Company at the 53rd Annual General Meeting held on July 17, 2017 for a period of 5 years to hold office till the conclusion of 58th Annual General Meeting of the Company subject to ratification of their appointment by the members at every intermittent AGM of the Company. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, the mandatory requirement for ratification of the appointment of Statutory Auditors by the Members at every Annual General Meeting ("AGM") is no longer required, and hence the Company is not proposing an item on ratification of the appointment of Statutory Auditors at this 55th Annual General Meeting of the Company.
- 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.**
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from 27.07.2019 to 02.08.2019 (both days inclusive).
- 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
- Members are requested to notify immediately any change in their address to Mas Services Ltd. quoting their folio numbers along with necessary documents.
- Members/Proxies should bring the attendance slip duly filled-in for attending the meeting.
- 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.
- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of

NOTICE (Contd.)

- 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.
10. 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 an original cancelled cheque of first shareholder alongwith copy of Pass Book or Bank Statements to the RTA.
 11. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, M/s Mas Services Limited for assistance in this regard.
 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) under ISIN: INE636A01039 of the company.
 14. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.
 15. 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 with a facility to exercise their right to vote at the Annual General 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.
 16. 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.
 17. Route map to the venue of the AGM is appended at the end of the Annual Report.

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3 to 6 of the accompanying Notice:

ITEM NO. 3

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.

NOTICE (Contd.)

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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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. 4

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Manju Vira Gupta (DIN-05186954), as Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from December 26, 2018 to December 25, 2023, subject to the approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, Mrs. Manju Vira Gupta shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing her candidature for the office of Director.

The Company has received a declaration from Mrs. Manju Vira Gupta to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

In the opinion of the Board, Mrs. Manju Vira Gupta fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and she is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

A brief profile of Mrs. Manju Vira Gupta to be appointed is given below:

Mrs. Manju Vira Gupta is M.A. (Sociology) from Barkatullah University, Bhopal, Madhya Pradesh. She was a Research assistant at Fredrick Elbert Foundation working on the issue of child labour in India. She was also the Country representative of The STEP Foundation, a Swiss NGO with its head office in Basel in Switzerland. Her guidance on various matters related to the growth of the Company will be supportive to the Company in dealing with complex matters. Further details and current directorships of the Mrs. Manju Vira Gupta is provided in the Annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mrs. Manju Vira Gupta as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Resolution at Item No.4 of this Notice for approval of the Members.

Except Mrs. Manju Vira Gupta and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ravinder Singh Bedi (DIN-01408189) as Independent Director, for a second term of five years from January 1, 2020 to December 31, 2024, not liable to retire by rotation. Mr. Ravinder Singh Bedi was appointed as Independent Director at the 51st Annual General Meeting ("AGM") of the Company and holds office up to December 31, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Ravinder Singh Bedi would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

NOTICE (Contd.)

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

Mr. Ravinder Singh Bedi is a Graduate of the National Defence Academy. He has served in various capacities in the Government of India for 43 years. He is also President of Delhi Golf Club. His guidance on various matters related to the growth of the Company has been notable and supportive to the Company in dealing with complex matters. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Ravinder Singh Bedi as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.

Except Mr. Ravinder Singh Bedi and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Prof. Dinesh Mohan (DIN-00077959) as Independent Director, for a second term of five years from January 1, 2020 to December 31, 2024, not liable to retire by rotation. Prof. Dinesh Mohan was appointed as Independent Director at the 51st Annual General Meeting ("AGM") of the Company and holds office up to December 31, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Prof. Dinesh Mohan would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

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. His guidance on various matters related to the growth of the Company has been notable and supportive to the Company in dealing with complex matters. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Prof. Dinesh Mohan as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 6 of this Notice for approval of the Members.

Except Prof. Dinesh Mohan and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

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

(**Ashok Kumar Shukla**)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 24.05.2019

NOTICE (Contd.)**ANNEXURE****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 the Director	Mrs. Manju Vira Gupta	Mr. Ravinder Singh Bedi	Prof. Dinesh Mohan
DIN	05186954	01408189	00077959
Date of Birth	14.12.1943	23.10.1943	04.10.1945
Date of appointment	26.12.2018	28.3.2007	05.05.1992
Expertise in the specific functional area	Mrs. Manju Vira Gupta was a Research assistant at Fredrick Elbert Foundation working on the issue of child labour in India. She was also the Country representative of The STEP Foundation, a Swiss NGO with its head office in Basel in Switzerland.	Mr. Bedi has served in various capacities in the Government of India for 43 years.	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 a 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.
Qualification	M.A. (Sociology) from Barkatullah University, Bhopal, Madhya Pradesh.	Graduate of the National Defence Academy	Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B. Tech (Hons.) in Mechanical Engineering.
Shareholding in the Company (including HUF)	306	Nil	Nil
Directorship held in other public companies (excluding foreign companies)	Nil	- SIEL Industrial Estate Ltd. - Delhi Golf Club	Nil
Membership/ Chairman ship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil
Disclosure of Relationship between Director inter-se	Nil	Nil	Nil

DIRECTORS' REPORT

Your Directors hereby present the 55th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2019.

FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2019	31.3.2018
1.	Profit before interest, depreciation, exceptional items and tax	1273.91	439.23
2.	Interest	233.33	209.90
3.	Depreciation	333.74	239.23
4.	Exceptional Items – Income	-	147.59
5.	Profit before tax	706.84	137.69
6.	Tax expenses	282.44	(24.71)
7.	Profit after tax	424.40	162.40
8.	Other Comprehensive Income	(1.24)	0.51
9.	Total Comprehensive Income	423.16	162.91

TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriation.

DIVIDEND

In view of acute cash flow constraints due to large outstanding dues of the Sugar Cane farmers, your Directors are not able to recommend any Dividend.

OPERATIONS

1. SUGAR DIVISION (2018-19)

The Sugarcane crush during season 2018-19 was 27.43 Lac Ton as compared to 31.42 Lac Ton in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season				
		2014-15	2015-16	2016-17	2017-18	2018-19
Cane Crush	Lac MT	26.77	21.73	23.03	31.42	27.43
Recovery	%	9.49	10.72	11.18	11.25	11.47
Sugar Production	Lac MT	2.54	2.33	2.57	3.54	3.28

Your Company's sugar factories are in U.P. where sugarcane prices are determined by the Government of U.P. through State Advised Price (SAP). These prices have been raised so high and owing to stringent sugar/sugarcane laws dating back to 1932, the farmer is assured of payment even if payment is late. This encourages the farmers to plant as much Sugarcane as they can as it is the most profitable cash crop in the country.

The resultant of this is that the sugarcane production in the country is at an all time high and is likely to remain so for the next two years and this has resulted in sugar production levels of 33 million tons which are so excessive that they drove the sugar prices down to abysmally low levels of about Rs.26,000 a ton. With the Sugarcane cost of about Rs.3400 a ton, all mills started losing heavily and balance sheets were damaged.

The Government of India selling quota therefore stepped in to announce Minimum Support Price (MSP) coupled with stringent rules mechanism as existed in the past and this has brought some equilibrium in the market. With world prices so low that exports can only be undertaken at a loss, the prospects of excessive national level stocks will continue for a foreseeable future.

Arising out of this, the Sugarcane dues to farmers has risen to very high levels including by your Company and, even though there are sufficient sugar stocks to pay for the sugarcane dues, the Sugarcane dues are delayed.

Therefore, it should be noted that this industry is completely virtually controlled by State/Central Government through sugarcane price (raw material) and sugar price (finished product) being determined by them.

Nonetheless, the agro industry of sugarcane is a very important area of agriculture for India and it is expected that the Government will not let this industry die or become terminally ill as it will have an extremely damaging impact for about 50 million persons in the country who are directly or indirectly involved with sugarcane/sugar.

The Company continues to argue, even up to Supreme Court level, for the Government of U.P. to fulfil its obligations to the Company under the U.P. Sugar Industry Promotion Policy of 2004 based on which the Company had invested large amounts of money and, according to the Company, the State has not fulfilled its obligations.

2. CHLOR ALKALI DIVISION:

During the 12 months period Apr'18 – Mar'19, overall the business performed well in line with the industry with volatility in prices. The plant capacity utilization was matched to market requirements.

The prices of Caustic Soda and Chlorine remained stable throughout the year with some occasional volatility. Caustic prices in international markets, however, came down to 2016 levels due to lower demand their but Indian Caustic market remained insulated from oversupply due to curb on Imports. Chlorine demand also remained stable that helped to maintain the operating levels.

DIRECTORS' REPORT (Contd.)

SUBSIDIARY/ASSOCIATE COMPANIES

a) 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 has not been doing any business since the last 17 years.

Siel Infrastructure & Estate Developers Private Limited is a subsidiary Company which was created for assisting in the 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 the relationship of any subsidiary Company during the financial year.

b) ASSOCIATE COMPANY

During the year, the Board of Directors of the Company has approved the conversion of outstanding dues of Rs. 150 million owed by Mawana Foods Private Limited (MFPL) to the Company into 67,59,801 equity shares of Rs.10/- each at a price of Rs. 22.19 per equity share in MFPL. With this conversion, the Company holds 33.74% equity in the paid up equity capital of MFPL. The statement of profit and loss of the Associate Company is given in the Note No.60 to Financial Statements of group.

Mawana Foods Pvt. Ltd. (MFPL), an associate is an established player in the retail business of sugar, edible oils and soap and having a very wide range of distribution network. The investment in MFPL will allow the Company to use its distribution network for increase the footprint in retail business.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2018-2019, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) APPOINTMENTS / RE-APPOINTMENTS

Mr. Dharam Pal Sharma, Director (DIN: 07259344) is liable to retire by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders approval for his re-appointment forms a part of the Notice.

Mrs. Manju Vira Gupta (DIN-05186954) has been appointed as an Additional and Independent Director (under the category of Non-Executive Independent Woman Director) w.e.f. 26.12.2018. A special resolution seeking shareholders approval for her appointment forms a part of the Notice. With this appointment, the Company has complied with the requirement of having a Woman Director on its Board as per the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

Mr. Ravinder Singh Bedi (DIN-01408189) was appointed as an independent director at the 51st Annual General Meeting (AGM) held on 23.3.2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five consecutive years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Prof. Dinesh Mohan (DIN-00077959) was appointed as an independent director at the 51st Annual General Meeting (AGM) held on 23.3.2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five consecutive years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Mr. Ravinder Singh Bedi and Mrs. Manju Vira Gupta are more than 75 years of age. The Company has obtained approval as special resolution from shareholders of the Company on 30.03.2019 for their continuation as Directors of the Company for remaining period of their first term w.e.f. 1.4.2019 in terms Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 through Postal Ballot process.