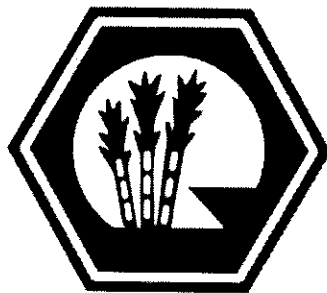


27th
Annual Report
2018-19



RANA SUGARS LIMITED



BOARD OF DIRECTORS

| | |
|-------------------------|-------------------|
| Rana Inder Pratap Singh | Managing Director |
| Rana Ranjit Singh | Director |
| Shri S.A.S. Bajwa | Director |
| Shri Baljit Singh | Director |
| Rana Veer Pratap Singh | Director |
| Mrs. Navpreet Kaur | Director |

COMPANY SECRETARY

Manmohan K. Raina

AUDITORS

Ashwani K. Gupta & Associates
Chartered Accountants
1044-A Sectore-2
Panchkula

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 27th Annual General Meeting of Rana Sugars Limited will be held on Monday, the 30th day of September, 2019 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, 2019 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. Ashwani K. Gupta & Associates, Chartered Accountants (Firm Registration No. 003803N) be and is hereby reappointed 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 32nd 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 a **Special Resolution** :
"RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force) and Regulations 17 & 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Shivavtar Singh Bajwa (holding DIN 00714772) who was appointed as an Independent Director of the Company by the Members with effect from September 30, 2014 and whose term of office expires on September 29, 2019 and who has already completed the age of 75 years, be and is hereby reappointed as an Independent Director of the Company not liable to retire by rotation for another term of 5 (Five) years from September 30, 2019 upto September 29, 2024."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :
"RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force) and Regulations 17 & 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Baljit Singh (holding DIN 00074716) who was appointed as an Independent Director of the Company by the Members with effect from September 30, 2014 and whose term of office expires on September 29, 2019 and who has already completed the age of 75 years, be and is hereby reappointed as an Independent Director of the Company not liable to retire by rotation for another term of 5 (Five) years from September 30, 2019 upto September 29, 2024."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Mrs. Navpreet Kaur (DIN 07144566), who was appointed as Additional Director of the Company on November 9, 2018 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, not liable to retire by rotation to hold office for a period of 5 (Five) consecutive years commencing from November 9, 2018 to November 8, 2023."
8. 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 30.05.2019 for carrying out Cost Audit of the Company for financial year 2019-20."

By order of the Board
for RANA SUGARS LIMITED

Place: Chandigarh
Dated: 13th August, 2019

(MANMOHAN K. RAINA)
COMPANY SECRETARY



NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 27th September, 2019 to 30th September, 2019 (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 2018-19 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 2018-19 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. In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, securities of listed Companies can only be transferred in dematerialized form with effect from April 1, 2019. In the view of above, members are advised to dematerialize shares held by them in physical form.
7. 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 27th 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 27.09.2019 at 9.00 A.M. and ends on 29.09.2019 at 5.00 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 23.09.2019, 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. 23.09.2019 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.
8. 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

Shri Shivavtar Singh Bajwa (holding DIN 00714772) and Shri Baljit Singh (DIN 00074716) were appointed as Independent Directors of the Company by the Members on September 30, 2014 to hold office upto September 29, 2019. Notices have been received from members proposing Shri Shivavtar Singh Bajwa (holding DIN 00714772) and Shri Baljit Singh (DIN 00074716) as candidates for the office of Directors of the Company.

Shri Shivavtar Singh Bajwa and Shri Baljit Singh have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and are independent of the management.



The Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee considers that given their background, vast experience and useful contribution, the continued association of Shri Shivavtar Singh Bajwa and Shri Baljit Singh would be beneficial to the Company even after completion of 75 years of age and it is desirable to continue to avail their services as Independent Directors of the Company not liable to retire by rotation for a term of five consecutive years from the date of their appointment.

The terms and conditions of appointment of Shri Shivavtar Singh Bajwa and Shri Baljit Singh as Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday. The disclosure under Regulation 36 of the SEBI (LODR) Regulations, 2015 is given in the Report on Corporate Governance.

None of the Directors, Key Managerial Persons or their relatives except Shri Shivavtar Singh Bajwa and Shri Baljit Singh to whom the resolutions relate, is interested or concerned in the resolutions.

As Shri Shivavtar Singh Bajwa and Shri Baljit Singh have already completed the age of 75 years, their re-appointment is recommended by the Board by passing the Special resolutions as set out at Item Nos. 5 & 6.

ITEM NO. 7

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. Navpreet Kaur was appointed as an Additional Director (under the category of Non-Executive Independent Woman Director) of the Company with effect from November 9, 2018 by the Board of Directors, 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. Navpreet Kaur as Independent Director of the Company for a period of 5 (five) consecutive years commencing from November 9, 2018.

The Company has received declaration from Mrs. Navpreet Kaur 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, Key Managerial Persons or their relatives except Mrs. Navpreet Kaur to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the passing of the Resolutions set out in item Nos.7 of the accompanying Notice.

ITEM NO. 8

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 30.05.2019 for the Financial Year 2019-20.

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 passing of the Resolution set out in item Nos. 8 of the accompanying Notice.

By order of the Board
for RANA SUGARS LIMITED

Place: Chandigarh
Dated:13th August, 2019

(MANMOHAN K. RAINA)
COMPANY SECRETARY



BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 27th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2019.

1. FINANCIAL RESULTS

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

| Particulars | (Rs. In lakhs) | |
|--|----------------------------------|-----------------------------------|
| | Current Year ended 31.03.2019 | Previous Year ended 31.03.2018 |
| Revenue from Business Operations | 109165.65 | 98,767.04 |
| Other Income | 1691.63 | 704.46 |
| Total Income | 110857.28 | 99,471.51 |
| Less Interest | 9407.80 | 9,893.83 |
| Profit/(Loss) before Depreciation & Amortization Exp. | (3666.73) | (5574.66) |
| Less Depreciation & Amortization Exp. | 3258.95 | 3,139.42 |
| Profit/ (Loss) after depreciation and interest | (6925.68) | (8,714.09) |
| Less Current Income Tax | -- | -- |
| Less Previous year adjustment of Income Tax | -- | -- |
| Less Deferred Tax | 567.24 | (64.45) |
| Profit/(Loss) after Tax | (7492.92) | (8,649.64) |
| 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 | 40.66 | (9.90) |
| -Income tax effect | (12.56) | 3.06 |
| Other comprehensive income/(loss) for the year, net of tax | 28.10 | (6.84) |
| Total comprehensive income for the year, net of tax attributable to: | (7464.82) | (8,656.48) |
| Earning per share (Basic) | (4.88) | (5.63) |
| Earning per Share (Diluted) | (4.88) | (5.63) |

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).

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 world sugar production in the year 2018-19 is expected to be around 186 million MT against last year's production of 194 million MT. The consumption of sugar is expected to be 185 million MT as compared to consumption of 175 million MT of previous year. Your Company has crushed 2,31,47,561 qtls. of sugarcane and 23,13,031 qtls. of sugar beets and has produced 24,90,457 qtls. of sugar during the year under review. The Company has also produced 11,58,960 qtls. of molasses and 30,24,87,590 units of electricity, 30,64,852 BL of Extra Natural Alcohol, 2,11,75,695 BL of ethanol and 8,51,842 cases of liquor.

b. Sales

The turnover of the Company has gone up to Rs.1,09,165.65 Lakhs as against Rs.98,767.04 Lakhs in the last year and the Company has suffered loss of Rs.7464.82 lakhs during the year. The main reason for the loss is due to downward spiral of sugar price as compared to the cost of production.

c. Marketing and Market environment

The Government of India has continued with the decontrol mechanism. The Government has come with some incentives and supportive policies. It has fixed minimum selling price of sugar of Rs.31/kg.. The Govt. has given some incentives to sugar mills for producing ethanol from molasses or sugarcane juice. It has issued a notification to sell 10% of ethanol blended petrol.



d. Future Prospects

With the Govt. incentives policies and measures there is some relief to the sugar industry. The quota system for sale which ensure the price didn't go below the MSP level resulting in the better performance of the Company in the coming years.

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

Shri Asdev Singh Sodhi and Mrs. Rani Mondal resigned from the directorship of the Company w.e.f. 08.05.2018 and 30.05.2018 respectively and the nomination of Shri Balour Singh and Shri Maninder Pal Singh was withdrawn from the directorship of the Company w.e.f. 22.11.2018 by Punjab Energy Development Agency during the year.

Pursuant to the applicability of Regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, pertaining to the appointment/ continuation of the Non- Executive Director(s) above the age of 75 years, effective from April 1, 2019 unless a Special Resolution is passed to that effect by the members. The members of the Company in an Extraordinary General Meeting held on 28.01.2019 accorded their approval by way of special resolutions for continuation of the existing terms of Shri Shivavtar Singh Bajwa (84 years) and Shri Baljit Singh (78 years) as Non-Executive Independent Directors of the Company till the end of their existing terms.

Shri Shivavtar Singh Bajwa and Shri Baljit Singh who were appointed as Independent Directors in the 22nd Annual General Meeting for a term of 5 years and hold the said office till 29.09.2019 and being eligible are being reappointed as Independent Directors for a further period of five year.

Mrs. Navpreet Kaur was appointed as Additional Director on 09.11.2018 and hold the said office till the date of the ensuing Annual General Meeting. Notice has been received from member proposing her candidature for her reappointment.

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

Particulars of Directors seeking appointment/reappointment 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 31.03.2019, 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 31.03.2019, six 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

The Auditors M/s. Ashwani K. Gupta & Associates, Chartered Accountants (Firm Registration No. 003803N), Panchkula, who were appointed to fill the casual vacancy in the office of Statutory Auditors, hold office till the conclusion of this Annual General Meeting. As provided under



section 139 of the Companies Act, 2013, the company proposes to appoint them for a period of Five years till the financial year ending March 31, 2024 as statutory Auditors 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.

In reply to the observations in the Auditors' Report, it is submitted that loans and advances were given to the Companies/ entities covered under Section 186 of the Companies Act, 2013. However, the said amounts were given to procure material required for production and the same were recovered due to non receipt of requisite approval.

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 2019-20 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. COMPLIANCE WITH THE SECRETARIAL STANDARDS

The company has duly complied with the applicable Secretarial Standards during the financial year 2018-19.

14. 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 made certain observations and remarks in his reports. The management reply to the observations and remarks of the Secretarial Auditor are given hereunder:

| Sr. No. | Observation by Secretarial Auditor | Management Reply |
|---------|--|---|
| 1. | The Board of Directors of the Company was constituted with Executive Directors, Non-Executive Directors and Independent Directors except that during the first three quarters the composition of the Board of Directors of the company was not in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the vacancy in the office of woman director was not filled within the stipulated time period. | The vacancies in the office of the Independent Directors and woman director could not be filled due to non-availability of any suitably qualified individual for the office. The company has filled the vacancies by the end of the financial year on 31.03.2019 as per the applicable regulations. |
| 2. | The company appointed the same individual as the Chairman of the Board and the Nomination and Remuneration Committee, which was subsequently corrected in compliance with the statutory requirements. | The necessary corrective measures have been taken by reconstitution of the Nomination and Remuneration Committee. The company was ensuring due compliance as on 31.03.2019. |
| 3. | The company has granted loans and advances to the parties covered under section 185. Such loans and advances has been given in excess of the limits prescribed under Section 186(2) without seeking the approval of the members. However, as per the information provided by the Management, the advances to related parties were given to procure material required for production and the same was recovered due to non-receipt of requisite approvals. | The loans and advances were given to the companies and entities covered under section 186 of the Companies Act, 2013. However, the said amounts were given to procure material required for production and the same were recovered due to non-receipt of requisite approvals. |
| 4. | There were instances of delay in reporting and publishing the unaudited financial results for the quarters ended on March 31, 2018 and June 30, 2018. | The delay in reporting/publishing the said results was due to lack of clarity of formats in which the same were to be submitted and were merely procedural delays. |

15. FIXED DEPOSITS

The Company does not have any deposits and has neither accepted nor renewed any deposits during the financial period ended March 31, 2019.

16. 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.

17. AUDIT COMMITTEE

The Audit Committee comprises of three Directors, out of which two directors are independent Directors and one director is Non Independent Non-Executive. 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.

18. 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

19. 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.

20. 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.

21. 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.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The loan and advances were given to procure material required for production and the same were recovered subsequently.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year 2018-19 were in the ordinary course of the business and were on arm's length basis. All such related party transactions are placed before the Audit Committee for approval wherever applicable. Prior omnibus approval for normal transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the transactions which cannot be foreseen and the same are subsequently, shared with Audit Committee on quarterly basis. The Policy on materiality of and dealing with related party transaction as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company and the link for the same is www.ranasugars.com.

The Company has not entered into any material related party transactions during the financial year.

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: www.ranasugars.com.

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 31.03.2019, 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. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has carried out the Annual Performance Evaluation of the Board, its Committee and of individual directors in the format (questionnaire) prescribed by the Nomination and Remuneration Committee of the Company.

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.

The performance evaluation of the Directors (without participation of the relevant directors) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

29. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are provided in the Annual report.

PARTICULARS PURSUANT TO SECTION 197(12) AND RELEVANT RULES:

- Since no Director of the Company is in receipt of remuneration for the financial year, and no increase of remuneration of employees has been done during the financial year. As such no ratio can be given.
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : NIL
- There has been no increase reported in the remuneration of the employee during the financial year.
- The number of permanent employees on the role of the Company as on 31.03.2019 are 1026.