

ANNEXURE 4
REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

For Company, maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. It is an article of faith, a way of life, and an integral part of the Company's core values. Your company is committed for adopting best global practice of Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of its entire shareholders. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

The Company's compliance of Corporate Governance guidelines of the Listing Agreement is as follows:

A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

Name of the Director	Category	Designation	No. of other Directorships	Total No. of Chairmanships/Memberships of Board Level Committees		
			Held	Chairmanship	Membership	Total
Mr. Sorabh Gupta	Promoter Director	Chairman & Managing Director	7	Nil	Nil	1
Mr. Murli Manohar	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil
Mr. Deshraj Singh	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil
Ms. Praveen Singh	Woman Non-Executive Director	Director	4	Nil	3	3
Mr. Kamal Kumar	Non-Executive Director	Director	Nil	Nil	Nil	Nil

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-Executive Independent Directors headed by the Chairman. The present strength of Board of Directors is Four (5), out of which one (1) is Executive Director and two (2) are Independent Non-Executive Directors. The Company's Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgement of the Directors in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with the Stock Exchanges. The structure of the Board and record of other Directorships, Committee memberships & Chairmanships and shareholding in the Company as on March 31, 2019 is as under:

Notes:

- I. The Directorships held by Directors as mentioned above, do not include alternate Directorship, Directorships of Foreign Companies, and section 8 Companies.
- II. In accordance with SEBI(Listing Obligation and Disclosure Requirement) Regulation, 2015 , Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies have been considered.

- III. None of the Directors is a member of more than 10 Board-level committees of public COMPANIES IN WHICH THEY ARE DIRECTORS, NOR IS CHAIRMAN OF MORE THAN 5 SUCH COMMITTEES.

Name of the Director	Number of Board Meetings held during tenure of Directors and attended by them	
	Held	Attended
Mr. Sorabh Gupta	5	5
Mr. Murli Manohar	5	5
Mr. Deshraj Singh	5	5
Mrs. Praveen Singh	5	5

B. BOARD MEETINGS:

1. Scheduling and selection of agenda items for Board Meetings

The months for holding the Board Meetings in the ensuing year are usually decided in advance and most Board Meetings are held at the Company's corporate office in New Delhi. The agenda for each meeting, along with explanatory notes, is sent in advance to the Directors. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. Number of Board Meetings

The Board of Directors of the Company met Five times on 29th May, 2018, 13th August, 2018, 14th November, 2018, 14th February 2019 & 16th March 2019 during the financial year ended 31st March, 2019. The maximum time gap between any two meetings was not more than one hundred twenty days.

3. Record of the Directors' attendance at Board Meetings and AGM

4. Availability of information to the Board

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. Necessary information as mentioned in Annexure- of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 has been regularly placed before the Board for its consideration.

C. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and other relevant regulations and affirmation taken with respect to the same. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

The CFO & Company Secretary, business heads and other senior officials of the Company make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

D. BOARD LEVEL COMMITTEES

In accordance with the Listing Agreement with the Stock Exchanges on Corporate Governance, the following committees were in operation:

1. Audit Committee
2. Investor Grievance cum Stake Holders Relationship Committee
3. HR, Nomination and Remuneration Committee

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1. AUDIT COMMITTEE

● Terms of reference

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. Majority of the members are Non-executive Directors and each member has rich experience in financial sector. The Committee is governed by a charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Composition of Audit Committee

The Audit Committee, as on March 31, 2019 consisted of the following three Directors who are eminent professionals and possess sound knowledge in finance:

Chairman : Mr. Murli Manohar
Member : Mr. Deshraj Singh
Mrs. Praveen Singh

● Meetings and attendance during the year

The Audit Committee met four times during the financial year from April 1, 2018 to March 31, 2019:

1. 29th May, 2018
2. 13th August, 2018
3. 14th November, 2018
4. 14th February, 2019

The attendance record of the audit committee members is given in following table:

Names of the Audit Committee members	Number of Audit Committee Meetings held and attended during the tenure of Directors
Mr. Murli Manohar	4
Mr. Deshra Singh	4
Mrs. Praveen Singh	4

2. INVESTOR GREIVANCE CUM STAKEHOLDER RELATIONSHIP COMMITTEE

Terms of reference

This Committee was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions and further in pursuant to section 178(5) of Companies Act, 2013, the earlier Share Transfer And Investor Grievance Committee was reconstituted to be called as **INVESTOR GRIEVANCE CUM STAKE HOLDERS RELATIONSHIP COMMITTEE**. To expedite the process of share transfers the Board has delegated the power of share transfer to M/s Mas Services Ltd viz. Registrar and Share Transfer Agents who attend the share transfer formalities at least once in a fortnight.

Terms of reference of the Investor Grievance Cum Stake Holders Relationship Committee are as per the guidelines set out in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges which inter-alia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc and redressal thereof.

● Composition of Investor Grievance Cum Stake Holders Relationship Committee

The Investor Grievance Cum Stake Holders Relationship Committee is headed by an Independent Director and presently consisted of the following members as on March 31, 2019

Chairman : Mr. Murli Manohar
 Members : Mr. Deshraj singh
 Mrs. Praveen Singh

Company Secretary: Company Secretary of the Company is Company secretary of the Committee

Meetings and attendance during the year

The Investor Grievance Cum Stakeholders Relationship Committee met four times during the financial year from April 1, 2018 to March 31, 2019:

1. 29th May 2018

The attendance record of the Investor Grievance Cum Stakeholders Relationship Committee members is given in following table:

Names of the Investor Grievance Cum Stakeholders Relationship Committee members	Number of Investor Grievance Cum Stakeholders Relationship Meetings during the tenure of Directors	
	Held	Attended
Mrs. Praveen Singh	1	1
Mr. Murli Manohar	1	1
Mr. Deshraj Singh	1	1

● Compliance Officer

The Compliance Officer for this committee is Company Secretary of the Company.

● Shareholders' Complaints etc. received during the FY- 2018-19

During the year from April 1, 2018 to March 31, 2019 the Company received nil complaints from various Investors / Shareholders' relating to non-receipt of Dividend / Bonus Shares / Transfer of Shares / Dematerialization of Shares / Annual Report etc. The same were attended to the satisfaction of the Investors. At the end of March 31, 2019, no complaint was pending for redress and there were no pending share transfers as on March 31, 2019.

3. HR, NOMINATION AND REMUNERATION COMMITTEE

● Terms of reference

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

● Composition of Remuneration Committee

In compliance with Section 178(1) of the Companies Act, 2013, Remuneration Committee is being reconstituted as HR, Nomination and Remuneration Committee w.e.f 30th May, 2014 and is headed by an Independent Director and consists of the following members:

Chairman : Mr. Murli Manohar
 Members : Mr. Desh Raj Singh
 Mrs. Praveen Singh

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Names of the HR, Nomination and Remuneration Committee members	Number of Meetings held during the tenure of Directors	
	Held	Attended
Murli Manohar	1	1
Desh Raj Singh	1	1
Mrs. Praveen Singh	1	1

- **Compliance Officer**

The Compliance Officer for this committee, at present, is Company Secretary of the Company.

- **REMUNERATION POLICY**

Remuneration to Non-Executive Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of Sitting Fees. The Non-Executive Independent Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The no sitting fees paid during the Financial Year 2018-19. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

A. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director is governed by the recommendation of the HR, Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites, allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

- **Remuneration Paid to Directors**

Following tables gives the details of remuneration paid to directors, during the year from April 01, 2018 to March 31, 2019:

- **Remuneration to Executive Directors**

Sl. No.	Particulars	Designation	Salary pm (Rs.)	Commission (Rs. in Crores)	Contribution to provident & Superannuation Funds	Benefits	Total Amount pm (Rs.)
1.	Mr. Sorabh Gupta	Chairman & Managing Director	2,00,000	Nil	Nil	Nil	2,00,000

- **No remuneration paid to Non- Executive Director.**

E. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

The CFO & Company Secretary, business heads and other senior officials of the Company make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

E. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a. Training of Independent Directors

Whenever new Non-Executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

b. Performance Evaluation of non-executive and Independent Directors

The Board evaluates the performance of Non-Executive and Independent Directors every year.

All the Non-Executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration.

Their presence on the Board is advantageous and fruitful in taking business decisions.

c. Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 29th May, 2018, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- I. Reviewed the performance of non-independent directors and the Board as a whole;
- II. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. GENERAL BODY MEETINGS

Date / Venue / Time of previous three Annual General Meetings:

Year	Place	Date	Time	Special Resolution Passed
2017-18	Village-Pallawala Dhampur	27 th September, 2017	2.00 P.M.	No
2016-17	Village-Pallawala Dhampur	30 th September, 2016	3.00 P.M.	No
2015-16	Village-Pallawala Dhampur	30 th September, 2015	2.00 P.M.	Yes

No Resolution was passed through postal ballot, during the financial year 2018-19.

E. AFFIRMATIONS AND DISCLOSURES:

1. Compliance with Mandatory requirements of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 of the Listing Agreement

The Company has complied with all the applicable mandatory requirements of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Related Party Transactions: All transactions entered into with Related Parties as defined Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 during the financial year were in the

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ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for approval.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and carried out on an arm's length basis or fair value.

3. The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
4. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The Code of Conduct is displayed on the website of the Company. All the directors and the senior management personnel have affirmed compliance with the code for the financial year ended 31st March 2019. A declaration to this effect, signed by the Chairman & Managing Director is annexed to this report.
5. **Whistleblower Policy :** In accordance with requirement of Companies Act as well as Listing Agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. No personnel of the Company has been denied access to the Audit committee.
6. The necessary certificate, pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with stock exchanges, is annexed to this report.
7. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
8. **Compliance Certificate from Practicing Company Secretary:** Certificate from Practicing Company Secretary confirming compliance with conditions of corporate governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is annexed to this report.
9. Other disclosures as required under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 has been given at relevant places in the Annual Report.

G. MEANS OF COMMUNICATION / INVESTORS' COMMUNICATION

- The quarterly and half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange (BSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors.
- Financial Results are published in leading newspapers, one English newspaper and one Hindi newspaper.
- The financial results are also put up on Company's website www.sugarindia.com.

H. INFORMATION TO SHAREHOLDERS

1. REGISTERED OFFICE

Villagete Pallawala Tehsil, Bijnor, Uttar Pradesh-246761

2. ANNUAL GENERAL MEETING

The date, time & venue of the next Annual General Meeting and the next Book Closure date will be as per the Notice calling the Annual General Meeting.

3. WEBSITE

The address of the Company's web site is www.sugarindia.com.

4. LISTING ON STOCK EXCHANGES

The names of the stock exchanges at which Company's shares are listed as on 31st March, 2019 and details of "Stock Codes" are as mentioned below:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	531923

1. ANNUAL LISTING FEE

Annual Listing Fee for the year 2018-19 has been paid to each of the above mentioned stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

2. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Following tables gives the data on shareholding according to types of shareholders and class of shareholders.

● Distribution of the shareholdings according to type of shareholders:

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	%(Holding)	No. of Shares	%(Holding)
Promoters	42,97,663	54.20	39,02,663	51.79%
Institutional Investors	NIL	NIL	NIL	NIL
Bodies Corporate	5,17,739	6.52	4,24,788	5.64%
Others/Public	31,15,798	39.28	32,08,749	40.14%
Total	79,31,200	100%	7536200	100%

● Distribution of shareholding according to the number of shares:

No. of Equity Shares	March 31, 2019				March 31, 2018			
	No. of	% of	No. of shares	% of share capital	No. of	% of	No. of shares	% of share capital
	Shareholders				Shareholders			
1 to 5000	2288	79.718	535994	6.758	2877	79.082	558891	7.416
5001 to 10000	321	9.068	266824	3.364	338	9.291	283617	3.763
10001 to 20000	143	4.04	224846	2.835	154	4.233	242707	3.221
20001 to 30000	68	1.921	173973	2.194	73	1.907	188585	2.633
30001 to 40000	35	0.989	126275	1.592	41	1.071	146907	2.051
40001 to 50000	34	0.98	163138	2.057	37	0.967	176407	2.463
50001 to 100000	55	1.554	385809	4.864	44	1.15	308476	4.308
100001 and above	62	1.751	6054341	76.336	52	1.359	5210022	72.753
Total	3540	100	7931200	100	3616	100	7161200	100

10. MARKET PRICE DATA

Monthly high and low prices of equity shares of the company traded at The Bombay Stock Exchange Limited are given below:

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MONTH	BSE	
	HIGH(Rs.)	LOW(Rs.)
Apr 18	16.80	12.60
May 18	15.99	11.80
Jun 18	15.80	10.50
Jul 18	13.15	11.20
Aug 18	13.20	10.20
Sep 18	14.86	9.84
Oct 18	11.44	9.90
Nov 18	10.92	9.38
Dec 18	11.39	8.56
Jan 19	13.30	11.21
Feb 19	16.00	9.95
Mar 19	21.30	14.95

11. DEMAT

Your Company's equity shares are compulsorily traded in dematerialisation form by all categories of investors. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. The National Securities Depositories Limited (NSDL) and The Central Depositories Service (India) Limited (CDSL).

As on March 31, 2019, 92.53% (i.e. 7338900 Equity Shares) of the total Equity Share Capital (i.e 7931200 equity shares) were held in demat form.

12. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company has appointed a common i.e. Mas Services Limited for share transfer and dematerialization of shares. To expedite the process of share transfers the Board has delegated the power of share transfer to Mas Services Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in fortnight. Their contact details are as follows;

M/s Mas Services Limited

T-34, 2nd floor, Okhla Industrial Area, Ph-II

New Delhi 110 020

Ph: 011-26387281/82/83

Fax: 011-26387284

14. ADDRESS FOR CORRESPONDENCE:

i. Investors' Correspondence may be addressed to the following:

Dhampure Speciality Sugars Ltd

Villageteh Pallawala Tehsil Dhampur, Bijnore, Uttar Pradesh-246761

E-mail: investor@sugarindia.com

OR

To the Registrar and Share Transfer Agent i. e: Mass Services Limited at the address mentioned elsewhere in this report.

ii. Queries relating to the Financial Statements of the Company may be addressed to following:

Sorabh Gupta

Villageteh Pallawala Tehsil Dhampur, Bijnore, Uttar Pradesh-246761