



# 72nd Annual Report 2017

**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR**  
**CIN : U15421RJ1945SGC000285**

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**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR**  
**CIN : U15421RJ1945SGC000285**

**Board of Directors**  
(As on 29.09.2017) :

Director In-Charge :  
**Shri Praveen Gupta, IAS,**  
Secretary, Finance (Revenue),  
Government of Rajasthan, Jaipur.

**Smt. Aparna Arora, IAS,**  
Chairman, Rajasthan Pollution Control Board,  
Rajasthan, Jaipur

**Smt. Manju Rajpal, IAS,**  
Secretary, Finance (Budget),  
Government of Rajasthan, Jaipur.

**Shri O. P. Yadav, IAS,**  
Excise Commissioner,  
Rajasthan, Udaipur

**Shri Gyana Ram, IAS,**  
Distt. Collector,  
Collectorate, Sriganganagar

**Smt. Manjula Verma, RAcS,**  
DTA (Accounts & Treasury),  
Vitta Bhawan, Jaipur.

**Shri U.S. Shekhawat,**  
Zonal Director, Agriculture Research Centre,  
Sri Ganganagar.

**Shri Krishan Lal Jakhar,**  
Chief Engineer, Water Resources ( North)  
Hanumangarh Jn.

General Manager :  
**Shri Rajpal Singh Yadav**

Financial Advisor :  
**Shri V.C.Bunkar**

Company Secretary :  
**Shri Pawan K. Garg**

**Statutory Auditors**  
M/s. Dhoot & Associates, (CR-3265), F-3, Ramesh Marg, C-Scheme, Jaipur.

**Secretarial Auditors**  
M/s. ARMS & Associates, 24, Ka-1, Jyoti Nagar, Jaipur-04

**Bankers**  
Bank of Baroda, ICICI Bank Ltd., State Bank of India, UCO Bank.  
**Unit:**  
Integrated Sugar Complex, Sriganganagar,

**REGISTERED OFFICE:**  
4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302 006.  
E-mail: cosecy.rsgsm@rajasthan.gov.in, Website: rajexcise.gov.in, FAX: 0141-2740676, PBX: 2740040  
GSTIN 08AAACR8906R1ZN



## RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

Regd. Office: 4th FLOOR, NEHRU SAHKAR BHAWAN, BHAWANI SINGH ROAD, JAIPUR-302006  
CIN:U15421RJ1945SGC000285 Website :www.rsgsm.in

No.:RSGSM/HO/Co.Law (72nd AGM)/2017/34166-616

6th November, 2017

### NOTICE

**NOTICE** is hereby given that the Seventy Second ( 72nd ) Annual General Meeting of the Company will be held on Thursday, the 30th November, 2017 at 4.00 PM at the Registered Office of the Company, 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302 001 to transact the following business :-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year 2016-17 and Reports of the Directors and Auditors thereon.
2. To declare the dividend on preference shares for the year 2016-17.
3. To fix the remuneration of Statutory Auditors for the year 2017-18 and onwards and pass the following resolution-

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to Statutory Auditors of the Company for the next financial year i.e. 2017-18 and onwards in pursuance of provisions of the Companies Act, 2013."

PLACE : JAIPUR  
DATE : 06.11.2017

By Order of the Board

**Pawan K. Garg**  
Company Secretary

1. All Shareholders of the Company.
2. All Directors of the Company.
3. Secretary Finance (Budget), Chairman, Audit Committee, Secretariat, Jaipur.
4. M/s Dhoot & Associates, Statutory Auditors, F-3, Ramesh Marg, C-Scheme, Jaipur
5. M/s ARMS & Associates, Secretarial Auditors, 24 Ka 1, Jyoti Nagar, Jaipur-302004.

GRAM: GANGASUGAR PHONES: 2740886- DIC, 2470068- GM, 2740541- FA, 2741085- DGM (P&S),  
2741956- Co. Secy.,2740841- DGM(Pur.),2744474-DGM(A&P) , 2740475- Computer Cell  
E-mail-cosecy.rsgsm@rajasthan.gov.in FAX : 0141-2740676 PBX :2740040  
GST No. 08AAACR8906R1ZN



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### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
7. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company.
8. Members are requested to update their registered mail ID, address, telephone no. with the relevant supporting documents.

By Order of the Board

**Pawan K. Garg**  
Company Secretary

PLACE : JAIPUR  
DATE : 06.11.2017

GRAM: GANGASUGAR PHONES: 2740886- DIC, 2470068- GM, 2740541- FA, 2741085- DGM (P&S),  
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# **Directors Report & Annexure 2017**

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# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Ladies & Gentlemen,

Your Directors are pleased to place before you the 72nd Annual Report regarding the performance of the Company for the year ending on 31st March, 2017, together with audited statements of accounts.

### **FINANCIAL RESULTS :**

During the year under review 2016-17, the Company has shown operational surplus of Rs. 8070.19 lacs (before depreciation) as compared to Rs 6091.26 lac for the year 2015-16. The provision for depreciation amounting to Rs.2823.54 lac has been made as against Rs. 822.62 lac for previous year. The profit for the year is Rs. 5669.19 lac as against Rs. 5268.64 Lac of last year. After provision for current year's taxation amounting to Rs. 2700 lac & adjustment of earlier years Tax Nil and deferred tax asset of Rs. 63.84 lac, the net profit during the year is Rs. 3033.03 lac as against Rs. 3884.87 lac during the last year.

In the Excise Policy effective from 01.04.2016 like previous year, 100% supply of Country Liquor in the State has been assigned exclusively to RSGSM, out of which maximum 45% supplies to be made from the production of RSGSM and the balance 55% supplies to be made by purchasing the Country Liquor from the Private Distillers and Bottlers i.e. 45% & 10% respectively. RSGSM purchased Country Liquor from Private Distillers at the competitive rates through open tenders and sold it to the excise licensees at the rates fixed by the management from time to time. The Company gets a margin of 13.10% on sale of Country Liquor of private suppliers (i.e. on purchase price minus bottling fee). The Company was able to supply over-all 33.92% of the annual requirement of the Country Liquor out of its own production in the State during the year 2016-17 and has been able to sustain in the market on competitive basis by way of supply of quality Country Liquor.

In order to supply Country Liquor at the nearest point to the Excise Licensees, RSGSM operated 98 under bond depots spread all over the State. All the 32 Distt. Depots & 66 Sub-Depots have been connected by On-line Computer net-working in order to have the status of

supply of Country Liquor and other related Management Information on-line.

During FY 2016-17 Liquor Division has shown a profit of Rs.95.72 crores as against Rs. 80.96 crores during the previous year, whereas during 2016-17 Sugar Factory has shown a loss of Rs.43.26 crores as against a loss of Rs. 28.27 crores during last year after allocating HO overheads proportionately in the ratio of turnover. The loss of Sugar Factory has increased by Rs. 14.99 crores. Privilege Fee of Rs.1525.91 lac has been paid @ Rs.0.65 per BL on issue of Country Liquor this year (Previous year Rs. 436.51 Lac @ Rs. 0.20 per BL) to the Excise Department.

### **RESERVES:**

Out of the working surplus for the year ended on 31st March' 2017, a sum of Rs. 3150.00 lac has been transferred to General Reserve.

### **DIVIDEND:**

Your Directors propose payment of Rs.11.59 lac as dividend (including dividend distribution tax) on Redeemable Cumulative Preference Shares for the year 2016-17. This dividend would be paid to holders of Redeemable Cumulative Preference Shares after approval in the Annual General Meeting.

### **SHARE CAPITAL:**

During the year under review the company has not increased Authorized share capital of Rs. 200.00 crores but issued 7509874 equity shares of Rs. 50/- each fully paid up ranking pari-passu with the existing shareholders of the Company under the provisions of Section 62(1)(a) read with the Companies (Share Capital and Debentures) Rules, 2014 and redeemed 18000 11% 10 years redeemable Preference shares of Rs. 50/- each.

### **PERFORMANCE OF THE CURRENT YEAR AND FUTURE OUTLOOK**

#### **HERITAGE LIQUOR (LIQUEUR):**

During the year 2016-17, the total sales of various brands of Heritage Liqueur have been of 20.26 lacs (3678.750 BL) during the year as against Rs. 42.81 lac (6075 BL) during last year. The stock of 108 Cases of Royal Saunf was available at RSBCL Depots as on



01.04.2017 total amounting to Rs 4.48. lacs only inclusive of Excise Duty.

#### **SUGAR DIVISION:**

The cane crushing season commenced on 14.12.2016 and ended on 11.04.2017 (119 days) as against 117 days (from 15.01.2016 to 11.05.2016) in the previous year. The Sugar factory crushed 11.89 lacs qtls. of cane and produced 103270 qtls. white sugar and 1300 NISS in the 2016-17 Cane crushing season in compare to 8.89 Qtls. Cane crushing with production of 48362.50 qtls. white sugar and 3817.50 qtls. NISS during the last financial year. During the season estimated sugar recovery, molasses % cane, stoppages % and purchased fuel % were 8.55%, 5.48 %, 22.90 % and 7.35 % respectively. Power export system has exported to the grid, 3132490 unit of electricity during the season in compare to 11892 units of electricity during the last year. The turnover of Sugar Factory & Distillery during the year 216-17 was Rs.3200.09 lac as compared to Rs. 2235.22 lac during last year 2015-16.

#### **LIQUOR DIVISION:**

Sale of Country Liquor during the year 2016-17 has been 2347.56 lac BL, out of which 796.69 lac BL Country Liquor was of RSGSM production and 1550.87 lac BL country Liquor was that of private Distillers/Bottlers.

Sale of Country Liquor during the year 2015-16 has been 2182.56 lac BL, out of which 844.63 lac BL Country Liquor was of RSGSM production and 1337.93 lac BL country Liquor was that of private Distillers/Bottlers.

#### **ESTABLISHING NEW SUGAR FACTORY, SRI GANGANAGAR:**

For establishing new Sugar Factory at Kaminpura, Distt - Sriganganagar 37.695 Hectare land has been acquired through SDM, Karanpur, out of which 23.022 Hectare land is under possession of RSGSM and mutation of 23.022 hectare land has been done in the name of RSGSM. Remaining 14.673 Hectare land is under stay order of Hon'ble High Court, Jodhpur. Total estimated cost of the New Sugar project was Rs.180.00 crore as approved by the Board in its meeting dated 26.03.2014 and the Government of Rajasthan has financed the entire cost of the project by equity support of Rs. 177.56 Crores:-

The three agencies M/s. S.S.Engineering, Pune for Sugar & Co-Gen Plant, M/s. KBK Chem Engineering Pune for Distillery Plant and RSRDC for civil construction work

were engaged for setting up new Sugar Mill Complex (1500 TCD Sugar Plant, 4.95 MW Co-Gen Plant and 30 KLPD Multifeed Distillery) at Kaminpura Village District-Sriganganagar.

**SUGAR AND CO-GEN PLANT** was installed and operational w.e.f. 15.01.2016. Trail season of new sugar plant was started on 15-1-2016 and ended on 11-5-2016. DISTILLERY PLANT was completed in the year 2015-16 but production in distillery could not be started due to stay order of Hon'ble Rajasthan High Court, Jodhpur bench. Thereafter the distillery was started using own molasses on 17.11.2016.

#### **INFORMATION TECHNOLOGY & ITS IMPLEMENTATION:**

New integrated software has been developed by the new Total Solution Provider (M/s. Trimax Infrastructure Services Ltd.) for Excise Department, RSBC and RSGSM and the existing software and data centre of RSGSM has been taken over from old TSP by new TSP on 05.09.2010 at Udaipur. Out of the total estimated cost of the project of Rs. 820 lac, 20% cost is to be borne by RSGSM. Computer systems have been provided at all the Sub-depots and the sales module of Country Liquor is fully operational. The work on integration of various modules of software to cover up the entire activities of RSGSM is going on. The payment method to Country Liquor suppliers has been changed from "Consignment basis" to "Sales basis" w.e.f. 1st April, 2013 & the payment is being made online through RTGS. Suggestions given by AG Audit Team during IT Audit of IEMS system has been incorporated in the system. Presently, reconciliation of bank data is being done by mapping bank data with RSGSM server. A software development Process to online the activities of depositing the amount of challans and issuing the permits by Excise Department is in progress.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the



Company as on March 31, 2017 and the date of this report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the last financial year, the change in the position of Directors/KMP on the Board of Directors of the Company has been as follows:-

**Shri Bhaskar A. Sawant, Secretary, Finance (Budget)** was appointed director in place of Shri Siddharth Mahajan w.e.f. 03.06.2016.

**Shri Naveen Mahajan, Secretary, Finance (Budget)** was appointed director in place of Shri Bhaskar A. Sawant w.e.f. 20.06.2016.

**Shri Gyana Ram, District Collector, Sriganganagar** was appointed director in place of Shri Purna Chandra Kishan on 29.12.2016.

**Umed Singh Shekhawat, Zonal Director, Agriculture Research Centre, Sriganganagar** was appointed director in place of Shri B S Yadav on 28.03.2017.

**After 31.03.2017 following changes were made in the directorship.**

**Smt. Manjula Verma, was appointed woman director** in place of Smt. Shivangi Swarnakar w.e.f. 21.04.2017.

**Smt. Manju Rajpal, Secretary, Finance (Budget)** was appointed director in place of Shri Naveen Mahajan w.e.f. 08.05.2017.

Being an undertaking of Government of Rajasthan (GOR), all the directors of the Company are appointed by the GOR by virtue of their posts held in the GOR from time to time.

A proposal has been made to the Excise Department, GOR for appointment of Independent Directors in the Company as per the applicable provisions and exemptions granted by the MCA notification dated 05.06.2015 to Government Companies. The appointment of Independent Directors in the Company is under process with the Administrative Department.

**PARTICULARS OF EMPLOYEES:**

None of the employees of the Company is covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEE(S):**

**BOARD OF DIRECTORS-**

During the financial year under review four meetings of

the Board of Directors were held during the year on 29.06.2016, 29.08.2016, 29.12.2016, 28.03.2017 and the table given below shows the attendance of the directors -

Name of Director	No of Meetings attended by the Director /Total no of Meetings of his period
Shri Praveen Gupta	4/4
Smt. Aparna Arora	2/4
Shri Naveen Mahajan	2/3
Shri Bhaskar Sawant	0/1
Shri Purn Chandra Kishan	0/2
Shri Gyana Ram	0/2
Shri O. P. Yadav	3/4
Shri B. S. Yadav	4/4
Shri Rajkumar Chowdhary	0/4

**AUDIT COMMITTEE-**

The Board of Directors vide circular resolution no. 1/2016-17 reconstituted the Audit Committee as under-

S. No.	Name of Director	Designation
1	Secretary Finance (Budget), Govt. of Rajasthan	Chairman
2	Excise Commissioner, Rajasthan	Member
3	Zonal Director, Agriculture Research Centre, Sriganganagar	Member

Shri Naveen Mahajan, Shri O. P. Yadav and Shri B. S. Yadav were members of the Audit Committee and all members attended the only meeting held on 29.08.2016 during the financial year 2016-17.

**CSR COMMITTEE**

The Board of Directors vide its resolution No. 474.13.3 dated 29.03.2016 re-constituted the CSR Committee comprising of following Directors as members:-

1. Spl. Secretary Finance (Budget), Govt. of Rajasthan, Director, Chairman
2. Excise Commissioner, Rajasthan, Director, Member.
3. Collector, Sriganganagar, Director, Member.
4. Zonal Director, Agriculture Research Centre, Sriganganagar.
5. Chief Engineer, Water Resource (North), Hanumangarh, Jn.





Two meetings of the CSR Committee were held during the year on 20.04.2016 and 28.03.2017 and the table given below shows the attendance of the directors-

Name of Director	No of Meetings attended by the Director /Total no of Meetings of his period
Shri Siddharth Mahajan	1/1
Shri Naveen Mahajan	0/1
Shri Puran Chandra Kishan	0/1
Shri Gyana Ram	0/1
Shri O. P. Yadav	1/2
Shri B. S. Yadav	2/2
Shri Rajkumar Chowdhary	0/2

#### **RISK MANAGEMENT POLICY:**

The Company has established Enterprise Risk Management (ERM) framework to identify, assess, monitor and mitigate various risks that may affect the organization. As per ERM framework, the risks are identified considering the internal and external environment. While there were no risks perceived that threatens the existence of the company, though being a wholly owned and controlled by the Government of Rajasthan undertaking its working and existence totally depend on the Excise Policy and other decisions of the State Government which affects the operation and existence of the Company.

#### **AUDITORS:**

M/s Dhoot & Associates, Chartered Accountants, Jaipur were appointed as Statutory Auditors of the Company for the financial year 2016-17 by the Comptroller & Auditor General of India, New Delhi vide its letter No./CA.V/COY/RAJASTHAN,GANSUG(1)/1320 dated 02.09.2016.

#### **AUDITORS' REPORT:**

The Auditors' Report and replies thereto are appended to the balance sheet. The Comptroller & Auditor General's comments will be circulated as soon as received.

#### **COST AUDITOR AND COST AUDIT REPORT:**

As per the provisions of Section 148 and 409 of Companies Act, 2013 read with the Companies (Cost Records & Audit) Rules, 2014, Cost Records are required to be maintained by the Company but it is not

mandatory to appoint Cost Auditor for Cost Audit for the financial year 2016-17. Though for the better management and proper internal control system Company has appointed M/s R. K. Bhandari & Company, Cost Accountants, Jaipur as Cost Auditor to conduct the voluntary audit of cost records of the company for the financial year 2016-17.

#### **EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is at ANNEX. - I.

#### **SECRETARIAL AUDIT REPORT:**

In terms of Section 204 of the Act and Rules made there under, M/s. ARMS & Associates, Practising Company Secretaries have been appointed Secretarial Auditors of the Company for the financial year 2016-17. The report of the Secretarial Auditors is enclosed as **Annexure II** to this report. The report is self-explanatory and contains the only observation of non compliance of requirement of appointment of Independent Directors on the Board and Audit Committee.

The observations of the Secretarial Auditor and directors' reply are as follows-

S. No	Observation	Reply
a.	The Company has not appointed Independent Directors during the year ended 31st March, 2017. Thus the Constitution of the Board of Directors was not as per the provisions of the Companies Act, 2013.	The appointment of Independent Directors in the Company is under process with the Administrative Department. A proposal has been made to the Excise Department, GOR for appointment of Independent Directors in the Company as per the applicable provisions and exemptions granted by the MCA notification dated 05.06.2015 to Government Companies.



b.	The Company has violated the rule 2 (1) (c) (vii) of The Companies (Acceptance of Deposits) Rules, 2014 and Section 42(6) of the Companies Act, 2013.	Government had sanctioned fund of Rs.177.56 Crores for establishment of Integrated Sugar Mills. Accordingly funds were provided by the Government from time to time. The last installment was provided in the month of March, 2016. Thereafter the matter was placed before the Board and taken for approval of the members of the Company in its scheduled Annual General Meeting.
c.	The Company has also violated the provisions of section 56(4)(c) of the Companies Act, 2013 by delivering the share certificates after the prescribed time in case of transmission of shares	Due to budget session, directors were occupied in the confidential Government Budget, therefore authentication on share certificate delayed.
d.	The gap between two consecutive Board meetings i.e. 476th and 477th meeting was more than prescribed time under section 173(1) of the Companies Act, 2013.	Due to pre-engagement of directors, meeting was delayed for 2 days.

system. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed in detail in the Audit Committee meetings and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in business operations and internal controls.

**OTHER STATUTORY DISCLOSURES:**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not given loans, guarantees and made investments in terms of provisions of Section 186 of the Companies Act 2013.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**DEPOSITS:**

The Company has not accepted any deposits during FY 2016-17.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Information pertaining to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act 2013 be treated as NIL.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up to redress complaints received regularly. All

**INTERNAL AUDIT & CONTORL:**

The Company is in practice of engaging a panel of qualified CA(s) for Internal Audit of the Company. During the year four Chartered Accountants firms were appointed for the internal audit work. The Company continued to implement their suggestions and recommendations to improve the internal control



employees (permanent, contractual, temporary trainees) are covered under the policy.

During the financial year, the Company has not received any complaint pertaining to sexual harassment.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The total provision for CSR activities for the financial year 2016-17 was made of Rs. 47.90 lacs which was transferred in Mukhyamantri Jal Swavlamban Abhiyan. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are made in **Annexure III.**

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that-

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;

(c) the directors have 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;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**a) Conservation of energy**

(i)	The steps taken or impact on conservation of energy	<b>In the new integrated Sugar complex following actions has been taken for conservation of energy:-</b> 1. Installation of planetary gear boxes. 2. Operation of motors through VFD'S. 3. Installation of HP heater, economizer and air heater in boiler. 4. Installation of dynamic, vapour line juice heater and flash heat recovery system in boiling house. 5. Installation of LED lights in campus and factory.
(ii)	The steps taken by the company for utilizing alternate sources of energy	<b>Following steps are being taken for utilizing alternate energy source:-</b> 1. In Sugar plant: Bagass, by-product of Sugar cane crushing process shall be used as fuel in boiler for steam generation. 2. In Distillery Plant: Bio-mass like cotton stalks, rice husk, mustard straw etc shall be used as fuel in Distillery Boiler for steam generation.
(iii)	The capital investment on energy conservation equipment's	<b>Expected capital investment on conservation of energy in new Sugar and Distillery Plant and campus is of Rs. 600.00 lacs.</b>

**(b) Technology Absorption**

(i)	The efforts made towards technology absorption	In the new integrated Sugar complex a Sugar Plant of 1500TCD along with 4.95 MW CO-GEN Plant is being installed for own use and about 190 x 105 kwh per year surplus electricity will be exported to the grid. In Distillery Plant Dual mode (grain/molasses)
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		fermentation, extractive vacuum distillation process is being used to produce RS-grade1.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<p>In the new Sugar Plant</p> <ol style="list-style-type: none"> <li>1. With superior quality Plantation, White Sugar will be produced.</li> <li>2. Surplus electric power will be sold to grid.</li> <li>3. Cost of production will be reduced.</li> <li>4. Zero discharge Distillery.</li> </ol> <p>In Distillery Plant grain as well as molasses shall be used as raw material and following will be produced:-</p> <ol style="list-style-type: none"> <li>1. RS grade 1</li> <li>2. Biogas</li> <li>3. Bio-compost</li> <li>4. DDGS</li> </ol>
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	The expenditure incurred on Research and Development	Nil

### (c) Foreign exchange earnings and Outgo

During the year, there was no foreign exchange earnings and outgo in the company.

#### **ACKNOWLEDGEMENT:**

Your Directors place on record its appreciation in favour of the State Government for their continued support. Your Directors also take this opportunity to place on record its appreciation for the better results and efforts made by the Officers, members of the staff and workers of the Company.

**For and on behalf of the Board**

Place: Jaipur                      (O. P. Yadav)      (Praveen Gupta)  
Dated: 29.09.2017              Director              Director-Incharge



Annexure- I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	U15421RJ1945SGC000285
	Registration Date [DDMMYY]	20/01/1945
ii)	<b>Category of the Company</b>	Public Company
iii)	<b>Sub Category of the Company</b>	Government Company Limited by shares
iv)	Whether shares listed on recognized Stock Exchange(s)	NO
v)	AGM details-	
	Whether extension of AGM was granted -	NO
	If Annual General Meeting was not held, specify the reasons for not holding the same	Not Applicable
Vi)	<b>NAME AND REGISTERED OFFICE ADDRESS OF COMPANY :</b>	
	Company Name	RAJASTHAN STATE GANGANAGAR SUGAR MILLS LTD
	Address	4th FLOOR NEHRU SAHKAR BHAWAN, BHAWANI SINGH ROAD,
	Town / City	JAIPUR
	State	Rajasthan
	Pin Code:	302006
	Country Name	India
	Country Code	+91
	Telephone (With STD Area Code Number)	0141-2740068
	Fax Number	0141- 2740676
	Email Address	rsgsmlimited@yahoo.com
	Website	www.rajexcise.gov.in
	Name of the Police Station having jurisdiction where the registered office is situated	Jyoti Nagar, Jaipur
Vii)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given. <b>Not Applicable</b>	

**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)**

SN	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Country liquor of private suppliers	155/1551/15511	63.83 %
2	Sale of Country liquor produced by RSGSM	155/1551/15511	33.57 %



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled]

Not Applicable

### VI. 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 [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
Governor of Rajasthan	---	28558674	28558674	99.96	---	36068548	36068548	99.97	+0.01
<b>B. Public Shareholding (Non-Institutions)</b>									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	10081	10081	0.035	---	10381	10381	0.029	-0.006
Custodian of Enemy property for India, Mumbai	---	7	7	0.00	---	7	7	0.00	0.00
<b>Total Public Shareholding (B)</b>	---	<b>10088</b>	<b>10088</b>	<b>0.035</b>	---	<b>10388</b>	<b>10388</b>	<b>0.029</b>	<b>-0.006</b>
<b>Grand Total (A+B)</b>		<b>28568762</b>	<b>28568762</b>	<b>100.00</b>	---	<b>36078636</b>	<b>36078636</b>	<b>100.00</b>	

#### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	HON'BLE GOVERNOR OF RAJASTHAN	28558674	99.96	---	36068548	99.97	----	0.01



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

S N		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 (01.04.2016)	28558674	99.96	28558674	99.96
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) : <b>28/03/2017- Right Issue</b>	7509574	99.97	36068548	99.97
	At the end of the year(31.03.2017)	36068548	99.97	36068548	99.97

**D) Shareholding Pattern of top ten Shareholders :**

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

SN	For Each of the Top 10 Shareholders	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
	<b>At the beginning of the year:-</b>				
1.	Shri Ram Kumar Ramnath Daga	816			
2.	Smt. Ratani Devi Ishawar Das Sawalka	500			
3.	M/S Asiatic Textile Co. Ltd.	500			
4.	M/S, Binodram Balachand	500			
5.	Shri Padam Kumar Kothari	398			
6.	Shri Girish Kumar Shankar Lal Daga	340			
7.	Shri Shivlal Ramnath Daga	340			
8.	Shri Lakshman Kumar Ramnath Daga	340			
9.	Maharaj Bharat Singh Ji	300			
10.	Smt. Suraj Ratan Fateh Chand Damani	274			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	RIGHT ISSUE on 28/03/2017			
	<b>At the end of the year:-</b>				
1.	Shri Ram Kumar Ramnath Daga	1028			
2.	Smt. Ratani Devi Ishawar Das Sawalka	500			



3.	M/S Asiatic Textile Co. Ltd.	500		
4.	M/S, Binodram Balachand	500		
5.	Shri Girish Kumar Shankar Lal Daga	340		
6.	Shri Shivlal Ramnath Daga	340		
7.	Shri Lakshman Kumar Ramnath Daga	340		
8.	Maharaj Bharat Singh Ji	300		
9.	Smt. Suraj Ratan Fateh Chand Damani	274		
10.	Shri Vinod Kumar Sharma	255		

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

Not Applicable

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

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	4979263.00	0.00	4979263.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>4979263.00</b>	<b>0.00</b>	<b>4979263.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	4979263.00	0.00	4979263.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>4979263.00</b>	<b>0.00</b>	<b>4979263.00</b>

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Amount in Rs.

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Praveen Gupta	
1	Gross salary	18000.00	18000.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission- ( as % of profit or others)	0.00	0.00
5	Others, please specify		
	<b>Total (A)</b>	<b>18000.00</b>	<b>18000.00</b>
	<b>Ceiling as per the Act</b>		





**B. Remuneration to other directors**

No remuneration is paid to any director except Managing Director as mentioned above.

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

Amount in Rs.

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO/MD	CS	CFO	Total
1	Gross salary	18000.00	326159.00	1606357.00	1950516.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission - as % of profit or others	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total</b>	18000.00	326159.00	1606357.00	1950516.00

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

No penalties / punishment were imposed on the Company and no compounding of offences was made by the Company during the financial year under review.



Form MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

To,  
The Members

**Rajasthan State Ganganagar Sugar Mills Limited**  
4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road,  
Jaipur-302006, Rajasthan

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Rajasthan State Ganganagar Sugar Mills Limited (CIN U15421RJ1945SGC000285) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances and expressing my opinion thereon.

Based on our verification of the **Rajasthan State Ganganagar Sugar Mills Limited** 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, we hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Rajasthan State Road Development and Construction Corporation Limited ("The Company") for the financial year ended on 31st March, 2017, according to the provisions of:

- 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 - Not

Applicable as Company is a government company in which 100% shares are held by Rajasthan State Government and there are no public shareholders.

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - Not Applicable as securities issued by the company are in Physical Form.
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings - **Not applicable as Company has not entered into any such transaction during the year.**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **are not applicable on the company as the company is Unlisted Government Public Company:-**
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - f. 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;



- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

vi. Other specific laws applicable to the Company are

a. **The Sugar Cess Act, 1982 as amended,**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; (Not Applicable for the period under audit)

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 following observations:

- a. The Company has not appointed Independent Directors during the year ended 31st March, 2017. Thus the Constitution of the Board of Directors was not as per the provisions of the Companies Act, 2013.
- b. The Company has violated the rule 2 (1) (c) (vii) of The Companies (Acceptance of Deposits) Rules, 2014 and Section 42(6) of the Companies Act, 2013.
- c. The Company has also violated the provisions of section 56(4)(c) of the Companies Act, 2013 by delivering the share certificates after the prescribed time in case of transmission of shares.
- d. The gap between two consecutive Board meetings i.e. 476th and 477th meeting was more than prescribed time under section 173(1) of the Companies Act, 2013.
- e. The Company has also not complied with the clause of 2nd proviso of sub section 2 of section 55 of the Companies Act, 2013.

**We further report that:**

The Constitution of Board of Directors of the Company was not proper as the Company has not appointed any Independent Director as per the provisions of section 149(4) read with rule 4 of The Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013. The composition of the Board of Directors and the committees (Audit Committee, Nomination and Remuneration Committee and CSR Committee) is not in compliance of the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

For ARMS AND ASSOCIATES LLP,  
Company Secretaries

Place : Jaipur  
Date: 22/08/2017

Mitesh Kasliwal (Partner)  
FCS No. 8233  
CP. No.9320



ANNEXURE - A

To,

The Members,  
Rajasthan State Ganganagar Sugar Mills Limited  
4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road,  
Jaipur-302006, Rajasthan

Our 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. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the 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 efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ARMS AND ASSOCIATES LLP,  
Company Secretaries

Place: Jaipur  
Date: 22/08/2017

Mitesh Kasliwal (Partner)  
FCS No. 8233  
CP. No.9320



## Annexure III

### CORPORATE SOCIAL RESPONSIBILITY

The CSR Policy was approved by the Board of Directors in its meeting held 26.06.2015. This policy encompasses the company's philosophy for delineating 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, is titled as the "RSGSM CSR Policy". This policy shall apply to all CSR initiatives and activities taken up by RSGSM, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons.

Objective of the RSGSM CSR Policy is to directly or indirectly take up programs that benefit the communities over a period of time, in enhancing the quality of life & economic well-being of the local populace and to generate, through its CSR initiatives, a community goodwill for RSGSM and help reinforce a positive & socially responsible image of RSGSM as corporate entity like-

#### **Providing essential facilities for better quality of life to the needy-**

- To distribute free uniforms to the poor students of Govt. Schools specially in the vicinity of Reduction Centers, Depots & Sugar factory.
- Help to differently disabled people by way of providing artificial limbs, tools, aid appliances etc.
- Relief to victims of Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation etc. in any part of the State of Rajasthan.
- Disaster Management Activities including those related to mitigation.

#### **Infrastructure development-**

- Construction of Toilets in Govt. Girls schools. Construction of / in Govt. Schools, Colleges, Hospitals, CHC, PHC Sub Centre & other Govt. Hospitals and providing infrastructure support & equipments for Government Hospitals.
- Repair and maintenance of different link roads so that the movement of the people in vicinity can be facilitated.

- RSGSM may adopt village preferably in its immediate vicinity. The existing roads of the village may be strengthened, sanitary facilities may be provided,
- To contribute in Swachha Bharat Abhiyan.
- To part finance/contribute as public share in the Govt. Schemes with Public Participation (Jan Sahabagita Yojna) if such contribution is covered under the rules of the Scheme, taken up by any Govt. Deptt. in Rajasthan for the activities covered under Schedule-VII of Companies Act, 2013.
- RSGSM may provide financial assistance to district level games tournaments.
- RSGSM may provide financial assistance to district/other libraries by providing books/furniture etc.
- RSGSM may provide financial assistance for organizing Health Camps, various rallies for awareness etc.

#### **CSR COMMITTEE :**

RSGSM has constituted the CSR Committee comprising of four Directors which currently has the following members:-

1. Spl. Secretary Finance (Budget), Govt. of Rajasthan, Director, Chairman
2. Excise Commissioner, Rajasthan, Director, Member.
3. Collector, Sriganganagar, Director, Member.
4. Independent Director as may be appointed by the Government, Member

Two meetings of the CSR Committee were held during the year on 20.04.2016 and 28.03.2017.

Average net profit of last three years Rs. 239435407.00

2% of average net profit Rs. 47.88 Lacs

Total provision for CSR activities Rs. 47.90 Lacs



The amount could be spent on CSR activity as mentioned below which is approved by the Board after closing of the financial year 2016-17.

Amount in Rs.

S. No	CSR project or activity identified	Amount Sanctioned for the CSR project or activity	Amount spent on or before 31.03.2017
1.	Contribution towards Mukhyamantri Jal Swavlamban Abhiyan	47.90 lacs	Nil* Amount spent after end of the financial year 2016-17

This is to certify that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**For and on behalf of the Board**

**(Praveen Gupta)**  
**Director Incharge**  
**Place: Jaipur**  
**Dated: 29.09.2017**

**(Manju Rajpal)**  
**Chairman CSR Committee**



## INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS  
RAJASTHAN STATE GANGANAGAR SUGAR MILLS  
LIMITED, JAIPUR**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR** ("the company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act,

the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

1. The company has made substantial quantum of advance payments to suppliers amounting to ₹1,50,22,191/- which is included in "Advance



to Suppliers & Others" Note no. 2.17 "Short Term Loans & Advances" in the Asset Side of the Balance Sheet. As informed by the management these advances are made against supplies already received from the suppliers amounting to ₹ 1,63,18,112/- but their bills have not been adjusted/passed for against such supplies and included in "Trade Payables" in Note no. 2.05 in the Equity & Liabilities side of the Balance Sheet. Thus, Assets and Equities & Liabilities are overstated to that extent.

2. Attention is invited that the Valuation of Heritage Liqueur (refer note no. 2.14 (c)) Stores & Spare Parts (refer note no. 2.14 (a)), Packing Materials and IMFL at Shop/ Warehouse is done at cost and not on the basis of lower of cost or net realizable value as prescribed by the Accounting Standard -2 "Valuation of Inventories" issued by the Institute of Chartered Accountants of India. In absence of complete information, the effect thereof is unascertainable.
3. Attention is invited to the Note No. 2.14 (b), regarding valuation of Inventories where few items of Inventories have been valued excluding Excise Duty amounting to ₹ 1,34,04,236/-. As per the Guidance Note issued by the Institute of Chartered Accountants of India on "Accounting Treatment for Excise Duty" which is mandatory, the valuation of Inventories should be done inclusive of Excise Duty. This has resulted into understatement of Closing Inventories, Expenditure and Current Liabilities by ₹ 1,34,04,236/-. However there is no impact of the same on the profit for the current F.Y. 2016-17.
4. The Company has not provided us any techno-economic assessment as on March 31, 2017, whether there is an indication that any asset is impaired, in accordance with the Accounting Standard-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India. As such we are unable to opine whether any impairment loss, remained un-assessed and un-provided.
5. Attention is invited to Note No. 2.05 "Trade

Payables", the company has not identified the enterprises qualifying under the definition of Medium and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006 (MSMED). As a result no disclosure is given, as per requirement of Notification No. GSR 719(E), with regards to amount unpaid at the year-end together with the interest paid / payable under the MSMED Act.

6. Attention is invited to the note no. 2.31 regarding confirmation & reconciliation of balances of Trade Receivables, Trade Payables, Loans and Advances including claims recoverable as there is no system of seeking confirmation from such parties. Further, Sub-Ledgers of Licensee in Sales Modules on Computer System and Few Bank Balances are also subject to confirmation & reconciliation.
7. Attention is invited to the note no. 2.28 A (vi) Contingent Liability & Commitments of the Financial Statements regarding Liabilities towards TCS/TDS Defaults of ₹ 5.10 Lakhs which has been considered as Contingent Liabilities by the company.

The above Liability towards TCS/TDS Defaults of ₹ 5.10 Lakhs pertains to F.Y.s 2008-09 to 2016-17 for which assessment orders have been passed against the company (on various dates) and tax on account of short payment & interest there on, short deduction & interest there on, interest on late payment, additional late payment interest, late filing fees etc. of TDS/TCS has been demanded from them. As informed to us, the company has not pursued any appeals for the above till the date of audit. In accordance with the AS-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the above demand has not been contested by the company and thus does not appear to be contingent in nature and hence should have been accounted for in the books of accounts. Hence, the amount of Profit before Tax for the year is overstated by a sum of ₹ 5.10 Lakhs and Current Liabilities are understated by a sum of ₹ 5.10 Lakhs.





8. Attention is invited to Balance Sheet Note No. 2.06 "Other Current Liabilities" item "Advance from Licensees" amounting to ₹ 3,41,69,078/- which includes ₹ 1,48,82,912/- pertaining to current F.Y. 2016-17, however, the balance of Licensees for current F.Y. 2016-17 as per Customer Ledger Modules is ₹ 1,14,90,122/-. Therefore, the balance of Licensees as per Customer Ledger Modules does not tally with the Financial Statements. Due to the quantum of data and complexity of calculations involved, the quantification of the effect of such differences on individual heads of Financial Statements is not possible.
9. During the current F.Y. 2016-17 the Company has recovered a gross amount of ₹ 2,31,21,891/- towards Loading and Unloading from various suppliers of Country Liquor and Packing Materials ( netted from gross expenditure) included in Note No. 2.26 "Other Expenses". Simultaneously, Note No. 2.20 "Other Income" includes a sum of ₹ 84,35,001/- "Contract Amount" being income from Loading and Unloading received from various contractors. In our opinion and in accordance with the provisions of the Finance Act 1994 (as amended), Service Tax Liability amounting to ₹ 47,33,534/- (including cess) should have been recognized and accounted for which has not been done by the company. Hence, the Profit before Tax for the year is overstated by a sum of ₹ 47,33,534/- and the Equities and Liabilities have been understated by a sum of ₹ 47,33,534/-.
10. Attention is invited to Note no. 2.19 "Revenue from Operations" of the Financial Statements. During the current F.Y. 2016-17, 11,80,807 Units of Electricity was sold by the company to Jodhpur Vidyut Vitran Nigam Limited (JVVNL). As explained to us revenue for this sale is not recognized in the financial statements of the current financial year because the rate per unit of electricity has not been finalized and the matter is pending with RERC Tribunal for decision. It is observed that the cost of production of such electricity has been charged/ absorbed in the financial statements

of the current F.Y. 2016-17. This is not in accordance with the Matching Concept of Basic Concepts of Accounting. Records and documents for ascertaining the cost of production of such electricity sold to JVVNL are not held on records in absence of which quantification of the effect of such on the Financial Statements of the Current FY 2016-17 is not possible.

11. During the current F.Y. 2016-17 in few cases of procurement the company has not complied with the provisions & followed the process prescribed in The Rajasthan Transparency in Public Procurement Act 2012 and Rules 2013. However the nature of above non-compliance is procedural, hence financial quantification of the same is not possible.

Our opinion is not modified in respect of these matters.

#### **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 Act, we give in the Annexure I, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(5) of the Act, we give in the Annexure II, a statement on the directions/ sub-directions issued by the Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of



- account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for Accounting Standard-2 "Valuation of Inventories" and Accounting Standard -28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India.
- e) 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 III.
- f) 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, 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 financial statements - Refer Note 2.36 to the financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- (iv) The Company has provided disclosure in its financial statements as to holding as well as dealings in specified Bank notes during the period from 08th November 2016 to 30th Dec 2016. Based on audit procedures and relying on the management representation we report that the

disclosures are in accordance with Books of Accounts maintained by the company and as produced to us by the management. Refer Note No. 2.41

For and on behalf of

Place: Jaipur

Date: 29<sup>th</sup> Sep., 2017

**DHOOT & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 002145C)

**(Dikshant Sogani)**  
Partner  
Membership No. 400831



## ANNEXURE TO THE AUDITORS' REPORT

**Annexure I referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of its Fixed Assets:
  - a) The company is maintaining records of fixed assets. However, quantitative details and situation of fixed assets are not maintained /indicated.
  - b) The fixed assets of the company are physically verified by the management according to a phased manner designed to cover all the items over a period of three years, except at Old Sugar Division, Sriganaganagar, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to such system, physical verification was carried out during the year but in absence of complete details regarding quantity and location etc. of fixed assets the same could not be compared with the records and discrepancies if any, could not be determined.
  - 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 as disclosed in Note No 2.08 "Fixed Assets" to the financial statements are held in the name of the company. Also refer explanatory notes a ,b,c & d of Note 2.08.
- ii. In respect of its Inventory:

The inventory lying at all locations except in transit and with third parties have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii. Based on the audit procedures applied by us and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clauses a, b& c of sub para (iii) of the order regarding interest and repayment of such loans are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has not granted loans, made investments, provided guarantees, and security in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- v. The company has not accepted any deposits from the public, within the meaning of section 73 to 76 of the Act and Rules made there under.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under Section 148 (1) of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Excise Duty, Value Added Tax, Cess and other Material Statutory Dues, as applicable, with appropriate authorities. There are no undisputed statutory dues, as at March 31, 2017, which were in arrears for a period of more than six months from the date they became payable.  
b) According to the information and explanations given to us and the records of the Company examined by us, the dues of Income Tax and State Excise Duty which have not been deposited on account of disputes with relevant authorities, are as under-



Name of the Statute	Nature of the dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
State Excise Duty	State Excise Duty on Excess Wastage/ Shortage	27.09	Related to Previous Years	State Excise Department
Income Tax Act, 1961	Income Tax	118.97	A.Y 2000-2001	H' Supreme Court
		44.19	A.Y 2003-2004	H' Supreme Court
		76.84	A.Y 2004-2005	H' Supreme Court
		612.56	A.Y 2005-2006	H' Supreme Court
		1283.06	A.Y 2006-2007	H' Supreme Court
		2191.62	A.Y 2007-2008	H' Supreme Court
		1174.19	A.Y 2008-2009	H' Supreme Court
		1106.48	A.Y 2010-2011	H' High Court, Rajasthan
	Additional Demand	1801.10	A.Y 2013-2014	H' ITAT
Additional Demand	101.10	A.Y 2014-2015	H' ITAT	

- viii. According to the information and explanations given to us, and the records of the company examined by us, the Company has not defaulted in repayment of dues to banks, Government or debenture holders. There are no outstanding dues in respect of any financial institution.
- ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provision of Clause 3(ix) of the order is not applicable to the company.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. Provisions of Section 197 read with Schedule V to the Companies Act are not applicable to the company.
- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 is not applicable to it, the provision of Clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us and on the basis of examination of records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Note 2.41 to the Financial Statement as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and so the provision of Clause 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him as prescribed in section 192 of Companies Act, 2013, accordingly the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, Clause 3(vi) of the order is not applicable to the company.

Place: Jaipur  
Date: 29<sup>th</sup> Sep., 2017

**For and on behalf of**  
**DHOOT & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 002145C)

**(Dikshant Sogani)**  
Partner  
Membership No. 400831



**Annexure II referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.**

Based on the verification of the records of the company and based on information and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor-General of India in terms of Section 143(5) of the Act:

<b>S. No.</b>	<b>Areas to be examined</b>	<b>Observation/Finding</b>
1.	To report whether the company has clear title /lease deeds for freehold and lease hold respectively? If not please state the area of freehold and lease hold land for which title/lease deeds not available.	The company has clear title /lease deeds for freehold and lease hold land. Also refer explanatory notes a, b, c& d of Note 2.08 to the Balance Sheet.
2.	To report whether there are any cases of waiver/ write off debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	There are no significant cases of waiver/write off of debts/ loans/ interest etc.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift from government or other authorities.	a) Stock of Royal Heritage Liqueur is lying with Rajasthan State Beverages Corporation Limited. Proper records are maintained for such inventories lying with Rajasthan State Beverages Corporation Limited. b) During the year company has not received any assets as gift from government or other authorities.
4.	Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The price of the products is decided by the Government of Rajasthan in terms of Excise Policy.
5.	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy	<b>a) By-product:</b> 1. <b>Molasses:</b> At lower of cost or net realisable value. 2. <b>Biocompast:</b> At lower of cost or net realisable value. 3. <b>Impure Spirts :</b> At lower of cost or net realisable value. <b>b) Finished product:</b> 1. <b>Sugar:</b> At lower of cost or net realisable value. 2. <b>Heritage liqueur:</b> At lower of cost or net realisable value. 3. <b>Country liquor:</b> At lower of cost or net realisable value. 4. <b>Rectified Spirits:</b> At lower of cost or net realisable value.
6.	Whether the company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	Physical verification of the stock has been done from time to time. Valuation of stock has been done as per serial no. 5 above. Accounting of shortage/excess noticed during physical verification has been done.

Place: Jaipur  
Date: 29<sup>th</sup> Sep., 2017

**For and on behalf of**  
**DHOOT & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 002145C)

**(Dikshant Sogani)**  
Partner  
Membership No. 400831



## **Annexure - III 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 Rajasthan State Ganganagar Sugar Mills Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the 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 Act.

#### **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 Act, 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 auditor's 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 management and directors of the company; and (3) to 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, and to the best of our information and explanations given to us except for the area mentioned in the "Emphasis of the Matter" in this report, 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 2017, 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.

Place: Jaipur

Date : 29<sup>th</sup> Sep., 2017

For and on behalf of  
DHOOT & ASSOCIATES  
Chartered Accountants  
(Firm Reg. No. 002145C)

(Dikshant Sogani)  
Partner  
Membership No. 400831



**DIRECTORS' REPLY TO AUDITORS' REPORT ON ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016.**

Para No. of Auditors' Report	Reply
	The opening paragraphs of the Auditors Report are the factual statements and need no comments.
<b>Emphasis of matter</b>	
1.	As per practice followed in the Company, necessary adjustments are made after passing of the bills. Steps have been taken to adjust maximum possible bills. It has been suitably disclosed at Note No.2.34.
2.	Valuation of Inventories of stores and spare parts has been done at cost, as in these cases net realizable value is not ascertainable. This has already been disclosed in accounting policy No.1.04 read with Note No.2.14 (a) & (c).
3.	It has been suitably disclosed at Accounting Policy No.1.04 & Note No.2.14 (b)
4.	As disclosed at note no. 2.8(e), Estimated Realizable Value of Assets of Old Sugar Factory, Distillery Plant, Building of Beet Diffusion Plant and Assets transferred from HPGL are more than the Written Down Value of these assets as shown in the books. No impairment loss is recognized for individual assets as it is grouped in related cash generating unit.
5.	It has been suitably disclosed at Note No.2.05.
6.	It has been suitably disclosed at Note No.2.31. However, efforts will be made to get confirmation.
7.	As per our Income Tax Consultants expert opinion, the liability is contingent and has been suitably disclosed accordingly.
8.	It has been suitably disclosed at Note No.2.31. It is general practice of the Licensees of the Company to deposit advances on 31st March of every year whose Licenses are going to be renewed in the next year. Accordingly, books are showing actual Licensee balance as on 31.03.2017 but not reflected in software as challan generated and cash deposited was against supply for the period related to FY 2017-18.
9.	As per opinion received from our Service Tax Consultant and modality of transaction, it will not attract Service Tax liability.
10.	Electricity is produced in Co-gen plant of Sugar Factory, Sriganaganagar for own consumption in sugar division. If there is any surplus of electricity, then it is sold to JVVNL. Sugar Factory simultaneously also importing electricity from JVVNL as per their requirement. Major part of the Electricity produced in Co-gen plant is being used for own consumption therefore its related costs is also charged in Sugar Division. Also due to complexity involved in separation of costs, the Company is not maintaining separate cost sheet for electricity.
11.	Effective Internal control system regarding purchase of inventory as per Rajasthan Transparency in Public Procurement Act, 2012 and Rules, 2013 has been complied in all cases.
<b>Legal and Regulatory requirements 1,2,3(a), (b),(c),(f) (i),(ii),(iii),(f), (g)</b>	These are factual statement and need no comments.
3.(d)	Please refer Accounting Policy No.1.04 and Note No.2.8 (e) Notes to Accounts





3.(e)	Effective Internal control system regarding purchase of inventory as per Rajasthan Transparency in Public Procurement Act, 2012 and Rules, 2013 has been introduced. Regarding fixed Assets, Committees of Officers have been constituted for Physical Verification. In online sales module various efforts are being made to generate permit, Challan and Invoice online which will ensure effective internal control.
<b>ANNEXURE - I</b>	
1. (a)	Fixed Assets Registers relating to various liquor units and also of Sugar Factory, Sriganganagar have been updated as per provisions of Schedule-II of Companies Act, 2013.
(b)	A Committee was constituted for Physical Verification of fixed Assets of Sugar Division report of which is yet to be received.
(c)	Needs no comments.
2.	Needs no comments.
3.	Needs no comments.
4 & 5	Needs no comments.
6.	Needs no comments.
7. (a)	Needs no comments as all the undisputed statutory dues as applicable have been regularly deposited by the company during the year except State Excise Duty which is deposited by Company on demand, if payable.
(b)	The disputed statutory dues as indicated in the relevant paragraphs have been disclosed as contingent liability, as mentioned at Note No.2.28 (A) of Notes to Accounts.
8.	It is a factual statement & needs no comments.
9.	It is a factual statement & needs no comments.
10.	It is a factual statement & needs no comments.
11.	It is a factual statement & needs no comments.
12.	It is a factual statement & needs no comments.
13 to 16.	It is a factual statement & needs no comments.
<b>ANNEXURE-II</b>	
1, 2, 3 & 4	These are factual statements & need no comments.
5.	It is a factual statement & needs no comments. It has been suitably disclosed at Accounting Policy No.1.04.
6.	It is a factual statement & needs no comments.

For and on behalf of the Board

Place: Jaipur  
Dated: 29.09.2017

(O.P.Yadav)  
Director

(Praveen Gupta)  
Director-Incharge



# Financial Statements 2017



# RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

**CIN : U15421RJ1945SGC000285**

**Balance Sheet as at 31st March, 2017**

	Note	As at 31st March, 2017 Amount(₹)	As at 31st March, 2016 Amount(₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.01	1,812,012,450	1,437,418,750
Reserves And Surplus	2.02	962,677,680	660,534,018
		<b>2,774,690,130</b>	<b>2,097,952,768</b>
Share application money pending allotment	2.03	–	375,478,700
<b>Non-Current Liabilities</b>			
Long-term borrowings	2.04 A	4,979,263	4,979,263
Deferred Tax Liabilities(Net)	2.10	35,911,475	42,295,349
Other Long Term Liabilities	2.04	1,990,570	2,644,127
		<b>42,881,308</b>	<b>49,918,739</b>
<b>Current Liabilities</b>			
Trade Payables	2.05	719,777,946	630,064,380
Other Current Liabilities	2.06	409,407,950	405,863,412
Short-Term Provisions	2.07	47,252,383	11,288,366
		<b>1,176,438,279</b>	<b>1,047,216,158</b>
<b>Total</b>		<b>3,994,009,717</b>	<b>3,570,566,365</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	2.08		
Tangible Assets		1,437,406,820	1,125,033,145
Intangible Assets		191,237	269,800
Capital Work-In-Progress		16,013,437	579,704,592
Non-Current Investments	2.09	11,250	11,250
Deferred Tax Assets	2.10	–	–
Long-Term Loans and Advances	2.11	15,628,087	20,434,759
Other non-current assets	2.12	–	–
		<b>1,469,250,831</b>	<b>1,725,453,546</b>
<b>Current Assets</b>			
Current Investments	2.13	130	130
Inventories	2.14	746,750,657	564,761,019
Trade Receivables	2.15	108,969,134	99,322,141
Cash and Bank Balances	2.16	1,303,031,632	963,874,358
Short-Term Loans and Advances	2.17	310,516,483	197,641,716
Other Current Assets	2.18	55,490,850	19,513,455
		<b>2,524,758,886</b>	<b>1,845,112,819</b>
<b>Total</b>		<b>3,994,009,717</b>	<b>3,570,566,365</b>
Significant Accounting Policies	1	–	–
Notes to Accounts	2.01 to 2.45		

As per our attached report of even date

Place : Jaipur

Dated : 29th September, 2017

On behalf of the Board

For Dhoot & Associates

Chartered Accountants

F.R. No: 002145C

(V.C. Bunkar)  
CFO

(Pawan K. Garg)  
Secretary

(O.P.Yadav)  
Director

(Praveen Gupta)  
Director- In charge

(Dikshant Sogani)  
Partner

M. No. 400831



# RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

CIN : U15421RJ1945SGC000285

## Statement of Profit & Loss for the year ended 31st March, 2017

	Note No.	Year Ended 31st March, 2017 Amount(₹)	Year Ended 31st March, 2016 Amount(₹)
<b>REVENUE</b>			
Revenue From Operations	2.19	10,378,768,608	9,616,952,729
Other Income	2.20	119,516,670	78,381,607
<b>Total Revenue</b>		<b>10,498,285,278</b>	<b>9,695,334,336</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.21	2,410,173,014	2,398,176,288
Purchases of Stock-In-Trade	2.22	5,887,496,973	5,145,996,215
Changes in Stock-In-Trade	2.23	(187,436,341)	83,519,442
Employee Benefits Expense	2.24	698,656,017	647,469,263
Finance Cost	2.25	-	-
Depreciation and Amortization Expense	2.08	282,353,917	82,261,765
Other Expenses	2.26	882,376,346	811,047,621
<b>Total Expenses</b>		<b>9,973,619,926</b>	<b>9,168,470,594</b>
<b>Profit Before Exceptional Items and Extraordinary Items and Tax</b>		<b>524,665,352</b>	<b>526,863,742</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>524,665,352</b>	<b>526,863,742</b>
Extraordinary Items	2.40	42,253,927	-
<b>Profit Before Tax</b>		<b>566,919,279</b>	<b>526,863,742</b>
Tax Expenses:			
(1) Current Tax		270,000,000	140,000,000
(2) Earlier Years Tax		-	-
(3) Deferred Tax Charges/(Credits)		(6,383,874)	(1,623,294)
<b>Profit for the Year</b>		<b>303,303,153</b>	<b>388,487,036</b>
<b>Earnings Per Share of Rs.50 Each</b>			
<b>Basic (Rs.)</b>	2.27	10.55	20.30
<b>Diluted (Rs.)</b>	2.27	10.55	17.93
Significant Accounting Policies	1		
Notes to Accounts	2.01 to 2.45		

As per our attached report of even date

Place : Jaipur

Dated : 29th September, 2017

For Dhoot & Associates

Chartered Accountants

F.R. No: 002145C

On behalf of the Board

(V.C. Bunkar)  
CFO

(Pawan K. Garg)  
Secretary

(O.P.Yadav)  
Director

(Praveen Gupta)  
Director- In charge

(Dikshant Sogani)  
Partner  
M. No. 400831



# RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

CIN : U15421RJ1945SGC000285

## Cash Flow Statement for the Year ended 31st March, 2017

Note No.	Year Ended 31st March, 2017 Amount(₹)	Year Ended 31st March, 2016 Amount(₹)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Extraordinary items	524,665,352	526,863,742
<b>Adjustment for:</b>		
Depreciation during the year	282,275,354	82,022,052
Amortisation during the year	78,563	239,713
Loss/(Profit) on sale of Fixed Assets	(19,892)	(11,064)
Interest Income	(88,908,741)	(50,675,681)
<b>Operating Profit before working Capital Changes &amp; Extraordinary Items</b>	<b>718,090,636</b>	<b>558,438,762</b>
<b>Adjustment for:</b>		
Trade and other Receivables, other Current Assets	23,192,846	179,196,127
Inventories	(181,989,638)	64,197,927
Trade and other Liabilities	(140,718,301)	(3,543,313)
<b>Cash Generated from Operations</b>	<b>(299,515,093)</b>	<b>798,289,503</b>
Taxes paid	(181,692,000)	(169,867,917)
Extraordinary Items	42,253,927	-
<b>Net Cash from Operating Activities</b>	<b>279,137,470</b>	<b>628,421,586</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase/ Advance of Fixed Assets/CWIP	(31,261,015)	(1,225,404,729)
Sale of Fixed Assets	323,032	204,086
Long Term Borrowing & long Term Liabilities	(653,557)	(8,042)
Long Term Loans & Advances, other Non Current Assets	4,806,672	(181,435)
Interest Income	88,908,741	50,675,681
<b>Net Cash used in Investing Activities</b>	<b>62,123,873</b>	<b>(1,174,714,439)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issuance of Share Capital	(885,000)	588,720,600
Dividend paid (including tax)	(1,219,069)	(1,219,069)
<b>Net Cash used in Financing Activities</b>	<b>(2,104,069)</b>	<b>587,501,531</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>339,157,274</b>	<b>41,208,678</b>
Opening Balance of Cash and Cash Equivalents	963,874,358	922,665,680
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,303,031,632</b>	<b>963,874,358</b>
<b>Cash and Cash Equivalents Comprises</b>		
Cash, cheques and drafts in hand	1,002,894	2,522,136
Balance with scheduled bank in current accounts	219,893,838	303,363,974
Balance with scheduled bank in deposit accounts (un pledged)	1,081,894,900	607,703,083
Balance with scheduled bank in deposit accounts (pledged)	240,000	240,000
PD Account Blocked	-	50,045,165
	<b>1,303,031,632</b>	<b>963,874,358</b>

### Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in 'Accounting Standard-3', issued by the Institute of Chartered Accountants of India.
- The PD Account Balance shown in Cash & Cash Equivalents is earmarked for specific purpose of establishment of Sugar Factory at Sri Ganganagar.
- Previous Year figures have been re-grouped/ re-arranged wherever considered necessary.

Place : Jaipur

Dated : 29th September, 2017

As per our attached report of even date

For Dhoot & Associates

Chartered Accountants

F.R. No: 002145C

On behalf of the Board

(V.C. Bunkar)  
CFO

(Pawan K. Garg)  
Secretary

(O.P.Yadav)  
Director

(Praveen Gupta)  
Director- In charge

(Dikshant Sogani)  
Partner  
M. No. 400831



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Accounting Policy Accompanying to the financial statement for the year ended March 31,2017**

- 1 SIGNIFICANT ACCOUNTING POLICIES**
- 1.01 Basis of Preparation of Financial Statements**
- a The Financial Statements have been prepared in compliance with mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and Generally Accepted Accounting Principles applicable in India (GAAP). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires changes in Accounting Policy hitherto in use.
- b The Financial Statements have been prepared under Historical Cost convention on Accrual Basis except for sale of scrap and liquidated damages etc.
- 1.02 Fixed Assets**  
Fixed Assets are stated at Cost less Accumulated Depreciation and Impairment Losses if any.
- 1.03 Depreciation has been calculated as per useful life prescribed under Schedule-II of the Companies Act, 2013 except in the case of lease hold land which is depreciated over the period of lease.**
- (i) All tangible assets including Plant & Machinery of Sugar Factory, Distillery & ETP - Written Down Value Method
- (ii) Intangible Assets - Amortised Over useful life.
- "Note ::  
(i) Extra shift depreciation is charged on Plant & Machinery as prescribed in Schedule II of the Companies Act, 2013. "  
(ii) Depreciation has not been charged on Distillery Plant, Old Sugar Factory Sriganganagar as it was not in operation due to permission not granted by Rajasthan State Pollution Control Board.
- 1.04 Valuation of Inventories**  
Inventories are valued at lower of cost or net realisable value. Cost is determined on 'Weighted Average' Basis. Cost of Inventories comprises of all the cost of purchase, conversion & other costs incurred in bringing the inventory to its present location & condition.
- A Raw Material**
- (a) Sugar Cane - At Cost
- (b) Rectified Spirit - At lower of cost or net realisable value.  
*Remarks : Cost of rectified Spirit is determined on the basis of weighted average cost to the Units concerned.*
- B Work-in-Process**
- (a) Sugar - At lower of cost or net realisable value.
- (b) Molasses - At lower of cost or net realisable value.
- (c) Country Liquor (Loose) - At cost of Rectified Spirit and Colouring charges
- (d) Heritage Liqueur (Loose) - At cost of ENA plus cost of spices and distillation charges
- (e) Agriculture Products (Sugarcane) - At net realisable value.
- (f) Non-Indian Standard Sugar (NISS)- At lower of cost or Net realisable value. (Taking into consideration its reprocessing cost on the basis of Technical Committee's Report.)  
*Remarks : Cost in all the above cases, does not include recoverable taxes and duties incurred.*
- C Finished Goods**
- (a) **Sugar at Godowns** - At lower of cost or net realisable value.  
*Remarks : 77369 Qtls of Sugar had been valued at the rate of last sale made on 28.03.2017. The Stock of 412.50 Qtl. Levy Sugar has been valued at the price fixed by the Sugar Directorate, New Delhi at prevailing rate for 2009-10 @ Rs.1920.51 per Qtl.*
- (b) **Sugar at Retail Shop**- At lower of cost or net realisable value.
- (c) **Molasses**- At lower of cost or net realisable value.  
*Remarks : Distillery at old Sugar Factory, Sri Ganganagar was not in operation due to permission not granted by Rajasthan State Pollution Control Board, hence Molasses has been considered as Finished Goods instead of Raw Material.*
- (d) **I.M.F.L. :**
- (i) At Warehouses - At lower of cost or net realisable value.
- (e) **Heritage Liqueur :**
- (i) At Warehouse - At lower of cost or net realisable value.
- (f) **Country Liquor:**
- (I) At Warehouses & Depot.
- (i) Own production - At lower of cost or net realisable value.
- (ii) Private Distiller's production - At lower of cost or net realisable value.



(g) **Denatured Spirit**-- At lower of cost or net realisable value.

(h) **Stores and Spare Parts**

(i) Stores and Spare Parts - At lower of cost or net realisable value\*

*\* Cost is determined on the basis of weighted average cost. A Committee was constituted for determination of net realisable value of stores & spares required specifically for old Plant of Sugar Factory, Sriganaganagar. The report of above committee showed that market value of 750 items, out of 1770 items, are more than cost price; hence 750 items of store and spare parts have been valued at lower of cost or net realisable value and remaining 1020 items valued at cost because market value not available in local market.*

(i) **Packing Material** At Weighted Average Cost

(j) **Rectified Spirit-** At Net Realisable Vaue

(k) **Impure Spirit** At Net Realisable Vaue

(l) **Biocompast** At Net Realisable Vaue

**Remarks: For periodic weighted Average, period taken as one financial year.**

1.05 **Revenue recognition**

Revenue from Sales of goods is recognized when risk and rewards of ownership of the goods are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims etc.

1.06 Ex-Gratia payment is accounted for in the year of its declaration.

1.07 **Retirement Benefits**

- a. **Leave Encashment :** In Compliance of AS-15 company has taken group leave encashment scheme from LIC in order to Ensure payment of Leave encashment to the employees of the company. The excess of actuarial valuation of Leave Encashment of employees and the balance of funds with LIC at the year end is recognized as assets and income in the books of accounts.
- b. **Gratuity :** The Company has taken a policy with LIC to cover the gratuity liability of the employees and contribution paid to the LIC is charged to Statement of P&L Account. The excess of actuarial valuation of the gratuity of employees and the balance of funds with LIC at the year end is recognized as assets and income in the books of accounts.
- c. **Provident Fund :** In accordance with Indian regulations, all employees of the Company receive benefits from a Government administered provident fund scheme. Contributions payable to the provident fund are charged to the statement of Profit and Loss as incurred.

1.08 **Investments**

Long term investments are stated at cost. Provision in diminution in value of Long Term Investment is made only if such a decline is other than temporary.

1.09 **Accounting for Government Grants**

Government Grant is accounted in accordance with AS-12 "Accounting for Government Grants" issued by ICAI, according to which the grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

1.10 **Provision for Current Tax and Deferred Tax**

- a Income Tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued by the Institute of Chartered Accountants of India (ICAI), which includes current taxes and deferred taxes. Deferred income taxes reflect current year timing difference between taxable and accounting income and reversal of timing differences of earlier years/period. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available and are recognised using the tax rates and tax laws that have been enacted or substantively enacted.
- b Current Tax is determined as the amount of tax payable in respect of taxable income using the applicable tax rates and tax laws for the year.

1.11 **Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceed its recoverable value. An impairment loss is charged to the statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.12 **Provisions and Contingent Liabilities**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities not recognised in financial statements of the company but are disclosed in the notes.



**1.13 Prior Period Adjustments**

Income and expenditure, pertaining to prior years as a result of error and omission are shown as prior period debits and credits in the statement of Profit & Loss .

**1.14 Segment Reporting**

The accounting policies adopted for Segment Reporting are in line with the accounting policies of the company with the following additional policy for Segment Reporting.

The company has identified its business segment based on its products.

- a. There are no geographical segments.
- b. Income & Expenses have been identified to segment on the basis of their relationship of the operating activities of the segment. Income & Expenses, which relate to the enterprises as a whole and are not allocable to segment on a reasonable basis, have been included under "Unallocated corporate income/ expenses."
- c. Segment assets include all operating assets used by a segment and consists mainly of fixed assets, inventories, advances and Trade Receivables. Assets at the corporate level are not allocable to segment on a reasonable basis, have been included under "Unallocated Corporate assets."
- d. Segment liabilities include all operating liabilities and consists mainly of Trade Payables and other liabilities.

**1.15 Earning per Share**

Basic and diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

**1.16 Operating Cycle**

In order to ensure compliance of Schedule-III of the Companies Act,2013 (Corresponding to Revised Schedule-VI of Companies Act, 1956) the Board of Directors decided the operating cycle of the business operations of the Company for each product/activities are as follows:-

(i) Country Liquor manufactured by RSGSM	-	85 days
(ii) Private Country Liquor	-	45 days
(iii) Levy Sugar	-	923 days
(iv) Free Sugar	-	378 days
(v) Heritage Liqueur	-	365 days

The classification of Current and Non-Current assets and Liabilities as per Schedule-III of the Companies Act,2013 (Corresponding to Revised Schedule-VI of Companies Act, 1956) is based on the management judgment .

**1.17 Inter-Unit Transfers**

The Company accounts for inter-unit transfers as under:

**A Own Production**

- (a) Rectified spirit - At Net Realisable Vaue
- (b) Denatured spirit - At selling price.
- (c) Country Liquor - At selling price.
- (d) Cane Molasses - At Net Realisable Vaue

**B. Purchased Items** - At cost of respective units, (without affecting interunit transfer). Such transfers are treated as purchase by transferee unit.

**1.18 Allocation of Common Income and Expenditure**

Common income and expenses are allocated to units as under:

- (i) Leave Encashment & Gratuity Leave encashment and gratuity paid during the year has been accounted to the respective units on the basis of salary.
- (ii) Privilege Fee Privilege Fee as imposed by the Govt. of Rajasthan has been allocated in the ratio of Country Liquor sold at Units.

**1.19 Sale of Country Liquor, Royal Heritage Liqueur & Sugar:**

- (a) The Company accounts for sale of Country Liquor at the selling price as decided by the management in pursuance to Excise Policy.
- (b) The sale of Royal Heritage Liqueur is accounted for at selling price decided by the management.
- (c) Sale of Free Sugar is accounted for at the sale price decided in MOU signed with Rajasthan State Food & Civil Supply Corporation. Levy Sugar is sold and accounted for at the rates decided by Govt. of India.





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

Note No.

2.01 **Share Capital**

a The details of Authorised, Issued, Subscribed and paid up capital are as under :-

Share Capital	As at 31st March 2017		As at 31st March 2016	
	Number	Amount( ₹ )	Number	Amount( ₹ )
<b>Authorised</b>				
Equity Shares of ₹ 50/- each	39,600,000	1,980,000,000	39,600,000	1,980,000,000
12% 10 Years Redeemable Preference Shares of ₹ 50/- Each	200,000	10,000,000	200,000	10,000,000
11% 10 Years Redeemable Preference Shares of ₹ 50/- Each	200,000	10,000,000	200,000	10,000,000
		<u>2,000,000,000</u>		<u>2,000,000,000</u>
<b>Issued</b>				
Equity Shares of ₹ 50/- each	36,078,636	1,803,931,800	28,568,762	1,428,438,100
12% 10 Years Redeemable Preference Shares of ₹ 50/- Each	50,000	2,500,000	50,000	2,500,000
11% 10 Years Redeemable Preference Shares of ₹ 50/- Each	111,613	5,580,650	129,613	6,480,650
		<u>1,812,012,450</u>		<u>1,437,418,750</u>
<b>Subscribed and Fully Paid up</b>				
Equity Shares of ₹ 50/- each	36,078,636	1,803,931,800	28,568,762	1,428,438,100
Share Capital Suspense				
12% 10 Years Redeemable Preference Shares of ₹ 50/- Each	50,000	2,500,000	50,000	2,500,000
11% 10 Years Redeemable Preference Shares of ₹ 50/- Each	111,613	5,580,650	129,613	6,480,650
		<u>1,812,012,450</u>		<u>1,437,418,750</u>

b The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is as under :-

Particulars	Equity Shares		12% Preference Shares		11% Preference Shares	
	Number	Amount( ₹ )	Number	Amount( ₹ )	Number	Amount( ₹ )
Shares outstanding as on 31.03.2016	28,568,762	1,428,438,100	50,000	2,500,000	129,613	6,480,650
Shares redeemed during the year					18,000	900,000
Shares Issued during the year	7,509,874	375,493,700				
Shares outstanding as on 31.03.2017	36,078,636	1,803,931,800	50,000	2,500,000	111,613	5,580,650
Shares outstanding as on 31.03.2015	15,789,924	789,496,200	50,000	2,500,000	129,613	6,480,650
Shares redeemed during the year	-	-	-	-	-	-
Shares Issued during the year	12,778,838	638,941,900	-	-	-	-
Shares outstanding as on 31.03.2016	28,568,762	1,428,438,100	50,000	2,500,000	129,613	6,480,650

c The company has one class of equity share having a par value of ₹ 50 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion of their shareholdings.

Preference shares would be redeemable at par at the end of 10 years from the date of allotment. These shares would carry a fixed cumulative dividend of 12% and 11% per annum respectively.

d The details of Preference Share issued and their redemption dates are as under:-

Particulars	Number of Shares	Redemption date
11% 10 years Preference Share of ₹ 50 each	50,613	15/Jun/2018
11% 10 years Preference Share of ₹ 50 each	29,000	31/Mar/2020
12% 10 years Preference Share of ₹ 50 each	20,000	26/Dec/2020
12% 10 years Preference Share of ₹ 50 each	30,000	22/Feb/2022
11% 10 years Preference Share of ₹ 50 each	32,000	31/Dec/2023

e The details of shareholders holding more than 5% equity shares and preference shares as at reporting date are as under :-

Name	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Government of Rajasthan	36,068,548	99.97%	28,558,674	99.96%
<b>12% Preference Share</b>				
Government of Rajasthan	50,000	100%	50,000	100%
<b>11% Preference Share</b>				
Government of Rajasthan	111,613	100%	129,613	100%



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.02	<b>RESERVES AND SURPLUS</b>	As at <u>31st March 2017</u>		As at <u>31st March 2016</u>	
		₹	₹	₹	₹
	<b>A. Capital Reserve (Last Balance)</b>				
	Opening Balance	3,343,860		3,343,860	
	Add: Addition	-	3,343,860	-	3,343,860
	<b>B. Capital Redemption Reserve</b>				
	Opening Balance	11,674,845		10,776,780	
	Add: Addition	-		898,065	
		11,674,845		11,674,845	
	Less: Transfer to General Reserve on Redemption	-	11,674,845	-	11,674,845
	<b>C. General Reserve</b>				
	Opening Balance	631,514,768		251,514,768	
	Add:				
	Transfer from Statement of Profit & Loss	315,000,000		380,000,000	
	Transfer from Capital Redemption Reserve	-		-	
		946,514,768		631,514,768	
	Less : Transfer to Capital Redemption Reserve	-		-	
			946,514,768		631,514,768
	<b>D. Surplus in Statement of Profit and Loss</b>				
	Opening Balance	14,000,545		7,630,643	
	Add: Net Profit for the current year	303,303,153		388,487,036	
		317,303,698		396,117,679	
	Less : Appropriations				
	Proposed Dividend on Preference Shares	963,372		1,012,872	
	Tax on Dividend	196,119		206,197	
	Transfer to Capital redemption reserve	-		898,065	
	Transfer to General Reserve	315,000,000		380,000,000	
		316,159,491		382,117,134	
			1,144,207		14,000,545
			962,677,680		660,534,018
	<b>2.03 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>				
		As at <u>31st March 2017</u>		As at <u>31st March 2016</u>	
		₹		₹	
	Application Money	-		375,478,700	



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.04A	<b><u>NON CURRENT LIABILITIES</u></b>	<b>As at</b>	<b>As at</b>
	<b><u>Long-term borrowings</u></b>	<b>31st March 2017</b>	<b>31st March 2016</b>
		₹	₹
	Loan State Enterprises (HPGL)		
	Interest	4,979,263	4,979,263
		<u>4,979,263</u>	<u>4,979,263</u>
2.04	<b><u>Other Long Term Liabilities</u></b>	<b>As at</b>	<b>As at</b>
		<b>31st March 2017</b>	<b>31st March 2016</b>
		₹	₹
	Other Liabilities	1,990,570	2,644,127
		<u>1,990,570</u>	<u>2,644,127</u>
	<b><u>CURRENT LIABILITIES</u></b>		
2.05	<b><u>Trade Payables</u></b>	<b>As at</b>	<b>As at</b>
		<b>31st March 2017</b>	<b>31st March 2016</b>
		₹	₹
	Trade Payables	719,777,946	630,064,380
		<u>719,777,946</u>	<u>630,064,380</u>
	Trade Payables include overdue amounts (mainly unclaimed) of ₹ Nil (Previous Year ₹ Nil) including interest of ₹ Nil (Previous Year ₹ Nil) payable to Micro, Small & Medium enterprises. The company does not owe any amount to Micro, Small & Medium enterprises. These enterprises have been identified on the basis of information available to the Company. Information from all the enterprises have not been received and as such the amount and interest due to SME Enterprises with bifurcation for 30 days or more than 30 days and interest is not ascertainable.		
2.06	<b><u>OTHER CURRENT LIABILITIES</u></b>	<b>As at</b>	<b>As at</b>
		<b>31st March 2017</b>	<b>31st March 2016</b>
		₹	₹
	Advance from Licensees	34,169,078	49,371,885
	Security Deposit	221,647,300	232,927,593
	Due to Government Authorities	67,432,717	60,403,843
	Payable to Staff	12,331,708	23,457,677
	Other Payables	<u>73,827,147</u>	<u>39,702,414</u>
		<u>409,407,950</u>	<u>405,863,412</u>
	Other payable includes Rs. 110 refundable to HPGL shareholders		
2.07	<b><u>SHORT TERM PROVISIONS</u></b>	<b>As at</b>	<b>As at</b>
		<b>31st March 2017</b>	<b>31st March 2016</b>
		₹	₹
	Provision for employee benefits:	₹	₹
	Provision for Gratuity	224,441	69,297
	Provision for Leave Encashment	—	—
	Provision for medical relief fund	20,000,000	10,000,000
	Proposed Dividend on Preference Shares	963,372	1,012,872
	Tax on Dividend	196,119	206,197
	Provision for Taxation (Net of Advance Tax)	<u>25,868,451</u>	—
		<u>47,252,383</u>	<u>11,288,366</u>



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**  
Fixed Assets

**Consolidation Accounts for the year ended 31.03.2017**

Particulars	Gross Block		Deductions during the year		Total as on 31.03.2017		Depreciation		Total as on 31.03.2017		Net Block	
	As on 01.04.2016	Addition during the year (RSGSM)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	For the year	Adjusted with Reserves	(Rs.)	(Rs.)	As on 31.03.2017	(Rs.)
<b>(A.) TANGIBLE ASSETS</b>												
1 Lease hold land	54870612	524842	0	55395454	3102169	567425				3669594	51725860	51768443
2 Free hold land	7943261			7943261	0					0	7943261	7943261
3 Buildings	420592912	38782259			459375171	88070376	45366693			133437069	325938102	332522536
4 Plant & Machinery	964185437	548557013	5126043	1507616407	239928216	232780949	4943497			467765668	1039850738	72425722
5 Furniture & Fittings	29292776	1686822	759918	30219680	24370393	1366141	722006			25014528	5205152	4922383
6 Motor Vehicle	7051263	3178407	792164	9437506	5140763	1541434	752556			5929641	3507865	1910500
7 Others												
(i) Computer & Data Processing Units	23731049	2222827	1002779	24951097	22023591	652712	959705			21716598	3234499	1707458
(ii) Railway Sliding	29650	0		29650		28307				28307	1343	1343
<b>Sub Total (A)</b>	<b>1507696960</b>	<b>594952170</b>	<b>7680904</b>	<b>2094968226</b>	<b>382663815</b>	<b>282275354</b>	<b>0</b>	<b>7377764</b>	<b>0</b>	<b>657561405</b>	<b>1437406820</b>	<b>1125033145</b>
<b>(B.) INTANGIBLE ASSETS</b>												
Computer Softwares	3201907			3201907	2932107	78563				3010670	191237	269800
Capital Work-in-progress	579704592	643550	564334705	16013437	0					0	16013437	57970459
<b>Grand Total (A+B+C)</b>	<b>2090603459</b>	<b>595595720</b>	<b>572015609</b>	<b>2114183570</b>	<b>385595922</b>	<b>282353917</b>	<b>0</b>	<b>7377764</b>	<b>0</b>	<b>660572075</b>	<b>1453611494</b>	<b>562057595</b>
Previous Year	868024290	1456045586	233466417	2090603459	305966695	82261765	0	2632538	385595922	1705007537	562057595	

**Note:-**

- a 30,015 square meters of land at Sriganaganagar is under encroachment. The book value of this land is ₹ 16,000 (approx.). Matter is sub-judice.
- b The title deeds of land amounting to ₹ 1,05,000/- purchased at Sriganaganagar and building amounting to 45.45 lac purchased for Head Office, Jaipur are yet to be executed in favour of the company.
- c (i) As per directions of Excise Department of Rajasthan, the possession of 6.755 Hectares surplus land of Sugar Factory, Sriganaganagar has been handed over to Excise Department, Govt. Of Rajasthan on 20th July, 2015.  
(ii) The cost of land and building has been accounted for provisionally, pending determination of final price. 37.695 Hectare land for new Sugar Factory has been acquired by State Govt. through Land Acquisition Officer-cum-SDM, Sri Karanpur at 23-F (Phoosewala), Tehsil Sri Karanpur, Distt. Sri Ganganagar. Out of which possession of 23.022 Hectare land has been taken on 17.4.2008, which has been capitalized at ₹ 65,74,102/- (₹ 61,47,722/- with other expenses of ₹ 4,26,380/-).  
(iii) The matter of acquisition of rest 14.673 Hectare land is sub-judice, as the farmers have challenged the decision of Land Acquisition Officer in Hon'ble High Court, Jodhpur. ₹ 56,84,092/- remained with SDM, Sri Karanpur as an advance, which will be paid to the farmers on possession of the land, which is sub-judice.
- d The land and building at Mandore, Rani, Chittorgarh, Bhilwara, Kota, Baran warehouses and land of Bundicity warehouse which belong to the Government of Rajasthan, but are in use and possession of the Company. Additions on these assets have been capitalized and depreciation being charged according to schedule II of the Companies Act, 2013.
- e Value of Old Sugar Factory Assets, Distillery Plant & building of Beet diffusion Plant and assets transferred from HPGI are more than written down value shown in the books.
- f Refer Note -2, 40
- g "Depreciation charged for lease hold land of warehouse Dholpur amounting ₹ 15903/- for the Financial Year 2016-17 which includes depreciation amounting ₹ 10602/- pertaining to the financial year 2014-15."
- h Foundation expenses amounting ₹ 122590957/- are allocated to the assets on the basis of technical evaluation and overhead expenses amounting ₹ 3931146/- are allocated to distillery plant in the ratio of cost of contract.
- i The total contract cost of plant & machinery of Distillery is ₹ 420200000/-, out of which ₹ 417300000/- is paid upto 31.03.2017 and capitalized accordingly.
- j Put to use date for Distillery was 24-11-2016
- k Figures have been re arranged and regrouped and rounded off to nearest rupees.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

**2.09 NON CURRENT INVESTMENT**

(Long Term - at Cost less provision for other than temporary diminution)

	Gross Amount		Diminution in Value of Investment		Net Amount	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	₹	₹	₹	₹	₹	₹
<b>A Other than Trade Investments</b>						
<b>In Government Securities (Unquoted)</b>						
1 National Plan certificate (Pledged with Central Excise department)	1,000	1,000	-	-	1,000	1,000
2 12 Year Plan certificates (Deposited with JVVNL)	6,000	6,000	-	-	6,000	6,000
3 6 Year National Saving Certificates (Pledged with Excise/ Telegraph Department)	2,000	2,000	-	-	2,000	2,000
4 Deposit with Post office	1,250	1,250	-	-	1,250	1,250
<b>In Unquoted Equity Shares</b>						
One Share of ₹ 1000/- fully Paid up of Rajasthan Rajya Sahkar Bhawan Prabandhak Sangh Limited	1,000	1,000	-	-	1,000	1,000
<b>Total</b>	<b>11,250</b>	<b>11,250</b>	<b>-</b>	<b>-</b>	<b>11,250</b>	<b>11,250</b>

**Notes:-**

1. Aggregate amount of Quoted Investment	-	-
2. Market value of Quoted Investment	-	-
3. Aggregate amount of Un-Quoted Investment	11,250	11,250
4. Aggregate amount of provision for diminution in value of Investment	-	-

**2.10 DEFERRED TAX ASSETS/(LIABILITIES)**

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Deferred Tax Assets</b>		
On disallowances under Income Tax Act	-	-
<b>Deferred Tax Liability</b>		
On timing difference of Depreciation	35,911,475	42,295,349
Less :- Adjustment of carrying amount of Fixed Assets as per Schedule-II of Companies Act,2013	-	-
<b>Net Deferred Tax Liability</b>	<b>35,911,475</b>	<b>42,295,349</b>

Net deferred tax charge/(credit) for the year of ₹ (6383874/-) (Previous year ₹1623294/-) has been charged in the Profit and Loss Account for the year.

**2.11 LONG TERM LOANS AND ADVANCES**

(Unsecured and considered good unless otherwise stated)

	As at 31st March 2017 ₹		As at 31st March 2016 ₹	
	₹	₹	₹	₹
1 Capital Advance		5,684,092		5,684,092
2 Advance to Staff				
Considered Good	4,796,249		8,789,968	
Considered Doubtful	52,807		52,807	
	4,849,056		8,842,775	
Less: Provided for	(52,807)	4,796,249	(52,807)	8,789,968
3 Security Deposit		4,181,630		4,374,905
4 Other Loans and Advances				
Considered Good	966,116		1,284,980	
Considered Doubtful	1,231,493		1,233,894	
	2,197,609		2,518,874	
Less: Provided for	(1,231,493)	966,116	(1,234,002)	1,284,872
5 Prepaid Expenses		-		300,922
		<b>15,628,087</b>		<b>20,434,759</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.12	<b>OTHER NON CURRENT ASSETS</b>	<b>As at</b> <b>31st March 2017</b>	<b>As at</b> <b>31st March 2016</b>
		₹	₹
	Others (Accrued interest on investment)	-	-
		-	-

**CURRENT ASSETS**

2.13	<b>CURRENT INVESTMENTS</b> <i>(Short Term - at Cost less provision for other than temporary diminution)</i>	<b>Gross Amount</b>		<b>Diminution in Value of Investment</b>		<b>Net Amount</b>	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		₹	₹	₹	₹	₹	₹
	<b>Other than Trade Investments</b>						
	<b>In Government Securities (Unquoted)</b>						
	In Gold Sovereign (Weight 17.050 Gram)	130	130	-	-	130	130
		130	130	-	-	130	130

**Notes:-**

1. Aggregate amount of Quoted Investment
2. Market value of Quoted Investment
3. Aggregate amount of Un-Quoted Investment 130
4. Aggregate amount of provision for diminution in value of Investment 130

2.14	<b>INVENTORIES</b> <i>(Cost &amp; Market Price whichever is lower)</i> <i>(As taken, valued and certified by the Management)</i>	<b>As at</b> <b>31st March 2017</b>	<b>As at</b> <b>31st March 2016</b>
		₹	₹
	Raw material	42,475,914	59,536,552
	Work-in-Process	13,295,484	22,521,574
	Finished Goods	600,916,330	404,253,898
	Packing Material	46,594,613	52,371,885
	Stores and Consumables	43,468,316	26,077,110
		<b>746,750,657</b>	<b>564,761,019</b>

- a Spare parts amounting to ₹ 10,16,418/- (Previous Year ₹10,16,418/-) being the value of 278 items (previous Year 278 items) at Sugar Factory, Sriganganagar are not in use for the last 12-13 years. These spare parts have not been declared unserviceable. The Company is in the process of determining the usability of these spare parts. After the technical appraisal, appropriate decision will be taken in this regard.
- b Closing Stock of sugar, molasses & denatured spirit lying at Sriganganagar and Jhotwara does not include central excise duty, which amounts to ₹ 13381324/- (Previous Year ₹12347473/-).
- c Closing Stock of Work-in-Process and finished Good includes stock of Heritage Liquor lying since long which requires reprocessing and rebottling, the expenses to be incurred, if any, being unascertainable at this moment has not been considered while valuing the said stock.
- d In the closing stock of Country Liquor at Depots the quantity of Country Liquor in the loaded trucks standing in the premises of Depots has been included.

2.15	<b>TRADE RECEIVABLES</b> <i>(Unsecured and considered good unless otherwise stated)</i>	<b>As at</b> <b>31st March 2017</b>		<b>As at</b> <b>31st March 2016</b>	
		₹	₹	₹	₹
	Outstanding for more than Six Months from the date they are due for payments				
	Considered good	445,676		445,676	
	Considered doubtful	253,758		253,758	
		699,434		699,434	
	Less : Provision for Doubtful Debts	(253,758)		(253,758)	
			445,676		445,676
	Others		108,523,458		98,876,465
			<b>108,969,134</b>		<b>99,322,141</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.16	<u>CASH AND BANK BALANCES</u>	As at <u>31st March 2017</u>		As at <u>31st March 2016</u>	
		₹	₹	₹	₹
	Balance with Banks		219,893,838		303,363,974
	Bank Deposits				
	Pledged	240,000		240,000	
	Non Pledged	<u>1,081,894,900</u>	1,082,134,900	<u>607,703,083</u>	607,943,083
	Cash in hand		1,002,894		2,522,136
	Other #		-		50,045,165
			<u>1,303,031,632</u>		<u>963,874,358</u>
	Cash and Cash Equivalent as per Accounting Standard 3 "Cash Flow Statement"		<u>1,303,031,632</u>		<u>963,874,358</u>
	<p># Balance in PD Account with Treasury, Government of Rajasthan. The balance of ₹ 50,045,165/- is earmarked by Government for setting up of sugar plant and can be utilized and used for that purpose only after government approvals.</p>				
2.17	<u>SHORT TERM LOANS AND ADVANCES</u> (Unsecured and considered good unless otherwise stated)		As at <u>31st March 2017</u>		As at <u>31st March 2016</u>
			₹		₹
	Advance To Staff				
	Considered Good	5,609,101		1,168,575	
	Considered Doubtful	-		-	
		<u>5,609,101</u>		<u>1,168,575</u>	
	Less: Provided for	-	5,609,101	-	1,168,575
	Prepaid Expenses		21,427,105		22,337,183
	Advance to Suppliers & Others		217,865,328		51,104,670
	Income Tax		625,411		54,113,181
	CENVAT Credit		64,989,538		68,918,107
			<u>310,516,483</u>		<u>197,641,716</u>
2.18	<u>OTHER CURRENT ASSETS</u>		As at <u>31st March 2017</u>		As at <u>31st March 2016</u>
			₹		₹
	Claims recoverable		5,229,931		3,835,284
	Interest Accrued on Bank FDR		<u>50,260,919</u>		<u>15,678,171</u>
			<u>55,490,850</u>		<u>19,513,455</u>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31, 2017**

2.19	<u>REVENUE FROM OPERATIONS</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	Sales	10,396,940,352		9,628,826,563	
	Less Excise Duty	18,171,744	10,378,768,608	11,873,834	9,616,952,729
			<u>10,378,768,608</u>		<u>9,616,952,729</u>
	Electricity generated by New Sugar Factory sold to JVVNL is not recognised as revenue in the Books of Accounts because Rate of Sale of electricity is not finalised with JVVNL. An appeal in this matter is pending with RERC Tribunal.				
2.20	<u>OTHER INCOME</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	Interest		88,908,741		50,675,681
	Contract Amount		8,435,001		7,695,748
	Security Forfeited		56,000		705,496
	L.D.Received & Non Operative Income		7,457,839		13,679,514
	Credit Balance Written Back		-		27,693
	Miscellaneous Income		14,659,089		5,597,475
			<u>119,516,670</u>		<u>78,381,607</u>
2.21	<u>COST OF MATERIAL CONSUMED</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	<b>Materials Consumed</b>				
	<b>Raw Material:-</b>				
	Rectified Spirit Consumed	1,181,161,148		1,291,540,895	
	Heritage Spirit Consumed	963,792		111,404	
	Denature Spirit Consumed	671,034		802,117	
	Molasses Consumed	32,816,980			
	Sugar Cane	401,290,232		145,842,846	
	Process Materials	12,387,832		3,203,702	
			<u>1,629,291,018</u>		<u>1,441,500,964</u>
	<b>Packing Material Consumed:-</b>				
	Packing Material Consumption Country Liquor	775,154,889		955,317,174	
	Packing Material Consumption Heritage Liquor	467,577		272,814	
	Packing Material Sugar	5,259,530		1,085,336	
			<u>780,881,996</u>		<u>956,675,324</u>
			<u>2,410,173,014</u>		<u>2,398,176,288</u>
a	The recovery made by the Company from suppliers on account of invoking Risk & Cost Clause amounting to ₹ 662600/- (Previous year ₹ NIL/-) has been adjusted to Cost of Material consumed only on materials purchased during the year.				
2.22	<u>PURCHASES OF STOCK-IN-TRADE</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	Purchases of Finished Goods (Less returns)				
	Rectified Spirit		1,625,014		1,406,140
	Excise duty on Country Liquor transferred to own shops		71,391		3,059,968
	Country Liquor (Private)		5,885,800,568		5,088,883,031
	Sugar Cane		-		-
	Mollases		-		-
	IMFL at Shops		-		52,647,076
			<u>5,887,496,973</u>		<u>5,145,996,215</u>
2.23	<u>CHANGES IN STOCK-IN-TRADE</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	Finished Goods:				
	Opening Stocks	22,521,574		9,640,948	
	Work-in-Process	404,253,899		500,653,966	
		<u>426,775,473</u>		<u>510,294,914</u>	
	Less: Closing Stocks				
	Work-in-Process	13,295,484		22,521,574	
	Finished Goods	600,916,330		404,253,898	
		<u>614,211,814</u>	(187,436,341)	<u>426,775,472</u>	83,519,442
			<u>(187,436,341)</u>		<u>83,519,442</u>
2.24	<u>EMPLOYEES-BENEFIT-EXPENSE</u>	Year ended 31st March 2017		Year ended 31st March 2016	
		₹	₹	₹	₹
	Salaries, Wages, Bonus etc.		591,662,986		556,570,010
	Contributions to Provident and Other Funds		99,608,303		85,023,473
	Gratuity (Including Risk Premium)		2,921,137		2,115,173
	Staff Welfare Expenses		4,463,591		3,760,607
			<u>698,656,017</u>		<u>647,469,263</u>





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

		Year ended 31st March 2017	Year ended 31st March 2016
		₹	₹
2.25	<b>FINANCIAL COST</b>		
	Interest	-	-
2.26	<b>OTHER EXPENSES</b>		
a.	<b>MANUFACTURING EXPENSES</b>	Year ended 31st March 2017	Year ended 31st March 2016
		₹	₹
	Carriage & Cartage	24,242,068	16,445,083
	Stores and Consumables	4,888,673	3,887,714
	Power and Fuel	68,086,997	58,573,894
	Repairs and Maintenance	16,561,205	10,469,704
	Bottle Filling Charges	47,675,528	49,944,940
	Excise Duty & Others	403,417,222	424,620,610
	Other Manufacturing Expenses	256	58,501
		<b>564,871,949</b>	<b>564,000,446</b>
b.	<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
	Rent, Rates and Taxes	39,005,294	107,628,234
	Insurance	3,009,580	2,545,407
	Travelling and Conveyance	11,481,247	12,314,531
	Legal and Professional	6,893,568	6,788,557
	Postage and Telephone	4,487,300	4,814,086
	Printing and Stationery	2,313,028	2,151,918
	Advertisement and Business Promotion	7,858,608	8,557,475
	Cost Audit Fee	57,500	53,000
	Bank Charges	1,570,785	1,247,566
	Misc. Expenses	15,542,873	7,976,434
	Salary Ex-Service Man/ Guard	9,798,373	8,098,631
	<b>Auditors' Remuneration</b>		
	- Statutory Audit Fees	253,000	229,000
	- Tax Audit	45,426	45,155
	- Reimbursement Of Expenses	107,497	142,646
	Directors' Sitting Fees	18,000	18,000
	Information Technology Expenses	5,269,120	6,179,014
	Selling and Distribution Expenses	32,411,755	34,586,254
	Corporate Social Responsibility	4,790,000	-
	Privilege Fee	152,591,443	43,651,267
	Chief Minister Relief Fund	20,000,000	-
	Prior Period Expenses	-	20,000
		317,504,397	247,047,175
	<b>Total Other Expenses</b>	<b>882,376,346</b>	<b>811,047,621</b>
2.27	<b>Basic &amp; Diluted EPS</b>	Year ended 31st March 2017	Year ended 31st March 2016
		₹	₹
	Net profit attributable to equity share holders		
	Net profit attributable to equity share holders	303,303,153	388,487,036
	Less: Preference Shares Dividend	963,372	1,012,872
	Less: Dividend Tax	196,119	206,197
		302,143,662	387,267,967
	Weighted average number of Shares for basic EPS	28,651,062	19,074,964
	Weighted average number of Shares for Diluted EPS	28,651,062	21,603,272
	Basic EPS	10.55	20.30
	Diluted EPS	10.55	17.93
2.28	<b>CONTINGENT LIABILITIES &amp; COMMITMENTS</b>		
A	<b>CONTINGENT LIABILITIES</b>	Year ended 31st March 2017	Year ended 31st March 2016
		₹	₹
	a Claims against company not acknowledged as debts	41,604,502	48,620,939
	b Other money for which company is contingently liable		
	i Non-provision of interest payable to Rajasthan Government in Sugar Factory account since year 1961-62, as amount of interest unascertainable for want of rate of interest & other terms	241,908	241,908
	ii Excise duty on pending excess wastage cases of rectified spirit and liquor	2,709,068	2,709,068
	iii Central Excise Department Demand	155,674	155,674
	iv Service Tax demand	410,718	410,718
	v Income Tax demands	1,060,448,057	985,187,418
	vi Liabilities towards TCS & TDS Defaults	510,000	481,470
	viii Workmen demands / cases	Amount Unascertainable	Amount Unascertainable
B	<b>COMMITMENTS</b>		
	a Contracts remaining to be executed on capital account are amounting to ₹30004000/- (Previous year ₹255276879/-) for New Sugar factory .		



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.29	<b>VALUE AND % OF MATERIAL CONSUMPTION</b> <b>RAW MATERIALS AND COMPONENTS :</b>	Year ended		Year ended	
		%	₹	%	₹
	Imported	—	—	—	—
	Indigenous	100.00	1,629,291,018	100.00	1,441,500,964
			<b>1,629,291,018</b>		<b>1,441,500,964</b>
	Consumables, Stores & Spares:				
	Imported	—	—	—	—
	Indigenous	100.00	4,888,673	100.00	3,887,714
			<b>4,888,673</b>		<b>3,887,714</b>
2.30	Claims made by the Company, but not acknowledged as debts by the parties amounting to ₹ 19863925/- (Previous year ₹ 29823875/- )				
2.31	Balances of Trade Receivables, Trade Payables, Loans & Advances including claims recoverable and advance from Licencees in Sales Module on Computer System and few Bank Balances are subject to confirmation & reconciliation .				
2.32	Light & Water Expenses include a sum of ₹ 1211298 /- (Previous year ₹ 1690930/-) on account of electricity consumed by employees residing in Sugar Factory colony, Sriganganagar, out of which a sum of ₹ 2087683 /- (Previous year ₹ 1448973/- ) has been recovered and some part pertains to consumption for common facilities like Street light, Labour Welfare Centre, Stitching Centre, free units entitlement of officers/employees, dormitories etc. Balance amount, which should have been recovered from the employees, is yet to be ascertained and a policy decision is yet to be taken in this regard. Any recovery, as and when made from the employees residing in the colony during the relevant period out of this unrecovered part, shall be accounted for in the year of its receipt.				
2.33	Export pass fee amounting to ₹ 9000000./- has been paid during the year 2016-17 (Previous Year ₹ 2,51,87,500/-) to the Distilleries of U.P. against purchase of Rectified Spirit from them and has been charged as cost of purchases. The Export Pass Fee is part of the lowest F.O.R. rate at which company is purchasing Rectified Spirit through open tender. Though, the Export Pass Fee is not chargeable in view of the judgment of Hon'ble Supreme Court, yet the U.P. Government vide letter no. 12744 dated 10.08.2007 has established that they are levying export fee for transportation of Rectified Spirit from the State exercising the authority vested on them by section 31 of Excise Act and it is not refundable. Company is paying export pass fee to maintain uninterrupted supply of Country Liquor in the State.				
2.34	The company has made some advance payments amounting to ₹ 15022191./- (Previous ₹ 15378765/-) to suppliers which have been shown as assets in Balance Sheet. These amount are against the supplies already made by the suppliers but their bills have not been passed and provisions have been made for such supplies and shown in the liabilities side of the Balance Sheet for ₹ 16318112/-(Previous Year ₹ 16388278/-). Thus the quantum of assets and liabilities are overstated to that extent. But these will not affect the Profit & Loss of the Company.				
2.35	An amount of ₹ 6,57,560/- is receivable from Commercial Tax Department in respect of vat payment made by the Company towards difference of vat in purchase of IMFL and sale of IMFL at Dungarpur & Banswara Districts during April 2009 to August 2009.				
2.36	In a civil suit filed by the Company against a supplier, a decree of ₹ 24.10 lac plus interest and cost was awarded by the Hon'ble Court, Delhi in favour of the Company. The party has preferred appeal before Division Bench of the Court and the Hon'ble Court had granted stay on operation of single Bench order subject to deposition of decree amount which worked out ₹ 93.02 lac. Out of this amount ₹ 24.33 lac and ₹ 12.28 lac had been received by the Company in Oct. 1999 & April 2005 respectively on submission of Bank Guarantee. The balance decretal amount was kept with the Court in the form of Fixed Deposit in the name of the Company for restitution. The main appeal No. RFA(OS)/127/98 was decided wide order dated 11.01.2012 & the amount of F.D.R. along with interest was realised in favour of the company & total amount of ₹ 1,45,52,626 was recived in company's bank account on 24.03.2014. On the review petition filed by DCM Shriram Industries, Hon'ble D.B. High Court, Delhi vide its order dated 01.08.2012 has awarded the interest from the date of Suit till the said sum was deposited by DCM Shriram Industries, Pursuant to above, the Registrar General, High Court, Delhi has issued Execution Petition to District Judge, Jaipur for the execution of order of Hon'ble High Court, Delhi for ₹ 15,57,137/- which was kept in claim against the company. In reply of Decree execution application filed by M/s DCM Shriram, the company submitted reply before ADJ-11, Jaipur city, as per advice of our senior advocate, that as per strict interpretation of DB order dated 01.08.2012, an amount of ₹ 14,62,812/- + Interest is to be received from DCM Shriram. Matter is still pending in Court.				
2.37	The production of royal heritage liqueur remained suspended w.e.f. 09/05/2008, however redistillation was done as per requirement.				
2.38 a.	Due to permission not granted by Rajasthan State Pollution Control Board, the operation activities of Distillery at Old Sugar Factory, Sriganganagar has been dis-continued w.e.f. 07.08.2008. Hence there has been no production of Rectified Spirit in this Distillery in subsequent years.				
2.38 b.	During the year at Jhotwara Depot 1010 Cases of CL was found short amounting to Rs 11.08 Lacks including state excise duty . The company has debited this amount of Rs 11.08 Lacks to concerned employee in the books of accounts of the CFY 2016-17.				
2.38 c.	On 24.06.2017 at Pokhran Depot 5757 Cases of CL was found short and 1004 cases of CL was found excess amounting to Rs 60.77 Lacks (net) including state excise duty. The company registered an FIR on 29.06.2017 in this matter and suspended the concerned employees. The matter was under investigation till the date of audit.				
2.39	<b>CORPORATE SOCIAL RESPONSIBILITY :</b>				
	During the financial year 2016-17, the company has incurred ₹ 4790000 towards corporate social responsibility activities in accordance with Section 135 of Companies Act, 2013. "				



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

2.40 The Disclosure under AS-15 relating to Retirement Benefits are as under :

**A. a. Contribution to Gratuity Fund (Funded Scheme) & Leave Encashment (Unfunded Scheme)**

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the Gratuity Liability based on the following assumptions:

	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%
Rate of increase in compensation levels (per annum)	10.00%	10.00%	10.00%	10.00%

**I. Change in the Present Value of Obligation**

The Scheme is funded with an insurance company in the form of qualifying insurance policy

	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity ₹	Leave Encashment ₹	Gratuity ₹	Leave Encashment ₹
Present value of defined benefit obligation as at beginning of the year	579,996,114	127,838,963	601,349,209	132,175,165
Interest cost	46,399,689	10,227,117	48,107,937	10,574,013
Current service cost	12,006,418	26,086,212	12,686,195	25,421,395
Benefits paid	(52,362,216)	(12,074,311)	(39,728,135)	(11,131,604)
Actuarial (gain) / loss on obligations	(14,473,463)	(26,709,306)	(42,645,266)	(29,207,293)
Present value of defined benefit obligation as at the end of the year	571,566,542	125,368,675	579,769,940	127,831,676

**II. Changes in the Fair Value of Plan Assets**

	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity ₹	Leave Encashment ₹	Gratuity ₹	Leave Encashment ₹
Present value of plan assets as at beginning of the year	610,828,575	132,530,932	587,353,769	128,726,408
Expected return on plan assets	48,823,784	10,660,989	48,434,619	10,618,763
Contributions	378,444	178,506	14,611,446	4,245,327
Benefits paid	(52,362,216)	(12,074,311)	(39,728,135)	(11,131,604)
Actuarial gains / (losses)	-	-	-	-
Fair value of plan assets as at end of the year *	607,668,587	131,296,116	610,671,699	132,458,894

\* All the funds under the Plan Assets are managed by insurer.

**III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets**

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity ₹	Leave Encashment ₹	Gratuity ₹	Leave Encashment ₹
Present value of funded obligation as at end of the year	571,566,542	125,368,675	579,769,940	127,831,676
Fair value of plan assets as at end of the year	607,668,587	131,296,116	610,671,699	132,458,894
Funded Asset recognised in the Balance Sheet	36,102,045	5,927,441	30,901,759	4,627,218
<b>Shown as</b>				
Long term provision	-	-	-	-
Short term provision	-	-	-	-

**IV. Amount recognised in the Balance Sheet**

	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity ₹	Leave Encashment ₹	Gratuity ₹	Leave Encashment ₹
Present value of defined benefit obligation as at the end of the year	571,566,542	125,368,675	579,769,940	127,831,676
Fair value of plan assets as at end of the year	607,668,587	131,296,116	610,671,699	132,458,894
Liability / (Net Asset) recognised in the Balance Sheet	(36,102,045)	(5,927,441)	(30,901,759)	(4,627,218)



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

**V. Expenses recognised in Profit and Loss Account**

	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	₹	₹	₹	₹
Current service cost	12,006,418	26,086,212	12,686,195	25,421,395
Past service cost	-	-	-	-
Interest cost	46,399,689	10,227,117	48,107,937	10,574,013
Expected Return on Plan Assets	(48,823,784)	(10,660,989)	(48,434,619)	(10,618,763)
Net Actuarial (gain) / Loss recognised in the period	(14,473,463)	(26,709,306)	(42,645,266)	(29,207,293)
Total Expenses recognised in the Profit and Loss Account*	<b>(4,891,140)</b>	<b>(1,056,966)</b>	<b>(30,285,753)</b>	<b>(3,830,648)</b>

**VI. Actual Return on Plan Assets**

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	₹	₹	₹	₹
	Expected Return on Plan Assets	48,823,784	10,660,989	48,434,619
Actuarial gain / (losses) on Plan Assets	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>48,823,784</b>	<b>10,660,989</b>	<b>48,391,114</b>	<b>9,391,726</b>

**b. Gratuity and Leave encashment (Funded)**

The fund is managed by LIC of India.

c. As per AS-15, actuarial valuation of gratuity & leave encashment liability has been obtained from LIC of India vide letter dated 19-09-2017. According to this report out of 4 policies, in one policy there is a deficit of Rs 2,24,441/-for which provision has been made and in 3 other's there is a surplus of Rs 42253927/- which has been recognised as Income in the Profit and Loss Account.

**2.41 Disclosure on Specified Bank Notes**

During the year, the company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBN's held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBN's and other notes as per the notification are as follows-

Particulars	SBN's	Other	Total
		Denomination Notes	
Closing Cash in Hand as on 08-11-2016	65,500.00	531,349.00	596,849.00
Add: Permitted Receipts	-	4,623,675.00	4,623,675.00
Less: Permitted Payments	19,500.00	3,889,941.00	3,909,441.00
Less: Amount deposited in Banks	46,000.00	570,510.00	616,510.00
Closing Cash in Hand as on 30-12-2016	-	694,573.00	694,573.00

**2.42** In accordance with Accounting Standard 18 – "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the Company has compiled the required information as under :-

**Relationship**

**Key management personnel:**

Shri Praveen Gupta	--	Director In charge (01.04.2016 to 31.03.2017)
Shri V.C.Bunkar	--	Chief Financial Officer (01.04.2016 to 31.03.2017)
Shri Pawan K. Garg		Company Secretary (01.04.2016 to 31.03.2017)

**Nature of transaction**

	Amount (₹)
Expenses Remuneration	
Director In Charge	-- 18,000/-
Chief Financial Officer	-- 16,06,357/-
Company Secretary	-- 3,26,159/-

**2.43 SEGMENT REPORTING**

The information pursuant to Accounting Standard 17- Segment Reporting issued by Institute of Chartered Accountants of India is as under :-  
The Key business Segments of the Company are Sugar and Liquor.

**Primary Segment Information (Business Segment)**

**1. Segment Revenue**

	Year 2016-17			
	"External Sales" (₹)	"Other Income " (₹)	Inter- Segment Sales (₹)	"Total" (₹)
Sugar	283,594,665	2,619,941	32,282,250	318,496,856
Liquor	10,062,891,693	13,066,890	-	10,075,958,583
<b>Segment Total</b>	<b>10,346,486,358</b>	<b>15,686,831</b>	<b>32,282,250</b>	<b>10,394,455,439</b>
Eliminations				-
<b>Consolidated Total</b>				<b>10,394,455,439</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2017**

**2. Segment Result**

Sugar	(432,597,199)
Liquor	1,016,950,714
<b>Segment Total</b>	<b>584,353,515</b>
Add : unallocated Corporate Income net of Un allocated Income	(17,434,236)
Profit For the Year	566,919,279
Unallocated prior period adjustment	-
Profit before Taxation	566,919,279
Prior period income tax adjustment	-
Provision for Taxation	270,000,000
Provision for F.B.T.	-
Deferred Tax	(6383874)
	<b>303,303,153</b>

**3. Profit after Taxation**

**Other Information (Assets & Liabilities)**

	Segment Assets (₹)	Segment Liabilities (₹)
Sugar	2,121,761,967	242,900,086
Liquor	590,362,384	286,178,130
<b>Segment Total</b>	<b>2,712,124,351</b>	<b>529,078,216</b>
Unallocated Segment Assets & Liabilities	-	-
Unallocated Corporate Assets & Liabilities (Head Office)	1,281,885,366	3,464,931,501
<b>Total</b>	<b>3,994,009,717</b>	<b>3,994,009,717</b>

	"Capital Expenditure (₹) During The Year"	"Depreciation (₹) (For the Year)"	Non Cash Expenditure other than depreciation (₹)
Sugar	585,157,707	263,533,664	-
Liquor	8,516,124	16,916,782	-
<b>Segment Total</b>	<b>593,673,831</b>	<b>280,450,446</b>	-
Unallocated Segment Capital Expenditure & Depreciation	-	-	-
Unallocated Corporate Capital Expenditure & Depreciation	1,921,889	1,903,471	-
<b>Total</b>	<b>595,595,720</b>	<b>282,353,917</b>	-

**Note:**

1. In view of Common use of certain assets, these are shown as unallocated segment assets.
2. Capital expenditure & Depreciation thereon are unallocated as decided by the management.

**Secondary Segment information** (Geographical Segments)

Since All Sales are within India, no Geographical Segment wise information is required.

- 2.43 Previous Year figures have been re-grouped/ re-arranged wherever considered necessary.
- 2.44 Figures have been rounded off to nearest rupees.



**RAJASTHAN STATE GANGAGANAGAR SUGAR MILLS LIMITED**

Note No. : 2.45 (I)

**I. Quantitative Information in respect of Licensed Capacity, Installed Capacity Production, Purchased for Re-Sale & Sales**

S. No.	Class of Goods	Units of Measurement	Licensed Capacity Per Day	Installed Capacity per day	Actual Production	Goods Purchased for re-sale (GPR)		Opening Balance		Closing Balance		Sales	
						Qty	Amount (₹)	Qty.	Amount (₹)	Qty.	Amount (₹)	Qty.	Amount (₹)
1	Sugar	Qtl.	1500MT Crushing	1500MT Crushing	114,915 (28,440)	(-)	34,293 (87,463)	107,922,628 (223,520,756)	77,781 (87,463)	275,451,200 (223,520,756)	71,427 (81,610)	268,949,429 (232,867,450)	
2	Molasses (Own Production)	Qtl.			88,884 (30,593)		72,872 (42,279)	32,792,387 (28,234,220)	105,175 (72,872)	53,113,392 (32,792,387)	58,581 -	32,816,980 -	
3	Country Liquor at Retail Shops	BL				795 (52,186)	107,932 (5,216,248)	(3,423) (323,770)	- (3,423)	- (323,770)	795 (55,609)	133,719 (6,487,047)	
4	Country Liquor at Warehouses (Own Production)	BL			80,078,938 (84,806,148)		1,914,933 (1,658,345)	70,161,537 (62,884,871)	2,244,371 (1,658,345)	79,195,677 (62,844,871)	79,688,782 (84,463,011)	3,465,318,611 (3,649,932,504)	
	(Private Distillers Production)	BL				154,295,284 (133,784,959)	5,888,234,918 (5,091,381,534)	193,251,883 (184,466,270)	4,141,786 (5,132,559)	159,222,085 (184,466,270)	155,087,232 (133,792,715)	6,592,403,222 (5,870,531,095)	
5	Heritage Liqueur	BL			3,679 (4,328)		40 (1,787)	10,216 (500,034)	34 (1,787)	9,091 (500,034)	3,686 (6,075)	2,025,856 (4,281,199)	
6	Denatured Spirit	BL			16,000 (17,200)		2,146 (2,257)	71,080 (74,737)	1,888 (2,257)	56,062 (74,737)	16,257 (17,311)	1,268,046 (1,545,298)	
7	Rectified Spirit	LPL (*)				63,920 (53,130)	1,625,014 (1,406,140)	-	-	-	63,920 (53,130)	1,778,780 (1,494,820)	
		BL			1,592,125				767,125	30,017,601	825,000	32,282,250	
8	Glass ware	Qlis.	N.A.	N.A.					(1) (1)			- (-)	
9	I.M.F.L. at Retail Shops	BL											
10	Bio Composed Product	Qtl.			1,800 (-)				1,800	1,080,000		(-)	
11	Impure Spirit	BL			97,046				97,046	2,426,150		-	
12	Electric	UNIT											
	<b>Gross Total</b>						<b>5,889,967,864</b>	<b>404,253,898</b>		<b>600,615,425</b>		<b>10,396,976,893</b>	
	Less: C.L. transfer to Shops						36,541					36,541	
	<b>NET SALE</b>						<b>5,889,931,323</b>					<b>10,396,940,352</b>	
	Less : Purchase Return						2,434,350					-	
	Less : Excise Duty											18,171,744	
	<b>NET TOTAL</b>						<b>5,887,496,973</b>	<b>404,253,898</b>		<b>600,615,425</b>		<b>10,378,768,608</b>	
	Previous Year						(5,150,650,998)	(500,693,966)		(504,566,992)		(9,630,982,843)	
	Less : C.L. Transfer to Shops						(2,156,280)			-		(2,156,280)	
	Less : Purchase Return						(2,498,503)					-	
	Less : Excise Duty											(11,873,834)	
	<b>Net Total</b>						<b>(5,145,996,215)</b>	<b>(500,693,966)</b>		<b>(504,566,992)</b>		<b>(9,616,952,729)</b>	



## RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR

### Notes :

- 1 (--) Either NIL or Not Applicable.
- 2 Figures in brackets represent previous year's figures.
- 3 (\*) Production of rectified spirit is considered to the extent of quantity sold. The total production comes to NIL LPL (Previous year NIL LPL).
- 4 Production of Country Liquor at Warehouses excludes 226666 LPL being liquor in process (W.I.P.) as on 31.03.2017 and includes 257952 LPL being in process as on 31.03.2016
- 5 Production of Heritage Liqueur excludes 1744 BL being in process (W.I.P.) as on 31.03.2017 and includes 1744 BL being in process as on 31.03.2017
- 6 Distillery at new Sugar complex at Kaminpura has started from 24-11-2016
- 7 Closing Stock of :-
  - (i) Country Liquor at retail shops is after adjustment of transit & storage wastage NIL BL (Previous Year NIL BL).
  - (ii) Country Liquor at Warehouses (own production) is after adjustment of transit wastage being 76030 BL (Previous year 86534 LPL filling & transit), sample 0 BL, shortage/ recovery 8726 BL. (Previous year sample 0 BL & short recovery 0 BL) Reprocessing 997 BL (Previous Year 0 BL) Physically excess received 5035 BL (Previous Year 0 BL)
  - (iii) Country Liquor at warehouse (private) is after adjustment of sample 78 BL, transit wastage 247 BL, short recovery 0 BL, other receipt in purchase 0 BL, Purchase return to party 113394 BL Amounting in Rs. 2434350/- (Previous Year sample 356 BL, Transit wastage 841 BL, Short recovery 18 BL, other receipt in purchase NIL BL, Previous year Purchase return to party 72392 BL amounting Rs. 2498503/-)
  - (iv) Goods Purchase for resale of Country Liquor Private at warehouse 3745 BL rejected exclude in Stock with value. But exclude in closing stock.
  - (v) D/Spirit is after adjustment of sample 01 BL (Previous year 01 BL)
  - (vi) I.M.F.L. at shops includes 136 BL which is in the possession of D.E.O., 48 B.L. lying in Police Custody & stock of 190 B.L. with RSBCL, Hanumangarh for sale.
  - (vii) Glassware includes 01 Qtl. Without value (Previous year 01 Qtl).
  - (viii) Heritage Liqueur is after adjustment of refilling loss wastage NIL BL, (Previous year NIL BL), Transit & storage wastage at RSBCL NIL BL (Previous Year NIL BL), sample NIL BL (Previous Year NIL BL), Fire damage NIL BL (Previous Year NIL BL), NIL BL received from RSBCL at RSGSM stock (Previous year NIL BL), Recovery made NIL BL (Previous Year NIL BL). Drainout loss NIL BL (Previous Year NIL BL)
  - (ix) Heritage Liqueur includes stock of NIL BL (Previous year NIL BL) with RSBCL for sale.
  - (x) Sugar is after adjustment of NIL Qtl., transfer for reprocess (Previous Year NIL Qtls).
  - (xi) W.I.P. of country liquor has been taken after adjustment of sample NIL LPL. (Previous year NIL LPL)



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**

**Note No. 2.45 (II)**

**Quantitative Details of Raw Material & Store Consumed**

S.No.	Class of Goods	Unit of Measurement	For the year ended on 31.03.2017		For the year ended on 31.03.2016	
			Qty.	Value (₹)	Qty.	Value (₹)
1	Cane	Qtl.	1,451,366	413,642,411	519,569	148,414,498
2	Molasses (Cane)	Qtl.				
3	Rectified Spirit * (Excluding cost of own production)	LPL	46,527,034	1,181,832,182	48,752,990	1,292,343,012
4	E.N.A.	LPL	2,794	90,719	3,368	111,404
5	Spices, Colour & Essence		–	908,726	–	632,050
<b>TOTAL</b>				<b>1,596,474,038</b>		<b>1,441,500,964</b>

**NOTES :**

Wastage of Rectified Spirit & ENA Includes various wastage : Storage R/S 152764 LPL & ENA NIL; Transit R/S 78992 LPL & ENA 10; Reduction R/S 57185 LPL & ENA NIL; Burning Loss R/S 158 & ENA NIL (Previous year Storage R/S 165663 LPL & ENA NIL LPL; Transit R/S 107864 LPL & ENA 13; Reduction R/S 60277 LPL & ENA NIL LPL; Burning Loss R/S NIL & ENA NIL).

**III. Value of Imported & Indigenous Raw Material/ Stores & Spares Consumed :**

S.No.	Class of Goods	For the year ended on 31.03.2017		For the year ended on 31.03.2016	
		Value (₹)	% of total consumption	Value (₹)	% of total consumption
01. (a)	Raw Material Imported (at landed cost)	–	–	–	–
	indigenous	1,596,474,038	100%	1,441,500,964	100%
(b)	Stores & Spare parts Imported (at landed cost)				
	indigenous	4,888,673	100%	3,887,714	100%

**Note:**

Note 1 to 2.45 are integral part of Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2017 and are deemed to be signed by the signatories.

Place : Jaipur

Dated : 29th September, 2017

*As per our attached report of even date*  
**For Dhoot & Associates**

**Chartered Accountants**  
**F.R. No.: 002145C**

On behalf of the Board

**(V.C. Bunkar)**  
CFO

**(Pawan K. Garg)**  
Secretary

**(O.P.Yadav)**  
Director

**(Praveen Gupta)**  
Director In charge

**(Dikshant Sogani)**  
Partner  
M. No. 400831





## Activity wise details Profit & Loss Account For the year 2016-17 & 2015-16

(Rs.in Lacs)

S.NO.	Particulars	Note No.	Year 2016-17					Year 2015-16				
			Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
I	Revenue from Operations	2.19	100,628.92	-	2,835.95	322.82	3,158.77	<b>103787.69</b>	93,934.31	-	2,235.22	96,169.53
II	Other Income	2.20	130.67	1,038.30	26.20	-	26.20	<b>1195.17</b>	122.29	589.88	71.64	783.82
III	<b>III Total Revenue (I+II)</b>		<b>100,759.59</b>	<b>1,038.30</b>	<b>2,862.15</b>	<b>322.82</b>	<b>3,184.97</b>	<b>104,982.85</b>	<b>94,056.60</b>	<b>589.88</b>	<b>2,306.86</b>	<b>96,953.34</b>
IV	<b>Expenses</b>											
I	Cost of materials Consumed	2.21	19,584.54	-	4,170.99	346.20	4,517.19	<b>24101.73</b>	22,486.76	-	1,495.00	23,981.76
II	Purchase of Stock-in-Trade	2.22	58,874.97	-	-	-	-	<b>58874.97</b>	51,459.96	-	-	51,459.96
III	Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.23	77.87	180.09	-1,781.33	-351.00	-2,132.33	<b>-1874.36</b>	-255.71	122.32	968.58	835.19
IV	Employee benefit expenses	2.24	4,564.83	927.88	1,217.22	276.63	1,493.85	<b>6986.56</b>	4,526.90	716.36	1,231.43	6,474.69
V	Financial Costs	2.25	-	-	-	-	-	<b>0.00</b>	-	-	-	-
VI	Depreciation and amortization expense	2.8	169.17	19.03	2,141.00	494.33	2,635.34	<b>2823.54</b>	155.81	19.61	647.20	822.62
VIII	Other expenses	2.26	7,318.69	508.18	655.66	341.24	996.89	<b>8823.76</b>	7,151.96	176.90	781.62	8,110.48
	<b>Total Expenses</b>		<b>90,590.08</b>	<b>1,635.18</b>	<b>6,403.53</b>	<b>1,107.41</b>	<b>7,510.94</b>	<b>99,736.20</b>	<b>85,525.68</b>	<b>1,035.18</b>	<b>5,123.84</b>	<b>91,684.71</b>
V	Extraordinary item		-	422.54	-	-	-	<b>422.54</b>	-	-	-	-
VI	Profit before exceptional and extraordinary item and tax (III - IV)		<b>10,169.51</b>	<b>-174.34</b>	<b>-3,541.39</b>	<b>-784.58</b>	<b>-4,325.97</b>	<b>5,669.19</b>	<b>8,530.92</b>	<b>-445.30</b>	<b>-2,816.98</b>	<b>5,268.64</b>

## Activity wise details of Revenue For the year 2016-17 & 2015-16

(Rs.in Lacs)

5.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
A.	Interest Income	21.79	846.88	20.42	-	20.42	889.09	13.91	425.52	67.33	506.76
B.	Mis. Income	-	-	-	-	-	-	-	-	-	-
i	Other Income	6.05	116.65	5.78	-	5.78	128.48	7.87	26.46	1.98	36.30
ii	Sale of Tender Form	0.03	-	-	-	-	0.03	1.21	-	-	1.21
iii	Sale of Broken Glass / Press Mud/Fix Assets	0.55	0.20	-	-	-	0.75	2.77	0.11	-	2.88
iv	Recovery against Excess Wastage	3.95	-	-	-	-	3.95	1.78	-	-	1.78
v	Recovery against shortage	1.68	-	-	-	-	1.68	2.15	-	-	2.15
vi	Sale of Scrap	9.07	-	-	-	-	9.07	9.14	-	-	9.14
vii	Contract Amount	84.35	-	-	-	-	84.35	76.96	-	-	76.96
viii	Income From Loading Unloading Charges	2.19	-	-	-	-	2.19	-	-	-	-
ix	Security Forfeited	0.56	-	-	-	-	0.56	5.88	1.17	-	7.05
x	L.D.Received & Non Operative Income	-	74.58	-	-	-	74.58	0.17	136.62	-	136.80
xi	HRA Deduction / Other Non Operative Income	0.44	-	-	-	-	0.44	0.19	-	2.33	2.52
xii	Revaluation of Opening stock Heritage	-	-	-	-	-	-	-	-	-	-
xiii	Adjustment of Stock	-	-	-	-	-	-	-	-	-	-
xiv	Recovery Against Excess supply of cl in pet bottles	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B)</b>	<b>130.67</b>	<b>1,038.30</b>	<b>26.20</b>	<b>-</b>	<b>26.20</b>	<b>1,195.17</b>	<b>122.02</b>	<b>589.88</b>	<b>71.64</b>	<b>783.54</b>
C.	Credit Balance Written Back	-	-	-	-	-	-	0.28	-	-	0.28
D.	Excise Duty Refundable	-	-	-	-	-	-	-	-	-	-
E.	Accrued Interest on Investment	-	-	-	-	-	-	-	-	-	-
F.	Prior period income	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>130.67</b>	<b>1,038.30</b>	<b>26.20</b>	<b>-</b>	<b>26.20</b>	<b>1,195.17</b>	<b>122.29</b>	<b>589.88</b>	<b>71.64</b>	<b>783.82</b>



### Activity wise details Cost of Material Consumed For the year 2016-17 & 2015-16

(Rs.in Lacs)

5.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
<b>A.</b>	<b>Raw Material:-</b>										
i.	Rectified Spirit Consumed	11,811.61	-	-	-	-	11811.61	12,915.41	-	-	12,915.41
ii.	Heritages Spirits Consumed	9.64	-	-	-	-	9.64	1.11	-	-	1.11
iii.	Molasses Consumed	-	-	-	328.17	328.17	328.17	-	-	-	-
iv.	Denature Spirit Consumed	6.71	-	-	-	-	6.71	8.02	-	-	8.02
v.	Sugar Cane	-	-	4,012.90	-	4,012.90	4012.90	-	-	1,458.43	1,458.43
vi.	Process Material (Sugar/heritage Spices)	0.36	-	105.49	18.03	123.52	123.88	6.32	-	25.72	32.04
	<b>Sub Total (A)</b>	<b>11,828.32</b>	<b>-</b>	<b>4,118.39</b>	<b>346.20</b>	<b>4,464.59</b>	<b>16,292.91</b>	<b>12,930.86</b>	<b>-</b>	<b>1,484.14</b>	<b>14,415.01</b>
<b>B.</b>	<b>Packging Material Consumed:-</b>										
i.	Packing Material Consumption C.L.	7,751.55	-	-	-	-	7751.55	9,553.17	-	-	9,553.17
ii.	Packing Material Consumption Heritage	4.68	-	-	-	-	4.68	2.73	-	-	2.73
iii.	Packing Material Sugar	-	-	52.60	-	52.60	52.60	-	-	10.85	10.85
	<b>Sub Total (B)</b>	<b>7,756.22</b>	<b>-</b>	<b>52.60</b>	<b>-</b>	<b>52.60</b>	<b>7,808.82</b>	<b>9,555.90</b>	<b>-</b>	<b>10.85</b>	<b>9,566.75</b>
	<b>Grand Total</b>	<b>19,584.54</b>	<b>-</b>	<b>4,170.99</b>	<b>346.20</b>	<b>4,517.19</b>	<b>24,101.73</b>	<b>22,486.76</b>	<b>-</b>	<b>1,495.00</b>	<b>23,981.76</b>

### Activity wise details Purchase of Stock In Trade For the year 2016-17 & 2015-16

(Rs.in Lacs)

5.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
<b>A.</b>	<b>Goods Purchase For Re sale :-</b>										
i.	Rectified Spirit	16.25	-	-	-	-	16.25	14.06	-	-	14.06
	sugar cane	-	-	-	-	-	-	-	-	-	-
	mollases	-	-	-	-	-	-	-	-	-	-
	Country Liquor Of Depot (Private)	58,882.35	-	-	-	-	58,882.35	50,913.82	-	-	50,913.82
	Less Purchase return	24.34	-	-	-	-	24.34	24.99	-	-	24.99
	C.L. at shop	1.08	-	-	-	-	1.08	52.16	-	-	52.16
	IMFL at Shop	-	-	-	-	-	-	526.47	-	-	526.47
	Add : Goods Received from Other Unit	29.89	-	-	-	-	29.89	3.91	-	-	3.91
	<b>Sub Total</b>	<b>58,953.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,953.91</b>	<b>51,485.44</b>	<b>-</b>	<b>-</b>	<b>51,485.44</b>
B	Less : C.L. shop Transfer to retail shop	0.37	-	-	-	-	0.37	21.56	-	-	21.56
C	Less : Goods sent to Other Unit	29.89	-	-	-	-	29.89	3.91	-	-	3.91
	<b>Sub Total</b>	<b>58,923.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,923.66</b>	<b>51,459.96</b>	<b>-</b>	<b>-</b>	<b>51,459.96</b>
	<b>Grand Total</b>	<b>58,923.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,923.66</b>	<b>51,459.96</b>	<b>-</b>	<b>-</b>	<b>51,459.96</b>



**Activity wise details Changes In Inventories Of Finished Goods & WIP Stock  
in Trade For the year 2016-17 & 2015-16**

( Rs.in Lacs)

5.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
I.	Opening Stock ( After Stock Adjustment )										
	(A) Finished Goods										
	(i) C.L. RSGSM	701.62	-	-	-	-	701.62	628.45	-	-	628.45
	(ii) C.L. Private	1,932.52	-	-	-	-	1,932.52	1,844.66	-	-	1,844.66
	(iii) Heritage Liqueur At W.H.	0.10	-	-	-	-	0.10	5.00	-	-	5.00
	(iv) Heritage Liqueur At RSBCL	-	-	-	-	-	-	-	-	-	-
	(v) Denature Spirit	0.19	-	0.52	-	0.52	0.71	0.23	-	0.52	0.75
	(vi) Sugar	-	-	1,079.23	-	1,079.23	1,079.23	-	-	2,235.21	2,235.21
	(vii) Cane Molasses	-	-	327.92	-	327.92	327.92	-	-	262.34	262.34
	(viii) Liquor at Shops CL	-	-	-	-	-	-	3.24	-	-	3.24
	(ix) Liquor at Shops IMFL	0.44	-	-	-	-	0.44	26.89	-	-	26.89
	<b>Sub Total (A)</b>	<b>2,634.87</b>	-	<b>1,407.67</b>	-	<b>1,407.67</b>	<b>4,042.54</b>	<b>2,508.47</b>	-	<b>2,498.07</b>	<b>5,006.54</b>
	(B) Work in Progress										
	(i) C.L. RSGSM	68.72	-	-	-	-	68.72	61.63	-	-	61.63
	(ii) Heritage Liqueur	0.54	-	-	-	-	0.54	0.64	-	-	0.64
	(iii) Sugar	-	-	155.95	-	155.95	155.95	-	-	34.14	34.14
	(iv) Molasses	-	-	-	-	-	-	-	-	-	-
	(v) Agriculture Product	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>69.26</b>	-	<b>155.95</b>	-	<b>155.95</b>	<b>225.22</b>	<b>62.27</b>	-	<b>34.14</b>	<b>96.41</b>
	<b>Total (A+B)</b>	<b>2,704.14</b>	-	<b>1,563.62</b>	-	<b>1,563.62</b>	<b>4,267.75</b>	<b>2,570.75</b>	-	<b>2,532.20</b>	<b>5,102.95</b>
II	Less – Closing Stock In Trade										
	(A) Finished Goods										
	(i) C.L. RSGSM	794.94	-	-	-	-	794.94	701.61	-	-	701.61
	(ii) C.L. Private	1,592.22	-	-	-	-	1,592.22	1,932.52	-	-	1,932.52
	(iii) Heritage Liqueur At W.H.	0.09	-	-	-	-	0.09	0.10	-	-	0.10
	(iv) Heritage Liqueur At RSBCL	-	-	-	-	-	-	-	-	-	-
	(v) Denature Spirit	0.07	-	0.52	-	0.52	0.59	0.19	-	0.52	0.71
	(vi) Sugar	-	-	2,754.51	-	2,754.51	2,754.51	-	-	1,079.23	1,079.23
	(vii) Cane Molasses	-	-	531.13	-	531.13	531.13	-	-	327.92	327.92
	(viii) Rectified spirit Sugar Factory	-	-	-	300.18	300.18	300.18	-	-	-	-
	(ix) Impure spirit Sugar Factory	-	-	-	24.26	24.26	24.26	-	-	-	-
	(x) biocompost	-	-	-	10.80	10.80	10.80	-	-	-	-
	(xi) Liquor at Shops CL	-	-	-	-	-	-	-	-	-	-
	(xii) Liquor at Shops IMFL	0.44	-	-	-	-	0.44	0.44	-	-	0.44
	<b>Sub Total (A)</b>	<b>2,387.77</b>	-	<b>3,286.16</b>	<b>335.24</b>	<b>3,621.40</b>	<b>6,009.17</b>	<b>2,634.87</b>	-	<b>1,407.67</b>	<b>4,042.54</b>
	(B) Work In Progress										
	(i) C.L. RSGSM	57.86	-	-	-	-	57.86	68.72	-	-	68.72
	(ii) Heritage Liqueur	0.54	-	-	-	-	0.54	0.54	-	-	0.54
	(iii) Sugar	-	-	58.79	-	58.79	58.79	-	-	155.95	155.95
	(iv) Molasses	-	-	-	15.76	15.76	15.76	-	-	-	-
	(v) Agriculture Product	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>58.41</b>	-	<b>58.79</b>	<b>15.76</b>	<b>74.55</b>	<b>132.95</b>	<b>69.26</b>	-	<b>155.95</b>	<b>225.22</b>
	<b>Total (A+B)</b>	<b>2,446.17</b>	-	<b>3,344.95</b>	<b>351.00</b>	<b>3,695.95</b>	<b>6,142.12</b>	<b>2,704.13</b>	-	<b>1,563.62</b>	<b>4,267.75</b>
	<b>Net Grand Total (I - II)</b>	<b>257.96</b>	-	<b>-1,781.33</b>	<b>-351.00</b>	<b>-2,132.33</b>	<b>-1,874.37</b>	<b>-133.39</b>	-	<b>968.58</b>	<b>835.20</b>



## Activity wise details Employee Benefit Expenses For the year 2016-17 & 2015-16

( Rs.in Lacs)

Particulars	Year 2016-17						Year 2015-16			
	Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
<b>Salaries &amp; wages: -</b>										
Adminstration	74.17	484.22	341.63	133.85	475.48	1,033.87	461.77	418.38	313.02	1,193.17
Production	2,635.14	-	579.95	133.26	713.21	3,348.35	2,160.56	-	627.48	2,788.04
Depots & Shops	839.59	-	-	-	-	839.59	860.53	-	-	860.53
Heritage	-	-	-	-	-	-	8.95	-	-	8.95
<b>Sub Total</b>	<b>3,548.90</b>	<b>484.22</b>	<b>921.58</b>	<b>267.11</b>	<b>1,188.68</b>	<b>5,221.81</b>	<b>3,491.81</b>	<b>418.38</b>	<b>940.50</b>	<b>4,850.69</b>
<b>Leave Encashment :-</b>										
Premium of L.I.C. / SBI	-	11.01	-	-	-	11.01	1.70	0.15	0.42	2.27
15 Days Surrender Leave	89.29	14.97	25.39	2.15	27.54	131.80	83.80	13.88	20.66	118.34
<b>Sub Total</b>	<b>89.29</b>	<b>25.98</b>	<b>25.39</b>	<b>2.15</b>	<b>27.54</b>	<b>142.81</b>	<b>85.50</b>	<b>14.03</b>	<b>21.08</b>	<b>120.61</b>
House Rent Allowance	196.19	37.55	20.14	-	20.14	253.88	204.94	34.26	22.14	261.33
City Compensatory Allowance	13.18	5.27	-	-	-	18.45	14.06	4.79	-	18.85
Handicaped Allowance	1.04	-	-	-	-	1.04	0.89	-	-	0.89
Overtime & Hard Duty	2.93	2.44	80.03	0.31	80.34	85.72	6.11	2.30	53.98	62.39
Other Allowance (Washing )	16.25	1.23	2.59	-	2.59	20.06	16.88	0.88	2.73	20.48
Computer Allowance	1.22	-	-	-	-	1.22	0.97	-	-	0.97
Employers Contribution P.F.	292.86	35.82	72.43	-	72.43	401.11	257.00	28.21	66.74	351.95
Employer's Contribution to Pension Fund	129.53	14.91	27.20	-	27.20	171.63	154.81	15.21	32.33	202.35
Employers Contribution To ESI	3.94	-	-	0.02	0.02	3.95	1.27	-	-	1.27
Employers Contribution To NP5	4.25	-	0.24	-	0.24	4.49	2.04	-	0.29	2.33
Bonus	8.84	0.34	2.92	-	2.92	12.09	0.94	14.48	0.35	15.77
Ex-Gratia	83.88	6.07	15.80	-	15.80	105.75	97.07	7.10	24.42	128.59
Staff Walfare Expenses	5.90	26.11	6.32	6.32	12.63	44.64	7.87	21.58	8.15	37.61
Contribution to Medical relief Fund trust	-	200.00	-	-	-	200.00	-	100.00	-	100.00
Uniform & liveries	21.23	0.82	3.58	-	3.58	25.63	21.20	0.80	4.03	26.04
Medical Reimbursement	84.63	31.86	23.75	0.74	24.49	140.97	99.59	28.81	33.96	162.36
Administration Charges on P.F. & EDLI	35.73	3.29	9.11	-	9.11	48.13	36.21	2.74	7.12	46.07
Gratuity	-	29.21	-	-	-	29.21	15.79	1.42	3.95	21.15
VRS Payment	-	-	-	-	-	-	-	-	-	-
Gift	21.87	2.00	6.14	-	6.14	30.01	8.59	0.65	2.48	11.72
State Renewal Fund	-	20.00	-	-	-	20.00	-	20.00	-	20.00
Employers Cont. to Group Ins. EDLI	3.18	0.78	-	-	-	3.96	2.63	0.71	2.32	5.66
Leave Salary & Pension Contribution	-	-	-	-	-	-	0.73	-	4.87	5.60
<b>Sub Total</b>	<b>926.64</b>	<b>417.67</b>	<b>270.25</b>	<b>7.38</b>	<b>277.63</b>	<b>1,621.95</b>	<b>949.59</b>	<b>283.95</b>	<b>269.85</b>	<b>1,503.39</b>
<b>Grand Total</b>	<b>4,564.83</b>	<b>927.88</b>	<b>1,217.22</b>	<b>276.63</b>	<b>1,493.85</b>	<b>6,986.56</b>	<b>4,526.90</b>	<b>716.36</b>	<b>1,231.43</b>	<b>6,474.70</b>



### Activity wise details Financial costs For the year 2016-17 & 2015-16

(Rs.in Lacs)

S.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
I	Interest	-	-	-	-	-	-	-	-	-	-
II	Bank Charges	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-

### Activity wise details Other Expenses For the year 2016-17 & 2015-16

(Rs.in Lacs)

S.No.	Particulars	Year 2016-17					Year 2015-16				
		Distillery	Head Office	Sugar Division	Distillery Division	Sugar Division Total	Total	Distillery	Head Office	Sugar	Total
<b>A.</b>	<b>Production Expenses:-</b>										
	Consumption Of Store & Spare Part	48.89	-	-	-	-	48.89	38.88	-	-	38.88
	Power Fuel & Water	215.82	7.26	290.73	167.06	457.79	680.87	171.88	6.54	407.32	585.74
	Repair & Maintenance P & M	25.97	-	114.51	0.15	114.66	140.62	50.71	-	20.51	71.22
	Repair & Maintenance of vehicles	0.03	8.80	1.68	1.06	2.74	11.58	3.70	8.59	0.99	13.27
	Repair & Maintenance Factory Building	7.32	5.79	0.31	-	0.31	13.41	13.81	4.83	1.57	20.21
	"Carriage & Cartage (Loading & UnLoading of Bottles etc.)"	107.61	-	96.52	38.29	134.81	242.42	102.67	-	61.78	164.45
	Bottle filling charges	476.76	-	-	-	-	476.76	499.45	-	-	499.45
	Loss on store Article & Heritage Store	0.00	-	-	-	-	0.00	0.42	-	-	0.42
	Stock Loss	-	-	-	-	-	-	-	-	-	-
	Stock Written Off	-	-	-	-	-	-	0.17	-	-	0.17
	Agriculture Operation Expenses	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>882.39</b>	<b>21.85</b>	<b>503.75</b>	<b>206.56</b>	<b>710.31</b>	<b>1,614.55</b>	<b>881.67</b>	<b>19.95</b>	<b>492.17</b>	<b>1,393.80</b>
<b>B.</b>	<b>Excise Duty &amp; Others:-</b>										
	Excise duty on C.L. Shop	-	-	-	-	-	-	-	-	-	-
	Excise duty on Civil Work	-	-	-	-	-	-	-	-	-	-
	Excise duty on D/Spirit	0.96	-	-	-	-	0.96	1.03	-	-	1.03
	Royalty on heritage	0.31	-	-	-	-	0.31	-	0.02	-	0.02
	Excise duty on heritage	11.62	-	-	-	-	11.62	0.00	-	-	0.00
	Excise duty on Excess Wastage heritage	0.03	-	-	-	-	0.03	-	-	-	-
	Excise Duty Permit Fee	17.13	-	-	-	-	17.13	4.63	-	-	4.63
	Bottling Fee	4,004.12	-	-	-	-	4,004.12	4,240.52	-	-	4,240.52
	Margin On Sale of Heritage(RSBCL)	0.01	-	-	-	-	0.01	-	-	-	-
	<b>Sub Total (B)</b>	<b>4,034.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,034.17</b>	<b>4,246.19</b>	<b>0.02</b>	<b>-</b>	<b>4,246.21</b>
<b>C.</b>	<b>Administration Expenses:-</b>										
	Rent	100.01	13.23	-	-	-	113.24	102.69	-	-	102.69
	Rates & Taxes	241.40	1.47	3.94	30.00	33.94	276.81	903.49	1.49	68.62	973.59
	Insurance	11.21	2.53	16.13	0.23	16.36	30.10	11.22	2.33	11.91	25.45
	CM relief Fund	-	200.00	-	-	-	200.00	-	-	-	-
	Telephone Expenses, Postage & Telegram	26.46	8.03	5.19	5.19	10.38	44.87	30.56	12.80	4.78	48.14



## Activity wise details Other Expenses For the year 2016-17 & 2015-16

( Rs.in Lacs)

	Books & Periodical	0.46	0.64	-	-	-	1.10	0.44	0.75	0.02	1.20
	Advertisement Expenses	-	60.17	9.21	9.21	18.41	78.59	11.45	57.09	17.04	85.57
	General Office Expenses	21.85	20.21	15.65	0.02	15.68	57.74	18.15	14.47	12.34	44.97
	Travelling & Conveyance Expenses	73.39	8.10	16.66	16.66	33.32	114.81	71.99	3.24	47.92	123.15
	General Office supplies (Printing & Stationery)	14.83	6.63	0.83	0.83	1.67	23.13	13.72	6.05	1.74	21.52
	Repairs & Maintenance Other	21.57	10.63	3.73	3.73	7.45	39.65	12.39	5.59	9.41	27.39
	Legal Expenses	0.36	4.93	13.34	13.34	26.68	31.98	0.49	1.82	1.57	3.88
	Professional fees	4.81	7.76	24.39	-	24.39	36.96	8.89	7.17	47.95	64.00
	Cost Audit Fees	-	-	0.29	0.29	0.58	0.58	-	-	0.53	0.53
	I.T. Expenses	16.69	30.10	2.95	2.95	5.90	52.69	27.05	28.49	6.25	61.79
	Salary Ex. Serviceman Guard	15.71	7.07	37.60	37.60	75.21	97.98	16.39	6.95	57.65	80.99
	Management Training Expenses	-	0.72	-	-	-	0.72	-	1.14	-	1.14
	Testing Fee	1.30	-	-	-	-	1.30	-	-	-	-
	Guest House Exp.	-	-	1.37	1.37	2.74	2.74	-	-	1.10	1.10
	Bank Charges	15.31	-	0.40	-	0.40	15.71	12.09	-	0.38	12.48
	Claim Paid W/O	-	51.71	-	-	-	51.71	0.73	2.99	-	3.73
	Petty Balance W/O	-	0.04	-	-	-	0.04	-	-	-	-
	Doubtful Debts	-	-	-	-	-	-	-	-	-	-
	Compensation to Cultivators	-	-	-	-	-	-	-	-	-	-
	Membership & Subscription	-	0.20	0.23	-	0.23	0.43	-	-	0.24	0.24
	CSR	-	47.90	-	-	-	47.90	-	-	-	-
	ROC Fees	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (C)</b>	<b>565.36</b>	<b>482.09</b>	<b>151.91</b>	<b>121.42</b>	<b>273.32</b>	<b>1,320.77</b>	<b>1,241.73</b>	<b>152.37</b>	<b>289.45</b>	<b>1,683.55</b>
<b>D.</b>	<b>Payment to auditor</b>										
	For Audit	-	-	-	-	-	-	-	-	-	-
	For Tax Audit	-	2.53	-	-	-	2.53	-	2.29	-	2.29
	For Company law matters	-	0.45	-	-	-	0.45	-	0.45	-	0.45
	Payment to Directors	-	-	-	-	-	-	-	-	-	-
	For other services	-	0.18	-	-	-	0.18	-	0.18	-	0.18
	For reimbursement of expenses	-	-	-	-	-	-	-	-	-	-
		-	1.07	-	-	-	1.07	-	1.43	-	1.43
	<b>Sub Total (D)</b>	<b>-</b>	<b>4.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.24</b>	<b>-</b>	<b>4.35</b>	<b>-</b>	<b>4.35</b>
<b>E.</b>	<b>Selling &amp; Distribution Expenses:-</b>										
	Freight & Transportation & S.T.	-	-	-	-	-	-	-	-	-	-
	Sale Promotion/Exp.	310.86	-	-	13.26	13.26	324.12	343.56	-	-	343.56
	<b>Sub Total (E)</b>	<b>310.86</b>	<b>-</b>	<b>-</b>	<b>13.26</b>	<b>13.26</b>	<b>324.12</b>	<b>343.56</b>	<b>-</b>	<b>-</b>	<b>343.56</b>
<b>F.</b>	<b>Privilege Fees</b>	<b>1,525.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,525.91</b>	<b>436.51</b>	<b>-</b>	<b>-</b>	<b>436.51</b>
	Prior period expenditure	-	-	-	-	-	-	-	0.20	-	0.20
	<b>Sub Total (F)</b>	<b>1,525.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,525.91</b>	<b>436.51</b>	<b>0.20</b>	<b>-</b>	<b>436.71</b>
	<b>Grand Total (A+B+C+D+E+F)</b>	<b>7,318.69</b>	<b>508.18</b>	<b>655.66</b>	<b>341.24</b>	<b>996.89</b>	<b>8,823.76</b>	<b>7,149.66</b>	<b>176.90</b>	<b>781.62</b>	<b>8,108.17</b>

**ATTENDANCE SLIP**  
**72nd ANNUAL GENERAL MEETING**

Regd. Folio No.

No. of Shares Held

Mr./Mrs/Miss.....

**(Shareholder's Name in Block Letters)**

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

I hereby record my presence at the 72nd Annual General Meeting of the Company to be held at 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur at **4.00 p.m.** on Thursday, the **30th November, 2017.**

\_\_\_\_\_  
If, Signed by proxy, his name should  
be written here in Block letters.

\_\_\_\_\_  
Member's/Proxy's  
Signature

**NOTES:**

1. Shareholders/Proxy-holders are requested to bring the attendance slip with them, duly completed and hand over the same at the entrance.
2. Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting as copies of the report will not be distributed again at the meeting in view of the increasing cost of the Annual Report.
3. If it is intended to appoint a proxy, the attached form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**PROXY**

I,.....of  
.....being a member of  
Rajasthan State Ganganagar Sugar Mills Ltd., hereby appoint.....  
.....of  
.....as a proxy to  
vote for me and on my behalf at the Annual General Meeting of the Company, to be held on the **30th  
November, 2017 at 4.00 P.M.** and any adjournment thereof.

Dated: .....

Note: The proxy should be deposited at the Registered Office of the Company at least 48 hours before the time for holding the meeting.

Affix Revenue  
Stamp

Signature of the Member

