

23rd
Annual Report
2014-15



RANA SUGARS LIMITED



BOARD OF DIRECTORS

Rana Inder Pratap Singh	Managing Director
Shri A.S. Sodhi	Director
Shri S.A.S.Bajwa	Director
Shri Balijit Singh	Director
Rana Veer Pratap Singh	Director
Rana Karan Pratap Singh	Director
Rana Ranjit Singh	Director
Mrs Rajbans Kaur	Director
Shri Jasbir Singh Tikka	Director
Shri Balour Singh	Director (Nominee of PEDDA)
Shri M.P. Singh	Director (Nominee of PEDDA)

COMPANY SECRETARY

Manmohan K. Raina

AUDITORS

Kansal Singla & Associates
Chartered Accountants
SCO 80-81, 4th Floor,
Sector 17-C, Chandigarh-160 117

BANKERS

State Bank of India
Sector 17-B, Chandigarh- 160 017
State Bank of Patiala
Sector 8-C, Chandigarh-160 009
Bank of Baroda
Sector 22-B, Chandigarh- 160 022
UCO Bank
Sector 17-B, Chandigarh-160 017
State Bank of Bikaner & Jaipur
Sector 17-D, Chandigarh-160 017
State Bank of Hyderabad
Sector 34-A, Chandigarh- 160 031
State Bank of Mysore
New Delhi

REGD. OFFICE

SCO 49-50 Sector 8-C,
Madhya Marg,
Chandigarh-160 009

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of Rana Sugars Limited will be held on Wednesday, the 30th day of September, 2015 at 3.00 P.M. at The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31st March, 2015 and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Rana Karan Pratap Singh (holding DIN 01894399), who is liable to retire by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Balour Singh (holding DIN 01067047), who is liable to retire by rotation and being eligible offers himself for reappointment..
4. To appoint M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh (ICAI Registration No. 003897N) as statutory auditors of the Company to hold office 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 to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT Mrs. Rajbans Kaur (holding DIN 00074954), who was appointed as Additional Director of the Company on 27th March, 2015 and whose term of office expires under Section 161 of the Companies Act, 2013 at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Jasbir Singh Tikka (holding DIN 06392213), who was appointed as Additional Director of the Company on 27th March, 2015 and whose term of office expires under Section 161 of the Companies Act, 2013 at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions if any, consent of the Company be and is hereby accorded for the payment of remuneration of Rs.50,000/- (Rupees Fifty thousand only) to M/s. Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123), who were appointed as Cost Auditors by the Board of Directors in their meeting held on 30.05.2015 for carrying out Cost Audit of the Company for financial year 2015-16, be and is hereby approved.”

By order of the Board
for **RANA SUGARS LIMITED**

Place: Chandigarh
Dated: 13th August, 2015

(**MANMOHAN K. RAINA**)
COMPANY SECRETARY



NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26th September, 2015 to 30th September, 2015 (both days inclusive) for the purpose of Annual General Meeting of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND ON A POLL ONLY TO VOTE ON HIS/HER BEHALF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/ authority letter, as applicable.
4. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
5. **To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may also register their e-mail addresses through the RTA, giving reference of their Folio Number.**
6. **Voting through electronic means:**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.09.2015 at 9.00 A. M. and ends on 29.09.2015 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on covering letter. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member Id/ folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23.09.2015 may follow the same instructions as mentioned above for e-Voting.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The Company has appointed Mr. Ajay Arora, Company Secretary in whole time practice (ICSI membership No. FCS 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize and collate the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiv) The results shall be declared after the AGM of the Company. The result alongwith the Scrutinizer's Report shall be placed on the Company's website www.ranasugars.com and on the website of CDSL.
- (xxv) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to Mr. Ajay Arora, Practising Company Secretary at his e-mail address ajaykcs@gmail.com with a copy marked to Company Secretary, Rana Sugars Limited, Chandigarh at mkraina@ranasugars.com.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days from Monday to Friday between 11.00 AM to 2.00 PM up to the date of Annual General Meeting.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5 & 6

Mrs. Rajbans Kaur & Mr. Jasbir Singh Tikka were appointed as Additional Directors of the Company by the Board of Directors at its meeting held on 27th March, 2015. According to the provisions of Section 161 of the Companies Act, 2013 they hold office as Director only upto the date of ensuing Annual General Meeting. As required by Section 160 of the Companies Act, 2013, the Company has received notice from members proposing their candidature for appointment as Director liable to retire by rotation.

The Board recommends the passing of the Resolutions set out in item Nos. 5 & 6 of the accompanying Notice.

ITEM NO. 7

Pursuant to section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to approve the payment of remuneration of Rs. 50,000/- (Rupees Fifty thousand only) to the Cost Auditors as approved by the Board of Directors in their meeting held on 30.05.2015 for the Financial Year 2015-16.

None of the Directors and/or Key Management Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the resolution for the approval of the Members set out at Item No. 7.

By order of the Board
for **RANA SUGARS LIMITED**

Place: Chandigarh
Dated: 13th August, 2015

(MANMOHAN K. RAINA)
COMPANY SECRETARY



BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 23rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review alongwith previous years figures are given hereunder :

(₹ In lacs)

	Current Year ended 31.03.2015	Previous Year ended 31.03.2014
Net Sales /Income from Business Operations	69,790.27	64,790.59
Other Income	840.81	(12.84)
Total Income	70,631.08	64,777.75
Less Interest	8,658.40	7,965.19
Profit before Depreciation	(5,504.18)	362.92
Less Depreciation	2,652.77	3,316.42
Profit after depreciation and Interest	(8,156.95)	(2,953.50)
Less Current Income Tax	--	--
Less Previous year adjustment of Income Tax	--	--
Less Deferred Tax	(2,659.19)	(559.48)
Net Profit after Tax	(5,497.76)	(2,394.02)
Dividend (including Interim if any and final)	--	--
Net Profit after dividend and Tax	(5,497.76)	(2,394.02)
Amount transferred to General Reserve	--	--
Balance carried to Balance Sheet	(5,497.76)	(2,394.02)
Earning per share (Basic)	(3.58)	(1.56)
Earning per Share (Diluted)	(3.58)	(1.56)

2. DIVIDEND

No Dividend was declared for the current financial year due to loss incurred by the Company.

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

Since there was no unpaid/unclaimed Dividend declared and paid, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

a. Production and Profitability

The sugar production of the country during 2014-15 has gone to 250.46 lakhs tones as compared to 245.50 lakhs tones of the year 2013-14.

The Company has crushed 1,63,15,665 qtls. of sugarcane and 6,17,995 qtls. of sugar beets and has produced 14,38,199 qtls. of sugar during the year under review. The Company has also produced 8,47,310 qtls. of molasses and 18,89,78,646 units of electricity 1,96,17,316 BL of spirit and 16,76,862 cases of liquor.

b. Sales

The turnover of the Company has gone to Rs.70,631.08 Lacs as against Rs.64,777.75 Lacs in the last year.

c. Marketing and Market environment

Sugar industries is a seasonal industry. The production of sugar depends upon availability of sugarcane which



is affected by weather of the particular place. The quality of soil deteriorates due to overuse of fertilizers and pesticides to increase sugarcane yield. The sugar sector in India goes through a phase of cyclicity, mainly on account of situations of high cane pricing which is under Govt. control.

- d. Future Prospects including constraints affecting due to Government policies

The sugar industry is facing a huge financial crisis. The sugar prices are falling continuously every month. Due to low realization from sugar, the mills are unable to recover the cost of production and generate enough cash flows. Due to the mills' inability to generate cash flow on account of low realization from sugar, the cane arrears have also risen to record levels in the current sugar season. The sugar prices are falling mainly due to excess supply in the local market. The current sugar season 2014-15, is the fifth year in a row of surplus sugar production. The crisis has been accentuated by surplus sugar production globally, putting a downward pressure on sugar prices.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-A and is attached to this report.

7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loan or investments made under Section 186 of the Companies Act, 2013 during the year. However, the Company has given guarantee to the Banks for crop loans to the cane growers of the area of Rs.5858.34 lacs against Rs. 5553.06 lacs of the last year.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

There was no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing Company Secretary in their respective reports.

11. CORPORATE GOVERNANCE

As required under Listing Agreement with Stock Exchanges, a report on the Corporate Governance alongwith Auditors' Certificate on compliance of conditions of Corporate Governance are enclosed as Annexure 'B' & 'C' and report of Management Discussion and Analysis is attached as annexure 'D' and the reports form the part of the Directors' Report.

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Report on Corporate Governance.

13. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 'E' and is attached to this Report.



14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 10 Board meetings during the financial year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

- (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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (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; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Internal financial control means the 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.

- (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.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company as per the provisions of the Companies Act, 2013.

17. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18. DIRECTORS

Mrs. Rajbans Kaur & Mr. Jasbir Singh Tikka who were appointed as Additional Directors on 27.03.2015 and hold the said office till the date of the Annual General Meeting. Notices have been received from members proposing their candidature for their reappointment.

Rana Karan Pratap Singh and Shri Balour Singh retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

19. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

20. STATUTORY AUDITORS

M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh were appointed as Statutory Auditors from the conclusion of the last Annual General Meeting to this Annual General Meeting of the Company. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

21. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. A. Arora & Co., a firm of Company Secretaries (C.P.No.993) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in prescribed format MR-3 given by aforesaid Secretarial Auditors is annexed to this Board Report as Annexure 'F' and forms an integral part.

The Secretarial Auditor has neither qualified the Secretarial Audit Report nor given any adverse remark for which explanation may be required to be given in the Director's Report.



However, all the forms/ documents as observed by Secretarial Auditor have been filed with Registrar of Companies.

22. RISK MANAGEMENT POLICY

Risks are an integral part of any business and the risk profile, to a great extent, depends on the climatic conditions, economic and business conditions and the markets and customers we serve.

The Company has adopted a 'Risk Management Policy' which is reviewed on a periodic basis in order to recognize and reduce exposure to risks wherever possible. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

Few of the risks associated with our businesses are enumerated below:

- Fluctuations in demand and price for finished products viz. sugar.
- Fluctuations in the price and availability of key raw materials, including sugarcane, raw sugar and sugar beet.
- Increase in interest rates.
- Changes in government policies affecting the sugar industry in India.
- Accidents, natural disasters or outbreaks of disease in sugarcane.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members -

- a. Shri Asdev Singh Sodhi
- b. Shri Shiv Avtar Singh Bajwa
- c. Shri Baljit Singh

The above composition of the Audit Committee consists of all independent Directors.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

24. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

25. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rana Inder Pratap Singh

Managing Director

Rana Karan Pratap Singh

Director

Date : 13th August, 2015

Place : Chandigarh