

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

CONTENTS

Notice	3
Directors' Report	7
Auditors' Report	34
Balance Sheet	38
Profit & Loss Account	39
Cash Flow Statement	40
Schedules	42
Proxy Form	69
Polling Paper	71



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 along with previous years figures are given hereunder:

(Rs. In lakhs)

Particulars	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.



- e. There is no increase in the salary of employees other than managerial personnel during the last financial year and its comparison with the increase of managerial personnel cannot be given.
- f. We affirm that remuneration paid during the period under review is as per the remuneration policy of the Company.

30. ACKNOWLEDGEMENTS

The Directors place on record their sincere thanks to bankers, business associates, consultants, Agents, Dealers, various Government Authorities and shareholders for their continued cooperation and support extended to your company's activities during the year under review. 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: 13.08.2019

Rana Inder Pratap Singh
Managing Director
DIN: 00075107

Rana Veer Pratap Singh
Director
DIN: 00076808

Information as per Section 197(12) of the Companies Act, 2014 & Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' report for the year ended March 31, 2019											
S. N.	Name	Designation	Qualification	Gross Remuneration (INR In Lakhs)	Nature of Employment (Contractual or otherwise)	Date of Commencement of Employment	Age (In years)	Experience	Last or previous Employment	No. of Equity Shares held	Relative of Director or Manager
1	Mr. Bhupinder Singh	Business Head	B.Sc.	27.60 Lakhs	Permanent	05-04-16	48	26	-	Nil	No
2	Mr. Arvind Kumar Singh	Vice President (Technical)	Dip. in Mechanical Eng.	26.40 Lakhs	Permanent	26-11-18	52	28	IPL Sugar, Behraich (UP)	Nil	No
3	Mr. Ajay Inder Majithia	Vice President	MBA	26.40 Lakhs	Permanent	01-04-2007	54	28	-	Nil	No
4	Mr. Sandeep Bhatia	Business Head	B.Com	24.00 Lakhs	Permanent	01-11-17	49	27	Gagan Wine Trade & Financier Ltd.	Nil	No
5	Mr. Sudhir Kumar	Vice President	Diploma Mech., ANSI Engg.	24.00 Lakhs	Permanent	01-07-10	52	30	Balrampur Chini Mill Rozagaon (UP)	Nil	No
6	Mr. Manoj Gupta	Chief Financial Officer	FCA & FCS	21.91 Lakhs	Permanent	01-07-15	50	30	-	Nil	No
7	Mr. Arun Kumar	Group GM (HR)	PDDBM (FIN. & HR)	20.20 Lakhs	Permanent	03-10-18	39	16	NSL Sugars Ltd.	Nil	No
8	Mr. M. K. Raina	Company Secretary	M.A., LL.B, FCS, DPM & LW, DLL	20.09 Lakhs	Permanent	12-09-92	68	44	Punjab Agro Industries Corporation Ltd.	Nil	No
9	Mr. Dhan Singh	Vice President	Bsc (Ag.)	18.00 Lakhs	Permanent	03-10-15	65	35	D.S.M., Rajpura	Nil	No
10	Mr. Pritam Singh	Sr. G.M. (Production)	Msc., ANSI Sugar	17.50 Lakhs	Permanent	20-08-09	67	41	Saraya Sugar Mill Sardarnagar, (UP)	Nil	No



ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.

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 31.03.2019	Year ended 31.03.2018
Purchased		
- Sugar		
- Unit Purchased	2,379,514	2,134,595
- Total Amount (Rs.)	20,492,909	17,779,130
- Rate Per Unit (Rs.)	8.61	8.33
Own Generation		
- Sugar		
- Through D.G. Set (Sugar Division) Units Generated	213,395	164,039
Units Generated per litre of Diesel Oil	6.25	5.66
Cost Per Unit (Rs.)	10.49	10.38
- Through Steam Turbine (Sugar Division) Units Generated	302,487,590	263,969,514
Unit Generated per Qtl. of Fuel	39.46	36.68
Cost Per Unit Electricity (Rs.)	2.82	2.26
- Distillery		
- Through D.G. Set		
Units Generated	179,997	184,690
Units Generated per litre of Diesel Oil	3.19	3.44
Cost Per Unit (Rs.)	19.49	16.33
- Through Steam Turbine Units Generated	13,691,000	12,728,340
Unit Generated per Qtl. of Fuel	40.75	34.52
Cost Per Unit Electricity (Rs.)	3.20	2.71
B. Consumption Per Unit of Product		
- Sugar		
- Electricity (KW/MT)	326.80	288.29
- Fuel (MT/MT)	2.33	1.99
- Steam (MT/MT)	4.60	4.30
- Distillery		
- Electricity (KW/KL)	581.55	544.08
- Fuel (MT/KL)	1.39	1.52
- Steam (MT/KL)	5.41	5.95
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 (Rs. in lacs)	3.73	2.13
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 (Rs. in lacs)	Nil	13.18
b) Foreign Exchange Outgo (Rs. in lacs)	425.73	541.60

For & on behalf of the Board

Place : Chandigarh
Date : 30.05.2019

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 is complying with the principles of Corporate Governance introduced by SEBI through latest amended SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in all respects. Your Company strongly believes that good corporate governance has an important role in enhancing shareholders value and 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 six, of which Five are Non-Executive Directors. The Board members include one Managing Director, one Women Director. The Company has an independent director as a Non-Executive Chairman of the Board of Directors of the Company and the number of independent directors is one half of the total number of the directors including the Women Directors.

During the year under review, six Board Meetings were held on 30th May, 2018, 13th August, 2018, 9th November, 2018, 14th November, 2018, 10th January, 2019 and 14th February, 2019. 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:

Composition of Board and Directorship held as on 31 st March, 2019							
Name of the Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on 28 th September, 2018	Number of Directorships in other companies	Number of Committee Memberships in other companies		No. of shares held by the Director
					Chairman	Member	
Rana Ranjit Singh	Promoter & Non-Executive	1	--	4	--	--	2196561
Rana Inder Pratap Singh	Promoter & Managing Director	5	Yes	4	--	2	17929952
Rana Veer Pratap Singh	Promoter & Non-Executive	4	Yes	2	--	1	6139566
Shri Shivavtar Singh Bajwa	Independent	6	Yes	2	3	--	--
Shri Baljit Singh	Independent	6	Yes	1	--	1	--
Mrs. Navpreet Kaur	Independent	1	--	3	--	1	--

Note:

- (i) Other directorships also include Private Limited Companies.
- (ii) Only membership in Audit Committee, Stakeholders' Relationship Committee have been reckoned for Committee Memberships.
- (iii) The Board of Directors of the Company had met within a maximum time gap of one hundred and twenty days.
- (iv) Rana Ranjit Singh, Director is father of Rana Veer Pratap Singh, Director of the Company.

None of the Directors on the Board is a member of more than 10 committees, or act as Chairman of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he/she is a Director.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

During the financial year Shri Asdev Singh Sodhi resigned from the office of independent director of the Company w.e.f. 08.05.2018 citing his health issues. Further Smt. Rani Mondal served her resignation from the office of the independent director of the Company due to certain unavoidable professional commitments. As confirmed by both the directors, there were no other material reasons for their resignations before the expiry of their terms.

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 Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as amended, read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as follows:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



- a) 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.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements,
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. 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;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholder (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year ended on 31st March, 2019, 5 (five) meetings of the Audit Committee were held. The dates on which the meetings of the Audit Committee were held, are as under:

30 th May, 2018	13 th August, 2018	9 th November, 2018
14 th November, 2018	14 th February, 2019	

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Name of the Director	Category	Designation	Meetings attended
Shri Shivavtar Singh Bajwa	Independent Non Executive	Chairman	5
Shri Baljit Singh	Independent Non Executive	Member	5
Rana Veer Pratap Singh	Non Executive	Member	2

The Audit Committee invites such Executives as it considers appropriate to be present at its meetings. The Chief Financial Officer and Company Secretary attended all the meetings. The Statutory Auditors are invited to the meetings in which Quarterly/ Annual Accounts are considered. The Internal Auditors are also invited to the meetings in which Internal Audit Reports are discussed. The Company Secretary acts as the Secretary of the Committee.

II) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted to specifically look into transfer/ transmission/ demat/ remat of shares, issue of duplicate/ split/ consolidation of share certificates, notices and to attend shareholder's complaints on SCORES system of SEBI or otherwise etc.

The present composition of Stakeholders' Relationship Committee is as under:



Name	Category	Status
Shri Baljit Singh	Independent Non Executive	Chairman
Rana Veer Pratap Singh	Non Executive	Member
Shri Shivavtar Singh Bajwa	Independent Non Executive	Member

This Committee meets fortnightly or as may be required. The Company Secretary of the Company is authorized to authenticate the transfers/ transmissions/ issue of duplicate share certificates etc. All requests for dematerialization of shares are processed and confirmed by M/s. Alankit Assignments Limited, Registrars and Share Transfer Agent of the Company.

Shri Manmohan K. Raina, Company Secretary of the Company, has been designated as the Compliance Officer.

Shareholders'/ Investors' complaints

Complaints pending as on 1 st April, 2018	Nil
During the period from 1 st April, 2018 to 31 st March, 2019	1
Complaints identified and reported under Clause 41 of the Listing Agreement	--
Complaints disposed off during the year ended 31 st March, 2019	1
Complaints unresolved to the satisfaction of shareholders as on 31 st March, 2019	Nil

III) Nomination and Remuneration Committee

The role of the Nomination and Remuneration committee as set out in SEBI (LODR) Regulations, 2015 and additional scope approved by the Board, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Assessing and reviewing the performance of Senior/ Top Management Employees of the Company and recommend their remuneration package as per Policy of the Company after considering the employment scenario, remuneration package of the industry and remuneration package of the managerial talent of other industries.

During the financial year ended on 31st March, 2019 one meeting of the Nomination and Remuneration Committee was held.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors is as under:

Name of the Director	Category	Designation	Meeting Attended
Shri Shivavtar Singh Bajwa	Independent Non Executive	Chairman	1
Shri Baljit Singh	Independent Non Executive	Member	1
Rana Veer Pratap Singh	Non Executive	Member	1

Remuneration Policy

Remuneration of the Chairman, Vice Chairman, Managing Director and Whole Time Director

The Company has framed a Remuneration Policy, the brief terms of which are given hereunder:-

- a) At the time of appointment or re-appointment, the Chairman, Vice Chairman, Managing Director and Whole Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the respective Director within the overall limits as prescribed under the Companies Act, 2013 and rules made thereunder.
- b) The remuneration shall be subject to the approval of the members of the Company in General Meeting.
- c) The remuneration of the above said directors is broadly divided into fixed and variable component whereas the remuneration of Chairman consists of fixed components only.
- d) The remuneration of the directors may also include Employee Stock Option Plans (ESOPs) as per the provisions of applicable laws.
- e) The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of individual and company performance bonus.
- f) In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
 - The relationship of remuneration and performance benchmarks is clear;
 - Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 - Responsibility required to be shouldered by the above said Directors and the industry benchmarks and the current trends;
 - The Company's performance vis-a-vis the annual budget achievement and individual performance vis-à-vis the Key Responsibility Area (KRAs) / Key Performance Indicators (KPIs).
- g) Executive Directors are not entitled to sitting fees for attending meeting of directors.



Remuneration of Non-Executive Directors

The remuneration of Non Executive Directors shall be finalized considering the following:

They will be entitled to receive remuneration by way of sitting fees for attending meetings of the Board or its Committees at rates within the limits prescribed under the Companies Act, 2013 and rules made thereunder.

Remuneration of Key Managerial Personnel (KMP)/ Senior Management Personnel (SMP)

Key Managerial Personnel include Chief Financial Officer and Company Secretary appointed pursuant to the provisions of section 203(1) of the Companies Act, 2013 irrespective of the remuneration drawn by them.

Senior Management Personnel include the heads of Business Segments and functions to be specifically decided by the Nomination and Remuneration Committee, on the recommendation of the Chief Executive Officer (CEO).

IV) Corporate Social Responsibility Committee

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

In alignment with the "Vision" of the Company, Rana Sugars Limited, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

The policy encompasses the Company's philosophy its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

The policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons. The web-site on CSR policy : www.ranasugars.com.

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

- Education/ Literacy Enhancement
- Environment Protection/ Horticulture
- Infrastructure Development
- Drinking water/ Sanitation
- Healthcare/ Medical facility
- Community Development/ Social Empowerment
- Contribution to Social Welfare funds set up by Central/ State Government
- Relief of victims on Natural Calamities

The composition of the CSR Committee is as under:-

- i) Rana Inder Pratap Singh,
- ii) Rana Veer Pratap Singh and
- iii) Shri Baljit Singh

D) Subsidiary Companies

There is no subsidiary Company of Rana Sugars Limited.

E) General Body Meetings

(i) Annual General Meetings

Financial year	Date	Time	Location	Special Resolution passed
2017-2018	28.09.2018	3.00 p.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh.	No
2016-2017	28.09.2017	3.00 p.m.	--do--	No
2015-2016	30.09.2016	3.00 p.m.	--do--	No

(ii) Extraordinary General Meeting

Financial year	Date	Time	Location	Special Resolution passed
2018-2019	28.01.2019	2.00 p.m.	Works of the Company at : Village Buttar Seviyan, Tehsil Baba Bakala, District Amritsar, Punjab.	Yes

No resolution was passed through Postal Ballot during the financial year.

F) Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company through a induction program at the time of appointment as Directors. The Company also discusses the industry overview, key regulatory and strategy updates. The familiarization programme for independent directors is uploaded at Company's website : www.ranasugars.com.



G) Code of Conduct

The Company has evolved a Code of Conduct for the Directors and Senior Management Personnel of the Company (one level below the Managing Director including Head of the Department) which has been affirmed for adherence.

H) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Anti Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been setup to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

Following is a summary of sexual harassment complaints received and disposed during the year 2018-2019.

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

I) Disclosures

The pecuniary disclosure with regard to interested Directors

(a) Disclosures on materially significant related party transactions of the Company of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large:

None of the transactions with any of related parties were in conflict with interests of the Company.

(b) Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets.

i) An amount of Rs.13,33,000/- was imposed on the Company as penalty by Stock Exchanges under Regulations 33, 17(1) and 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year.

J) CEO & MD/ CFO Certification

In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the certification of Managing Director and Chief Financial Officer on the Financial Statements and Internal controls relating to financial reporting has been obtained.

K) Means of Communication

The quarterly, half-yearly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. In addition, the Stock Exchanges are notified of any important developments that may materially affect the working of the Company. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly Reconciliation of Share Capital Audit Report etc. are also sent to the Stock Exchanges as required under various Regulations. The results are normally published in Indian Express/Financial Express/ Business Standard and Business Standard (Hindi) /Jansatta.

The official news release are displayed on the Company's website: www.ranasugars.com.

During the year ended 31.03.2019, no representation were made to institutional investors or analysts.

L) General Shareholder's Information

i) 27th Annual General Meeting

Venue : The Institution of Engineers (India) Madhya Marg, Sector 19-A, Chandigarh

Date : 30th September, 2019

Time : 3.00 P.M.

ii) Tentative Financial Calendar

Quarter ending 30th June, 2019 2nd Week of August, 2019

Half year ending 30th September, 2019 2nd Week of November, 2019

Quarter ending 31st December, 2019 2nd Week of February, 2020

Year ending 31st March, 2020 May, 2020.

Note : The above schedules are indicative.

iii) Book Closure

The register of members and share transfer books of the Company shall remain closed from 27th September, 2019 to 30th September, 2019 (both days inclusive).

iv) Listing on Stock Exchanges and Stock Codes

The names of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

Sr.No.	Name and Address of the Stock Exchange	Stock Code
1.	BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001.	507490
2.	National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	RANASUG

The annual listing fee for the both the Stock Exchanges has been paid for the financial year 2018-19 and 2019-20.



v) Demat ISIN number : INE625B01014

vi) Market price data

(Amount in Rs.)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2018	6.15	4.18	6.10	4.25
May, 2018	5.23	4.05	5.25	4.05
June, 2018	4.69	3.51	4.60	3.50
July, 2018	3.85	3.01	3.85	3.00
August, 2018	3.90	3.30	3.80	3.30
September, 2018	5.54	3.25	5.50	3.25
October, 2018	4.34	3.55	4.40	3.60
November, 2018	4.30	3.57	4.30	3.60
December, 2018	3.88	3.36	3.90	3.35
January, 2019	3.58	2.93	3.55	2.90
February, 2019	3.60	2.51	3.60	2.60
March, 2019	4.13	3.25	4.05	3.25

vii) Registrar and Transfer Agent

M/s. Alankit Assignments Limited,
205-208, Anarkali Market, Jhandewalan Extension, New Delhi-110 055.

viii) Share Transfer System

The Stakeholder Relationship Committee of the Company usually meets every fortnight to approve the transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only. The RTA has been delegated with the authority to carry out investors matters.

Dematerialization of Share and Liquidity

The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the trading. As on 31st March, 2019, 97.06 % of the equity capital is held in electronic form. The Non Promoters holdings as on 31st March, 2019 is 77.36%.

ix) Distribution of Shareholding

The distribution of shareholding as on March 31, 2019 was as follows:

Sr. No.	No. of Equity Shares held	No. of Shareholders	%age of total shareholders	No. of shares held	% age of total shares
1.	1 to 100	24617	34.82	2016575	1.31
2.	101 to 500	22573	31.93	7287755	4.75
3.	501 to 1000	9562	13.53	8444383	5.50
4.	1001 to 5000	10471	14.81	25820471	16.81
5.	5001 to 10000	1840	2.60	14008815	9.12
6.	10001 to 20000	914	1.29	13256683	8.63
7.	20001 to 30000	273	0.39	6786953	4.42
8.	30001 to 40000	131	0.18	4558545	2.97
9.	40001 to 50000	75	0.11	3425489	2.23
10.	50001 to 100000	145	0.20	10608577	6.91
11.	100001 to 500000	81	0.12	14425886	9.39
12.	500001 and above	11	0.02	42927688	27.96
	Total	70693	100.00	153567820	100.00



Details of Shareholding as on 31st March, 2019 was as under :

Sr. No.	Category	No. of shares held	% shareholding
1.	Promoters	34766079	22.64
2.	Financial Institutions, Banks and Mutual funds	2590466	1.69
3.	NRIs, Foreign Nationals, OCBs and FIIs	4629241	3.01
4.	Private Corporate Bodies	7201509	4.69
5.	Indian Public/ HUF	104194776	67.85
6.	Others	185749	0.12
	Total	153567820	100.00

x) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - Nil

xi) Location of Plant

Sugar and Power Unit:

- i) Village Buttar Seviyan, Tehsil Baba Bakala, District Amritsar, Punjab
- ii) Village Belwara, Tehsil & Distt. Moradabad, U.P.
- iii) Village Karim Ganj, Tehsil Shahabad, Distt. Rampur, U.P.

Distillery Unit: Village Lauhka, Tehsil Patti, District Tarn Taran, Punjab

xii) Address for Correspondence

Rana Sugars Limited

SCO 49-50, Sector 8-C, Chandigarh - 160 009, **Tel:** 0172-2773422, 2540007, 2779565 & 2549217

E-mail: info@ranagroup.com

Detail of utilization of funds raised through preferential allotment or qualified institutions placement under Regulations 32 (7A)

: Not applicable.

Credit Rating :

The Company has not obtained credit rating from any of the credit rating agencies.

Certificate from Company Secretary in Practice regarding non debarment and non disqualification of directors.

A certificate from Company Secretary in Practice certifying that none of the directors on the Board of the Company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed at the end of this report.

M) Brief Profile of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rana Ranjit Singh

Name of the Director (DIN)	:	Rana Ranjit Singh (DIN 00076770)
Date of Birth	:	26 th October, 1958
Date of first Appointment	:	30 th July, 1991
Qualification and experience in specific functional areas	:	He has done Diploma in Hotel Management. He is Managing Director of Rana Polycot Limited. He has over 33 years of experience in various business, such as sugar, textiles and agriculture and has been instrumental in the growth of the Rana Group.
List of Companies in which outside Directorship held	:	Rana Polycot Limited Rana Leathers Pvt. Limited Rana Informatics Pvt. Limited Lakshmiji Sugar Mills Co. Limited
Chairman/ Member of the Committees of the Board of the Company	:	Nil
Chairman/Member of the Committees of Board of other Companies in which he is a Director	:	Nil
Number of shares held in the Company	:	2196561



Rana Veer Pratap Singh

Name of the Director (DIN)	:	Rana Veer Pratap Singh (DIN 00076808)	
Date of Birth	:	29 th April, 1982	
Date of first Appointment	:	31 st October, 2002	
Qualification and experience in specific functional areas	:	He has done B.B.A. Rana Veer Pratap Singh is one of the Promoter Directors. He has over 16 years of experience in various business, such as sugar, textiles and agriculture and has been instrumental in the growth of the Rana Group.	
List of Companies in which outside Directorship held	:	Rana Power Limited Rana Energy Limited	
Chairman/ Member of the Committees of the Board of the Company	:	- Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee - Corporate Social Responsibility Committee	Member Member Member Member
Chairman/Member of the Committees of Board of other Companies in which he is a Director	:	Rana Power Limited	- Audit Committee - Nomination and Remuneration Committee Member Member
Number of shares held in the Company	:	6139566	

Shri Shivavtar Singh Bajwa

Name of the Director (DIN)	:	Shri Shivavtar Singh Bajwa (DIN 00714772)	
Date of Birth	:	1 st June, 1934	
Date of first Appointment	:	30 th November, 1992	
Qualification and experience in specific functional areas	:	He has done M.A., L.L.B, and Diploma in Management from Loughbrough, UK. He is having more than 41 years of experience in business and administration. He has worked as Add. Managing Director, MARKFED, Managing Director, Punjab State Co-operative Bank and Jt. Registrar, Co-operative Societies. Presently he is practising as advocate in Punjab and Haryana High Court.	
List of Companies in which outside Directorship held	:	Rana Polycot Limited Rana Power Limited	
Chairman/ Member of the Committees of the Board of the Company	:	- Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee	Chairman Member Chairman
Chairman/Member of the Committees of Board of other Companies in which he is a Director	:	Rana Polycot Limited Rana Power Limited	- Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee - Audit Committee - Nomination and Remuneration Committee Chairman Chairman Chairman Chairman
Number of shares held in the Company	:	NIL	

Shri Baljit Singh

Name of the Director (DIN)	:	Shri Baljit Singh (DIN 00074716)	
Date of Birth	:	1 st November, 1941	
Date of first Appointment	:	30 th July, 2004	
Qualification and experience in specific functional areas	:	He is a Chemical Engineer. He has worked on various posts with SAIL & IFCI. He has also worked as Managing Director, NITCON. He has about 38 years experience.	
List of Companies in which outside Directorship held	:	Rana Power Limited	
Chairman/ Member of the Committees of the Board of the Company	:	- Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee - Corporate Social Responsibility Committee	Member Chairman Member Member
Chairman/Member of the Committees of Board of other Companies in which he is a Director	:	Rana Power Limited	- Audit Committee - Nomination and Remuneration Committee Member Member
Number of shares held in the Company	:	NIL	



Mrs. Navpreet Kaur

Name of the Director (DIN)	:	Mrs. Navpreet Kaur (DIN 07144566)		
Date of Birth	:	1 st November, 1971		
Date of first Appointment	:	9 th November, 2018		
Qualification and experience in specific functional areas	:	She is qualified Company Secretary and having more than 15 years of experience. She is also Director of Vishal Papertech (India) Limited, Agro Dutch Industries Limited and Ajivas Business Solutions Pvt. Limited.		
List of Companies in which outside Directorship held	:	Vishal Papertech (India) Limited, Agro Dutch Industries Limited and Ajivas Business Solutions Pvt. Limited.		
Chairman/ Member of the Committees of the Board of the Company	:	--		--
Chairman/Member of the Committees of Board of other Companies in which she is a Director	:	Agro Dutch Industries Limited	- Audit Committee	Member
Number of shares held in the Company	:	NIL		

ANNEXURE 'C'

AUDITORS' CERTIFICATE

To

The Members of Rana Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Rana Sugars Limited for the year ended on 31st March, 2019, as stipulated in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ASHWANI K. GUPTA & ASSOCIATES**
Chartered Accountants

Place : Chandigarh
Dated: 13th August, 2019

CA Arvinder Singh
Partner
Membership No.: 091721
FRN 003803N

ANNEXURE 'D'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Rana Sugars Limited is pleased to present its Analysis Report covering segment wise performance and outlook.

World Sugar production in sugar season 2018-19 was estimated to be 186 million MT, whereas consumption of the sugar was expected to be 183 million MT. Brazil produced only 29 million MT sugar due to higher diversion of cane juice towards ethanol and a historical lower sugar mix of 36%. India emerged as the largest producer of sugar in the World which is expected to be produced around 33 million MT due to better weather, acreage and recovery.

Indian Sugar Market :

India has become largest producer of sugar in the world during the current year. India is also the largest consumer of the sugar. The Central Government has come out with some corrective measures and supportive policies. It has stabilized sugar price in the country and has introduced monthly release mechanism with effect from June 2018. The Central Government has fixed a Fair & Remunerative Price (FRP) of sugarcane for the sugar year 2018-19.

Minimum Sugar Price

The Central Government has notified that no producer of sugar shall sell or agree to sell white/ refined sugar in the domestic market at a rate below Rs.29/kg. However, subsequently, the Government increased the minimum selling price of sugar in the domestic market to Rs.31/kg during February, 2019.



Ethanol

The Government of India gave various incentives to sugar mills for producing ethanol from molasses or sugarcane juice. The recovery rate to be determined by considering every 600 litres of Ethanol as equivalent to one MT of production of sugar. The Central Government has also issued a notification to sell 10% ethanol blended petrol which has been greatly welcomed by the sugar industry.

Exports

In order to encourage the export of sugar the Government of India has provided scheme for payment of an assistance of Rs.13.88/quintal of sugarcane crushed during the 2018-19 season for export as under:-

- i. For mills located within 100 KM from ports – Rs.1000/Mt of sugar
- ii. For distance more than 100 KM and mills located in coastal States – Rs.2500/MT of sugar
- iii. For distance more than 100 KM and mills located in other than coastal States – Rs.3500/Mt of sugar

The Government of India has further provided soft loan to the farmers.

SUGAR DIVISION

Operational Performance

The sugar segment has been constituted the largest share of the Company's revenues. The revenue from the sugar during the year 2018-19 was Rs.792.46 Crores against Rs.750.29 Crores in 2017-18.

Distillery

The Distillery Units has produced 30,64,852 BL Extra Natural Alcohol, 2,11,75,695 BL Ethanol and 8,51,842 cases of Liquor.

Cogeneration

The Power Cogeneration Unit has produced 10,53,29,000 units of power during the year.

Opportunities and Threats

The impact of monsoon on the availability of sugarcane which is major raw material will be very significant. Further increase of FRP of the sugarcane will also have a impact on the financial position of the Company.

OUTLOOK

Sugar

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power. Ethanol produced from molasses can be used as motor fuel by blending it with petrol.

Power

The season ahead should see the proper utilization of the co-generation plant capacity and therefore the exportable power will give rise to more revenues. Also due to the rate hike, the income/ profits will rise over the previous season.

Future Outlook

The year of 2019-20 are going to be a balanced sugar production and surplus sugar will be produced by India. This year availability of water, Government policies on sugar and ethanol are the key factors for the future of sugar industry in India.

Risk and Concerns

Due to surplus sugar production in the country the rate of sugar may fall below the cost of sugar production. Also most of the time when India produce surplus sugar, the sugar production of the World also become surplus. Due to this export of sugar also become unviable.

INTERNAL CONTROL SYSTEM

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion and, if required, further brought into the notice of Board of Directors.

HUMAN RESOURCES

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Report describing Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations, Actual results might differ materially from those either expressed or implied.

DECLARATION BY THE MANAGING DIRECTOR

I, Rana Inder Pratap Singh, Managing Director of Rana Sugars Limited hereby declare that all the members of the Board and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2019.

For Rana Sugars Limited

Place : Chandigarh
Dated: 13th August, 2019

Rana Inder Pratap Singh
Managing Director



FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15322CH1991PLC011537
2.	Registration Date	30.07.1991
3.	Name of the Company	RANA SUGARS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	S.C.O. 49-50, Sector 8-C, Madhya Marg, Chandigarh - 160 009 Tel. No.: 0172-2540007, 2773422, 2779565 Fax: 0172-2546809
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi - 110 055. Tel. No.: 011-42541234, 23541234 Fax: 011-23552001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Products/service	% to total turnover of the company
1	SUGAR	10721	78.36
2	SPIRIT & OTHERS	11019	21.64

III. PARTICULARS OF HOLDING/SUBSIDIARY/ ASSOCIATE COMPANIES : NIL

SN	Name and Address of Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1					
2					
3					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	34766079	--	34766079	22.64	34766079	--	34766079	22.64	---
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoters (A)	34766079	--	34766079	22.64	34766079	--	34766079	22.64	---



B. Public Shareholding									
1. Institutions									
a) Mutual Funds	100	500	600	0.00	100	500	600	0.00	
b) Banks / FI	411980	--	411980	0.27	39866	--	39866	0.03	-0.24
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	2550000	2550000	1.66	--	2550000	2550000	1.66	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	412080	2550500	2962580	1.93	39966	2550500	2590466	1.69	-0.24
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8092362	52700	8145062	5.30	7150309	51200	7201509	4.69	-0.61
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	51661269	1603261	53264530	34.69	53092940	1540011	54632951	35.58	0.89
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46645803	39300	46685103	30.40	46433758	39300	46473058	30.26	-0.14
c) Others specify)									
Non Resident Indians	3908386	347700	4256086	2.77	4298741	329900	4628641	3.01	0.24
Overseas Corporate Bodies	--	600	600	0.00	--	600	600	0.00	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	480873	--	480873	0.31	95426	--	95426	0.06	-0.25
Trusts	25001	--	25001	0.02	25001	--	25001	0.02	--
Hindu Undivided Families	2968818	--	2968818	1.93	3088767	--	3088767	2.01	0.08
NBFCs registered with RBI	13088	--	13088	0.01	65322	--	65322	0.04	0.03
Foreign Bodies-DR	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	113795600	2043561	115839161	75.43	114250264	1961011	116211275	75.67	0.24
Total Public Shareholding (B)=(B)(1)+ (B)(2)	114207680	4594061	118801741	77.36	114290230	4511511	118801741	77.36	--
C. Shares held by Custodian for GDRs & ADRs									
	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	148973759	4594061	153567820	100.00	149056309	4511511	153567820	100.00	--



B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rana Inder Pratap Singh	17929952	11.68	--	17929952	11.68	--	--
2	Mrs. Sukhjinder Kaur	8500000	5.53	--	8500000	5.53	--	--
3	Rana Veer Pratap Singh	6139566	4.00	--	6139566	4.00	--	--
4	Rana Ranjit Singh	2196561	1.43	--	2196561	1.43	--	--
TOTAL:		34766079	22.64	--	34766079	22.64	--	--

C) Change in Promoters' Shareholding (please specify, if there is no change) : No Change

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (01-04-18) end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Rana Inder Pratap Singh	17929952	11.68	01-04-18	0	Nil movement during the year	17929952	11.68
		17929952	11.68	31-03-19			17929952	11.68
2.	Mrs. Sukhjinder Kaur	8500000	5.53	01-04-18	0	Nil movement during the year	8500000	5.53
		8500000	5.53	31-03-19			8500000	5.53
3.	Rana Veer Pratap Singh	6139566	4.00	01-04-18	0	Nil movement during the year	6139566	4.00
		6139566	4.00	31-03-19			6139566	4.00
4.	Rana Ranjit Singh	2196561	1.43	01-04-18	0	Nil movement during the year	2196561	1.43
		2196561	1.43	31.03.19			2196561	1.43

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (01-04-18) end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Punjab Energy Development Agency	2550000	1.66	01-04-18	0	Nil movement during the year	2550000	1.66
		2550000	1.66	31-03-19				
2.	Raj Kumar Malhotra	1502786	0.98	01-04-18	0	Nil movement during the year	1502786	0.98
		1502786	0.98	31-03-19				
3.	Murali Krishna Vempati	1217225	0.79	01-04-18	0	Nil	1217225	0.79
				18-05-18	22200	Transfer	1239425	0.81
				21-09-18	10000	Transfer	1249425	0.81
				05-10-18	21000	Transfer	1270425	0.83
				26-10-18	51042	Transfer	1321467	0.86
				23-11-18	15000	Transfer	1336467	0.87
				30-11-18	3000	Transfer	1339467	0.87
				14-12-18	18070	Transfer	1357537	0.88
				01-02-19	62000	Transfer	1419537	0.92



				08-02-19	17600	Transfer	1437137	0.94
				15-02-19	27000	Transfer	1464137	0.95
				15-03-18	12000	Transfer	1476137	0.96
		1476137	0.96	31-03-19	0	Nil	1476137	0.96
4.	Sujith Kumar *	335000	0.22	01-04-18	0	Nil		
				03-08-18	20000	Transfer	355000	0.23
				21-09-18	-5000	Transfer	350000	0.23
				19-10-18	5000	Transfer	355000	0.23
				01-11-18	10000	Transfer	365000	0.24
				15-02-19	5000	Transfer	370000	0.24
				01-03-19	30000	Transfer	400000	0.26
				15-03-19	380000	Transfer	780000	0.51
				22-03-19	170000	Transfer	950000	0.62
				30-03-19	70000	Transfer	1020000	0.66
		1020000	0.66	31-03-19	0	0	1020000	0.66
5.	Akruti Tradvest Pvt. Ltd. *	0	0	01-04-18	0	Transfer	0	0
				15-03-19	400000	Transfer	400000	0.26
				22-03-19	100000	Transfer	500000	0.33
				30-03-19	100000	Transfer	600000	0.39
		600000	0.39	31-03-19	0	Nil	600000	0.39
6.	Terence Joseph Fernandes *	335046	0.22	01-04-18	0	Nil		
				06-04-18	41000	Transfer	376046	0.25
				13-04-18	2000	Transfer	378046	0.25
				20-04-18	1000	Transfer	379046	0.25
				27-04-18	14590	Transfer	393636	0.26
				11-05-18	11500	Transfer	405136	0.26
				18-05-18	11510	Transfer	416646	0.27
				25-05-18	4000	Transfer	420646	0.27
				01-06-18	6600	Transfer	427246	0.29
				08-06-18	10700	Transfer	437946	0.29
				15-06-18	16800	Transfer	454746	0.30
				22-06-18	14500	Transfer	469246	0.31
				30-06-18	22500	Transfer	491746	0.32
				06-07-18	31000	Transfer	522746	0.34
				13-07-18	34000	Transfer	556746	0.36
				20-07-18	2000	Transfer	558746	0.36
				27-07-18	1000	Transfer	559746	0.36
				03-08-18	4000	Transfer	563746	0.37
				10-08-18	9000	Transfer	572746	0.37
				17-08-18	5000	Transfer	577746	0.38
				24-08-18	5000	Transfer	582746	0.38
				31-08-18	31800	Transfer	614546	0.40
				07-09-18	44788	Transfer	659334	0.43
				14-09-18	1000	Transfer	660334	0.43
				12-10-18	-149108	Transfer	511226	0.33
				19-10-18	-11226	Transfer	500000	0.33
				09-11-18	-2000	Transfer	498000	0.32



				30-11-18	-1000	Transfer	497000	0.32
				14-12-18	4177	Transfer	501177	0.33
				21-12-18	5500	Transfer	506677	0.33
				31-12-18	700	Transfer	507377	0.33
				11-01-19	3000	Transfer	510377	0.33
				18-01-19	15000	Transfer	525377	0.34
				01-02-19	1000	Transfer	526377	0.34
				15-02-19	-2000	Transfer	524377	0.34
				22-02-19	-4300	Transfer	520077	0.34
				15-03-19	-5395	Transfer	514682	0.34
				22-03-19	-2000	Transfer	512682	0.33
		512682	0.33	31-03-19	0	Nil	512682	0.33
7.	Manoj Nanji Bhanushali	400000	0.26	01-04-18	0	Nil	400000	0.26
				01-06-18	72703	Transfer	472703	0.31
				08-06-18	27301	Transfer	500004	0.33
		500004	0.33	31-03-19	0	Nil	500004	0.33
8.	Faisal Khatri	405625	0.26	01-04-18	0	Nil movement during the year	405625	0.26
		405625	0.26	31-03-19	0			
9.	Shirish Waman Joshi Jt. Neha Shirish Joshi	400000	0.26	01-04-18	0	Nil movement during the year	400000	0.26
		400000	0.26	31-03-19	0			
10.	Ravi Narayanasamy	381478	0.25	01-04-18	0	Nil movement during the year	381478	0.25
		381478	0.25	31-03-19	0			
11.	Geetesh Kulwal#	1087242	0.72	01-04-18				
				06-04-18	-41130	Transfer	1046112	0.68
				13-04-18	-137711	Transfer	908401	0.59
				20-04-18	1979	Transfer	910380	0.59
				04-05-18	95188	Transfer	1005568	0.66
				11-05-18	-77817	Transfer	927751	0.60
				18-05-18	220	Transfer	927971	0.60
				25-05-18	80490	Transfer	1008461	0.66
				01-06-18	65950	Transfer	1074411	0.70
				08-06-18	-18668	Transfer	1055743	0.69
				15-06-18	-3776	Transfer	1051967	0.69
				22-06-18	-1224	Transfer	1050743	0.68
				30-06-18	279	Transfer	1051022	0.68
				06-07-18	-35000	Transfer	1016022	0.66
				20-07-18	27016	Transfer	1043038	0.68
				27-07-18	-110726	Transfer	932312	0.61
				03-08-18	-131599	Transfer	800713	0.52
				17-08-18	-2900	Transfer	797813	0.52
				24-08-18	620	Transfer	798433	0.52
				14-09-18	-200000	Transfer	598433	0.39
				21-09-18	-150000	Transfer	448433	0.29
				28-09-18	-23700	Transfer	424733	0.28
				05-10-18	52911	Transfer	477644	0.31
				12-10-18	-94132	Transfer	383512	0.25
				19-10-18	18904	Transfer	402416	0.26



				26-10-18	15505	Transfer	417921	0.27
				02-11-18	-13333	Transfer	404588	0.26
				09-11-18	74258	Transfer	478846	0.31
				16-11-18	-51661	Transfer	427185	0.28
				23-11-18	22974	Transfer	450159	0.29
				30-11-18	-13717	Transfer	436442	0.28
				07-12-18	25304	Transfer	461746	0.30
				14-12-18	-15409	Transfer	446337	0.29
				21-12-18	-1455	Transfer	444882	0.29
				31-12-18	20000	Transfer	464882	0.30
				11-01-19	8150	Transfer	473032	0.31
				18-01-19	-15030	Transfer	458002	0.30
				08-02-19	-9745	Transfer	448257	0.29
				15-03-19	-89316	Transfer	358941	0.23
				30-03-19	1773	Transfer	360714	0.24
		360714	0.24	31-03-19	0	Nil	360714	0.24
12.	Hetal Ashish Mehta #	500000	0.33	01-04-18	0	Nil	500000	0.33
				08-06-18	-500000	Transfer	0	0
		0	0	31-03-19	0	Nil	0	0
13.	Karvy Stock Broking Ltd #	386889	0.25	01-04-18	0	Nil	386889	0.25
				06-04-18	-40500	Transfer	346389	0.23
				13-04-18	-1499	Transfer	344890	0.23
				27-04-18	-3005	Transfer	341885	0.22
				04-05-18	-945	Transfer	340940	0.22
				11-05-18	35	Transfer	340975	0.22
				18-05-18	-600	Transfer	340375	0.22
				25-05-18	-3306	Transfer	337069	0.22
				01-06-18	-1471	Transfer	335598	0.22
				08-06-18	-10	Transfer	335588	0.22
				22-06-18	-1378	Transfer	334210	0.22
				06-07-18	-3406	Transfer	330804	0.22
				20-07-18	-47	Transfer	330757	0.22
				10-08-18	-50	Transfer	330707	0.22
				17-08-18	-5000	Transfer	325707	0.21
				31-08-18	-45	Transfer	325662	0.21
				07-09-18	-66	Transfer	325596	0.21
				14-09-18	-4665	Transfer	320931	0.21
				21-09-18	-1349	Transfer	319582	0.21
				28-09-18	-6762	Transfer	312820	0.20
				02-11-18	-1100	Transfer	311720	0.20
				09-11-18	-132	Transfer	311588	0.20
				16-11-18	-2550	Transfer	309038	0.20
				30-11-18	-1500	Transfer	307538	0.20
				07-12-18	-1000	Transfer	306538	0.20
				31-12-18	292	Transfer	306830	0.20
				04-01-19	1	Transfer	306831	0.20
				18-01-19	-1	Transfer	306830	0.20



			28-01-19	-4262	Transfer	302568	0.20	
			08-02-19	-1300	Transfer	301268	0.20	
			15-02-19	-1	Transfer	301267	0.20	
			01-03-19	-315	Transfer	300952	0.20	
			15-03-19	-11007	Transfer	289945	0.19	
			22-03-19	-565	Transfer	289380	0.19	
			30-03-19	-521	Transfer	288859	0.19	
		288859	0.19	31-03-19		0	288859	0.19

* Not in the list of Top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2019.

Ceased to be in the list of Top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2018.

E) Shareholding of Directors and Key Managerial Personnel:

Directors :-

i) RANA RANJIT SINGH

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2196561	1.43	2196561	1.43
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	2196561	1.43	2196561	1.43

ii) RANA INDER PRATAP SINGH

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	17929952	11.68	17929952	11.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	17929952	11.68	17929952	11.68

iii) RANA VEER PRATAP SINGH

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6139566	4.00	6139566	4.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	6139566	4.00	6139566	4.00



V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	61320.39	8031.68	--	69352.07
ii) Interest due but not paid	12978.36	--	--	12978.36
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	74298.75	8031.68	--	82330.43
Change in Indebtedness during the financial year				
* Addition	1820.95	53.77	--	1874.72
* Reduction	--	1141.54	--	1141.54
Net Change	1820.95	-1087.77	--	733.77
Indebtedness at the end of the financial year				
i) Principal Amount	58536.62	6943.90	--	65480.52
ii) Interest due but not paid	17583.07	--	--	17583.07
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	76119.69	6943.90	--	83063.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary Rs.)					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
1	Independent Directors	Shivavtar Singh Bajwa	Baljit Singh	Navpreet Kaur	
	Fee for attending board/ committee meetings	55,000	55,000	5,000	1,15,000
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	55,000	55,000	5,000	1,15,000
2	Other Non-Executive Directors				



	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	55,000	55,000	5,000	1,15,000
	Total Managerial Remuneration	55,000	55,000	5,000	1,15,000
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total (Rs.)
1	Gross salary	--	1945311	2109096	4054407
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	--	1945311	2109096	4054407

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	Non-compliance of Regulations 33, 17(1) and 19(1)/19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Rs.13,33,000/- (Rupees Thirteen Lakhs Thirty Three Thousand only)	Stock Exchanges	No
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
NIL					
Penalty					
Punishment					
Compounding					



Form No. MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Rana Sugars Limited,
 S.C.O. 49-50, Sector 8-C,
 Madhya Marg, Chandigarh.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RANA SUGARS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the RANA SUGARS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by RANA SUGARS LIMITED ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments there of: Not Applicable as none of the securities of the company was delisted during the audit period.
 - d) The erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not Applicable as the company has not issued any securities during the year.
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above subject to the observations made hereunder.

Based on my examination and the information received and records maintained, I further report that:

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.*



2. As confirmed by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried out through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:

1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company:
 - a. The Boilers Act, 1923
 - b. Sugar Cess Act, 1982

I further report that during the audit period:

- i. 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.*
- ii. The company has granted loans and advances to the parties covered under section 185 & 186 of the Companies Act, 2013. However, as per the information provided by the Management, the advances were given to procure material required for production and the same was recovered due to non-receipt of requisite approvals.*
- iii. 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.*

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place : Chandigarh
Date : 30.05.2019

For A. ARORA & COMPANY

AJAY K. ARORA
(Proprietor)
FCS No. 2191
C P No.: 993

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A"

To,

The Members,
Rana Sugars Limited,
S.C.O. 49-50, Sector 8-C,
Madhya Marg, Chandigarh.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chandigarh
Date : 30.05.2019

For A. ARORA & COMPANY

AJAY K. ARORA
(Proprietor)
FCS No. 2191
C P No.: 993



INDEPENDENT AUDITOR'S REPORT

To the Members of Rana Sugars Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rana Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

During the last few years, the company has incurred losses. As a result, there has been reduction in the Net worth of the Company and as at 31st March, 2019, it is negative. As per Management Representation and as given in Note no: 25 of the financial statements, continuous efforts are being made to improve the liquidity position of the Company and with support from Govt. in the form of Cane price subsidies and Low interest bearing Term loans, the Management of Company expects to generate positive Cash Flows from operations in the years to come. Accordingly, the Financial Statements of the Company have been prepared on going concern basis. We have relied on the representations made to us by the management. Our opinion is not modified in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to the Note No.24 of the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the company has paid managerial remuneration in accordance with Section 197 read with Schedule V of the Companies Act 2013. No remuneration has been paid by the Company to its directors during the year under consideration.

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

(Arvinder Singh)
Partner
M. No. 091721

Place: Panchkula
Date: 30-05-2019



ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN ANNEXURE "A" OF OUR REPORT TO THE MEMBERS OF RANA SUGARS LIMITED ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2019;

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
 - (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) As explained to us, the discrepancies if any, noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. As per information and explanation given to us, The Company has not granted loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.
4. *In our opinion and according to the information and explanations given to us, in reference to Section 186 of the Companies Act 2013, the company has advanced loans to various parties as per note 4 to the Financial Statements*
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that the prescribed accounts and records have been made and maintained. However, we have not vouched for the correctness of the cost records maintained by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except for slight delays on few occasions, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Customs Duty, Excise Duty, Goods and Services Tax, Cess and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, goods and service tax which have not been deposited on account of any dispute, are as reported in Note No. 24 to the accompanying financial statements
8. According to the information and explanations given to us, the Company has defaulted in repayment of loans and borrowings to banks and Government. Details of defaults in respect of overdues to Government and banks are stated in Note No. 13 to accompanying financial statements
Further State Bank of India (Lead Bank) and Bank of Baroda (Member of Consortium) have issued notices u/s 13(2) of SARFAESI ACT 2002, recalled the loans because of which loans have become repayable on demand.
9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the company has paid managerial remuneration in accordance with Section 197 read with Schedule V of the Companies Act 2013. No remuneration has been paid by the Company to its directors during the year under consideration.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

Place : Panchkula
Date : 30-05-2019

(**Arvinder Singh**)
Partner M. No. 091721



ANNEXURE “B” TO THE AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **RANA SUGARS LIMITED** (“the Company”) as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

Place : Panchkula
Date : 30-05-2019

(**Arvinder Singh**)
Partner
M. No. 091721



BALANCE SHEET AS AT MARCH 31, 2019

All amounts in INR in Lakhs , unless otherwise stated				
Sr. No.	Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS				
(A) NON CURRENT ASSETS				
i	Property, Plant and Equipment	3	43,094.08	45,013.08
ii	Capital Work-in-Progress		2,990.69	2,143.85
iii	Financial Assets			
	Loans	4	84.73	131.88
iv	Deferred Tax Assets (Net)	5	-	-
v	Prepayments	6	53.65	71.03
(B) CURRENT ASSETS				
i	Inventories	7	50,903.69	53,572.02
ii	Financial Assets			
	(a) Trade Receivables	8	13,394.57	14,016.88
	(b) Cash & Cash Equivalents	9	286.28	1,061.53
	(c) Bank Balance other than (b) above		3,698.19	4,742.76
	(d) Loans	4	6,712.52	8,466.23
iii	Other Current Assets	10	11,553.78	9,283.47
iv	Prepayments	6	266.74	205.51
(C)	Assets classified as held for Sale	3	1,595.45	-
	Total Assets		134,634.37	138,708.24
EQUITY AND LIABILITIES				
(C) EQUITY				
i	Equity Share capital	11	15,353.95	15,353.95
ii	Other Equity			
	(a) Equity Component of Compound Financial Instrument	11	2,811.16	2,811.16
	(b) Reserve & Surplus	12	(34,820.11)	(27,355.00)
	(c) Other Reserves		10,501.94	10,501.94
	Total Equity		(6,153.07)	1,312.05
(D) LIABILITIES				
Non Current Liabilities				
i	Financial Liabilities			
	Borrowings	13	15,481.58	20,650.18
ii	Provisions	14	761.63	664.32
iii	Government Grant	15	128.10	148.49
iv	Deferred Tax Liabilities (Net)	5	706.28	126.48
v	Other Non-Current Liabilities	16	71.12	71.12
Current Liabilities				
i	Financial Liabilities			
	(a) Borrowings	13	57,688.31	54,217.94
	(b) Trade payables	17	49,606.35	45,444.45
	(c) Other Financial Liabilities	13	11,417.17	8,815.67
ii	Other Current Liabilities	16	4,798.44	7,124.20
iii	Provisions	14	104.65	102.40
iv	Government Grant	15	23.81	30.94
	Total Equity & Liabilities		134,634.37	138,708.24
	Significant Accounting Policies	2	The above financial statement should be read in conjunction with the basis of preparation and Significant accounting policies appearing in Note of Notes to the Financial Statements	
	Notes to Accounts	24-38		

R.C. Sharma
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director

As per our report of even date attached
For **Ashwani K. Gupta & Associates**
Chartered Accountants

Place : Chandigarh
Date : 30-05-2019

(CA Arvinder Singh)
Partner
Membership No.: 091721
FRN 003803N



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

All amounts in INR in Lakhs, unless otherwise stated

Particulars	Notes	March 31, 2019	March 31, 2018
Income			
Revenue from Operations	18	109,165.65	98,767.04
Other Income	19	1,691.63	704.46
Total Income		110,857.28	99,471.50
Expenses			
Cost of Raw Material and Components Consumed	20	87,553.04	96,132.30
Purchase of Traded Goods	20	2,912.79	47.36
(Increase)/Decrease in inventories of finished goods, work in progress and traded goods		3,003.26	(11,706.64)
Excise duty on sale of products		-	1,113.15
Employee Benefits Expense	21	3,379.43	2,999.94
Depreciation and Amortization Expense	3	3,258.95	3,139.43
Finance Costs	22	9,407.80	9,893.83
Other Expenses	23	8,267.69	6,566.22
Total Expenses		117,782.96	108,185.59
Profit/(Loss) before tax		(6,925.68)	(8,714.09)
Income tax expense		567.24	(64.45)
(1) Current tax		-	-
(2) Deferred tax	5	567.24	(64.45)
Profit/(Loss) for the year		(7,492.92)	(8,649.64)
Other comprehensive income/(loss)			
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 :		(7,464.82)	(8,656.48)
Earnings per equity share (Nominal Value of Share INR 10 per share)			
Basic earning per share		(4.88)	(5.63)
Diluted earning per share		(4.88)	(5.63)
Significant Accounting Policies	2	The above financial statement should be read in conjunction with the basis of preparation and Significant accounting policies appearing in Note of Notes to the Financial Statements	
Notes to Accounts	24-38		

R.C. Sharma
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director

As per our report of even date attached
For **Ashwani K. Gupta & Associates**
Chartered Accountants

Place : Chandigarh
Date : 30-05-2019

(CA Arvinder Singh)
Partner
Membership No.: 091721
FRN 003803N



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

All amounts in INR in Lakhs, unless otherwise stated

	Particulars	Note No.	March 31, 2019	March 31, 2018
A	Cash flow from operating activities			
1	Profit/(Loss) before tax		(6,925.68)	(8,714.09)
2	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and Amortisation Expense	3	3,258.95	3,139.43
	Interest income	19	(100.13)	(49.18)
	(Profit)/ loss on sale of assets/ written off (net)		175.30	9.48
	Finance costs	22	9,407.80	9,893.83
	Net foreign exchange difference (net)		-	-
	Bad debt/advance w/off / Others		(0.30)	-
			12,741.62	12,993.56
3	Operating profit before working capital adjustments (1+2)		5,815.94	4,279.47
4	Working capital adjustments:			
	(Increase)/Decrease Trade and Other Receivables and Prepayments		109.01	(4,648.61)
	(Increase)/Decrease in Inventories		2,668.33	(11,563.22)
	Increase/(Decrease) Trade and Other Payables and Provisions		1,948.84	27,929.77
			4,726.18	11,717.94
5	Cash generated from operations (3+4)		10,542.12	15,997.41
6	Taxes (paid) /refund		-	-
7	Net cash flows from operating activities (5-6)		10,542.12	15,997.41
B	Cash flow from Investing activities:			
	Purchase of Property, Plant and Equipment	3	(2,392.98)	(2,239.50)
	Assets Classified as Held for Sale		(1,595.45)	-
	Proceeds from disposal of PPE		30.90	195.75
	Investment in fixed deposits with banks (net)	9	1,044.57	(4,333.15)
	Interest received	19	100.13	49.18
	Net cash used in investing activities:		(2,812.83)	(6,327.72)
C	Cash flow from financing activities:			
	Repayments of Long Term Borrowings	13	(2,287.30)	(1,420.01)
	Repayments of Short Term Borrowings	13	(326.38)	(4,248.60)
	Increase in Interest accrued and due on Short Term Borrowings	13	3,796.75	5,389.73
	Increase in Interest accrued and due on Long Term Borrowings	13	807.96	561.30
	Increase/(Decrease) in Unsecured Loans	13	(1,087.77)	(712.60)
	Interest paid	24	(9,407.80)	(9,893.83)
	Net cash used in financing activities:		(8,504.54)	(10,324.01)
D	Net change in Cash and Cash Equivalents (A+B+C)		(775.25)	(654.32)
E - 1	Cash and Cash Equivalents at the beginning of the year	9	1,061.53	1,715.85
E - 2	Cash and cash equivalents at year end	9	286.28	1,061.53

R.C. Sharma
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director

As per our report of even date attached
For **Ashwani K. Gupta & Associates**
Chartered Accountants

Place : Chandigarh
Date : 30-05-2019

(CA Arvinder Singh)
Partner
Membership No.: 091721
FRN 003803N



STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

All amounts in INR in Lakhs, unless otherwise stated

a. Equity Share Capital:		
Equity shares of INR 10 each issued, subscribed and fully paid	No. in lakhs	INR in lakhs
At March 31, 2018	1,535.68	15,353.95
Equity shares issued	-	-
At March 31, 2019 (Refer Note on. 11)	1,535.68	15,353.95
b. Other Equity		

For the year ended March 31, 2019

	Attributable to the equity holders					Total Equity
	Equity Component of Redeemable preference shares	Reserves and Surplus				
		Security Premium	Capital Redemption Reserve	Capital Reserve	Retained Earnings	
As at April 1, 2018	2,811.16	8,315.02	2,054.67	132.25	(27,355.00)	(14,041.90)
Profit for the year	-	-	-	-	(7,492.92)	(7,492.92)
Other Adjustment					(0.30)	(0.30)
Molasses Storage Fund	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	28.10	28.10
At March 31, 2019	2,811.16	8,315.02	2,054.67	132.25	(34,820.11)	(21,507.02)

R.C. Sharma
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director

As per our report of even date attached

For **Ashwani K. Gupta & Associates**
Chartered Accountants

Place : Chandigarh
Date : 30-05-2019

(CA Arvinder Singh)
Partner
Membership No.: 091721
FRN 003803N



1. Corporate Information

Rana Sugars Limited (the Company) is a public limited company domiciled in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the company is located at S.C.O. 49-50 Sector 8 – C Chandigarh.

The Company is having its operations in the State of Punjab and Uttar Pradesh and is principally engaged in the manufacturing of Sugar, Ethanol and co generation of power. Power is used captively as well as exported to the State Grids of Punjab and Uttar Pradesh respectively.

The financial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on May 30, 2019.

2. Significant Accounting Policies

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- a. Plan assets under defined benefit plans.
- b. Certain financial assets and liabilities.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

2.3 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Operating lease commitments - Company as lessee

The Company has taken various properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

b. Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

c. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is



required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Useful lives of PPE:

The Company reviews the useful life of PPE at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.4 Summary of Significant Accounting Policies:

2.4.1 Property, Plant & Equipment (PPE):

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprise of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT/GST credit and VAT credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Sr. No.	Nature of Asset	Useful Life (Years)
1.	Buildings	30
2.	Plant & Machinery	15
3.	Other Equipments	3 to 5
4.	Vehicles	8
5.	Furniture/ Fittings	10

2.4.2 Current versus Non Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.4.3 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. This condition is regarded as met only when the sale is probable and the asset or disposal group is available for immediate sale in its



present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately from other assets in the balance sheet. An entity shall not depreciate or amortise a non-current asset after such asset has been classified as held for sale.

2.4.4 Taxes:

2.4.4.1 Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 (as amended) and Income Computation and Disclosure Standards (ICDS) enacted in India by using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI (Other Comprehensive Income) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.4.4.2 Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
Deferred tax assets (including Mat credit, if any), are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax including Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods & Service Tax (GST)/ Sales/ Value Added Taxes (VAT) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST/sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

2.4.5 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials/ Stores & Spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- By-products and scraps are valued at net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



2.4.6 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets:

The Company classified its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- b. Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the Company estimates the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI (Fair value through Other Comprehensive Income), is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- a. the rights to receive cash flows from the asset have expired, or
- b. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - I. the Company has transferred the rights to receive cash flows from the financial assets or
 - II. the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

Financial assets measured at amortised cost e.g. Loans, security deposits, trade receivable, bank balance.

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the



instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

b. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits and other payables.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial Liabilities at fair value through profit & loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans & Borrowings:

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.4.7 Cash & Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks; cash in hand, other short term deposits with original maturities of three months or less which are subject to an insignificant risk of changes in value.

2.4.8 Mandatorily Redeemable Preference Shares:

A mandatorily redeemable preference shares with dividends paid at the issuer's discretion, which effectively comprises: a financial liability (the issuer's obligation to redeem the shares in cash); and an equity instrument (the holder's right to receive dividends if declared). Such preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the mandatorily redeemable preference shares with dividends declared at the issuer's discretion, the present value of the redeemable amount is calculated using a market rate for an equivalent non-convertible instrument. This amount is classified as a



financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption. The unwinding of the discount on this component is recognised in profit or loss and classified as interest expense.

The remainder of the proceeds is recognised and included in equity as per Ind AS 32. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of such preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.4.9 **Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the best estimate.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.4.10 **Employee Benefits:**

2.4.10.1 *Short term obligations:*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's service up to the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

2.4.10.2 *Other Long term employee benefit obligations:*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured based on the actuarial valuation using projected unit credit method at the year end. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the term of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

2.4.10.3 Post-employment obligations: The Company operates the following post-employment schemes:

2.4.10.3.1 Defined benefit plans such as gratuity; and

2.4.10.3.2 Defined contribution plans such as provident fund.

Gratuity Obligations:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Remeasurements, (refer note no. 28D) comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- i. Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- ii. Net interest expenses or income

2.4.11 **Revenue Recognition:**

The Company earns revenue primarily from sales of sugar, ethanol and power.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.2.10 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.



Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts.

Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income:

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc

2.4.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.



2.4.13 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4.14 Borrowing Costs:

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

2.4.15 Impairment of Non Financial Assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company basis its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the



budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made in respect of assets at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.4.16 Government Grants:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. However if any export obligation is attached to the grant related to an asset, it is recognized as income on the basis of accomplishment of the export obligation.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

2.4.17 Earnings per share

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of company (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss; for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4.18 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Board of Directors (BoD) of the Company has appointed a executive committee which assesses the financial performance and the position of the Company, and makes strategic decisions. The executive committee, which has been identified as being the CODM, consists of the Managing Director, Director and Chief Financial Officer for corporate planning.

Note: 3 Property, Plant and Equipment (PPE)								
Particulars	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fitting & Equipments/ Installations	Vehicles	Others Equipments	Total	Capitla Work-in-progress
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Year ended March 31, 2018								
As at April 01, 2017	2,224.79	5,409.59	37,926.78	1,272.29	1,430.62	65.02	48,329.09	2,774.85
Additions	6.91	254.51	2,337.48	103.49	155.12	12.98	2,870.49	382.65
Disposals	-	-	(923.84)	(4.70)	(141.99)	-	(1,070.53)	(1,013.65)
Total Cost as at March 31, 2018	2,231.70	5,664.10	39,340.42	1,371.08	1,443.75	78.00	50,129.05	2,143.85
Depreciation								
As at March 31, 2017	-	238.76	2,195.65	164.97	225.60	16.87	2,841.85	-
Depreciation charge during the year	-	263.19	2,428.30	145.27	275.87	26.80	3,139.43	-



Disposals	-	-	(771.50)	(1.27)	(92.54)	-	(865.31)	-
Closing accumulated depreciation as at March 31, 2018	-	501.95	3,852.45	308.97	408.93	43.67	5,115.97	-
W.D.V. As at March 31, 2018	2,231.70	5,162.15	35,487.97	1,062.10	1,034.82	34.33	45,013.08	2,143.85
Year ended March 31, 2019								
As at April 01, 2018	2,231.70	5,664.10	39,340.42	1,371.08	1,443.75	78.00	50,129.05	2,143.85
Additions	-	204.58	1,185.28	64.77	76.98	14.55	1,546.15	2,773.98
Disposals	-	-	(270.25)	(3.93)	-	(1.31)	(275.49)	(331.69)
Assets Classified as Held for Sale (Refer Note no. 35)	-	-	-	-	-	-	-	(1,595.45)
Total Cost as at March 31, 2019	2,231.70	5,868.68	40,255.45	1,431.92	1,520.73	91.24	51,399.71	2,990.69
Depreciation								
As at March 31, 2018	-	501.95	3,852.45	308.97	408.93	43.67	5,115.97	-
Depreciation charge during the year		269.07	2,586.29	137.27	250.09	16.23	3,258.95	-
Disposals		-	(66.28)	(1.94)	-	(1.08)	(69.29)	-
Closing accumulated depreciation as at March 31, 2019	-	771.03	6,372.46	444.31	659.02	58.81	8,305.63	-
W.D.V. As at March 31, 2019	2,231.70	5,097.65	33,882.99	987.61	861.71	32.42	43,094.08	2,990.69
Net Book Value								
At March 31, 2019	2,231.70	5,097.65	33,882.99	987.61	861.71	32.42	43,094.08	2,990.69
At March 31, 2018	2,231.70	5,162.15	35,487.97	1,062.10	1,034.82	34.33	45,013.08	2,143.85
No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year March 31, 2019 - Nil, March 31, 2018 - Nil								
Charge on PPE								
Entire PPE (except Vehicles) is subject to First Charge to secure bank loans. Respective vehicles are also subject to charge to secure the loan availed to acquire the same.								
(Refer to Note No. 13)								

4. Financial Assets (Unsecured, considered good, unless otherwise stated)	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Loans	6,712.52	8,466.23
Security Deposits	84.73	131.88
	6,797.25	8,598.11
Current	6,712.52	8,466.23
Non-Current	84.73	131.88



5. Deferred Tax Assets/Liabilities (Net)	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Deferred Tax Asset/(Liability) (Refer Note No 28)	(706.28)	(126.48)
	(706.28)	(126.48)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2019:		
	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Accounting profit before income tax	(6,925.68)	(8,714.09)
Tax Liability		
At India's statutory income tax rate of 31.20% (March 31 2018: 30.90%)	(2,160.81)	(2,692.65)
Adjustments in respect of current income tax of previous years	-	-
Adjustments in respect of Statutory Dues (Net)	(937.40)	-
Depreciation (Net)	-	(27.02)
Non-deductible expenses for tax purposes:		
Unpaid Interest (Net)	2,168.61	1,066.01
Employee Benefits (Net)	31.06	33.95
Depreciation (Net)	90.28	-
Statutory Dues (Net)	-	104.78
Other Non Deductable Expenses (Net)	65.30	98.29
Current year unabsorbed tax losses	742.96	1,416.64
Income tax expenses charged to the statement of Profit & Loss A/c	-	-
Reconciliation of deferred tax liabilities (net):	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Opening balance as of 1 April	(126.48)	(193.99)
Tax income/(expense) during the period recognised in profit or loss	(567.24)	64.45
Tax income/(expense) during the period recognised in OCI	(12.56)	3.06
Closing balance as at 31 March	(706.28)	(126.48)

Deferred tax relates to the following:	Balance Sheet		Profit & Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Accelerated depreciation for tax purposes	(7,930.89)	(7,309.29)	(621.60)	(16.02)
Prepayments	(20.48)	(26.97)	6.49	7.63
Debt Component of compound financial instrument	(797.23)	(851.60)	54.37	48.11
Provision for Gratuity/Leave Encashment	267.68	236.92	30.76	34.07
Interest Accrued and Due	(718.43)	212.36	(930.79)	0.00
Other Liabilities	492.53	987.22	(494.69)	0.00
Cane Development Expenses	53.34	41.56	11.78	(6.27)
Expenditure allowed on payment basis	0.00	0.00	0.00	0.00
Unabsorbed Depreciation	7,947.20	6,583.32	1,363.88	(0.01)
Tax during the period recognised in OCI	-	-	12.56	(3.06)
Deferred Tax Expense/(Income)	-	-	(567.24)	64.45
Net Deferred Tax Assets/(Liabilities)	(706.28)	(126.48)	-	-



6. Prepayments	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Deferred Loan Processing Fees	66.27	87.27
Prepaid Expenses	254.12	189.27
	320.39	276.54
Current	266.74	205.51
Non-Current	53.65	71.03

7. Inventories	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
(a) Raw Materials (at Cost)	448.01	381.23
(b) Work-in-progress (including appropriate overhead)	855.51	1,016.36
(c) Finished Goods (at lower of cost and net realisable value)	46,247.77	49,090.19
(d) Stores and spares (at Cost)	3,352.40	3,084.24
	50,903.69	53,572.02

8. Trade receivables (Unsecured, considered good)	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Trade receivables	13,394.57	14,016.88
	13,394.57	14,016.88

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

9. Cash and cash equivalent	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
(A) Balances with Banks		
(I) Bank balances held as margin money or as security against:		
(i) Guarantees	1,172.51	726.74
(ii) Letters of Credit	-	-
(iii) Other commitments	2,525.68	4,016.02
(II) On Current Accounts	242.14	176.52
(B) Cheques, drafts on hand	0.05	854.16
(C) Cash on hand	44.09	30.85
	3,984.47	5,804.29
Cash & Cash Equivalents	286.28	1,061.53
Bank Balance other than above	3,698.19	4,742.76

10. Other Assets	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Capital Advances (Unsecured, considered good)	998.95	916.72
Other Advances (Unsecured, considered good)		
- Related Party (Refer Note No 27)	38.30	37.95
- Others	6,204.65	5,372.61
Interest and other Receivable	3,453.62	1,854.56
Balance with Revenue Authorities	757.01	1,042.63
Taxes deposited under protest/appeal	101.25	59.00
	11,553.78	9,283.47
Current Assets	11,553.78	9,283.47
Non-current Assets	-	-



11. Share Capital		
Authorised Share Capital		
Equity Shares	No. in Lakhs	INR Lakhs
At March 31, 2018	1,600.00	16,000.00
Increase/(decrease) during the year	-	-
At March 31, 2019	1,600.00	16,000.00
Terms/ rights attached to equity shares		
The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends, if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
8% Non Cumulative Redeemable Preference Shares	No. in Lakhs	INR Lakhs
At March 31, 2018	600.00	6,000.00
Increase/(decrease) during the year	-	-
At March 31, 2019	600.00	6,000.00
Terms/ rights attached to preference shares		
The Preference shares issued by the company are non-convertible. Preference shares will be redeemed on April 29, 2027 at the price of INR 10/- per share. The Preference shares carry a dividend of 8% per annum payable at the discretion of the company and subject to approval of the lenders. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in event of liquidation. The presentation of liability and equity portion of these shares is explained in the summary of significant accounting policy.		
Issued Share Capital		
Equity Shares	No. in Lakhs	INR Lakhs
At March 31, 2018	1,535.68	15,356.78
Issued during the year	-	-
At March 31, 2019	1,535.68	15,356.78
Equity component of redemebale preference shares of INR 10 each issued and fully paid	No. in Lakhs	INR Lakhs
At March 31, 2018	410.93	2,811.16
Issued during the year	-	-
At March 31, 2019	410.93	2,811.16
This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities. (Refer Note no. 13)		
Subscribed Share Capital		
Equity Shares of INR 10 each		
	No. in Lakhs	INR in Lakhs
At March 31, 2019		
Subscribed & Fully Paid	1,535.11	15,351.11
Subscribed but not Fully Paid	0.57	2.84
	1,535.68	15,353.95
	No. in Lakhs	INR in Lakhs
At March 31, 2018		
Subscribed & Fully Paid	1,535.11	15,351.11
Subscribed but not Fully Paid	0.57	2.84
	1,535.68	15,353.95
Equity component of redemebale preference shares of INR 10 each issued and fully paid	No. in Lakhs	No. in Lakhs
At March 31, 2018	410.93	410.93
Increase/(decrease) during the year	-	-
At March 31, 2019	410.93	410.93



Details of shareholders holding more than 5% shares in the Company		
Name of the shareholder	No. of shares in Lakhs	% holding in the class
At March 31, 2019		
Equity Shares of INR 10 each		
1. Mr. Rana Inder Pratap Singh	179.30	11.68%
2. Mrs. Sukhjinder Kaur	85.00	5.54%
At March 31, 2018		
Equity Shares of INR 10 each		
1. Mr. Rana Inder Pratap Singh	179.30	11.68%
2. Mrs. Sukhjinder Kaur	85.00	5.54%

12. Other Equity	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
a. Securities Premium Reserve	8,315.02	8,315.02
b. Capital Redemption Reserve	2,054.67	2,054.67
c. Capital Reserve	132.25	132.25
d. Retained Earnings	(34,820.11)	(27,355.00)
	(24,318.17)	(16,853.05)
Reserves and Surplus	(34,820.11)	(27,355.00)
Other Reserve	10,501.94	10,501.94
a. Securities Premium Reserve	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Opening Balance	8,315.02	8,315.02
Appropriations during the year	-	-
Closing Balance	8,315.02	8,315.02
b. Capital Redemption Reserve	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Opening Balance	2,054.67	2,054.67
Appropriations during the year	-	-
Closing Balance	2,054.67	2,054.67
c. Capital Reserve	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Opening Balance	132.25	132.25
Appropriations during the year	-	-
Closing Balance	132.25	132.25
d. Retained Earnings	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Opening balance	(27,355.00)	(18,696.51)
Net profit for the period	(7,492.92)	(8,649.64)
<i>Appropriation from :</i>		
Other Adjustment	(0.30)	-
Molasses Storage Fund	-	(2.01)
Items of OCI recognised directly in retained earnings		
Re-measurement gains/(losses) on defined benefits plan (net of tax)	28.10	(6.84)
Closing balance	(34,820.11)	(27,355.00)



13. Financial Liabilities	Effective Interest rate	Maturity Period	Installment (Nos.)	March 31, 2019	March 31, 2018
				INR Lakhs	INR Lakhs
Non-Current Borrowings					
Term Loan From Banks & Financial Institution					
(i) Term loan from SBI (Secured)	N.A.	June-09 to Sept -17	34	-	1,321.02
(ii) Term loan from BoB (Secured)	BR+3.15%	June-09 to Sept -17	34	108.10	365.57
(iii) Term loan (SEFASU 2014) from SBI (Secured)	BR+3%	Mar-16 to Mar-19	12	2,160.17	2,066.54
(iv) Term loan (SEFASU 2014) from BoB (Secured)	BR+2.50%	Apr-16 to Jan -19	12	636.64	636.64
(v) Term loan (SEFASU 2014) from UCO Bank (Secured)	N.A.	June-16 to Mar-19	12	-	39.60
(vi) Term Loan (Soft Loan) from SBI (Secured)	BR+3%	Oct-17 to Jul-22	20	2,660.30	2,856.23
(vii) Term Loan (Soft Loan) from BoB (Secured)	BR+2.50%	Oct-17 to Sept-22	60	690.80	625.50
(viii) Term Loan (Soft Loan) from UCO Bank (Secured)	BR+3.10%	Oct-16 to Sept-20	48	36.02	62.44
(ix) Term Loan (Punjab Soft Loan) from SBI (Secured)	BR+3.70%	Dec-17 to Sept-22	20	1,321.45	1,321.45
(x) Term Loan (Punjab Soft Loan) from BoB (Secured)	BR+3.20%	Mar-18 to Dec-22	20	336.30	336.30
(xi) Term Loan (Punjab Soft Loan) from UCO Bank (Secured)	BR+5.00%	Dec-17 to Sept-22	20	101.74	135.48
(xii) Term Loan from UCO Bank (Secured)	BR+5.00%	June-17 to Mar-23	24	415.04	543.54
(xiii) Term loan from IREDA (Secured)	11.25%	June-18 to Mar-29	8-32	7,074.45	7,489.48
(xiv) Liability Component of compound financial instrument					
- 8% Non Cumulative Redeemable Preference Shares (Unsecured)	13%	2007-2028	NA	1,529.30	1,353.36
(xv) Vehicle Loans (Secured)		31-Mar-20	Various	163.57	362.18
Unsecured loans					
- From Directors (Unsecured)				614.47	995.64
- From Intercompany (Unsecured)				4,751.25	5,411.25
- From Relatives (Unsecured)				1,578.19	1,624.79
Total borrowings				24,177.79	27,547.00
Less: Amount clubbed under Other Financial Liabilities					
Less: Current maturities of debt				(8,526.80)	(6,664.64)
Less: Current maturities of vehicle loans				(163.57)	(232.19)
Less: Interest accrued and due				(5.84)	-
Non current borrowings				15,481.58	20,650.18

At March 31, 2019 and March 31, 2018, there were 4,10,93,424 no. of redeemable preference shares in issue. Each share has a par value of INR 10. Preference shares will be redeemed on April 29, 2027 at par value. The preference shares carry a dividend of 8% per annum, payable yearly in arrears on 31 March. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.



Detail of Default in Borrowings		March 31, 2019	March 31, 2018
		INR Lakhs	INR Lakhs
(i) Term loan from SBI (Secured)	Amount	-	1,568.76
	Period of default	N.A.	Since March, 31 2016
(ii) Term loan from BoB (Secured)	Amount	108.10	377.02
	Period of default	Since Sept., 30 2017	Since March, 31 2016
(iii) Term loan (SEFASU 2014) from SBI (Secured)	Amount	2,160.17	1,662.91
	Period of default	Since March, 31 2016	Since March, 31 2016
(iv) Term loan (SEFASU 2014) from BoB (Secured)	Amount	636.64	570.41
	Period of default	Since March, 31 2016	Since March, 31 2016
(v) Term loan (SEFASU 2014) from UCO Bank (Secured)	Amount	-	8.01
	Period of default	N.A.	Since December, 31 2017
(vi) Term Loan (Soft Loan) from SBI (Secured)	Amount	2,660.30	790.38
	Period of default	Since March, 31 2016	Since March, 31 2016
(vii) Term Loan (Soft Loan) from BoB (Secured)	Amount	690.80	213.39
	Period of default	Since March, 31 2016	Since March, 31 2016
(viii) Term Loan (Soft Loan) from UCO Bank (Secured)	Amount	2.27	8.10
	Period of default	March, 31 2019	Since December, 31 2017
(ix) Term Loan (Punjab Soft Loan) from SBI (Secured)	Amount	1,321.45	374.29
	Period of default	Since March, 31 2016	Since March, 31 2016
(x) Term Loan (Punjab Soft Loan) from BoB (Secured)	Amount	336.30	114.96
	Period of default	Since March, 31 2016	Since March, 31 2016
(xi) Term Loan (Punjab Soft Loan) from UCO Bank (Secured)	Amount	7.94	19.27
	Period of default	March, 31 2019	Since December, 31 2017
(xii) Term Loan from UCO Bank (Secured)	Amount	28.37	79.40
	Period of default	March, 31 2019	Since December, 31 2017

	Effective Interest rate	Maturity	March 31, 2019	March 31, 2018
			INR Lakhs	INR Lakhs
Current borrowings				
(A) Loans repayable on demand				
Secured				
Cash Credits From banks (refer note no. 33)		on Demand	42,832.04	43,158.42
Interest accrued and due			14,856.27	11,059.52
Total Current borrowings			57,688.31	54,217.94
			March 31, 2019	March 31, 2018
(B) Other financial liabilities			INR Lakhs	INR Lakhs
Current Maturities of Long term borrowings				
Current maturities of debt			8,526.80	6,664.64
Current maturities of vehicle loans			163.57	232.19
Interest accrued and due			2,726.80	1,918.84
			11,417.17	8,815.67
Note: Base Rate (BR) of respective Bank as on March 31, 2019				
Detail of security for Financial Liabilities				
Term Loans (Excluding Vehicle Loans)				
Term Loans from above banks are secured by pari passu first charge on Fixed Assets of the Company, including Sugar & Power units in District Amritsar (Punjab), Moradabad & Rampur (UP) and Distillery unit in District Tarn Taran (Punjab)				



Vehicles Loans			
Vehicles loans are secured by hypothecation on the underlying vehicles for the respective loan.			
Working Capital Loans			
- For Sugar Unit in District Amritsar			
Working Capital Loans are secured by pledge/hypothecation of crystal sugar, and hypothecation of all other current assets in Sugar Unit in District Amritsar (Punjab), in favour of State Bank of India, Bank of Baroda and UCO Bank on pari-passu basis.			
- For Distillery Unit in District Tarn Taran			
Working Capital Loans are secured by hypothecation of all current assets in Distillery Unit in District Tarn Taran (Punjab), in favour of State Bank of India and UCO Bank on pari-passu basis.			
- For Sugar Unit in District Moradabad			
Working Capital loans are secured by pledge/hypothecation of crystal sugar, and hypothecation of all other current assets in Sugar Unit in District Moradabad (UP), in favour of State Bank of India, Bank of Baroda and Zila Sahkari Bank Ltd. on pari-passu basis			
- For Sugar Unit in District Rampur			
Working Capital Loans are secured by pledge/hypothecation of crystal sugar, and hypothecation of all other current assets in Sugar Unit in District Rampur(UP), in favour of State Bank of India, Bank of Baroda and Zila Sahkari Bank Ltd. on pari-passu basis			
Working Capital Loans from Banks are further secured by personal guarantee of promoters / directors.			
The above said loans from State bank of India and Bank of Baroda including cash credit limits from these banks have been recalled pursuant to provisions of SARFESAI Act.			

14. Provisions	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Provision for employee benefits (Refer note no. 29)	866.28	766.72
	866.28	766.72
Current	104.65	102.40
Non-Current	761.63	664.32

15. Government Grant	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Government Grant	151.91	179.43
	151.91	179.43
Current	23.81	30.94
Non-Current	128.10	148.49
Government grants had been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants		

16. Other Liabilities	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Statutory Dues Payables	2,391.89	4,268.31
Advance from Customers	974.96	1,174.88
Other liabilities and payables	1,431.60	1,681.01
Molasses Storage Fund	71.12	71.12
	4,869.56	7,195.32
Current	4,798.44	7,124.20
Non-Current	71.12	71.12

17. Trade Payables	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Micro & Small Enterprises	260.73	5.21
Trade Payables - Raw Material	43,845.92	39,646.06



Trade Payables - Capital	895.61	732.14
Trade Payables - Others	4,604.09	5,061.04
	49,606.35	45,444.45
Terms and conditions of the above financial liabilities		
Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.		

18. Revenue from Operations	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Sale of products (including excise duty)	106,174.96	98,583.39
Sale of goods	2,812.62	47.35
Total Sale of Products	108,987.58	98,630.74
Other Operating Revenues	178.07	136.30
Total	109,165.65	98,767.04

From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations for year ended 31 March, 2019 and for the period from 1 July, 2017 to 31 March 2018. In view of the aforesaid change in indirect taxes, revenue from operations year ended 31 March 2019 is not comparable with 31 March 2018. Sale of goods for the year ended 31 March 2018 includes excise duty collected from customers of INR 1113.15 Lakhs. Sale of goods net of excise duty is INR 97,517.60 lakhs for the year ended 31 March 2018.

19. Other Income	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
<i>Other non-operating income</i>		
Government grant	27.51	30.94
Interest Income	100.13	49.18
Gain on disposal of property, plant and equipment	6.93	27.51
Other Non-Operating Income(Net of Expenses directly attributable to such income)	1,557.06	596.83
Unwinding of discount on security deposit (if any)	-	-
	1,691.63	704.46

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

20. Cost of Raw Material and Components Consumed		
a. Raw material	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	381.23	18.28
Add: Purchase	83,709.67	92,659.41
	84,090.90	92,677.69
Less: Inventory at the end of the year	448.01	381.23
Cost of raw material consumed	83,642.89	92,296.46
b. Components consumed	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	3,084.24	3,590.01
Add: Purchase	4,178.31	3,330.07
	7,262.55	6,920.08
Less: Inventory at the end of the year	3,352.40	3,084.24
Cost of components consumed	3,910.16	3,835.84
Cost of Raw Material and Components Consumed	87,553.04	96,132.30



c. Cost of traded goods sold	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	-	-
Add: Purchase	2,912.79	47.36
	2,912.79	47.36
Less: Inventory at the end of the year	-	-
Cost of traded goods sold	2,912.79	47.36

21. Employee Benefits Expense	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Salaries, wages and bonus	2,982.12	2,676.06
Contribution to provident and other funds	132.59	128.83
Gratuity expense	155.36	104.88
Staff welfare expense	109.36	90.17
	3,379.43	2,999.94

22. Finance Costs	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Interest on Term Loan	2,161.30	2,999.28
Interest on Working Capital Loans	6,997.95	6,735.40
Exchange differences regarded as an adjustment to borrowing costs	-	0.79
Other borrowing cost	248.55	158.36
	9,407.80	9,893.83

23. Other Expenses	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
Other Manufacturing & Handling Expenses	737.24	266.37
Power and Fuel	2,222.24	1,894.83
Rent	239.15	280.64
Rates and taxes	263.71	182.17
Insurance	80.80	68.59
<i>Repairs and maintenance</i>		
Plant and machinery	2,357.37	1,554.68
Buildings	236.27	300.71
Others	0.01	0.08
Vehicle Running & Maintenance	628.59	641.52
Donations - Others	1.41	0.34
Advertising and sales promotion	21.77	19.65
Other Selling expenses	80.77	88.54
Travelling and conveyance	371.70	316.87
Office Expenses	345.93	376.22
Legal and professional fees	106.24	197.83
Directors' sitting fees	4.65	4.65
Payment to auditor	8.00	8.54
Exchange difference (net)	(0.00)	6.38
Bad Debts/ advances written off	192.92	(2.33)
Loss on sale of fixed assets	182.23	36.99
Miscellaneous expenses	186.69	322.95
	8,267.69	6,566.22



Payment to Auditors	March 31, 2019	March 31, 2018
	INR Lakhs	INR Lakhs
As auditor:		
Audit fee, Tax audit fee & Limited review	8.00	8.54
In other capacity:		
Taxation matters	-	-
Company law matters	-	-
Other services (certification fees)	-	-
	8.00	8.54

Notes to the Financial Statements for the year ended March 31, 2019:

24. Contingent Liabilities, Commitments and Contingencies

(Claims against the Company not acknowledged as debts)

Liabilities in respect of Income Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessment shall be accounted for in the year in which the assessment is completed. The status of completed assessments is as under:-

- Income Tax assessments** have been completed up to the assessment year **2015-16** and there is no demand pending in respect of the completed assessments. In respect of AY 2016-17, demand has been raised by department for INR 20.73 Lakhs against which appeal has been filed to Commissioner of Income Tax (Appeals) Ludhiana.
- Sales Tax assessments**

Sr. No.	Unit	Assessment Year Completed upto	
		CST	VAT
1.	Sugar Units, Uttar Pradesh	2016-17	2016-17
2.	Sugar Unit, Amritsar	2015-16	2015-16
3.	Distillery Unit, Tarn Taran	2013-14	2013-14

- In respect of Sugar Units in Uttar Pradesh, the Excise & Taxation department has raised demand on account of VAT on molasses for INR 35.41 lakhs, 201.31 lakhs, 103.99 lakhs, 178.90 lakhs, 122.52 lakhs and 218.64 lakhs for the Financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 respectively. However, as per the order of the Hon'ble Allahabad High Court dated 30 March, 2010 the said VAT has not been deposited with the Excise & Taxation Department, Uttar Pradesh since Excise & Taxation Department, Uttar Pradesh has filed an appeal with Hon'able Supreme Court of India against such order of the Hon'able High Court of Allahabad; the said liability for VAT on molasses has been classified as contingent liability.
Apart from the above VAT on molasses, Excise and Taxation Department, Uttar Pradesh has raised demand of INR 18.10 Lakhs and INR 58.09 Lakhs towards Entry Tax for the FY 2016-17 and company has filed appeal with Additional Commissioner (appeals) commercial tax, Range-1 Moradabad.
 - The Company has deposited INR 6.60 lakhs in F.Y. 2016-17 under protest with department against alleged demand raised of entry tax and shown the same under the head Payments of Taxes under protest/appeal under Other Assets (Refer note no. 10). The Company has filed appeal against such demand with the respective appellate authorities.
 - In respect of Sugar Unit in Punjab, the Department has raised the demand for Purchase Tax on cane for INR 140.40 lakhs, 297.22 lakhs, 347.25 lakhs, 227.62 lakhs, 90.52 and 381.98 lakhs for the Financial years 2005-06, 2008-09, 2009-10, 2010-11, 2011-12 and 2013-14 respectively. The Company has preferred appeals against such orders with the appellate authorities. Though, the Company has provided purchase tax liability for the years 2005-06 to 2013-14, the same has not been paid as the above mentioned appeals against assessment orders are pending with the appellate authorities.
 - In respect of Distillery unit in Punjab, the office of Excise & Taxation Commissioner, Punjab raised a demand of INR 348.47 lakhs (INR 55.69 lakhs for VAT and INR 292.78 lakhs for CST) vide its order dated 30 April, 2015 against which the Company has filed appeal with DETC (Appeals) Amritsar .
- In respect of its Sugar unit at Moradabad, the company has deposited INR 49.90 lakhs in FY 2010-11 on account of Excise Duty under protest against alleged demand of Excise duty and the same has been shown under the head Payments of Taxes under protest/appeal under Other Assets (Refer note no. 10). The Company has filed an appeal with CESTAT (Central Excise & Service Tax Appellant Tribunal) against the order of Commissioner Central Excise.
 - In respect of its Sugar unit at Rampur, the company has deposited in FY 2018-19 INR 25.43 Lakhs for the Period March 2015 to June 2016 and INR 15.17 lakhs pertaining to period 1st July 2016 to 30th June 2017 on account of Excise Duty under protest the same has been shown under the head Payments of Taxes under protest/appeal under Other Assets (Refer note no. 10). The Company has filed an appeal with the Office of Commissioner, Central Goods and Service Tax (Appeals), Meerut.
 - Bank Guarantees/LC's issued INR 1494.21 Lakhs (Previous Year INR 1005.25 Lakhs) are secured by pledge of FDRs of INR 1172.51 Lakhs (Previous Year INR 726.74 Lakhs) given by the Company.
 - As per the tripartite agreement between the Company, Bankers and the Individual farmers, Banker disburses the Crop Loan to farmers through the Company. The Company has provided guarantee to the Bank on behalf of farmers for repayment of loan with interest. The crop loans outstanding as at the end of the Financial Year were INR 551.98 lakhs against the corporate guarantee given by the company.
 - The estimated amount of contracts remaining to be executed on capital account and not provided for was INR 361.18 Lakhs (Previous Year INR 39.03 Lakhs).



25. Going concern Assumptions

During the last few years, the company has incurred losses. As a result there has been reduction in the Net worth of the Company and as at 31st March 2019 it is Negative. The Losses have been incurred mainly due to high Raw Material Cost, high gearing and relatively lower price of finished goods. The management of the company is making continuous efforts to improve its liquidity position by running the plants at optimum level and government is also extending support to the Industry in the form of various subsidies. Due to such, the Company expects to generate positive cash flows from operations in the years to come. Accordingly, the financial statements of the company have been prepared on going concern basis.

26. EXPENDITURE ON EMPLOYEES:

There was no employee employed for full or part of the year who was getting remuneration in excess of the limits specified in Section 197 read with schedule V of the Companies Act, 2013

27. RELATED PARTY TRANSACTION:

INR in Lakhs

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Advance Given/ (Received)	(Paid)/ Received	Amounts owed by related parties
Entity in which the Director's are interested								
Rana Polycot Limited	31-Mar-19	0.34	-	0.34	-	-	-	-
	31-Mar-18	0.77	-	-	-	0.01	0.01	-
Rana Informatics Limited	31-Mar-19	-	-	37.95	-	-	-	-
	31-Mar-18	-	-	37.95	-	-	-	-
RSL Distilleries Private Limited	31-Mar-19	35.80	149.07	-	-	47.68	47.68	-
	31-Mar-18	3.03	16.91	-	1.35	-	-	-
Rana Power Limited	31-Mar-19	37.20	-	-	-	565.50	565.50	-
	31-Mar-18	-	-	-	-	565.50	565.50	-
Laxmiji Sugars Mills Company Limited	31-Mar-19	181.49	61.01	-	-	657.66	657.66	-
	31-Mar-18	8.85	-	-	-	252.80	252.80	-
Superior Foods Grains Private Limited	31-Mar-19	14.87	152.14	-	-	863.34	863.34	-
	31-Mar-18	19.42	126.87	-	43.45	-	-	-
Directors	31-Mar-19	-	-	-	-	-12.08	-393.25	-614.47
	31-Mar-18	-	-	-	-	-81.70	-223.58	-995.64
Relatives of Directors	31-Mar-19	-	-	-	-	-31.69	-78.29	-1578.19
	31-Mar-18	-	-	-	-	-18.9	-99.27	-1,624.79

Advances to related party have been given to procure the material required for production, which was returned for non receipt of required approvals.

Key Management Personnel		Short Term Employee Benefits	Post Employment Benefits
		INR in Lakhs	
Manoj Gupta (C.F.O.)	31-Mar-19	21.91	-
	31-Mar-18	21.09	-
M.K.Raina (Company Secretary)	31-Mar-19	20.09	-
	31-Mar-18	19.45	-

Note: Mr. R.C.Sharma has been appointed as C.F.O. in place of Mr. Manoj Gupta

The amounts disclosed in the table relating to employee benefits are the amounts recognised as an expense during the reporting period related to key management personnel. The remuneration to the Key Management Personnel does not include the provision for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

28. Deferred Tax:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has tax losses (Business Loss) of INR 9,333.51 lakhs (March 31, 2018: INR 9,921.84 lakhs) that available for offsetting for eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire in March 2023.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by INR 2884.05 lakhs.



29. Employee Benefits:

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates), which should result in a increase in liability without corresponding increase in the asset.

Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

A. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2018-19	2017-18
Employer's contribution towards Provident Fund	132.59	128.83

B. Defined Benefit Plan

General description of the plan:

Gratuity	Leave Encashment
Funded	Unfunded

C. Method of valuation: Projected unit Credit Method

D. Reconciliation of opening and closing balance of defined benefit obligation:

Item	Gratuity		Leave	
	2019	2018	2019	2018
Net opening liability/(asset)	51254896	41163546	18919899	17798939
Expenses as recognized in P&L account	8113869	10487705	7672127	3992160
Remeasurements	(4066400)	990258	-	-
Contributions/benefits paid	(1013151)	(1383613)	(7114954)	(2871200)
Net closing liability/(asset)	54289214	51257896	19477072	18919899

E. Fair Value of Plan Assets:

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
FV of plan assets at the beginning of the period	5558429	6326019	-	-
Expected Return on plan assets	416882	506082	-	-
Contributions paid by the employer	1013151	1383613	-	-
Benefit paid by Fund	(754202)	(2567188)	-	-
Assets Acquired/Ceded on settlement	-	-	-	-
Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	5280	(90097)	-	-
FV of plan assets at the end of the period	6239540	5558429	-	-

F. Amount recognized in the balance sheet:

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Present value of DBO/LTEB	60528754	56816325	19477072	18919899
FV of plan assets	6239540	5558429	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	54289214	51257896	19477072	18919899



G. Expense Recognized in Profit or Loss Statement

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Current Service Cost	5454957	7194622	3199167	2754161
Interest Cost	-	-	1418662	1423915
Actuarial (Gain)/Loss of obligations	-	-	3053968	(185916)
Actuarial (Gain)/Loss of plan assets	-	-	-	-
Benefits paid directly by the employer (As per Contra)	(1185205)	-	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	3844117	3293083	-	-
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	8113869	10487705	7672127	3992160

H. Amount Recognized in Other Comprehensive Income

Particulars	Gratuity		Leave	
	2019	2018	2019	2018
Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions	-	-	-	-
Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions	-	-	-	-
Actuarial (Gain)/Loss – Due to experience variance	(4061120)	900161	-	-
Return on plan assets other than amounts included in net interest cost	(5280)	90097	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(4066400)	990258	-	-

I. Valuation Assumptions(Financial)

	2019	2018
Discount Rate	7.5%	8%
Estimated rate of increase in compensation levels	7%	7%
Expected rate of return on plan assets	7.5%	8%

(Demographic)

Mortality basis	Indian Assured Lives Mortality (2012-14) Ult.
Attrition	5%
Disability	No explicit allowance
Leave availment factor	20%

Average weighted duration of liabilities

Sensitivity Analysis – Gratuity

Change in Valuation Assumption	Gratuity – PV of liability obligations for the year ended 2019	Gratuity – PV of liability obligations for the year ended 2018
Discount rate Δ (-1%)	65457160	60724863
Discount rate Δ (0%)	60528754	56816325
Discount rate Δ (+1%)	56635937	53342911
Salary Esc. Rate Δ (-1%)	56582117	53282931
Salary Esc. Rate Δ (0%)	60528754	56816325
Salary Esc. Rate Δ (+1%)	65436421	60724863

Sensitivity Analysis – Leave Encashment

Change in Valuation Assumption	Leave – PV of liability obligations for the year ended 2019	Leave – PV of liability obligations for the year ended 2018
Discount rate Δ (-1%)	20801911	20203667
Discount rate Δ (0%)	19477072	18919899
Discount rate Δ (+1%)	18311348	17787741
Salary Esc. Rate Δ (-1%)	18293947	17768109
Salary Esc. Rate Δ (0%)	19477072	18919899
Salary Esc. Rate Δ (+1%)	20795320	20203667



30. Segment Information:

A. Description of the segments and principal activities:

The Company's executive committee examines the Company's performance from a product and geographic perspective and has identified three reportable segments of its business:

a. Sugar Manufacturing: (India – Punjab and Uttar Pradesh)

This part of the business manufactures and sells sugar, molasses and bagasse. Whereas sugar is main product; others are the bye products and are produced at various stages of the production of the sugar. The Company has sugar manufacturing facilities at three locations in India viz. Buttar (Punjab), Moradabad and Rampur (Uttar Pradesh). The committee monitors the performance in the respective region separately. While the committee receives separate reports for each region, the facilities have been aggregated in to one reportable segment as they have similar average gross margins and similar expected growth rates.

b. Ethanol Manufacturing: (India – Punjab)

This part of the business is further integration of the sugar process wherein bye product molasses is further processed to manufacture Ethanol.

c. Power Generation: (India – Punjab and Uttar Pradesh)

This part of the business consumes the bye product bagasse from sugar process and co generates the power. The segment also procures fuel from outside to generate power. After meeting the captive requirements of the respective sugar unit the power is exported the respective State Grids under long term Power Purchase Agreements (PPA).

Segment reporting for the year ended March 31, 2019

Particulars	Sugar	Power	Distillery/ Ethanol	Total segments	Adjustments and eliminations	Consolidated
REVENUE						
External customers	87630.50	10559.66	12667.11	110857.28	-	110857.28
Inter-segment	19541.82	17765.72	-	37,307.54	37,307.54	-
Total Revenue	107172.32	28325.39	12667.11	148164.82	37,307.54	110857.28
INCOME/(EXPENSES)						
Depreciation and amortisation	(2016.71)	(968.83)	(273.41)	(3258.94)	-	(3258.94)
Segment Profit/(Loss)	(16668.54)	5455.02	4328.48	(6885.04)	-	(6885.04)
Total Assets	102476.35	18559.67	13598.33	134634.35	-	134634.35
Total Liabilities	120573.06	7594.31	4969.86	133137.23	-	133137.24

Segment reporting for the year ended March 31, 2018

Particulars	Sugar	Power	Distillery/ Ethanol	Total segments	Adjustments and eliminations	INR in lakhs
						Consolidated
REVENUE						
External customers	78,569.68	9,357.06	11,544.77	99,471.51	-	99,471.51
Inter-segment	19,318.07	18,392.58	-	37,710.65	37,710.65	-
Total Revenue	97,887.75	27,749.64	11,544.77	137,182.16	37,710.65	99,471.51
INCOME/(EXPENSES)						
Depreciation and amortisation	(1,868.90)	(1,012.51)	(258.01)	(3,139.42)	-	(3,139.42)
Segment Profit/(Loss)	(16,144.34)	5,272.37	2,147.98	(8,723.99)	-	(8,723.99)
Total Assets	109,889.25	19,440.73	9,378.22	138,708.20	-	138,708.20
Total Liabilities	117,365.85	8,040.58	3,831.61	129,238.04	-	129,238.04

31. Fair Value of Financial Instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

INR in lakhs

Category	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets at amortized cost				
Loans (refer note no. 4)	6797.25	8598.10	6797.25	8598.10
Financial liabilities at amortized cost				
Non-Current borrowings including current maturities (refer note no 13)	26898.75	29465.85	26898.75	29465.85
Current borrowings (refer note no 13)	57688.31	54217.94	57688.31	54217.94

The management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors, other current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



The fair value of loans from banks and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets

INR in lakhs

Particulars	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
Loans (refer note no. 4)				
March 31, 2019	6797.25	-	6797.25	-
March 31, 2018	8598.10	-	8598.10	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities

INR in lakhs

Particulars	Carrying value March 31, 2019	Fair Value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 13)				
March 31, 2019	26898.75	-	26898.75	-
March 31, 2018	29465.85	-	29465.85	-
Current borrowings (refer note no 13)				
March 31, 2019	57688.31	-	57688.31	-
March 31, 2018	54217.94	-	54217.94	-

32. Financial risk management objectives and policies

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Financial risk management is carried out by Finance department under policies approved by the Board of Directors from time to time. The Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end March 31, 2018 and March 31, 2019 based on contractual undiscounted payments :-

INR in lakhs

March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	57688.31	3533.29	3476.03	64697.63
Non-Interest bearing borrowings:				
Trade and Other payable (Refer Note No. 17)	49606.35	-	-	49606.35
Other financial liabilities (Refer Note No. 13)	11417.17	-	-	11417.17
% to Total	94.42%	2.81%	2.76%	100%



March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	54,217.94	6,223.58	6,394.92	66,836.44
Non-Interest bearing borrowings:				
Trade and Other payable (Refer Note No. 17)	45,444.45	-	-	45,444.45
Other financial liabilities (Refer Note No. 13)	8,815.67	-	-	8,815.67
% to Total	90%	5%	5%	100%

Reconciliation of Interest bearing borrowings

INR in lakhs

	Schedule No	As at March 31, 2019	As at March 31, 2018
Non-Current borrowings	13	15,481.58	20,650.18
Adjustment for Non Interest bearing Unsecured Loans		(6,343.91)	(8,031.68)
Adjustment for Interest accrued and due		-	-
Short-term borrowings	13	57,688.31	54,217.94
		66,825.98	66,836.44

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks, foreign exchange transactions and other financial assets.

(c) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on group/category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(d) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

(e) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of at March 31, 2019 and March 31, 2018.

(f) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

(g) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

Interest rate Sensitivity of Borrowings

Year	Increase/decrease in interest rate	(INR in Lakhs)	
		Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31, 2019	0.50%	(53.71)	53.71
March 31, 2018	0.50%	(39.50)	39.50

(h) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of raw material and therefore requires a continuous supply. The Company operations may impact due to changes in prices of those raw materials.



Commodity price sensitivity of Raw material		(Rs in lakhs)
Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2019	10%	(8364.29)
For the year ended March 31, 2019	-10%	8364.29
For the year ended March 31, 2018	10%	(9229.65)
For the year ended March 31, 2018	-10%	9229.65

33. Effective Interest rate on Cash Credit from Banks

The Company has availed the cash credit limits from different Banks at following effective interest rate:

Bank	Effective Interest Rate
State Bank of India	BR + 3.5%
Bank of Baroda	BR + 3.5%
UCO Bank	BR + 4.75%
Zila Sehkar Bank Ltd.	10.25%

34. Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, Liability Component of compound financial instrument (CFI), security premium and all other equity reserves. The primary objective of the Company's capital management is that it maintains an efficient capital structure and maximizes the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Borrowings	73169.89	74,868.12
Other financial liabilities	11417.17	8,815.67
Less: Cash and Cash equivalents	(286.28)	(1061.53)
Less: Other bank balances	(3698.19)	(4742.76)
Net Debt	80602.59	77,879.50
Equity share capital	15,353.95	15,353.95
Other equity	(21507.02)	(14,041.90)
Total Equity	(6153.07)	1,312.05
Total Capital and net debt	74449.52	79,191.55
Gearing ratio (Times)	-13.10	59.36

35. The Company had been in the process to set up a manufacturing facility at its location at Swar in U.P. However, the same could not be implemented. Considering the cash flows of the Company and to ease the Liquidity of the Company, the Board in its meeting held on 14/02/2019 has resolved to put on sale the Plant & Equipment not being in use at the Unit. Accordingly the same has been classified as "Assets Held for Sale" as per IND AS 105.
36. During the Current year, Company transferred INR Nil (Previous year INR Nil) to Capital Redemption Reserve.
37. In preference to the Companies Act, 2013 the company has not provided for Dividend on non-cumulative Preference share in view of the stipulation imposed by the lending institutions.
38. Previous year figures have been recasted/regrouped/rearranged wherever necessary to make them comparable with that of current year.

R.C. Sharma
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Veer Pratap Singh
Director

As per our report of even date attached

For **Ashwani K. Gupta & Associates**
Chartered Accountants

Place : Chandigarh
Date : 30-05-2019

(CA Arvinder Singh)
Partner
Membership No.: 091721
FRN 003803N



RANA SUGARS LIMITED

REGD. OFFICE : SCO 49-50, SECTOR 8-C, MADHYA MARG, CHANDIGARH-160 009 (INDIA)
TEL.: 0172-2540007, 2549217, 2541904, 2779565, 2773422 **FAX :** 0172-2546809
E-mail : info@ranagroup.com **Website :** www.ranasugars.com **CIN :** L15322CH1991PLC011537

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Registered address :

E-mail Id :

Folio No. / DP ID & Client Id :

I/We, being the member(s) holding shares of the above named Company, hereby appoint:

1. Name :

Address :

E-mail Id :, or failing him

2. Name :

Address :

E-mail Id :, or failing him

3. Name :

Address :

E-mail Id :

P.T.O.

RANA SUGARS LIMITED

REGD. OFFICE : SCO 49-50, SECTOR 8-C, MADHYA MARG, CHANDIGARH-160 009 (INDIA)
TEL.: 0172-2540007, 2549217, 2541904, 2779565, 2773422 **FAX :** 0172-2546809
E-mail : info@ranagroup.com **Website :** www.ranasugars.com **CIN :** L15322CH1991PLC011537

ATTENDANCE SLIP

Folio No./ DP ID & Client ID : No. of Shares :

NAME AND ADDRESS OF THE MEMBER:

.....

.....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

I certify that I am a registered member/ proxy for the registered member of the Company.

I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company being held on Monday, September 30, 2019 at 3.00 P.M. at The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh.

Name of the attending Member/Proxy*

Member's/ Proxy's* Signature

* Strike out whichever is not applicable



and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Twenty Seventh Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 3.00 P.M. at The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh – 160009 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business:

1. Adoption of audited Financial Statements and Report of the Board of Directors and Auditors thereon for the financial year ended 31st March 2019.
2. Reappointment of Rana Ranjit Singh as Director of the Company.
3. Reappointment of Rana Veer Pratap Singh as Director of the Company.
4. Reappointment of M/s. Ashwani K. Gupta & Associates, Chartered Accountants, as Statutory Auditors.

Special Business:

5. Reappointment of Shri Shivavtar Singh Bajwa as an Independent Director for a term of five years from September 30, 2019 upto September 29, 2024.
6. Reappointment of Shri Baljit Singh as an Independent Director for a term of five years from September 30, 2019 upto September 29, 2024.
7. Appointment of Mrs. Navpreet Kaur as an Independent Director for a term of five years from November 9, 2018 to November 8, 2023.
8. Fixation of Remuneration of Cost Auditors of the Company.

Signed this day of 2019

.....
Signature of Shareholder

Affix Revenue
Stamp

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this Meeting.



Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration Rules, 2014)]

Name of the Company : RANA SUGARS LIMITED

Regd. Office: SCO 49-50, Sector 8-C, Madhya Marg, Chandigarh-160 009 (India)

CIN : L15322CH1991PLC011537

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (in block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Shares	Equity

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of audited Financial Statements and Report of the Board of Directors and Auditors thereon for the financial year ended 31 st March 2019.			
2.	Reappointment of Rana Ranjit Singh as Director of the Company.			
3.	Reappointment of Rana Veer Pratap as Director of the Company.			
4.	Reappointment of M/s. Ashwani K. Gupta & Associates, Chartered Accountants, as Statutory Auditors.			
5.	Reappointment of Shri Shivavtar Singh Bajwa as an Independent Director for a term of five years from September 30, 2019 to September 29, 2024.			
6.	Reappointment of Shri Baljit Singh as an Independent Director for a term of five years from September 30, 2019 to September 29, 2024.			
7.	Appointment of Mrs. Navpreet Kaur as an Independent Director for a term of five years from November 9, 2018 to November 8, 2023.			
8.	Fixation of Remuneration of Cost Auditors of the Company.			

Place :

Date :

(Signature of shareholder)

