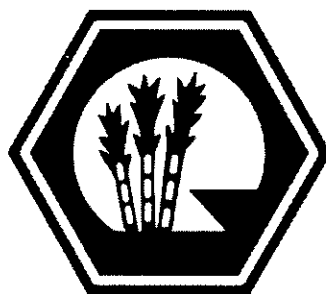




26th **Annual Report** **2017-18**



RANA SUGARS LIMITED



BOARD OF DIRECTORS

Rana Inder Pratap Singh
Rana Ranjit Singh
Shri A.S. Sodhi
Shri S.A.S. Bajwa
Shri Baljit Singh
Rana Veer Pratap Singh
Shri Balour Singh
Shri M.P. Singh

Managing Director
Director
Director
Director
Director
Director
Director (Nominee of PEDDA)
Director (Nominee of PEDDA)

COMPANY SECRETARY

Manmohan K. Raina

AUDITORS

NJ & Associates
Chartered Accountants
2218, Sector 15-C,
Chandigarh-160 015

BANKERS

State Bank of India
Sector 17-B, Chandigarh- 160 017
Bank of Baroda
Sector 22-B, Chandigarh- 160 022
UCO Bank
Sector 17-B, Chandigarh-160 017

REGD. OFFICE

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

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of Rana Sugars Limited will be held on Friday, the 28th day of September, 2018 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, 2018 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 Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), M/s. Ankush Arora & Associates, Chartered Accountants (Firm Registration No. 30578N) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, until the conclusion of the 31st Annual General Meeting of the Company, and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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 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 30.05.2018 for carrying out Cost Audit of the Company for financial year 2018-19, be and is hereby approved."

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

(MANMOHAN K. RAINA)
COMPANY SECRETARY

Place: Chandigarh
Dated: 13th August, 2018



NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 25th September, 2018 to 28th September, 2018 (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 2017-18 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 2017-18 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 26th 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 25.09.2018 at 9.00 A.M. and ends on 27.09.2018 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 21.09.2018, 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. e.g. 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) 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.
 - (xx) 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.
 - (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. 21.09.2018 may follow the same instructions as mentioned above for e-Voting.
 - (xxii) 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.
 - (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 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 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

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 30.05.2018 for the Financial Year 2018-19.

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. 5.

By order of the Board
for RANA SUGARS LIMITED

(MANMOHAN K. RAINA)
COMPANY SECRETARY

Place: Chandigarh
Dated: 13th August, 2018



BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 26th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS

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

(Rs. In lakhs)

| Particulars | Current Year ended 31.03.2018 | Previous Year ended 31.03.2017 |
|---|----------------------------------|-----------------------------------|
| Revenue from Business Operations | 98,767.04 | 1,14,670.11 |
| Other Income | 704.46 | 154.05 |
| Total Income | 99,471.51 | 1,14,824.16 |
| Less Interest | 9,893.83 | 9,013.83 |
| Profit/(Loss) before Depreciation & Amortization Exp. | (5574.66) | (964.64) |
| Less Depreciation & Amortization Exp. | 3,139.42 | 2,841.85 |
| Profit/ (Loss) after depreciation and interest | (8,714.08) | (3,806.49) |
| Less Current Income Tax | -- | -- |
| Less Previous year adjustment of Income Tax | -- | -- |
| Less Deferred Tax | (64.45) | 705.81 |
| Profit/(Loss) after Tax | (8,649.62) | (4,512.30) |
| Dividend (including interim if any and final) | -- | -- |
| Other Comprehensive income not to be reclassified to profit or loss in subsequent periods : | | |
| - Re-measurement gains/ (losses) on defined benefit plans | (9.90) | 18.60 |
| - Income tax effect | 3.06 | (5.75) |
| Other comprehensive income/(loss) for the year, net of tax | (6.84) | 12.85 |
| Total comprehensive income for the year, net of tax attributable to : | (8,656.46) | (4,499.45) |
| - Earning per share (Basic) | (5.63) | (2.94) |
| - Earning per Share (Diluted) | (5.63) | (2.94) |

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first financial statements which have been prepared in accordance with the Ind AS notified under the Companies Indian Accounting Standards Rules, 2015, as amended from time to time. The Company is in Phase II of Ind AS adoption and accordingly the date of transition is 1st April 2016.

In respect of financial information for the year ended 31st March 2018, the Company followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016. The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017.

2. DIVIDEND

In view of losses suffered 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 2017-18 is expected to reach 315 lakhs tones as against last year production of 203 lakhs tones. Your Company has crushed 2,51,88,797 qtls. of sugarcane and 31,87,930 qtls. of sugar beets and has produced 27,75,145 qtls. of sugar during the year under review. The Company has also produced 12,90,702 qtls. of molasses and 26,39,69,514 units of electricity, 44,72,026 BL of spirit, 1,97,11,959 BL of ethanol and 10,16,080 cases of liquor.



b. Sales

The turnover of the Company has come down to Rs. 98,767 Lakhs as against Rs.1,14,670 Lakhs in the last year and the Company has suffered loss of Rs. 8656.46 lakhs during the year. This is due to steep fall in sugar price & molasses rate during the year.

c. Marketing and Market environment

The Government of India has continued with the decontrol mechanism. Due to steep fall in sugar prices there is huge loss of Rs. 8656.46 Lakhs during the year. The Government of India is taking various steps to stabilize sugar price. It has allowed export of sugar providing 20 lakhs MT minimum indicate export quota (MIEQ). It has fixed minimum sugar price and increased the price of ethanol.

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

The sugar price has gone down by 25% in the season and is presently below the average cost of production.

The Company is now trying to find new varieties of cane which give high recovery, besides encouraging sowing of sugar beet in its area.

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

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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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/Loss of the Company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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 31.03.2018, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

| Sl. No. | Name | Designation |
|---------|-------------------------|-------------------------|
| 1. | 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 31.03.2018, four 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 internal control systems which is commensurate with its size, nature and volume of operations.

11. STATUTORY AUDITORS AND THEIR REPORT

M/s. N J & Associates, Chartered Accountants (Firm Registration No. 023083N) has submitted their resignation from the auditorship of the Company and shown their unwillingness to continue as auditor of the Company. As per the Companies Act, 2013, a new firm M/s. Ankush Arora & Associates, Chartered Accountants (Firm Registration No. 30578N) has been recommended for appointment as Statutory Auditors of the Company for a term of 5 years from the conclusion of the forthcoming Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder, for their appointment as Auditors of the Company.

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 2018-19 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 March 31, 2018.

15. RISK MANAGEMENT POLICY

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.

Your Company continues to review and manage the risks emanating from such a dynamic environment at periodic intervals. The major risks faced by the industry include sugarcane availability, price realization and regulatory control by Government and financial liquidity amongst others.

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

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's policy relating to Corporate Social Responsibility is furnished in the Corporate Governance Report.

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 31.03.2018, there is no employee in the Company who is receiving remuneration more than Rs.5 lakhs per month or Rs.60 lakhs 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.

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. WHISTLE BLOWER POLICY/ 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, C&D respectively.

27. SHARE CAPITAL

During the financial period ended 31.03.2018, 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: 13.08.2018

Rana Inder Pratap Singh
Managing Director
DIN: 00075107

Rana Veer Pratap Singh
Director
DIN: 00076808



ANNEXURE - A

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2018

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

1. CONSERVATION OF ENERGY

The Company has installed most modern equipment to save and minimise energy consumption. The Company has installed three Turbo Alternators sets with power generation capacity of 87,500 KW. The entire requirement of power is met through captive generation. The Company has also made stand by arrangement of Diesel Generating Sets.

To achieve maximum conservation of energy, the Company has put up high pressure boilers and matching Turbo alternators and prime movers. The Company has also installed electrical motors of appropriate size and continuous centrifugals in place of batch type centrifugals.

A. Electricity

| | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|--------------------------|--------------------------|
| Purchased | | |
| - Sugar | | |
| - Unit Purchased | 2,134,595 | 3,176,029 |
| - Total Amount (₹) | 17,779,130 | 25,476,019 |
| - Rate Per Unit (₹) | 8.33 | 8.02 |
| Own Generation | | |
| - Sugar | | |
| - Through D.G. Set (Sugar Division) Units Generated | 164,039 | 96,595 |
| - Units Generated per litre of Diesel Oil | 5.66 | 3.71 |
| - Cost Per Unit (₹) | 10.38 | 15.04 |
| - Through Steam Turbine (Sugar Division) Units Generated | 263,969,514 | 245,157,800 |
| - Unit Generated per Qtl. of Fuel | 36.68 | 49.75 |
| - Cost Per Unit Electricity (₹) | 2.26 | 1.97 |
| - Distillery | | |
| - Through D.G. Set | | |
| - Units Generated | 184,690 | 276,026 |
| - Units Generated per litre of Diesel Oil | 3.44 | 3.48 |
| - Cost Per Unit (₹) | 16.33 | 9.65 |
| - Through Steam Turbine Units Generated | 12,728,340 | 10,929,208 |
| - Unit Generated per Qtl. of Fuel | 34.52 | 25.91 |
| - Cost Per Unit Electricity (₹) | 2.71 | 2.81 |
| B. Consumption Per Unit of Product | | |
| - Sugar | | |
| - Electricity (KW/MT) | 288.29 | 340.35 |
| - Fuel (MT/MT) | 1.99 | 2.32 |
| - Steam (MT/MT) | 4.30 | 5.96 |
| - Distillery | | |
| - Electricity (KW/KL) | 544.08 | 488.63 |
| - Fuel (MT/KL) | 1.52 | 1.84 |
| - Steam (MT/KL) | 5.95 | 7.17 |

C. Technology Absorption

i) Research & Development

a) Research & Development has continuously been carried out for improvement in quality of sugarcane and to increase the area under the sugarcane crop which will ensure its greater availability resulting into more production & better quality of cane and higher yield there by directly reducing the cost of production.

b) The Company is trying to improve quality of Cane & ensure development of Cane by providing various facilities to the Cane growers.

c) Amount incurred on Research & Development (₹ in lakhs)

2.13 1.64

ii) Technology Absorption, Adoption and innovation.

a) Latest technology has been adopted in the plant to maximise production, yield and better quality along with minimum consumption of energy.

b) Technology Imported

Nil Nil

D. FOREIGN EXCHANGE EARNING & OUTGO

| | | |
|--|--------|--------|
| a) Foreign Exchange Earning | 13.18 | 17.24 |
| b) Foreign Exchange Outgo (₹ in lakhs) | 541.60 | 573.07 |

For & on behalf of the Board

Place : Chandigarh
Date : 13-08-2018

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director



REPORT ON CORPORATE GOVERNANCE

A) Company's Philosophy on Code of Governance

Your Company strongly believes that good corporate governance is essential to achieve its business objectives and long term goals besides creating value for all its stakeholders management accountability. Company's guiding principles are focused on achieving the best standards of corporate governance and it is committed to attain the highest level of transparency and accountability in its dealings with investors, lenders, employees and all other stakeholders.

B) Board of Directors

The present strength of the Board of Directors is Nine, of which Eight are Non-Executive Directors. The Board members include one Managing Director, one Women Director and two nominee of Punjab Energy Development Agency.

During the year under review, four Board Meetings were held on 29th May, 2017, 14th September, 2017, 14th December, 2017 and 14th February, 2018. The composition of the Board of Directors and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of directorships in other companies are as follows:

| Name of Director | Attendance at last AGM | No. of Board Meetings attended | Category of Director | Other Directorships |
|----------------------------|------------------------|--------------------------------|----------------------|---------------------|
| Rana Ranjit Singh | -- | 1 | NED/P | 4 |
| Rana Inder Pratap Singh | Yes | 4 | MD/P | 4 |
| Rana Veer Pratap Singh | Yes | 1 | NED/P | 2 |
| Shri Asdev Singh Sodhi | Yes | 1 | NED | 1 |
| Shri Shivavtar Singh Bajwa | Yes | 4 | NED | 2 |
| Shri Baljit Singh | Yes | 4 | NED | 1 |
| Shri Balour Singh | -- | 1 | NED/PEDA | 1 |
| Shri M. P. Singh | -- | 1 | NED/PEDA | 1 |
| Mrs. Rani Mondal | -- | 1 | NED | 2 |

MD – Managing Director, P – Promoter, NED – Non Executive Director, PEDA – Punjab Energy Development Agency

C) Committees of the Board

The Board had constituted Four Committees, which are (a) Audit Committee (b) Stakeholder's Relationship Committee (c) Nomination and Remuneration Committee (d) Corporate Social Responsibility (CSR) Committee :

I) Audit Committee

The scope of activities of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the NSE & BSE Limited read with regulation 18 of SEBI (LODR) Regulations, 2015, further read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements,
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through and issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;