

**24<sup>th</sup>**  
**Annual Report**  
**2015-16**



**RANA SUGARS LIMITED**

# RANA SUGARS LIMITED



## BOARD OF DIRECTORS

|                         |                             |
|-------------------------|-----------------------------|
| Rana Inder Pratap Singh | Managing Director           |
| Shri A.S. Sodhi         | Director                    |
| Shri S.A.S.Bajwa        | Director                    |
| Shri Baljit Singh       | Director                    |
| Rana Veer Pratap Singh  | Director                    |
| Rana Karan Pratap Singh | Director                    |
| Rana Ranjit Singh       | Director                    |
| Mrs Rani Mondal         | 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-160 017

## 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

## C O N T E N T S

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## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of Rana Sugars Limited will be held on Friday, the 30<sup>th</sup> day of September, 2016 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 31<sup>st</sup> March, 2016 and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Rana Ranjit Singh (DIN 00076770), who is liable to retire by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Rana Veer Pratap Singh (DIN 00076808), who is liable to retire by rotation and being eligible offers himself for reappointment.

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Kansal Singla & Associates, Chartered Accountants (Firm Registration No. 003897N), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be fixed by the Board of Directors or a Committee thereof."

### 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. Rani Mondal (DIN 07004246), who was appointed as Additional Director of the Company on 30<sup>th</sup> May, 2016 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 an Independent Director on the Board of the company to hold office for a period of 5 (Five) consecutive years commencing from 30<sup>th</sup> May, 2016."

6. 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 30.05.2016 for carrying out Cost Audit of the Company for financial year 2016-17, be and is hereby approved."

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 the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) from the statutory authorities, financial institutions as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Rana Inder Pratap Singh (DIN 00075107) as Managing Director of the Company w.e.f. 31<sup>st</sup> January, 2016 for a further period of five years i.e. upto 30<sup>th</sup> January, 2021 without any remuneration."

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

Place: Chandigarh  
Dated: 12<sup>th</sup> August, 2016

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



## NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (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 2015-16 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 2015-16 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 24<sup>th</sup> 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 27.09.2016 at 9.00 A.M. and ends on 29.09.2016 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 23.09.2016, 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](http://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](http://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  |   |
|---|---|
| <b>PAN</b>  | <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"> <li>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.</li> <li>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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b>   | <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"> <li>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).</li> </ul>  |
| <p>(ix) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(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.</p> <p>(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xii) Click on the EVSN for the relevant Company on which you choose to vote.</p> <p>(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.</p> <p>(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(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.</p> <p>(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</p> <p>(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.</p> <p>(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 &amp; enter the details as prompted by the system.</p> <p>(xix) <b>Shareholders can also cast their vote using CDSL's mobile app m-Voting available for mobiles. The m-Voting app can be downloaded from Google Play store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.</b></p> <p>(xx) Note for Non – Individual Shareholders and Custodians</p> <ul style="list-style-type: none"> <li>Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and register themselves as Corporates.</li> <li>A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.</li> <li>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.</li> <li>The list of accounts should be mailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> and on approval of the accounts they would be able to cast their vote.</li> <li>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.</li> </ul> <p>(xxi) 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. 23.09.2016 may follow the same instructions as mentioned above for e-Voting.</p> <p>(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions</p> |   |



("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (xxiii) 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.
  - (xxiv) 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.
  - (xxv) 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](http://www.ranasugars.com) and on the website of CDSL.
  - (xxvi) 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](mailto:ajaykcs@gmail.com) with a copy marked to Company Secretary, Rana Sugars Limited, Chandigarh at [mkraina@ranasugars.com](mailto: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**

In terms of the provisions of Sections 149, 161 of the Companies Act, 2013 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Mrs. Rani Mondal was appointed as an Additional Director (under the category of Non-Executive Independent Woman Director) of the Company with effect from 30.05.2016 by the Board of Director. who shall hold office upto the date of the ensuing Annual General Meeting of the Company.

Further, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mrs. Rani Mondal as Independent Director of the Company for a period of 5(five) Consecutive years commencing from 30.05.2016.

The Company has received declaration from Mrs. Rani Mondal that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (LODR) Regulations, 2015.

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

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

### **ITEM NO. 6**

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 30.05.2016 for the Financial Year 2016-17.

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. 6.

### **ITEM NO. 7**

The tenure of Rana Inder Pratap Singh as Managing Director of the Company was expired on 30th January, 2016. He has managed the affairs of the Company very efficiently and successfully as Managing Director of the Company. The Board of Directors in its meeting held on 20<sup>th</sup> January, 2016 has re-appointed Rana Inder Pratap Singh as Managing Director of the Company for a further period of 5 years w.e.f. 31<sup>st</sup> January, 2016 without any remuneration.

None of the Directors except Rana Ranjit Singh, Rana Inder Pratap Singh, Rana Veer Pratap Singh and Rana Karan Pratap Singh and/or Key Management Personnel and their relatives are concerned or interested in the resolution.

The Board recommends management personnel 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: 12<sup>th</sup> August, 2016

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



## BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 24<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2016.

### 1. FINANCIAL RESULTS

The Company's financial performance for the year under review alongwith previous years figures are given hereunder : (Rs. In lacs)

| Particulars                                   | Current<br>Year ended<br>31.03.2016 | Previous<br>Year ended<br>31.03.2015 |
|---|-------------------------------------|--------------------------------------|
| Net Sales /Income from business operations    | 85,579.84                           | 69,790.27                            |
| Other Income                                  | 98.14                               | 840.81                               |
| Total Income                                  | 85,677.98                           | 70,631.08                            |
| Less Interest                                 | 9,517.40                            | 8,658.40                             |
| Profit before Depreciation                    | 4,451.13                            | (5,504.18)                           |
| Less Depreciation & Amortization Exp.         | 2,781.52                            | 2,652.77                             |
| Profit after depreciation and Interest        | 1,669.61                            | (8,156.95)                           |
| Less Current Income Tax                       | -                                   | -                                    |
| Less Previous year adjustment of Income Tax   | -                                   | -                                    |
| Less Deferred Tax                             | (3.23)                              | (2,659.19)                           |
| Net Profit after Tax                          | 1,672.84                            | (5,497.76)                           |
| Dividend (including Interim if any and final) | -                                   | -                                    |
| Net Profit after dividend and Tax             | 1,672.84                            | (5,497.76)                           |
| Earning per share (Basic)                     | 1.09                                | (3.58)                               |
| Earning per Share (Diluted)                   | 1.09                                | (3.58)                               |

### 2. DIVIDEND

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

### 3. 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 2015-16 (upto 30<sup>th</sup> April, 2016) has gone to 246.03 lakhs tones as compared to 276.04 lakhs tones of the year 2014-15.

The Company has crushed 1,65,50,666 qtls. of sugarcane and 23,21,280 qtls. of sugar beets and has produced 17,58,135 qtls. of sugar during the year under review. The Company has also produced 8,55,380 qtls. of molasses and 20,29,28,400 units of electricity, 2,09,72,254 BL of spirit and 25,72,375 cases of liquor.

#### b. Sales

The turnover of the Company has gone to Rs. 85,677.98 Lacs as against Rs. 70,631.08 Lacs in the last year and the Company has earned net profit of Rs. 1672.84 lacs as compared to loss of Rs. 5,497.77 lacs during 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. The Company has encouraged sowing of sugar beet in its area and has crushed 23,21,280 qtls. of sugar beet in addition to sugarcane.





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

The sugar production of the country has gone to 246.03 lacs tons during current season. Due to improvement of market sentiments there are better lifting of sugar during current season. Government of India announced certain incentives for export of sugar upto 31<sup>st</sup> March, 2016, resulting into export of about 13.5 lacs tons of sugar by Sugar Mills. With the improvement of domestic market, it is expected that cane price payments to the cane growers will improve and cane arrear will come down substantially in future.

**4. MATERIAL CHANGES AND COMMITMENTS**

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

**5. DIRECTORS**

There was no change in the Directorship of the Company during the year.

Rana Ranjit Singh and Rana Veer Pratap Singh, Directors are liable to retire by rotation and being eligible, offers themselves for re-appointment.

Particulars of Directors seeking appointment/re-appointment have been given in the Corporate Governance annexed to the Directors Report.

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

In Accordance with the provisions of Section 134(3)(c) 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 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 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;
- 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.

**7. KEY MANAGERIAL PERSONNEL (KMP)**

During the financial period ended 31.3.2016, 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.      | Rana Inder Pratap Singh | Managing Director       |
| 2.      | Mr. Manmohan K Raina    | Company Secretary       |
| 3.      | Mr. Manoj Gupta         | Chief Financial Officer |

**8. MEETINGS OF THE BOARD**

During the financial year ended 31.3.2016, eight Board Meetings were held. 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.

**9. 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.

**10. INTERNAL FINANCIAL CONTROLS**

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments. An internal audit process is in place under the overall supervision of the Audit Committee of the Board. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of, inter alia, the internal financial controls. The appointment of internal auditors is approved by the Board on recommendations of the Audit Committee. The Audit Committee also lays down the schedule for internal audit.





Internal audit reports are placed before the Committee with management comments. Suggestions are implemented and reported to the Audit Committee. An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

## 11. STATUTORY AUDITORS AND THEIR REPORT

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.

## 12. COST AUDITORS

M/s Khushwinder Kumar & Co., Cost Accountants (Firm Registration No 100123) were re-appointed as Cost Auditors of the Company for conducting the audit of the cost records maintained by the Company for the financial year 2016-17 subject to the approval of the Members on the remuneration to be paid to the Cost Auditors. A certificate from them has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and rules framed there under.

## 13. 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 Directors' Report.

## 14. FIXED DEPOSITS

The Company does not have any deposits and has neither accepted any deposits during the financial period ended 31<sup>st</sup> March, 2016.

## 15. RISK MANAGEMENT

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, molasses etc.
- 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.

## 16. AUDIT COMMITTEE

The Audit Committee comprises of three Directors, all directors are independent Director. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

## 17. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website [www.ranasugars.com](http://www.ranasugars.com)

## 18. 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.

## **19. 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.

## **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure - A and forms part of this Report.

## **21. PARTICULARS OF EMPLOYEES**

During the financial period ended 31.3.2016, there is no employee in the Company who is receiving remuneration more than Rs. 5 lacs per month or Rs. 60 lacs per annum.

## **22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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. 6159.98 lacs against Rs. 5858.34 lacs of the last year.

## **23. RELATED PARTY TRANSACTIONS**

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.

## **24. VIGIL MECHANISM**

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

## **25. EXTRACT OF ANNUAL RETURN**

The extracts of the Annual Return (MGT-9) as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as Annexure – E to this Report.

## **26. CORPORATE GOVERNANCE**

In accordance with SEBI (LODR), Regulations, 2015, Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report form part of this report are enclosed as Annexure- B.

## **27. SHARE CAPITAL**

During the financial period ended 31.3.2016, the Company has not issued any share capital with different voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

## **28. ACKNOWLEDGEMENTS**

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

For & on behalf of the Board of Directors

Place : Chandigarh  
Dated : 12.08.2016

**Rana Inder Pratap Singh**  
Managing Director  
DIN: 00075107

**Rana Veer Pratap Singh**  
Director  
DIN: 00076808