



**28<sup>th</sup>**  
**Annual Report**  
**2019-20**



RANA SUGARS LIMITED



## BOARD OF DIRECTORS

Rana Inder Pratap Singh  
Rana Ranjit Singh  
Shri S.A.S. Bajwa  
Shri Baljit Singh  
Rana Veer Pratap Singh  
Mrs. Navpreet Kaur

Managing Director  
Director  
Director  
Director  
Director  
Director

## COMPANY SECRETARY

Manmohan K. Raina

## AUDITORS

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

## BANKERS

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

## REGD. OFFICE

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

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## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of Rana Sugars Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 3.00 P.M. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2020 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.

### SPECIAL BUSINESS :

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 provisions of Section 148 and other applicable provisions. If any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs. 50000/- (Rupees Fifty thousand only) Plus GST & out-of pocket expenses if any, payable to M/s. Khushwinder Kumar & Co., Cost Accountants (Firm Registration No. 100123), the Cost Auditors appointed by the Board of Director of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2020-21, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

**Place:** Chandigarh  
**Dated:** 28-08-2020

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

## NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from 25<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (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. **Since, the AGM is being conducted through VC/OAVM (without the physical presence of the members), the Proxy Form, Attendance Slip and place of meeting are not required.**
4. 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.
5. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
7. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.



8. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.ranasugars.com](http://www.ranasugars.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The voting period begins on 27.09.2020 at 9.00 A.M. and ends on 29.09.2020 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 (record date) of 23.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on "Shareholders" module.
- 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EAS/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EAS/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-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 Shareholders holding shares in Demat Form and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in the email.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 Rana Sugars Limited 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login 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**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

**xx. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [mkraina@ranasugars.com](mailto:mkraina@ranasugars.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

- 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. 23.09.2020 may follow the same instructions as mentioned above for e-Voting. .
- xxii. The Company has appointed Mr. Ajay Arora, Company Secretary in whole time practice (ICSI membership No. FCS 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize and collate the e-voting process in a fair and transparent manner.
- xxiii. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xxiv. The results shall be declared after the AGM of the Company. The result alongwith the Scrutinizer's Report shall be placed on the Company's website [www.ranasugars.com](http://www.ranasugars.com) and on the website of CDSL.
- 12. 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. 4**

The Board of Director on the recommendation of the Audit Committee, has approved the appointment of M/s. Khushwinder Kumar & Co., Cost Accountants (Firm Registration No. 100123), Jalandhar to audit the cost accounting records of the Company at a total remuneration of Rs.50,000/- (Rupees Fifty thousand only) plus GST and out of pocket expenses, if any.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21

None of the Director/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financial, or otherwise, in the Resolution.

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

**Place:** Chandigarh  
**Dated:** 28-08- 2020

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



## BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 28<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2020.

### 1. FINANCIAL RESULTS

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

(Rs. In lakhs)

Particulars	Current Year ended 31.03.2020	Previous Year ended 31.03.2019
Revenue from Business Operations	131068.06	109165.65
Other Income	896.33	1691.63
Total Income	131964.39	110857.28
Less Interest	2241.17	9407.80
Profit/(Loss) before Depreciation & Amortization Exp.	6858.15	(3666.73)
Less Depreciation & Amortization Exp.	3391.74	3258.95
Profit/ (Loss) after depreciation, interest	3466.41	(6925.68)
Exceptional Items	22379.11	--
Less Current Tax	--	--
Less Previous year adjustment of Income Tax	--	--
Less Deferred Tax	(710.14)	567.24
Profit/(Loss) after Tax	26555.66	(7492.92)
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	15.35	40.66
- Income tax effect	(3.87)	(12.56)
Other comprehensive income/(loss) for the year, net of tax	11.48	28.10
Total comprehensive income for the year, net of tax attributable to:	26567.14	(7464.82)
Earning per share (Basic)	17.29	(4.88)
Earning per Share (Diluted)	17.29	(4.88)

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 inadequate profit, 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:

The turnover of the Company has gone up to Rs.131068.06 Lakhs as against Rs. 109165.65 Lakhs in the last year and the Company has earned profit of Rs. 26555.66 Lakhs against loss of Rs. 7492.92 Lakhs of the last year. 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

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 31.03.2020, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sr. No.	Name	Designation
1.	Rana Inder Pratap Singh	Managing Director
2.	Mr. R S Balasubramanyam	Chief Financial Officer
3.	Mr. Manmohan K Raina	Company Secretary

## 8. MEETINGS OF THE BOARD

During the financial year ended 31.03.2020, 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

Pursuant to the Section 139 of the Companies Act, 2013, appointment of the Statutory Auditors M/s Ashwani K. Gupta & Associates, Chartered Accountants (Firm Registration No. 003803N), was made by members of the Company in its 27<sup>th</sup> Annual General Meeting for a period of 4 years till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company on the recommendation of the Audit Committee and the Board of Directors.

## 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 2020-21 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 2019-20.

## 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.	During the financial year, Securities and Exchange Board of India vide order No. WTM/SM/IVD/ID4/6667/2019-20 dated 31.01.2020, restrained 5 present directors and 1 ex-director of the company from accessing the Securities Market and the directors are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, from the date of the order. Further, pursuant to the order, the Company is restrained from accessing the Securities Market including by way of issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five (5) years from the date of the order.	An Appeal has been filed by the company against the said order with Securities Appellate Tribunal.

## 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, 2020.



## 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, all directors are independent Directors. 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](http://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 2019-20 were in ordinary course of 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](http://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](http://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 31.03.2020, 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, 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 31.03.2020 are 1081.
- 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.
- 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: 28-08-2020

**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, 2020

Sr. No.	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. R. S. Balasbramanyam	Group CFO	FCA, FCS, LLB	76.08 Lakhs	Permanent	14-02-2020	55	28	Supertech Ltd.	Nil	No
2.	Mr. Bhupinder Singh	Assistant Vice President (Business Development)	B.Sc.	30.36 Lakhs	Permanent	05-04-16	49	27	-	Nil	No
3.	Mr. Arvind Kumar Singh	Vice President (Technical)	Dip. in Mechanical Engg.	26.40 Lakhs	Permanent	26-11-18	53	29	IPL Sugar, Behraich (U.P.)	Nil	No
4.	Mr. Ajay Inder Majithia	Vice President	MBA	26.40 Lakhs	Permanent	01-04-2007	55	29	-	Nil	No
5.	Mr. Sandeep Bhatia	Business Head	B. Com	24.00 Lakhs	Permanent	01-07-17	50	28	Gagan Wine Trade & Financier Ltd.	Nil	No
6.	Mr. Sudhir Kumar	Vice President	Diploma Mech. Ansi Engg.	24.00 Lakhs	Permanent	01-07-10	53	31	Balram-pur Chini Mill Roza-gaon (U.P.)	Nil	No
8.	Mr. M. K. Raina	Sr. G.M. (Legal) & Company Secretary	M.A. LL.B, FCS, DPM & LW, DLL	22.09 Lakhs	Permanent	12-09-92	70	45	Punjab Agro Industries Corporation Ltd.	Nil	No
7.	Mr. Arun Kumar	Group GM (HR)	PDDBM (FIN. & HR)	20.20 Lakhs	Permanent	03-10-18	40	17	NSL Sugars Ltd.	Nil	No
9.	Mr. Dhan Singh	Vice President	B.Sc. (Ag.)	18.00 Lakhs	Permanent	03-10-15	66	36	D.S.M. Rajpura	Nil	No
10.	Mr. Pritam Singh	Sr. G.M. (Production)	M.Sc. ANSI Sugar	17.50 Lakhs	Permanent	20-08-09	68	42	Saraya Sugar Mill Sardar-nagar, (UP)	Nil	No



## ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2020

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, 2020.

### 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.

<b>A. Electricity</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Purchased</b>		
- <b>Sugar</b>		
- Unit Purchased	30,98,810	23,79,514
- Total Amount (INR)	2,91,13,597	2,04,92,909
- Rate Per Unit (INR)	9.40	8.61
<b>Own Generation</b>		
- <b>Sugar</b>		
- Through D.G. Set (Sugar Division) Units Generated	97,917	2,13,395
Units Generated per litre of Diesel Oil	4.50	6.25
Cost Per Unit (INR)	14.57	10.49
- Through Steam Turbine (Sugar Division) Units Generated	25,34,49,449	30,24,87,590
Unit Generated per Qtl. of Fuel	38.63	39.46
Cost Per Unit Electricity (INR)	2.40	2.82
- <b>Distillery</b>		
- Through D.G. Set Units Generated	2,98,928	1,79,997
Units Generated per litre of Diesel Oil	3.15	3.19
Cost Per Unit (INR)	19.87	19.49
- Through Steam Turbine Units Generated	1,37,52,679	1,36,91,000
Unit Generated per Qtl. of Fuel	42.73	40.75
Cost Per Unit Electricity (INR)	2.98	3.20
<b>B. Consumption Per Unit of Product</b>		
- <b>Sugar</b>		
- Electricity (KW/MT)	360.38	326.80
- Fuel (MT/MT)	2.95	2.33
- Steam (MT/MT)	5.77	4.60
- <b>Distillery</b>		
- Electricity (KW/KL)	537.04	581.55
- Fuel (MT/KL)	1.20	1.39
- Steam (MT/KL)	4.67	5.41
<b>C. Technology Absorption</b>		
<b>i) Research &amp; Development</b>		
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 (INR in lacs)	58.70	3.73
<b>ii) Technology Absorption, Adoption and innovation.</b>		
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
<b>D. FOREIGN EXCHANGE EARNING &amp; OUTGO</b>		
a) Foreign Exchange Earning (INR in lacs)	77.10	Nil
b) Foreign Exchange Outgo (INR in lacs)	302.87	425.73

**For & on behalf of the Board**

Place: Chandigarh  
Date: 28-08-2020

**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 firmly believes in the importance of pursuing the highest standards in best practices towards good corporate governance. Our policies and procedures exemplify our core values in utmost transparency, professionalism and accountability across all functions of our organization. The Company has, and will continually endeavour to improve corporate practices, methodologies, and procedures to ensure that long term value is realized for all stakeholders of our organization.

The Company ensures full compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

### 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 30<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 5<sup>th</sup> September, 2019, 27<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. 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 <sup>st</sup> March, 2020							
Name of Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on 30 <sup>th</sup> September, 2019	Number of Directorship in other Companies	Number of Committee Memberships in other Companies		No. of Shares held by the Directors
					Chairman	Member	
Rana Ranjit Singh	Promoter & Non-Executive	2	--	4	--	--	2196561
Rana Inder Pratap Singh	Promoter & Managing Director	5	Yes	6	--	2	17929952
Rana Veer Pratap Singh	Promoter & Non-Executive	3	Yes	2	--	1	6139566
Shri Shivavtar Singh Bajwa	Independent	4	Yes	2	3	--	--
Shri Baljit Singh	Independent	4	Yes	1	--	1	--
Mrs. Navpreet Kaur	Independent	6	--	2	--	--	--

#### 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 7 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.

### 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, and 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 31<sup>st</sup> March, 2020, 4 (four) meetings of the Audit Committee were held. The dates on which the meetings of the Audit Committee were held, are as under:-

30 <sup>th</sup> May, 2019	13 <sup>th</sup> August, 2019	14 <sup>th</sup> November, 2019
14 <sup>th</sup> February, 2020		

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	4
Shri Baljit Singh	Independent Non Executive	Member	4
Mrs. Navpreet Kaur	Independent 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 <sup>st</sup> April, 2019	Nil
During the period from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020	Nil
Complaints identified and reported under Clause 41 of the Listing Agreement	--
Complaints disposed off during the year ended 31 <sup>st</sup> March, 2020	Nil
Complaints unresolved to the satisfaction of shareholders as on 31 <sup>st</sup> March, 2020	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 31<sup>st</sup> March, 2020 3 (three) meetings 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	3
Shri Baljit Singh	Independent Non Executive	Member	3
Rana Veer Pratap Singh	Non Executive	Member	3

### 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 initiative 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](http://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
2018-2019	30.09.2019	3.00 p.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh.	Yes
2017-2018	28.09.2018	3.00 p.m.	--do--	No
2016-2017	28.09.2017	3.00 p.m.	--do--	No

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](http://www.ranasugars.com).





## vi) Market price data

(Amount in Rs.)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2019	3.87	3.16	3.80	3.15
May, 2019	3.58	2.90	3.55	2.85
June, 2019	3.47	2.68	3.35	2.70
July, 2019	3.02	2.36	3.00	2.30
August, 2019	2.51	1.90	2.50	1.90
September, 2019	2.80	2.11	2.85	2.00
October, 2019	2.39	1.94	2.40	1.95
November, 2019	3.84	2.10	3.80	2.40
December, 2019	3.30	2.66	3.25	2.65
January, 2020	6.41	3.15	6.35	3.05
February, 2020	6.41	4.07	6.35	3.85
March, 2020	4.10	2.46	4.00	2.50

## 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.

## ix) Distribution of Shareholding

The distribution of shareholding as on March 31, 2020 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 500	45260	67.65	8815092	5.74
2.	501 to 1000	8790	13.14	7747068	5.04
3.	1001 to 2000	5331	7.97	8676152	5.65
4.	2001 to 3000	2114	3.16	5584082	3.64
5.	3001 to 4000	1056	1.58	3881538	2.53
6.	4001 to 5000	1118	1.67	5373650	3.50
7.	5001 to 10000	1718	2.57	13026032	8.48
8.	10001 and above	1511	2.26	100464206	65.42
9.	<b>Total</b>	<b>66898</b>	<b>100.00</b>	<b>153567820</b>	<b>100.00</b>

Details of Shareholding as on 31<sup>st</sup> March, 2020 was as under :

Sr. No.	Category	No. of shares held	% shareholding
1.	Promoters	34766079	22.64
2.	Financial Institutions, Banks and Mutual funds	2586343	1.68
3.	NRIs, Foreign Nationals, OCBs and FIIs	3851419	2.51
4.	Private Corporate Bodies	5224352	3.40
5.	Indian Public/ HUF	106869904	69.59
6.	Others	269723	0.18
	<b>Total</b>	<b>153567820</b>	<b>100.00</b>

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:**

- i) Village Laukha, 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 31<sup>st</sup> March, 2020 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 <sup>th</sup> October, 1958
Date of first Appointment	:	30 <sup>th</sup> 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 34 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 Erbir Ventures Pvt. Limited (Formerly 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 <sup>th</sup> April, 1982		
Date of first Appointment	:	31 <sup>st</sup> 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 17 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	:	- Stakeholders Relationship Committee - Nomination and Remuneration Committee - Corporate Social Responsibility Committee	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		



## 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 31<sup>st</sup> March, 2020, 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: 28-08-2020

**CA Arvinder Singh**

Partner

Membership No.: 091721

FRN 003803N

ANNEXURE 'D'

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### SUGAR BUSINESS

#### Sugar Season 2019-20

Sugar season 2019-20, opened with national level opening stocks of 14.5 Mn Tons. With estimated production of 27.0 Mn Tons and domestic consumption of 24.0 Mn Tons and export of 5.0 Mn Tons during the current year, the closing stock is expected to be in excess of 12.5 Mn Tons as on September 30, 2020.

The Black swan event 'COVID-19' declared a 'Global Pandemic' by the World Health Organisation (WHO), has caused massive global disruption in all forms of economic activity in the world including in India. The Government of India prescribed several preventive measures to control the spread of COVID -19, including a complete lockdown for the entire country for more than 2 months, which caused substantial adverse effect on demand for sugar for this period.

The slowdown in sugar sweetened products like ice cream beverages, juices, cakes, sweets, confectionaries etc. has affected sugar off take. The pandemic hugely impacted movement of sugar across the country.

All India production in sugar season 2020-21 is expected to rise again to 32 Mn. Tons due to expectation of increased production in Maharashtra. With the expected opening stock of 12.5 Mn Tons and domestic consumption at normal level of 26.5 Mn. Tons the expected closing stock would be 18.5 Mn Tons. To get rid of surplus stocks, export of sugar will continue from India and it is expected that GOI may announce export policy for minimum 6.0 Mn Tons with financial assistance as announced in season 2019-20.

The MSP of sugar was revised in mid-February 2019 at Rs. 3100/Qtls. Sugar Industry is continuously representing to the GOI to revise the MSP to cover increased cost of production.

Despite continuous exports and increased domestic consumption, there would still be excessive stocks which may create liquidity problems for the mills in clearing the cane payment to farmers.

World sugar scenario, after Global sugar deficit of 9.5 Mn. Tons in 2019-20 due to reduced production in Thailand, China and India, is likely to see a surplus of 2.1 Mn. Tons in 2020-21 due to higher production in Brazil, India and Thailand.

### 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, 2020.

For Rana Sugars Limited

Place: Chandigarh

Dated: 28-08-2020

**Rana Inder Pratap Singh**

Managing Director



## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2020

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)

Sr. No.	Name and Description of main products / services	NIC Code of the Products/service	% to total turnover of the company
1	SUGAR	10721	72.30
2	SPIRIT & OTHERS	11019	27.70

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

Sr. No.	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoters (A)</b>	<b>34766079</b>	<b>--</b>	<b>34766079</b>	<b>22.64</b>	<b>34766079</b>	<b>--</b>	<b>34766079</b>	<b>22.64</b>	<b>--</b>



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	100	500	600	0.00	100	--	100	0.00	0.00
b) Banks / FI	39866	--	39866	0.03	36243	--	36243	0.02	-0.01
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	2550000	2550000	1.66	--	2550000	2550000	1.66	0.00
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>39966</b>	<b>2550500</b>	<b>2590466</b>	<b>1.69</b>	<b>36343</b>	<b>2550000</b>	<b>2586343</b>	<b>1.68</b>	<b>--0.01</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	7150309	51200	7201509	4.69	5176852	47500	5224352	3.40	-1.29
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	53092940	1540011	54632951	35.58	48309190	1519611	49828801	32.45	-3.13
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46433758	39300	46473058	30.26	52227700	39300	52267000	34.03	3.77
<b>c) Others specify</b>									
Non Resident Indians	4298741	329900	4628641	3.01	3533019	317800	3850819	2.51	-0.50
Overseas Corporate Bodies	--	600	600	0.00	--	600	600	0.00	0.00
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	95426	--	95426	0.06	269722	--	269722	0.18	0.12
Trusts	25001	--	25001	0.02	1	--	1	0.00	-0.02
Hindu Undivided Families	3088767	--	3088767	2.01	4774103	--	4774103	3.11	1.10
NBFCs registered with RBI	65322	--	65322	0.04	--	--	--	--	-0.04
Foreign Bodies-DR	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	<b>114250264</b>	<b>1961011</b>	<b>116211275</b>	<b>75.67</b>	<b>114290587</b>	<b>1924811</b>	<b>116215398</b>	<b>75.68</b>	<b>0.01</b>
Total Public Shareholding (B)=(B) (1)+ (B)(2)	114290230	4511511	118801741	77.36	114326930	4474811	118801741	77.36	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>149056309</b>	<b>4511511</b>	<b>153567820</b>	<b>100.00</b>	<b>149093009</b>	<b>4474811</b>	<b>153537820</b>	<b>100.00</b>	<b>--</b>



## 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	--	--
<b>TOTAL:</b>		<b>34766079</b>	<b>22.64</b>	<b>--</b>	<b>34766079</b>	<b>22.64</b>	<b>--</b>	<b>--</b>

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) end of the year (31-03-20)	% 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
		<b>17929952</b>	<b>11.67</b>	<b>31-03-19</b>			<b>17929952</b>	<b>11.67</b>
2.	Mrs. Sukhjinder Kaur	8500000	5.53	01-04-18	0	Nil movement during the year	8500000	5.53
		<b>8500000</b>	<b>5.53</b>	<b>31-03-19</b>			<b>8500000</b>	<b>5.53</b>
3.	Rana Veer Pratap Singh	6139566	4.00	01-04-18	0	Nil movement during the year	6139566	4.00
		<b>6139566</b>	<b>4.00</b>	<b>31-03-19</b>			<b>6139566</b>	<b>4.00</b>
4.	Rana Ranjit Singh	2196561	1.43	01-04-18	0	Nil movement during the year	2196561	1.43
		<b>2196561</b>	<b>1.43</b>	<b>31.03.19</b>			<b>2196561</b>	<b>1.43</b>

## D) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Punjab Energy Development Agency	2550000	1.66	01-04-19	0	Nil movement during the year	2550000	1.66
		2550000	1.66	31-03-20				
2.	Murali Krishna Vempati	1476137	0.96	01-04-19	0	Nil	1476137	0.79
				05-04-19	40000	Transfer	1516137	0.99
				19-04-19	10000	Transfer	1526137	0.99
				21-06-19	50000	Transfer	1576137	1.03
				26-07-19	145586	Transfer	1721723	1.12
				09-08-19	40787	Transfer	1762510	1.15
				20-09-19	60000	Transfer	1822510	1.19
				30-09-19	40000	Transfer	1862510	1.21
				22-11-19	20000	Transfer	1882510	1.23
				29-11-19	20000	Transfer	1902510	1.24
		1902510	1.24	31-03-20	0	Nil	1902510	1.24



3.	Hardik B. Patel	0	0	31-01-20	160000	Nil	160000	1.04
		160000	1.04	31-03-20	0	Nil	160000	1.04
4.	Raj Kumar Malhotra	1502786	0.98	01-04-19	0	Nil movement during the year	1502786	0.98
		1502786	0.98	31-03-20				
5.	Priya Singh Aggarwal Jt1-Vijay Aggarwal			07-02-20	1350975	Nil	1350975	0.88
				14-02-20	149025	Transfer	1500000	0.98
		1500000	0.98	31-03-20	0	Nil	1500000	0.98
6.	Ravi Kumar Aggarwal (HUF)		0	17-01-20	598613	Nil	598613	0.39
				31-01-20	901387	Transfer	1500000	0.98
		1475562	0.96	31-03-20	-24438	Transfer	1475562	0.96
7.	Sujith Kumar *	1020000	0.66	01-04-19	0	Nil	1020000	0.66
				12-04-19	400	Transfer	1020400	0.66
				03-05-19	148291	Transfer	1168691	0.76
				10-05-19	15000	Transfer	1183691	0.77
				07-06-19	-78691	Transfer	1105000	0.72
				12-07-19	-65434	Transfer	1039566	0.68
				23-08-19	-2076	Transfer	1037490	0.68
				06-09-19	-47490	Transfer	990000	0.64
				13-09-19	-30000	Transfer	960000	0.62
				20-09-19	-90000	Transfer	870000	0.57
				08-11-19	-8831	Transfer	861169	0.56
				15-11-19	-20000	Transfer	841169	0.55
				17-01-20	-35000	Transfer	806169	0.52
				24-01-20	-6169	Transfer	800000	0.52
				07-02-20	120000	Transfer	920000	0.60
				14-02-20	142000	Transfer	1062000	0.69
				06-03-20	11640	Transfer	1073640	0.70
				1073640	0.70	31-03-20	0	Nil
		1020000	0.66	31-03-19	0	0		
8.	Akruti Tradvest Pvt. Ltd. *	600000	0.39	01-04-19	0	Nil	600000	0.39
				22-11-19	245398	Transfer	845398	0.55
				06-12-19	154602	Transfer	1000000	0.65
		1000000	0.65	31-03-20	0	Nil	1000000	0.65
9.	Discovery Wealth Management Services (P) L	133267	0.087	31-01-20	0	Nil	133267	0.087
				07-02-20	116233	Transfer	749500	0.49
				14-02-20	500	Transfer	750000	0.49
		806558	0.52	31-03-20	56558	Transfer	806558	0.52
10.	Manoj Nanji Bhanushali	500004	0.33	01-04-19	0	Nil	500004	0.33
		500004	0.33	31-03-20	0	Nil	500004	0.33
11.	Terence Joseph Fernandes *	512682	0.33	01-04-19	0	Nil	512682	0.33
				26-04-19	-1000	Transfer	511682	0.33
				24-05-19	-26000	Transfer	485682	0.32
				31-05-19	-5000	Transfer	480682	0.31
				07-06-19	-5000	Transfer	475682	0.31
				29-06-19	-8706	Transfer	466976	0.30
				05-07-19	-36900	Transfer	430076	0.28
				12-07-19	-7000	Transfer	423076	0.27



				19-07-19	-11476	Transfer	411600	0.27
				02-08-19	-21000	Transfer	390600	0.25
				09-08-19	-24522	Transfer	366078	0.24
				16-08--19	-31000	Transfer	335078	0.22
				23-08-19	-47000	Transfer	288078	0.19
				06-09-19	-67000	Transfer	221078	0.14
				13-09-19	-21000	Transfer	200078	0.13
				01-11-19	-10000	Transfer	190078	0.12
				08-11-19	-25000	Transfer	165078	0.11
				15-11-19	-31078	Transfer	134000	0.09
				22-11-19	-4000	Transfer	130000	0.08
				29-11-19	-2189	Transfer	127811	0.08
				20-12-19	-12800	Transfer	115011	0.07
				03-01-19	-5000	Transfer	110011	0.07
				17-01-19	-110011	Transfer	0	0
		0	0	31-03-20	0	Transfer	0	0
12.	Faisal Khatri	405625	0.26	01-04-19	0	Nil movement during the year	405625	0.26
		405625	0.26	31-03-20	0			
13.	Shirish Waman Joshi Jt. Neha Shirish Joshi	400000	0.26	01-04-19	0		400000	0.26
				14-06-19	-400000	Transfer	0	0
		0	0	31-03-20	0	Nil	0	0
14	Ravi Narayanasamy	381478	0.25	01-04-19	0	Nil movement during the year	381478	0.25
		381478	0.25	31-03-20	0			

\* Not in the list of Top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2020.

# Ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2019.

## E) Shareholding of Directors and Key Managerial Personnel:

### 1) 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

### 2) Promoters :-

#### i) MRS. SUKHJINDER KAUR

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	8500000	5.54	8500000	5.54
	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	8500000	5.54	8500000	5.54

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

(Rs. In Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,853,662,445	694,390,804	--	6,548,053,249
ii) Interest due but not paid	1,758,307,010	--	--	1,758,307,010
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	7,611,969,455	694,390,804	--	8,306,360,259
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	627,271,727	--	
* Reduction	5,277,542,497	719,340,094	--	
Net Change	(5,277,542,497)	(92,068,367)		(5,369,610,864)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,996,382,293	602,322,437	--	
ii) Interest due but not paid	338,044,664	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	2,334,426,958	602,322,437	--	2,936,749,395



## 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					
	<b>Total (A)</b>					
	Ceiling as per the Act					

### B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
1	Independent Directors	<b>Shivavtar Singh Bajwa</b>	<b>Baljit Singh</b>	<b>Navpreet Kaur</b>	
	Fee for attending board/ committee meetings	40,000	40,000	40,000	1,20,000
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	40,000	40,000	40,000	1,20,000
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)	40,000	40,000	40,000	1,20,000
	Total Managerial Remuneration	40,000	40,000	40,000	1,20,000
	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	--	22,09,908	76,08,000	98,17,908
	(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	--	<b>22,09,908</b>	<b>76,08,000</b>	<b>98,17,908</b>



## 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)
<b>A. COMPANY</b>					
Penalty	SEBI ACT	The Company is restrained from accessing the Securities Market including by way of issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five (5) years from the date of the order.	A penalty of Rs. 10 Lakhs was imposed	SEBI	Securities Appellate Tribunal
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b> <span style="float: right;"><b>NIL</b></span>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b> <span style="float: right;"><b>NIL</b></span>					
Penalty					
Punishment					
Compounding					



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[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, 2020 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, 2020 under the provisions of below mentioned regulations, which were shared with me. It is informed that due to prevailing nationwide lockdown in light of COVID-19, I was not able to carry out physical inspection of the said records:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extant 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 thereof: Not Applicable, as none of the securities of the company were delisted during the audit period.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
  - 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 (Buyback 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. There were no changes in the composition of the Board of Directors during the period under review.
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**

*During the financial year, Securities and Exchange Board of India vide order No. WTM/SM/IVD/ID4/6667/2019-20 dated 31.01.2020, restrained 5 present directors and 1 ex-director of the company from accessing the Securities Market and the directors are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, from the date of the order. Further, pursuant to the order, the Company is restrained from accessing the Securities Market including by way of issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five (5) years from the date of the order.*

**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 :** 31-07-2020

**UDIN:** F002191B000554776

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.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rana Sugars Limited having CIN: L15322CH1991PLC011537 and having registered office at S.C.O. 49-50, Sector 8-C, Madhya Marg, Chandigarh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except in the manner as stated hereunder:



Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Rana Inder Pratap Singh	00075107	31.10.2002
2.	Rana Ranjit Singh	00076770	28.12.2006
3.	Rana Veer Pratap Singh	00076808	28.12.2006
4.	Mr. Shivavtar Singh Bajwa	00714772	30.11.1992
5.	Mr. Baljit Singh	00074716	30.07.2004
6.	Ms. Navpreet Kaur	07144566	09.11.2018

*During the financial year, Securities and Exchange Board of India vide order No. WTM/SM/IVD/ID4/6667/2019-20 dated 31.01.2020, restrained the directors of the company listed above from Sr. No. 1-5 from accessing the Securities Market and the directors are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, from the date of the order. Further, pursuant to the order, the Company is restrained from accessing the Securities Market including by way of issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five (5) years from the date of the order.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date:** 31-07-2020

**Place:** Chandigarh

**UDIN:** F002191B000554776

**Ajay K. Arora**

(Proprietor)

M No. 2191

C P No. 993

**“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:** 31-07-2020

**UDIN:** F002191B000554776

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 Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of Rana Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 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, 2020, the Profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basic for Opinion

We conducted our audit of Standalone Ind AS financial statements in accordance with the Standards on Auditing ("SAs") 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 Ind AS 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 ethical requirements that are relevant to our audit of the Standalone Ind AS 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 Ind AS financial statements.

#### Key Audit Matters

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

#### Emphasis of Matter:

- (a) We draw attention to Note No. 34 to the Ind AS financial statements which describe the uncertainties and the impact of COVID-19 on the Company's operations and results as assessed by the Management. Our opinion is not modified in respect of this matter.
- (b) Attention is invited to Note no: 37 of the IND AS financial statements regarding Exceptional item which includes Rs. 30521.92 Lacs recognised as gain on settlement of OTS liability with SBI Our opinion is not modified in respect of this matter.
- (c) Attention is invited to Note no: 37 of the IND AS financial statements regarding Exceptional item which includes Rs. 8142.81 Lacs recognised as impairment against Property, Plant & equipment based on valuation carried by an Independent Valuer, upon which reliance has been placed by us. Our opinion is not modified in respect of this matter.

#### 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 Standalone Ind AS financial statements and our auditors' report thereon.

Our opinion on Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with Standalone Ind AS 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 Responsibilities for Standalone Ind AS 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 Ind AS 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 Standalone Ind AS 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 Ind AS 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 are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements, that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS financial statements.

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 Ind AS 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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
    - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Ind AS financial statements. Refer to the Note No. 24 of the financial statements.
    - ii. The Company did not have any Long-term contracts including derivatives for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, if any, 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 the managerial remuneration in accordance 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

Place: Panchkula  
Date: 31-07-2020  
UDIN: 20091721AAAID1942

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



## ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF RANA SUGARS LIMITED ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020;

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.
  - (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 is reasonable having regard to the size of the company and nature of its assets. 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) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - (b) As explained to us, no material discrepancies were noticed on such physical verification.
3. As per information and explanation given to us, The Company has not granted any 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. 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 No. 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 accounts 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, 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 *except Rs. 162.29 lacs on account of Cess on Sugar Cane (Punjab) & Rs.20.07 lacs on account of IT Cess on PML (Punjab) and Purchase Tax as mentioned in Note No. 24(b)(iii).*
  - (b) According to the information and explanation given to us and as per records of the Company examined by 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 detailed below:

Statute	Natures of Dues	Amount (Rs in Lacs)	Period to which the amount relates A.Y.	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2014.99	2012-13 & 2017-18	CIT (A) Gurgaon-3
Income Tax Act, 1961	Income Tax	20.73	2016-17	ITAT Chandigarh
UP Tax on Entry of Goods Act	Entry Tax	833.22	2011-12 to 2016-17	Hon'able Supreme Court
Punjab VAT Act, 2005	VAT & CST	348.47	2013-14	DETC(Appeals) Amritsar
Central Excise Act, 1944	Excise Duty	204.62	2010-11	CESTAT, Allahabad
Central Excise Act, 1944	Excise Duty	114.28	July 2016 to June 2017	Commissioner (Appeals) Excise & Customs, Meerut

8. According to the information and explanations given to us, the Company has defaulted in repayment of loans and borrowings from One Scheduled Commercial Bank. Details of Defaults in respect of overdue amounts are as detailed below:-

Name of the Bank	Amount of Default as on Balance Sheet (Rs. In Lakhs)	Period of Default
Bank of Baroda	5815.25	September 2017

However, the Bank has sanctioned the One Time Settlement Scheme and the Company is in the process of Complying with the same.

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) or term loans and hence Clause 3(xi) of the order is not applicable to the company.
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 explanation given to us, the company has paid the managerial remuneration in accordance 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 IndAS 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:** 31/07/2020

**(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 2020 in conjunction with our audit of the standalone IndAS 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 2020, 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

**Dated:** 31-07-2020

**(Arvinder Singh)**

Partner  
M. No. 091721



## BALANCE SHEET AS AT MARCH 31, 2020

All amounts in INR in Lakhs, unless otherwise stated

Sr. No.	Particulars	Notes	March 31, 2020	March 31, 2019
<b>ASSETS</b>				
<b>(A) NON CURRENT ASSETS</b>				
i	Property, Plant and Equipment	3	38,289.81	43,094.08
ii	Capital Work-in-Progress		3,767.13	2,990.69
iii	Financial Assets			
	Loans	4	118.52	84.73
iv	Deferred Tax Assets (Net)	5	-	-
v	Prepayments	6	21.45	53.65
<b>(B) CURRENT ASSETS</b>				
i	Inventories	7	30,254.19	50,903.69
ii	Financial Assets			
	(a) Trade Receivables	8	14,361.64	13,701.57
	(b) Cash & Cash Equivalents	9	5,121.09	286.28
	(c) Bank Balance other than (b) above		1,834.33	3,698.19
	(d) Loans	4	6,445.36	6,712.52
iii	Other Current Assets	10	6,285.93	11,246.78
iv	Prepayments	6	358.97	266.74
(C)	Assets classified as held for Sale	3	-	1,595.45
	<b>Total Assets</b>		<b>1,06,858.42</b>	<b>1,34,634.37</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(D) EQUITY</b>				
i	Equity Share capital	11	15,353.95	15,353.95
ii	<b>Other Equity</b>			
	(a) Equity Component of Compound Financial Instrument	11	2,811.16	2,811.16
	(b) Reserve & Surplus	12	(8,295.46)	(34,820.11)
	(c) Other Reserves		10,501.94	10,501.94
	<b>Total Equity</b>		<b>20,371.59</b>	<b>(6,153.06)</b>
<b>(E) LIABILITIES</b>				
<b>Non Current Liabilities</b>				
i	Financial Liabilities			
	Borrowings	13	14,088.00	15,481.58
ii	Provisions	14	813.96	761.63
iii	Government Grant	15	104.29	128.10
iv	Deferred Tax Liabilities (Net)	5	0.00	706.28
v	Other Non-Current Liabilities	16	114.44	71.12
<b>Current Liabilities</b>				
i	Financial Liabilities			
	(a) Borrowings	13	13,872.69	57,688.31
	(b) Trade payables Due to :	17		
	- Micro & Small Enterprises		334.22	260.73
	- Other than Micro & Small Enterprises		45,329.81	49,345.61
	(c) Other Financial Liabilities	13	2,943.41	11,417.17
ii	Other Current Liabilities	16	8,757.55	4,798.44
iii	Provisions	14	104.65	104.65
iv	Government Grant	15	23.81	23.81
	<b>Total Equity &amp; Liabilities</b>		<b>1,06,858.42</b>	<b>1,34,634.37</b>
	<b>Significant Accounting Policies</b>	<b>2</b>	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	
	<b>Notes to Accounts</b>	<b>24-38</b>		

R. S. Balasubramanyam  
Chief Financial Officer

Manmohan K. Raina  
Company Secretary

Rana Inder Pratap Singh  
Managing Director  
(DIN 00075107)

Rana Veer Pratap Singh  
Director  
(DIN 00076808)

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

Place : Chandigarh  
Date : 31-07-2020  
UDIN : 20091721AAAAID1942

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



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

All amounts in INR in Lakhs, unless otherwise stated

Particulars	Notes	March 31, 2020	March 31, 2019
<b>Income</b>			
Revenue from Operations	18	1,31,068.06	1,09,165.65
Other Income	19	896.33	1,691.63
<b>Total Income</b>		<b>1,31,964.39</b>	<b>1,10,857.28</b>
<b>Expenses</b>			
Cost of Raw Material and Components Consumed	20	87,199.24	87,553.04
Purchase of Traded Goods		1,586.28	2,912.79
(Increase)/Decrease in inventories of finished goods, work in progress and traded goods		21,296.43	3,003.26
Employee Benefits Expense	21	3,770.85	3,379.43
Depreciation and Amortization Expense	3	3,391.74	3,258.95
Finance Costs	22	2,241.17	9,407.80
Other Expenses	23	9,012.27	8,267.69
<b>Total Expenses</b>		<b>1,28,497.98</b>	<b>1,17,782.96</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>3,466.41</b>	<b>(6,925.68)</b>
Exceptional Items	37	22,379.11	-
<b>Profit/(Loss) before tax</b>		<b>25,845.52</b>	<b>(6,925.68)</b>
<b>Income tax expense</b>		<b>(710.14)</b>	<b>567.24</b>
(1) Current tax		-	-
(2) Deferred tax	5	(710.14)	567.24
<b>Profit/(Loss) for the year</b>		<b>26,555.66</b>	<b>(7,492.92)</b>
<b>Other comprehensive income/(loss)</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		15.35	40.66
Income tax effect		(3.87)	(12.56)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>11.48</b>	<b>28.10</b>
<b>Total comprehensive income for the year, net of tax attributable to :</b>		<b>26,567.14</b>	<b>(7,464.82)</b>
Earnings per equity share (Nominal Value of Share INR 10 per share)			
Basic earning per share		17.29	(4.88)
Diluted earning per share		17.29	(4.88)
<b>Significant Accounting Policies</b>	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	
<b>Notes to Accounts</b>	24-42		

**R. S. Balasubramanyam**  
Chief Financial Officer

**Manmohan K. Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director  
(DIN 00075107)

**Rana Veer Pratap Singh**  
Director  
(DIN 00076808)

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

Place : Chandigarh  
Date : 31-07-2020  
UDIN : 20091721AAAAID1942

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



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

All amounts in INR in Lakhs, unless otherwise stated

	Particulars	Note No.	March 31, 2020	March 31, 2019
<b>A</b>	<b>Cash flow from operating activities</b>			
<b>1</b>	<b>Profit/(Loss) before tax</b>		<b>25,845.52</b>	<b>(6,925.68)</b>
<b>2</b>	<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
	Depreciation and Amortisation Expense	3	3,391.74	3,258.95
	Impairment Loss on Fixed Assets	3	8,142.81	-
	Interest income	19	(91.16)	(100.13)
	(Profit)/ loss on sale of assets/ written off (net)		45.09	175.30
	Finance costs	22	2,241.17	9,407.80
	Bad debt/advance w/off / Others		0.83	(0.30)
			<b>13,730.47</b>	<b>12,741.62</b>
<b>3</b>	<b>Operating profit before working capital adjustments (1+2)</b>		<b>39,575.99</b>	<b>5,815.94</b>
<b>4</b>	<b>Working capital adjustments:</b>			
	(Increase)/Decrease Trade and Other Receivables and Prepayments		3,716.71	109.01
	(Increase)/Decrease in Inventories		20,649.50	2,668.33
	Increase/(Decrease) Trade and Other Payables and Provisions		60.65	1,948.84
			<b>24,426.86</b>	<b>4,726.18</b>
<b>5</b>	<b>Cash generated from operations (3+4)</b>		<b>64,002.84</b>	<b>10,542.12</b>
<b>6</b>	Taxes (paid) /refund		-	-
<b>7</b>	<b>Net cash flows from operating activities (5-6)</b>		<b>64,002.84</b>	<b>10,542.12</b>
<b>B</b>	<b>Cash flow from Investing activities:</b>			
	Purchase of Property, Plant and Equipment	3	(5,925.58)	(3,988.43)
	Proceeds from disposal of PPE		(30.75)	30.90
	Investment in fixed deposits with banks (net)	9	1,863.87	1,044.57
	Interest received	19	91.16	100.13
	<b>Net cash used in investing activities:</b>		<b>(4,001.30)</b>	<b>(2,812.83)</b>
<b>C</b>	<b>Cash flow from financing activities:</b>			
	Repayments of Long Term Borrowings	13	(6,711.19)	(2,287.30)
	Repayments of Short Term Borrowings	13	(11,523.44)	(326.38)
	Extinguishment of Liabilities	37	(30,521.92)	-
	Increase/(Decrease) in Interest accrued and due on Short Term Borrowings	13	(3,138.48)	3,796.75
	Increase/(Decrease) in Interest accrued and due on Long Term Borrowings	13	(109.83)	807.96
	Increase/(Decrease) in Unsecured Loans	13	(920.69)	(1,087.77)
	Interest paid	22	(2,241.17)	(9,407.80)
	<b>Net cash used in financing activities:</b>		<b>(55,166.73)</b>	<b>(8,504.54)</b>
<b>D</b>	<b>Net change in Cash and Cash Equivalents (A+B+C)</b>		<b>4,834.81</b>	<b>(775.25)</b>
<b>E-1</b>	Cash and Cash Equivalents at the beginning of the year	9	286.28	1,061.53
<b>E-2</b>	<b>Cash and cash equivalents at year end</b>	9	<b>5,121.09</b>	<b>286.28</b>

**R. S. Balasubramanyam**  
Chief Financial Officer

**Manmohan K. Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director  
(DIN 00075107)

**Rana Veer Pratap Singh**  
Director  
(DIN 00076808)

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

Place : Chandigarh  
Date : 31-07-2020  
UDIN : 20091721AAAAID1942

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



## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

All amounts in INR in Lakhs, unless otherwise stated

<b>a. Equity Share Capital:</b>		
	<b>No. in lakhs</b>	<b>INR in lakhs</b>
Equity shares of INR 10 each issued, subscribed and fully paid		
<b>At March 31, 2019</b>	1,535.68	15,353.95
Equity shares issued	-	-
<b>At March 31, 2020 (Refer Note on. 11)</b>	1,535.68	15,353.95
<b>b. Other Equity</b>		

For the year ended March 31, 2020

	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, 2019	2,811.16	8,315.02	2,054.67	132.25	(34,820.11)	(21,507.01)
Profit for the year	-	-	-	-	26,555.66	26,555.66
Other Adjustment					0.83	0.83
Molasses Storage Fund	-	-	-	-	(43.32)	(43.32)
Other comprehensive income for the year	-	-	-	-	11.48	11.48
<b>At March 31, 2020</b>	<b>2,811.16</b>	<b>8,315.02</b>	<b>2,054.67</b>	<b>132.25</b>	<b>(8,295.46)</b>	<b>(5,017.64)</b>

**R. S. Balasubramanyam**  
Chief Financial Officer

**Manmohan K. Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director  
(DIN 00075107)

**Rana Veer Pratap Singh**  
Director  
(DIN 00076808)

As per our report of even date attached

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

Place : Chandigarh  
Date : 31-07-2020

**(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 July 31, 2020.

## 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 result 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.

#### ***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 and that it does not retain all the significant risks and rewards of ownership of these properties and recognises right-of-use of asset and a lease liability for its leasing arrangements.

#### 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 GST 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 amortize 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 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 utilized, 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 reassessed 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.

### **Goods & Service Tax (GST) on acquisition of assets or on incurring expenses:**

Expenses and assets are recognised net of the amount of GST 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 conditions 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 realize 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 receivables & bank balances.

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 a billing 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 judgments 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 Company, as a lessee, recognises a right-of-use of asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.



## 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 units (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 an 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.

<b>Note: 3 Property, Plant and Equipment (PPE)</b>								
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
<b>Year ended March 31, 2019</b>								
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	14.54	1,546.15	2,773.98
Disposals	-	-	(270.25)	(3.93)	-	(1.31)	(275.49)	(331.69)
Assets Classified as Held for Sale	-	-	-	-	-	-	-	(1,595.45)
<b>Total Cost as at March 31, 2019</b>	<b>2,231.70</b>	<b>5,868.68</b>	<b>40,255.45</b>	<b>1,431.92</b>	<b>1,520.73</b>	<b>91.23</b>	<b>51,399.71</b>	<b>2,990.69</b>



Depreciation								
As at March 31, 2018	-	501.96	3,852.45	308.97	408.93	43.67	5,115.98	-
Depreciation charge during the year		269.07	2,586.29	137.27	250.09	16.23	3,258.95	-
Disposals		-	(66.28)	(1.93)	-	(1.08)	(69.30)	-
<b>Closing accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>771.03</b>	<b>6,372.46</b>	<b>444.31</b>	<b>659.02</b>	<b>58.81</b>	<b>8,305.63</b>	<b>-</b>
<b>W.D.V. As at March 31, 2019</b>	<b>2,231.70</b>	<b>5,097.65</b>	<b>33,882.99</b>	<b>987.61</b>	<b>861.71</b>	<b>32.42</b>	<b>43,094.08</b>	<b>2,990.69</b>
Year ended March 31, 2020								
As at April 01, 2019	2,231.70	5,868.68	40,255.45	1,431.92	1,520.73	91.23	51,399.71	2,990.69
Additions	0.23	854.28	5,520.87	198.06	80.93	90.22	6,744.59	4,810.78
Preoperative Expenses Capitalized		17.03	85.95				102.98	
Disposals	-	-	(310.98)	(18.92)	(39.92)	-	(369.82)	(4,034.34)
<b>Total Cost as at March 31, 2020</b>	<b>2,231.93</b>	<b>6,739.99</b>	<b>45,551.29</b>	<b>1,611.06</b>	<b>1,561.74</b>	<b>181.45</b>	<b>57,877.46</b>	<b>3,767.13</b>
Depreciation								
As at March 31, 2019	-	771.03	6,372.46	444.31	659.02	58.81	8,305.63	-
Depreciation charge during the year		294.56	2,704.35	132.43	245.98	14.42	3,391.74	-
Disposals		-	(206.51)	(12.44)	(33.58)	-	(252.53)	-
Loss on Impairment of Assets (See Note No 37)			8,142.81				8,142.81	
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>1,065.59</b>	<b>17,013.11</b>	<b>564.30</b>	<b>871.42</b>	<b>73.23</b>	<b>19,587.65</b>	<b>-</b>
<b>W.D.V. As at March 31, 2020</b>	<b>2,231.93</b>	<b>5,674.40</b>	<b>28,538.18</b>	<b>1,046.76</b>	<b>690.32</b>	<b>108.22</b>	<b>38,289.81</b>	<b>3,767.13</b>
Net Book Value								
At March 31, 2020	2,231.93	5,674.40	28,538.18	1,046.76	690.32	108.22	38,289.81	3,767.13
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
No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP). Financial Year March 31, 2020 - Nil, March 31, 2019 - Nil								
Charge on PPE								
Entire PPE (except Vehicles) is subject to First Charge to secure bank loans. Respective vehilces 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, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Loans	6,445.36	6,712.52
Security Deposits	118.52	84.73
	<b>6,563.88</b>	<b>6,797.25</b>
Current	6,445.36	6,712.52
Non-Current	118.52	84.73

5. Deferred Tax Assets/Liabilities (Net)	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Deferred Tax Asset/(Liability) (Refer Note No 27)	(0.00)	(706.28)
	<b>(0.00)</b>	<b>(706.28)</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2020:**



	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Accounting profit before income tax	3,466.41	(6,925.68)
<b>Tax Liability</b>		
At India's statutory income tax rate of 25.168% (March 31 2019: 31.20%) (Refer Note no. 35)	872.43	(2,160.81)
Adjustments in respect of current income tax of previous years	-	-
Adjustments in respect of Statutory Dues (Net)	13.47	(937.40)
Depreciation (Net)	(150.24)	90.28
<b>Non-deductible expenses for tax purposes:</b>		
Unpaid Interest (Net)	-	2,168.61
Employee Benefits (Net)	13.17	31.06
Other Non Deductable Expenses (Net)	22.54	65.30
Current year unabsorbed tax losses/(Unabsorbed Business Loss Adjusted)	(771.37)	742.96
<b>Income tax expenses charged to the statement of Profit &amp; Loss A/c</b>	-	-
<b>Reconciliation of deferred tax liabilities (net):</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Opening balance as of 1 April	(706.28)	(126.48)
Tax income/(expense) during the period recognised in profit or loss	710.14	(567.24)
Tax income/(expense) during the period recognised in OCI	(3.87)	(12.56)
Closing balance as at 31 March	(0.00)	(706.28)

<b>6. Prepayments</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Deferred Loan Processing Fees	34.07	66.27
Prepaid Expenses	346.35	254.12
	<b>380.42</b>	<b>320.39</b>
Current	358.97	266.74
Non-Current	21.45	53.65

<b>7. Inventories</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
(a) Raw Materials (at Cost)	924.73	448.01
(b) Work-in-progress (including appropriate overhead)	304.36	855.51
(c) Finished Goods (at lower of cost and net realisable value)	25,502.50	46,247.77
(d) Stores and spares (at Cost)	3,522.60	3,352.40
	<b>30,254.19</b>	<b>50,903.69</b>

<b>8. Trade receivables (Unsecured, considered good)</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Trade receivables	14,361.64	13,701.57
	<b>14,361.64</b>	<b>13,701.57</b>

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, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
(A) Balances with Banks		
<i>(I) Bank balances held as margin money or as security against:</i>		
(i) Guarantees	1,437.46	1,172.51
(ii) Letters of Credit	-	-
(iii) Other commitments	396.87	2,525.68
(II) On Current Accounts	5,108.69	242.14
(B) Cheques, drafts on hand	-	0.05
(C) Cash on hand	12.40	44.09
	<b>6,955.42</b>	<b>3,984.47</b>
Cash & Cash Equivalents	5,121.09	286.28
Bank Balance other than above	1,834.33	3,698.19

10. Other Assets	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
<b>Capital Advances (Unsecured, considered good)</b>	370.31	998.95
<b>Other Advances (Unsecured, considered good)</b>		
- Related Party (Refer Note No 26 )	296.05	38.30
- Others	4,731.65	5,897.65
Interest and other Receivable	388.45	3,453.62
Balance with Revenue Authorities	418.35	757.01
Taxes deposited under protest/appeal	81.12	101.25
	<b>6,285.93</b>	<b>11,246.78</b>
Current Assets	6,285.93	11,246.78
Non-current Assets	-	-

11. Share Capital		
Authorised Share Capital		
Equity Shares	No. in Lakhs	INR Lakhs
<b>At March 31, 2019</b>	1,600.00	16,000.00
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>1,600.00</b>	<b>16,000.00</b>
<b>Terms/ rights attached to equity shares</b>		
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
<b>At March 31, 2019</b>	600.00	6,000.00
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>600.00</b>	<b>6,000.00</b>
<b>Terms/ rights attached to preference shares</b>		
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.		



<b>Issued Share Capital</b>		
<b>Equity Shares</b>	<b>No. in Lakhs</b>	<b>INR Lakhs</b>
<b>At March 31, 2019</b>	1,535.68	15,356.78
Issued during the year	-	-
<b>At March 31, 2020</b>	<b>1,535.68</b>	<b>15,356.78</b>
<b>Equity component of redemebale preference shares of INR 10 each issued and fully paid</b>		
	<b>No. in Lakhs</b>	<b>INR Lakhs</b>
<b>At March 31, 2019</b>	410.93	2,811.16
Issued during the year	-	-
<b>At March 31, 2020</b>	<b>410.93</b>	<b>2,811.16</b>
This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities. (Refer Note no. 13)		
<b>Subscribed Share Capital</b>		
<b>Equity Shares of INR 10 each</b>		
	<b>No. in Lakhs</b>	<b>INR in Lakhs</b>
<b>At March 31, 2020</b>		
Subscribed & Fully Paid	1,535.11	15,351.11
Subscribed but not Fully Paid	0.57	2.84
	<b>1,535.68</b>	<b>15,353.95</b>
	No. in Lakhs	INR in Lakhs
<b>At March 31, 2019</b>		
Subscribed & Fully Paid	1,535.11	15,351.11
Subscribed but not Fully Paid	0.57	2.84
	<b>1,535.68</b>	<b>15,353.95</b>
<b>Equity component of redemebale preference shares of INR 10 each issued and fully paid</b>		
	<b>No. in Lakhs</b>	<b>No. in Lakhs</b>
<b>At March 31, 2019</b>	410.93	410.93
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>410.93</b>	<b>410.93</b>

<b>Details of shareholders holding more than 5% shares in the Company</b>		
<b>Name of the shareholder</b>	<b>No. of shares in Lakhs</b>	<b>% holding in the class</b>
<b>At March 31, 2020</b>		
<b>Equity Shares of INR 10 each</b>		
1. Mr. Rana Inder Pratap Singh	179.30	11.68%
2. Mrs. Sukhjinder Kaur	85.00	5.54%
<b>At March 31, 2019</b>		
<b>Equity Shares of INR 10 each</b>		
1. Mr. Rana Inder Pratap Singh	179.30	11.68%
2. Mrs. Sukhjinder Kaur	85.00	5.54%

<b>12. Other Equity</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>
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	(8,295.46)	(34,820.11)
	<b>2,206.48</b>	<b>(24,318.16)</b>



Reserves and Surplus	(8,295.46)	(34,820.11)
Other Reserve	10,501.94	10,501.94
<b>a. Securities Premium Reserve</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>
Opening Balance	8,315.02	8,315.02
Appropriations during the year	-	-
<b>Closing Balance</b>	<b>8,315.02</b>	<b>8,315.02</b>
<b>b. Capital Redemption Reserve</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>
Opening Balance	2,054.67	2,054.67
Appropriations during the year	-	-
<b>Closing Balance</b>	<b>2,054.67</b>	<b>2,054.67</b>
<b>c. Capital Reserve</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>
Opening Balance	132.25	132.25
Appropriations during the year	-	-
<b>Closing Balance</b>	<b>132.25</b>	<b>132.25</b>
<b>d. Retained Earnings</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>
Opening balance	(34,820.11)	(27,355.00)
Net profit for the period	26,555.66	(7,492.92)
<i>Appropriation from :</i>		
Other Adjustment	0.83	(0.30)
Molasses Storage Fund	(43.32)	-
<b>Items of OCI recognised directly in retained earnings</b>		
Re-measurement gains/(losses) on defined benefits plan (net of tax)	11.48	28.10
<b>Closing balance</b>	<b>(8,295.46)</b>	<b>(34,820.11)</b>

13. Financial Liabilities	Maturity Period	Installment (Nos.)	March 31, 2020	March 31, 2019
			INR Lakhs	INR Lakhs
<b>Non-Current Borrowings</b>				
<b>Term Loan From Banks &amp; Financial Institution</b>				
(i) Term loan from BoB (Secured)	June-09 to Sept-17	34	1,771.84	1,771.84
(ii) Term loan from SBI (Secured)	Mar-16 to Mar-19	12	-	6,141.92
(iii) Term Loan (Soft Loan) from UCO Bank (Secured)	Oct-16 to Sept-20	48	-	36.02
(iv) Term Loan (Punjab Soft Loan) from UCO Bank (Secured)	Dec-17 to Sept-22	20	14.04	101.74
(v) Term Loan from UCO Bank (Secured)	June-17 to Mar-23	24	314.35	415.04
(vi) Term loan from IREDA (Secured)	June-18 to Mar-29	8-32	6,879.52	7,074.45
<b>(vii) Liability Component of compound financial instrument</b>				
- 8% Non Cumulative Redeemable Preference Shares (Unsecured)	2007-2028	NA	1,728.10	1,529.30
(viii) Vehicle Loans (Secured)	31-Mar-20	Various	0.48	163.57
<b>Unsecured loans</b>				
- From Directors (Unsecured)			100.09	614.47
- From Intercompany (Unsecured)			4,653.19	4,751.25
- From Relatives (Unsecured)			1,269.94	1,578.19
<b>Total borrowings</b>			<b>16,731.55</b>	<b>24,177.79</b>
Less: Amount clubbed under Other Financial Liabilities			(2,643.55)	(8,696.21)
<b>Non current borrowings</b>			<b>14,088.00</b>	<b>15,481.58</b>



At March 31, 2020 and March 31, 2019, 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.

	Maturity	March 31, 2020	March 31, 2019
		INR Lakhs	INR Lakhs
<b>Current borrowings</b>			
<b>(A) Loans repayable on demand</b>			
<b>Secured</b>			
Cash Credits From banks	on Demand	10,983.59	42,832.04
Interest accrued and due		2,889.10	14,856.27
<b>Total Current borrowings</b>		<b>13,872.69</b>	<b>57,688.31</b>
<b>(B) Other financial liabilities</b>		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>INR Lakhs</b>	<b>INR Lakhs</b>
<b>Current Maturities of Long term borrowings</b>			
Current maturities of debt		2,451.58	8,526.80
Current maturities of vehicle loans		0.48	163.57
Interest accrued and due		491.35	2,726.80
		<b>2,943.41</b>	<b>11,417.17</b>

**Note:** Base Rate (BR) of respective Bank as on March 31, 2020

#### 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 Tarantaran (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 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 UCO Bank on pari- passu basis.

###### For Sugar Unit in District Moradabad

Working Capital loans are secured by pledge/hypothecation of crystal sugar, and hpothecation of all other current assets in Sugar Unit in District Moradabad (UP), in favour of 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 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.

Detail of Default in Borrowings		March 31, 2020	March 31, 2019
		INR Lakhs	INR Lakhs
(i) Term loan from BoB (Secured)	Amount	1,771.84	1,771.84
	Period of default	Since Sept., 30 2017	Since Sept., 30 2017
(ii) Term loan from SBI (Secured)	Amount	-	6,141.93
	Period of default	N.A.	Since March, 31 2016



(iii) Term Loan (Soft Loan) from UCO Bank (Secured)	Amount	-	2.27
	Period of default	N.A.	March, 31 2019
(iv) Term Loan (Punjab Soft Loan) from UCO Bank (Secured)	Amount	-	7.94
	Period of default	N.A.	March, 31 2019
(v) Term Loan from UCO Bank (Secured)	Amount	-	28.37
	Period of default	N.A.	March, 31 2019

**Note:** The Company has been sanctioned a scheme of One Time Settlement by Bank of Baroda. The company is paying the dues as per the sanctioned scheme. However, the dues pertained to the amount before settlement.

14. Provisions	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Provision for employee benefits	918.61	866.28
	<b>918.61</b>	<b>866.28</b>
Current	104.65	104.65
Non-Current	813.96	761.63

15. Government Grant	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Government Grant	128.10	151.91
	128.10	151.91
Current	23.81	23.81
Non-Current	104.29	128.10

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, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Statutory Dues Payables	2,575.65	2,391.89
Advance from Customers	1,701.80	974.95
Other liabilities and payables	4,480.10	1,431.60
Molasses Storage Fund	114.44	71.12
	<b>8,871.99</b>	<b>4,869.56</b>
Current	8,757.55	4,798.44
Non-Current	114.44	71.12

17. Trade Payables	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Micro & Small Enterprises (Refer Note no. 38)	334.22	260.73
Trade Payables - Raw Material	38,173.65	43,845.92
Trade Payables - Capital	310.60	895.60
Trade Payables - Others	6,845.56	4,604.09
	<b>45,664.03</b>	<b>49,606.34</b>
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, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Sale of products	1,29,790.68	1,06,174.96
Sale of goods	1,024.68	2,812.62
<b>Total Sale of Products</b>	<b>1,30,815.36</b>	<b>1,08,987.58</b>
Other Operating Revenues	252.70	178.07
<b>Total</b>	<b>1,31,068.06</b>	<b>1,09,165.65</b>

19. Other Income	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
<i>Other non-operating income</i>		
Government grant	-	27.51
Interest Income	91.16	100.13
Gain on disposal of property, plant and equipment	7.79	6.93
Other Non-Operating Income(Net of Expenses directly attributable to such income)	797.38	1,557.06
Unwinding of discount on security deposit (if any)	-	-
	896.33	1,691.63
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, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	448.01	381.23
Add: Purchase	83,507.37	83,709.67
	83,955.38	84,090.90
Less: Inventory at the end of the year	924.73	448.01
Cost of raw material consumed	83,030.65	83,642.89
<b>b. Components consumed</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	3,352.40	3,084.24
Add: Purchase	4,338.79	4,178.31
	7,691.19	7,262.55
Less: Inventory at the end of the year	3,522.60	3,352.40
Cost of components consumed	4,168.59	3,910.15
<b>Cost of Raw Material and Components Consumed</b>	<b>87,199.24</b>	<b>87,553.04</b>
<b>c. Cost of traded goods sold</b>	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Inventory at the beginning of the year	-	-
Add: Purchase	1,586.28	2,912.79
	1,586.28	2,912.79
Less: Inventory at the end of the year	-	-
Cost of traded goods sold	1,586.28	2,912.79



21. Employee Benefits Expense	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Salaries, wages and bonus	3,417.21	2,982.12
Contribution to provident and other funds	159.07	132.59
Gratuity expense	83.08	155.36
Staff welfare expense	111.49	109.36
	<b>3,770.85</b>	<b>3,379.43</b>

22. Finance Costs	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Interest on Term Loan	1,211.32	2,161.30
Interest on Working Capital Loans	747.45	6,997.95
Exchange differences regarded as an adjustment to borrowing costs	-	-
Other borrowing cost	282.40	248.55
	<b>2,241.17</b>	<b>9,407.80</b>

23. Other Expenses	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
Other Manufacturing & Handling Expenses	767.28	737.24
Power and Fuel	2,160.56	2,222.24
Rent	414.13	239.15
Rates and taxes	268.73	263.71
Insurance	118.59	80.80
<i>Repairs and maintenance</i>		
Plant and machinery	2,279.61	2,357.37
Buildings	278.12	236.27
CSR Expenses	13.94	-
Vehicle Running & Maintenance	637.56	628.59
Donations - Others	1.08	1.41
Advertising and sales promotion	81.70	21.77
Other Selling expenses	32.65	80.77
Travelling and conveyance	395.60	371.70
Office Expenses	392.25	345.93
Legal and professional fees	176.24	106.24
Directors' sitting fees	3.52	4.65
Payment to auditor	8.91	8.00
Bad Debts/ advances written off	393.63	192.92
Loss on sale of fixed assets	52.87	182.23
Miscellaneous expenses	535.30	186.70
	9,012.27	8,267.69
Payment to Auditors	March 31, 2020	March 31, 2019
	INR Lakhs	INR Lakhs
As auditor:		
Audit fee, Tax audit fee and Limited Review	8.91	8.00
In other capacity:		
Taxation matters	-	-
Company law matters	-	-
Other services (certification fees)	-	-
	8.91	8.00



## Notes to the Financial Statements for the year ended March 31, 2020:

### 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:-

- a) **Income Tax assessments** have been completed up to the assessment year **2017-18**. The Followings demands have been raised by the Income Tax Department for which the Company has preferred an appeal which are pending with Different Forums:-

Sr. No.	Assessment year	Disputed demand (INR in Lakhs)	Status
1	2012-13	13.68	Appeal pending with CIT(A),Gurgaon-3
2	2016-17	20.73	Appeal pending with ITAT, Chandigarh
3	2017-18	2001.31	Appeal pending with CIT(A),Gurgaon-3

The Company has deposited INR 9.45 Lakhs (PY INR 4.15 Lakhs) towards the abovesaid appeals and the same has been shown under the head Payment of Taxes under Protest/appeal under other Assets (Refer Note No. 10).

### b) 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, Tarantarn	2013-14	2013-14

- i) 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 191.09 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.
- ii) 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.
- iii) 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.
- iv) 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.
- c) 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.
- d) In respect of its Sugar unit at Rampur, the company has deposited in FY 2018-19 INR 15.17 lakhs pertaining to period 1<sup>st</sup> July 2016 to 30<sup>th</sup> 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.
- e) Bank Guarantees/LC's issued INR 1744.88 Lakhs (Previous Year INR 1494.21 Lakhs) are secured by pledge of FDRs of INR 1437.46 Lakhs (Previous Year INR 1172.51 Lakhs) given by the Company.
- f) The estimated amount of contracts remaining to be executed on capital account and not provided for was INR 693.13 Lakhs (Previous Year INR 361.18 Lakhs).

### 25. 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



## 26. 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
<b>Entity in which the Directors are interested</b>								
<b>Rana Polycot Limited</b>	31-Mar-20	0.36	-	0.70	-	-	-	-
	31-Mar-19	0.34	-	0.34	-	-	-	-
<b>Rana Informatics Limited</b>	31-Mar-20	-	53.10	0.76	48.60	-	-	-
	31-Mar-19	-	-	37.95	-	-	-	-
<b>RSL Distilleries Private Limited</b>	31-Mar-20	82.52	663.54	5.23	535.15	137.87	137.87	-
	31-Mar-19	35.80	149.07	-	-	47.68	47.68	-
<b>Rana Power Limited</b>	31-Mar-20	74.51	-	28.42	-	602.91	602.91	-
	31-Mar-19	37.20	-	-	-	565.5	565.5	-
<b>Lakshmi Sugars Mills Company Limited</b>	31-Mar-20	29.88	695.31	195.14	173.88	800.21	800.21	-
	31-Mar-19	181.49	61.01	-	-	657.66	657.66	-
<b>Superior Foods Grains Private Limited</b>	31-Mar-20	11.58	2109.03	-	1738.97	4426.63	4426.63	-
	31-Mar-19	14.87	152.14	-	-	863.34	863.34	-
<b>Rana Logistics &amp; Transport Private Limited</b>	31-Mar-20	-	7.95	65.80	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-
<b>Directors</b>	31-Mar-20	-	-	-	-	-4083.71	-4598.08	-100.09
	31-Mar-19	-	-	-	-	-12.08	-393.25	-614.47
<b>Relatives of Directors</b>	31-Mar-20	-	-	-	-	-2185.21	-2493.45	-1269.94
	31-Mar-19	-	-	-	-	-31.69	-78.29	-1578.19

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	
R.S. Balasubramanyam (C.F.O)	31-03-20	17.34	-
R.C. Sharma (C.F.O)	31-03-20	13.27	-
Manoj Gupta (C.F.O)	31-03-19	21.91	-
M.K. Raina (Company Secretary)	31-03-20	22.10	-
	31-03-19	20.09	-

**Note:** Mr. R.S. Balasubramanyam has been appointed as C.F.O. in place of Mr. R.C Sharma w.e.f 10<sup>th</sup> January 2020

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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: 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.

## 27. 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 of Rs. 23218.00 Lacs (PY – Rs. 32321.69 Lakhs) {Business Loss – Rs.2714.76 Lakhs (PY – Rs.5779.63 Lakhs) & Unabsorbed Depreciation–Rs. 20503.24 Lakhs (PY – Rs. 26542.06 Lakhs)}. Business Losses are available for offsetting for eight years while Unabsorbed Depreciation can be adjusted with no limitation of period against future taxable profits of the companies in which the losses arose.



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 4362.69 Lakhs.

## 28. 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:

- i) 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.
- ii) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- iv) 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	2019-20	2018-19
Employer's contribution towards Provident Fund	159.07	132.59

### 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	
	2019-20	2018-19	2019-20	2018-19
Net opening liability/(asset)	54289214	51254896	19477072	18919899
Expenses as recognized in P&L account	6162197	8113869	6577510	7672127
Remeasurements	(1534742)	(4066400)	-	-
Contributions/benefits paid	(1622454)	(1013151)	(4803712)	(7114954)
Net closing liability(asset)	57294215	54289214	21250870	19477072

### E. Fair Value of Plan Assets:

Particulars	Gratuity		Leave	
	2019-20	2018-19	2019-20	2018-19
FV of plan assets at the beginning of the period	6239540	5558429	-	-
Expected Return on plan assets	389971	416882	-	-
Contributions paid by the employer	1622454	1013151	-	-
Benefit paid by Fund	(1476859)	(754202)	-	-
Assets Acquired/Ceded on settlement	-	-	-	-



Actuarial Gains/(Losses) on plan assets	-	-	-	-
Return on plan assets excluding interest income	(830872)	5280	-	-
FV of plan assets at the end of the period	5944234	6239540	-	-

**F. Amount recognized in the balance sheet:**

Particulars	Gratuity		Leave	
	2019-20	2018-19	2019-20	2018-19
Present value of DBO/LTEB	63238449	60528754	21250870	19477072
FV of plan assets	5944234	6239540	-	-
Unrecognized past service cost(Non vested)	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	57294215	54289214	21250870	19477072

**G. Expense Recognized in Profit or Loss Statement**

Particulars	Gratuity		Leave	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	5698980	5454957	3437379	3199167
Interest Cost	-	-	1217317	1418992
Actuarial (Gain)/Loss of obligations	-	-	1922814	3053968
Actuarial (Gain)/Loss of plan assets	-	-	-	-
Benefits paid directly by the employer (As per Contra)	(2929859)	(1185205)	-	-
Expected Return on plan assets	-	-	-	-
Net Interest Cost	3393076	3844117	-	-
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Total Expense Recognized in Profit or Loss Statement	6162197	8113869	6577510	7672127

**H. Amount Recognized in Other Comprehensive Income**

Particulars	Gratuity		Leave	
	2019-20	2018-19	2019-20	2018-19
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	(2365614)	(4061120)	-	-
Return on plan assets other than amounts included in net interest cost	830872	(5280)	-	-
Re-measurement arising from change in asset ceiling	-	-	-	-
Net(Income)/Expense for the period recognized in Other Comprehensive Income	(1534742)	(4066400)	-	-

**I. Changes in the present value of obligations**

Particulars	Gratuity		Leave	
	2019-20	2018-19	2019-20	2018-19
Opening present value of DBO/LTEB	60528754	56813325	19477072	18919899
Interest Cost	3783047	4260999	1217317	1418992
Current service cost	5698980	5454957	3437379	3199167
Benefits paid directly by the employer	(2929859)	(1185205)	(4803712)	(7114954)
Benefits paid directly by the trust	(1476859)	(754202)	-	-
Actuarial (Gain)/ Loss on obligations-Due to experience variance	(2365614)	(4061120)	-	-
Actuarial (Gain)/ Loss on obligations	-	-	1922814	3053968
Closing present value of DBO/LTEB	63238449	60528754	21250870	19477072



## J. Valuation Assumptions (Financial)

	2019-20	2018-19
Discount Rate	6.25%	7.5%
Estimated rate of increase in compensation levels	6%	7%
Expected rate of return on plan assets	6.25%	7.5%

### (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 2020	Gratuity – PV of liability obligations for the year ended 2019
Discount rate $\Delta$ (-1%)	67578952	65457160
Discount rate $\Delta$ (0%)	63238449	60528754
Discount rate $\Delta$ (+1%)	59408873	56635937
Salary Esc. Rate $\Delta$ (-1%)	59352418	56582117
Salary Esc. Rate $\Delta$ (0%)	63238449	60528754
Salary Esc. Rate $\Delta$ (+1%)	67557540	65436421

#### Sensitivity Analysis – Leave Encashment

Change in Valuation Assumption	Leave – PV of liability obligations for the year ended 2020	Leave – PV of liability obligations for the year ended 2019
Discount rate $\Delta$ (-1%)	22704085	20801911
Discount rate $\Delta$ (0%)	21250870	19477072
Discount rate $\Delta$ (+1%)	18845612	18311348
Salary Esc. Rate $\Delta$ (-1%)	18827704	18293947
Salary Esc. Rate $\Delta$ (0%)	21250870	19477072
Salary Esc. Rate $\Delta$ (+1%)	22696891	20795320

## 29. 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 and Uttar Pradesh)

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 to the respective State Grids under long term Power Purchase Agreements (PPA).



## Segment reporting for the year ended March 31, 2020

Particulars	Sugar	Power	Distillery/ Ethanol	Total Eegments	Adjustments and Eliminations	Consolidated
<b>Revenue</b>						
External customers	99588.15	6640.00	25736.24	131964.39	-	131964.39
Inter-segment	24545.24	10925.84	14.55	35485.63	35485.63	-
<b>Total Revenue</b>	<b>124133.39</b>	<b>17565.84</b>	<b>25750.79</b>	<b>167450.02</b>	<b>35485.63</b>	<b>131964.39</b>
<b>Income/(Expenses)</b>						
Depreciation and amortisation	(1626.27)	(1350.91)	(414.56)	(3391.74)	-	(3391.74)
<b>Segment Profit/(Loss)</b>	<b>22264.16</b>	<b>(1535.16)</b>	<b>5131.86</b>	<b>25860.86</b>	-	<b>25860.86</b>
Total Assets	72379.11	8756.24	25723.07	106858.42	-	106858.42
Total Liabilities	63971.15	9074.19	7418.27	80463.61	-	80463.61

## Segment reporting for the year ended March 31, 2019

INR in lakhs

Particulars	Sugar	Power	Distillery/ Ethanol	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>						
External customers	87630.50	10559.67	12667.11	110857.28	-	110857.28
Inter-segment	19541.82	17765.72	-	37307.54	37307.54	-
<b>Total Revenue</b>	<b>107172.32</b>	<b>28325.39</b>	<b>12667.11</b>	<b>148164.82</b>	<b>37,307.54</b>	<b>110857.28</b>
<b>Income / (Expenses)</b>						
Depreciation and amortisation	(2016.71)	(968.83)	(273.41)	(3258.95)	-	(3258.95)
<b>Segment Profit/(Loss)</b>	<b>(16668.54)</b>	<b>5455.02</b>	<b>4328.48</b>	<b>(6885.04)</b>	-	<b>(6885.04)</b>
Total Assets	102476.37	18559.67	13598.33	134634.37	-	134634.37
Total Liabilities	120573.06	7594.31	4969.86	133137.23	-	133137.23

### 30. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial assets at amortized cost</b>				
Loans (refer note no. 4)	6563.88	6797.25	6563.88	6797.25
<b>Financial liabilities at amortized cost</b>				
Non-Current borrowings including current maturities (refer note no 13)	17031.41	26898.75	17031.41	26898.75
Current borrowings (refer note no 13)	13872.69	57688.31	13872.69	57688.31

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, 2020 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 March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
<b>Loans (refer note no. 4)</b>				
March 31, 2020	6563.88	-	6563.88	-
March 31, 2019	6797.25	-	6797.25	-

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

INR in lakhs

Particulars	Carrying value March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
<b>Non-Current borrowings including current maturities (refer note no 13)</b>				
March 31, 2020	17031.41	-	17031.41	-
March 31, 2019	26898.75	-	26898.75	-
<b>Current borrowings (refer note no 13)</b>				
March 31, 2020	13872.69	-	13872.69	-
March 31, 2019	57688.31	-	57688.31	-

## 31. 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 31,2019 and March 31,2020 based on contractual undiscounted payments :-

INR in lakhs

March 31, 2020	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	13872.69	3158.65	4906.13	21937.47
Non-Interest bearing borrowings:				
Trade and Other payable (refer note no. 17)	45664.03	-	-	45664.03
Other financial liabilities (refer Note no. 13)	2943.41	-	-	2943.41
<b>% to Total</b>	<b>88.57%</b>	<b>4.48%</b>	<b>6.95%</b>	<b>100%</b>



March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	57688.31	3533.29	5004.38	66225.98
Non-Interest bearing borrowings:				
Trade and Other payable (refer note no. 17)	49606.34	-	-	49606.34
Other financial liabilities (refer Note no. 13)	11417.17	-	-	11417.17
<b>% to Total</b>	<b>93.29%</b>	<b>2.78%</b>	<b>3.93%</b>	<b>100%</b>

## Reconciliation of Interest bearing borrowings

INR in lakhs

	Schedule No.	As at	As at
		March 31, 2020	March 31, 2019
Non-Current borrowings	13	14,088.00	15,481.58
Adjustment for Non-Interest bearing Unsecured Loans		(6,023.22)	(6,943.91)
Adjustment for Interest accrued and due		-	-
Short-term borrowings	13	13,872.69	57,688.31
		<b>21,937.47</b>	<b>66,225.98</b>

### (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 comprise 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, 2020 and March 31, 2019. 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, 2020 and March 31, 2019.

### (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 debt obligation at floating interest rates which is not material.

### (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 continues 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, 2020	10%	(8303.07)
For the year ended March 31, 2020	-10%	8303.07
For the year ended March 31, 2019	10%	(8364.29)
For the year ended March 31, 2019	-10%	8364.29

## 32. 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 maximize 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	As at
	March 31, 2020	March 31, 2019
Borrowings	27960.69	73169.89
Other financial liabilities	2943.41	11417.17
Less: Cash and Cash equivalents	(5121.09)	(286.28)
Less: Other bank balances	(1834.33)	(3698.19)
<b>Net Debt</b>	<b>23948.68</b>	<b>80602.59</b>
Equity share capital	15,353.95	15,353.95
Other equity	5,017.64	(21507.02)
Total Equity	<b>20371.59</b>	<b>(6153.07)</b>
Total Capital and net debt	<b>44320.27</b>	<b>74449.52</b>
Gearing ratio (Times)	1.18	-13.10

33. Assets at Swar Unit in Uttar Pradesh were previously classified as held for sale but the same could not be Sold by the end of the Financial Year due to various constraints and economic conditions. Accordingly, the same has been re-grouped under head Capital Work-in-Progress.

## 34. Impact of COVID-19 Pandemic

Consequent to the outbreak of COVID-19, which has been declared as a pandemic by World Health Organisations (WHO), Government of India has declared a lock down effective from March 24, 2020. The ongoing Covid-19 pandemic, has effected the country and the entire globe, which has contributed to a significant decline in global and local economic activities. The company has also got effected as there was severe disruption in supply chains and delay in realization of trade receivables. The extent to which the Covid-19 pandemic will impact the company's financials will depend on future developments, which are uncertain. The company has opted for the utilization of Moratorium benefit provided by the Reserve Bank of India. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor and any variation due to the changes in situations will be taken into consideration, if necessary, as and when it crystallizes.

35. The Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision of Income tax and re-measured its deferred tax asset basis the rate prescribed in the said section for the year ended March 31, 2020.

36. As a measure of relief to the sugar industry and for speedy cane payments, the Central Government has announced certain incentives to the sugar industry for the sugar season 2019-20. Mill-wise MAEQ have been fixed for the sugar season 2019-20. Sugar mills are required to export their MAEQ entitlement by September 30, 2020. The Government vide notification dated September 12, 2019 has notified a scheme for providing a lump sum assistance to facilitate the export during the sugar Season 2019-20.

Maximum Admissible Export Quantity (MAEQ): Scheme provides conditions and stipulations, which inter alia provides that on fulfillment of which the subsidy prescribed there under shall be made available. In addition, the Central Government has the power to withdraw/amend the scheme at any time, based upon its monitoring of prevailing sugar prices and consequential assessment of operational viability of the sugar industry. Upon assessment of the conditions prescribed and present level of uncertainties, subsidy has not been accounted for in the standalone financial statements on consideration of prudence.



**37. Exceptional Item :-**

**(A) Loss on Impairment of Assets**

Management has considered Each Unit as a Separate Cash Generating Unit (CGU) and has analyzed if there is an indicator of Impairment. During the last few years, the company has incurred significant amount of losses and its net worth got eroded. Keeping in view, these indicators and circumstances, the company has carried out the impairment testing determining the recoverable amount of the assets based on value in use which has been determined by an independent Valuer appointed in this respect. This has been estimated as per Discounted Cash Flow method based on future projections and assumptions.

The impairment loss of Rs. 8142.81 Lacs is disclosed as exceptional item in the statement of Profit & loss.

**(B) Gain Due to One Time Settlement**

During the year under consideration, the company has paid the entire amount as per OTS agreement with SBI. The excess of outstanding loan liabilities of SBI over the OTS amount as per agreement amounting to Rs. 30521.92 Lacs has been disclosed as exceptional item in the statement of Profit & loss.

**38. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:**

(Rs. In Lakhs)

	Particulars	31.03.2020	31.03.2019
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	334.22	260.73
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (under Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-
	<b>Total</b>	<b>334.22</b>	<b>260.73</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and has been relied upon by the auditors.

- 39.** Effective April 1, 2019 the Company has adopted IND AS 116 "Leases" on all leases existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption does not have a material impact on the financial statements.
- 40.** During the Current year, Company transferred INR Nil (Previous year INR Nil) to Capital Redemption Reserve.
- 41.** 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.
- 42.** Previous year figures have been recasted/regrouped/rearranged wherever necessary to make them comparable with that of current year.

**R. S. Balasubramanyam**  
Chief Financial Officer

**Manmohan K. Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director  
(DIN 00075107)

**Rana Veer Pratap Singh**  
Director  
(DIN 00076808)

As per our report of even date attached

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

**Place :** Chandigarh  
**Date :** 31-07-2020  
**UDIN :** 20091721AAAAID1942

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

