

# **73rd Annual Report 2018**



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





# 73rd Annual Report 2018

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

**Board of Directors**  
(As on 24.12.2018)

**Dr. Prithvi Raj , IAS,**  
Director In-Charge  
Secretary, Finance (Revenue),  
Government of Rajasthan, Jaipur.

**Smt. Aparna Arora, IAS,**  
Principal Secretary to Government, Minority Affairs And Waqf Department  
Government of Rajasthan, Jaipur.

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

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

**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 Devendra Arora**

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

**Statutory Auditors**  
M/s. S Bhargava Associates, Vishwa Shila",  
House NO. 1, Pareek college Road Bani Park, Jaipur- 302016.

**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, Punjab National 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 (73<sup>rd</sup> AGM)/2018

21th December, 2018

## ANNUAL GENERAL MEETING NOTICE

The 73rd Adjourned Annual General Meeting which was earlier scheduled to take place on 19th December, 2018 will now take place on 24th December, 2018 at 2.30 PM at the Registered Office of the Company, 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006 to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the Company for the year 2017 18 and the Reports of the Directors, Auditors and CAG thereon.

Place - Jaipur

Date - 21.12.2018.

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 S Bhargava Associates, Statutory Auditors, Jaipur-302016.
5. M/s ARMS & Associates, Secretarial Auditors, 24 Ka 1, Jyoti Nagar, Jaipur-302004.

**Pawan K. Garg**  
Company Secretary

**PHONES:** DIC-2740886; GM-2740068; FA-2740541; DGM(P&S)-2741085; Co. Secy.-2741956; DGM(Pur.)-2740841;  
DGM(A&P)-2744474; IT Cell-2740475; FAX:0141-2740676; EPBX:2740040

E-mail: hrrsgsmho@gmail.com / rsgsmlimited@yahoo.com

TIN No : 08682100859

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**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**  
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No.:RSGSM/HO/Co.Law (73<sup>rd</sup> AGM)/2018

19th November, 2018

## ADJOURNED NOTICE

NOTICE is hereby given that the Seventy Third ( 73<sup>rd</sup>) Adjourned Annual General Meeting of the Company will be held on Wednesday the 19th December, 2018 at 4.00 PM at the Registered Office of the Company, 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the Company for the year 2017-18 and the Reports of the Directors, Auditors and CAG thereon.

Place - Jaipur

Date - 19.11.2018.

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 S Bhargava Associates, Statutory Auditors, Jaipur-302016.
5. M/s ARMS & Associates, Secretarial Auditors, 24 Ka 1, Jyoti Nagar, Jaipur-302004.

**Pawan K. Garg**  
Company Secretary

**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**



## 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 (73<sup>rd</sup> AGM)/2018

17th September, 2018

### NOTICE

**NOTICE** is hereby given that the Seventy Third ( 73<sup>rd</sup>) Annual General Meeting of the Company will be held on Friday, the 28<sup>th</sup> September, 2018 at 4.00 PM at the Registered Office of the Company, 4<sup>th</sup> Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006 to transact the following business :-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the Company for the year 2017-18 and the Reports of the Directors and Auditors thereon.
2. To declare the interest/dividend on preference shares for the year 2017-18.
3. To fix the remuneration of Statutory Auditors for the year 2018-19 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. 2018-19 and onwards in pursuance of provisions of the Companies Act, 2013."

4. To fix the remuneration of Cost Auditor for the year 2018-19:-

" Resolved that approval be and is hereby accorded to appoint M/s. Mehta N. & Associates, Cost Auditor on a fee of Rs.40,000/- + taxes at applicable rates for cost audit of records of Sugar and Industrial Alcohol operations of the Company. The remuneration of TA/DA will be made equivalent to the Statutory Auditors."

By Order of the Board

**Pawan K. Garg**  
Company Secretary

PLACE : JAIPUR  
DATE : 17.09.2018

1. All Shareholders of the Company.
2. All Directors of the Company.
3. Secretary Finance (Budget), Chairman, Audit Committee, Secretariat, Jaipur.
4. M/s Bhargava Associates, Statutory Auditors, Jaipur-302016.
5. M/s ARMS & Associates, Secretarial Auditors, 24 Ka 1, Jyoti Nagar, Jaipur-302004.

**Pawan K. Garg**  
Company Secretary

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## RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

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17th September, 2018

### 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

PLACE : JAIPUR

DATE : 17.09.2018

By Order of the Board

**Pawan K. Garg**  
Company Secretary

**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  
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**GST No. 08AAACR8906R1ZN**





# **Directors Report & Annexure 2018**

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# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Ladies & Gentlemen,

Your Directors are pleased to place before you the 73rd Annual Report regarding the performance of the Company for the year ending on 31st March, 2018, together with audited statements of accounts.

### **FINANCIAL RESULTS:**

During the year under review 2017-18, the Company has shown operational surplus of Rs. 7122.78 lacs (before depreciation) as compared to Rs 7835.22 lac for the year 2016-17. The retained earnings of the Company have been increased from Rs.9720.02 lacs to Rs. 11763.15 lacs. The provision for depreciation amounting to Rs. 2700.27 lacs has been made as against Rs. 2823.54 lac for previous year. The profit for the year is Rs. 4422.51 lacs as against Rs. 5011.69 Lac of last year. After provision for current year's taxation amounting to Rs. 2300 lacs & adjustment of earlier years Tax Rs. 14.17 lacs and deferred tax asset of Rs. 242.67 lacs, the net profit during the year is Rs. 2351.01 lacs as against Rs. 2701.88 lac during the last year.

The Company falls under the class of companies as specified under Rule 4 of the Companies (Indian Accounting Standards) Rule, 2015, which are required to comply with Ind AS in preparation of financial statements. Company's Networth is more than 250 crores and Company falls under second Phase of implementation which has been done suitably and the financial statements of the company comply with the requirements as laid down in annexure to rule 3 of the Companies (Indian Accounting Standards) Rule, 2015.

In the Excise Policy effective from 01.04.2017 like previous year, 100% supply of Country Liquor in the State has been assigned exclusively to RSGSM, out of which maximum 41% supplies to be made from the production of RSGSM and the balance 59% supplies to be made by purchasing the Country Liquor from the Private Distillers and Bottlers i.e. 47% & 12% 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 31.81% of the annual requirement of the Country Liquor out of its own

production in the State during the year 2017-18 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 97 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 2017-18 Liquor Division has shown a profit of Rs. 9239.00 lacs as against Rs. 10170.00 lacs during the previous year, whereas during 2017-18 Sugar Factory has shown a loss of Rs. 4691.00 lacs as against a loss of Rs. 4326.00 lacs during last year after allocating office overheads proportionately in the ratio of turnover. The loss of Sugar Factory has increased by Rs.365.00 lacs. Privilege Fee of Rs. 1673.86 lac has been paid @ Rs. 0.65per BL on issue of Country Liquor this year (Previous year Rs. 1525.91 Lac @ Rs. 0.65 per BL) to the Excise Department.

### **RESERVES:**

Out of the working surplus for the year ended on 31st March' 2018, a sum of Rs. 2130.00 lac has been transferred to General Reserve.

### **INTEREST/DIVIDEND:**

Your Directors propose payment of Rs. 9.13 lacs as interest/dividend (Interest/dividend distribution tax Rs. 1.86 lacs) on Redeemable Cumulative Preference Shares for the year 2017-18. This Interest/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 and paid up share capital of the Company.

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

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

During the year 2017-18, the total sales of various brands of Heritage Liqueur have been of 21.90 lacs (3713.00 BL) during the year as against Rs. 20.26 lac (3678.75 BL) during last year.

#### **SUGAR DIVISION:**

The cane crushing season commenced on 21.12.2017 and ended on 01.03.2018(71 days) as against 119 days (from



14.12.2016 to 11.04.2017) in the previous year. The Sugar factory crushed 7.73 lacs qtls. of cane and produced 78505 qtls. white sugar and 1950 qtls. NISS in the 2017-18 Cane crushing season in compare to 11.89 lacs Qtls. Cane crushing with production of 103270 qtls. white sugar and 1300 qtls. NISS during the last financial year. During the season estimated sugar recovery, molasses % cane, stoppages % and purchased fuel % were 9.02%, 5.03 %, 23.20 % and 7.45 % respectively. Power export system has exported to the grid 6799226 unit of electricity during the season in compare to 3132490 units of electricity during the last year. The turnover of Sugar Factory & Distillery during the year 2017-18 was Rs. 3877 lac as compared to Rs. 3200.09 lac during last year 2016-17.

#### **LIQUOR DIVISION:**

Sale of Country Liquor during the year 2017-18 has been 2575.57 lac BL, out of which 819.68 lac BL Country Liquor was of RSGSM production and 1755.89 lac BL country Liquor was that of private Distillers/Bottlers.

Sale of Country Liquor during the year 2016-17 was 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

#### **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. **DISTILLERY PLANT** was completed in the year 2015-16 and started using own molasses on 24.11.2016.

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

New Integrated Software was developed as a combined tool for Excise Department, RSBCCL and RSGSM and the existing software and data centre of all three departments is maintained at Excise Office, Udaipur by M/s. E-Connect solutions Pvt Ltd. M/s. E-Connect is handling the software project for updating and maintenance from September, 2017 onwards for further five years as per work order given by RSBCCL (Nodel Agency)

through online tender procurement system. Out of the total cost, 20% is to be borne by RSGSM. Sales module of Country Liquor is fully operational and showing real time data on system of all depots of RSGSM. HR Module, Payroll Module, Purchase Module (Rectified Spirit and other packing material), Supply Module (Rectified Spirit Permits, Other Packing Material) Store Module at Reduction Centre, Production Module at Reduction Centre are also Online and fully operational. Reconciliation of bank data is also being done by mapping bank data with RSGSM server. A software development process to online activities of depositing the amount of challans and issuing the online permit by Excise Department on the available stock at depot of RSGSM is fully developed and is being used from 2016-17 onwards. All the activities of Depot is fully operational and data like stock, sales, licensees ledger, challan deposited in bank etc. are available on real time basis and also integrated with Excise Department.

#### **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, 2018 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:-

**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.

**Shri Krishan Lal Jakhar**, Chief Engineer, Water Resources, Hanumangarh Jn. was appointed director in place of Shri Shri Rajkumar Chowdhary on 29.09.2017.

**Shri O. P. Yadav** retired on 28.02.2018 from Excise Commissioner and Shri Praveen Gupta has been given addl. charge of the post.

**After 31.03.2018 following changes were made in the directorship.**

**Shri Baldev Singh** was appointed as Non official Director on 25.07.2018

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 Finance (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 five meetings of the Board of Directors were held during the year on 08.05.2017, 16.05.2017, 29.09.2017, 18.12.2017 and 28.03.2018 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	3/5
Smt. Aparna Arora	1/5
Shri Naveen Mahajan	0/1
Smt. Manju Rajpal	2/4
Shri Gyana Ram	1/5
Shri O. P. Yadav	1/4
Smt. Manjula Verma	4/5
Shri U.S. Shekhawat	3/5
Shri Rajkumar Chowdhary	1/3
Shri K. L. Jakhar	0/2

**AUDIT COMMITTEE-**

The following were members of the Audit Committee -

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

Smt. Manju Rajpal, Shri O. P. Yadav and Shri U. S. Shekhawat were members of the Audit Committee and all members attended the only meeting held on 29.09.2017 during the financial year 2017-18.

**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.

One meetings of the CSR Committee was held during the year on 28.03.2018.

**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 S. Bhargava Associates, Chartered Accountants, Jaipur were appointed as Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India, New Delhi vide its letter No./CA.V/COY/RAJASTHAN,GANSUG(1)/85 dated 13.07.2017.

**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 for the financial year 2017-18 and Company has appointed M/s R. K. Bhandari & Company, Cost Accountants, Jaipur as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2017-18.

**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 2017-18. 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 31 <sup>st</sup> March, 2018. Thus the Constitution of the board of directors was not as per the provisions of the Companies Act, 2013 and the rules framed thereunder.	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 composition of Committee's of the Board of Directors of the Company was not in accordance with the provisions of the Companies Act 2013 as there were no independent director(s) on the Board of the Company.	

#### **INTERNAL AUDIT & CONTROL:**

The Company is in practice of engaging a panel of qualified CA(s) for Internal Audit of the Company. During the year Chartered Accountants firms were appointed for the internal audit work. The Company continued to implement their suggestions and recommendations to improve the internal control 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 2017-18.

#### **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 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 2017-18 was made of Rs. 77.43 lacs. The Company has contributed Rs. 5.00 crores in Chief Minister Relief Fund which is one of the CSR activities of the Company. 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—

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors have prepared the annual accounts on a going concern basis; and
- 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	In the new integrated Sugar complex following actions has been taken for conservation of energy: - 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	Following steps are being taken for utilizing alternate energy source:- 1- In Sugar plant: Bagass, by-product of Sugar cane crushing process are used as fuel in boiler for steam generation. 2. In Distillery Plant: Bio-mass like cotton stalks, rice husk, mustard straw etc are used as fuel in Distillery Boiler for steam generation.
(iii)	The capital investment on energy conservation equipment's	Capital Investment on conservation of Energy in new sugar and distillery plant was of Rs. 600.00 (approx)

**(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 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) fermentation, extractive vacuum distillation process is being used to produce RS-grade 1.
-----	--	---

(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	In the new Sugar Plant 1- With superior quality Plantation, White Sugar is being produced. 2- Surplus electric power is being exported to grid. 3- Cost of production is reduced. 4- Zero discharge Distillery. In Distillery Plant grain as well as molasses shall be used as raw material and following are produced:- 1- RS grade 1 2- Biogas 3- Bio-compost 4- DDGS
(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  
Dated: 05.09.2018**

(Manjula Verma)  
Director

(Praveen Gupta)  
Director-Incharge



Annexure- I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2018**

(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 -	YES
	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	4 <sup>th</sup> 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	65.81 %
2	Sale of Country liquor produced by RSGSM	155/1551/15511	31.62 %



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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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	---	36068248	36068248	99.97	---	36068248	36068248	99.97	--
<b>B. Public Shareholding (Non-Institutions)</b>									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	10381	10381	0.029	---	10381	10381	0.029	--
Custodian of Enemy property for India, Mumbai	---	7	7	0.00	---	7	7	0.00	0.00
<b>Total Public Shareholding (B)</b>	---	<b>10388</b>	<b>10388</b>	<b>0.029</b>	---	<b>10388</b>	<b>10388</b>	<b>0.029</b>	--
<b>Grand Total (A+B)</b>		<b>36078636</b>	<b>36078636</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 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 holding encumbered to total shares	
1	HON'BLE GOVERNOR OF RAJASTHAN	36068248	99.97	----	36068248	99.97	----	--





**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 (01.04.2017)	36068248	99.97	36068248	99.97
	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>No Change</b>	--	--	--	--
	At the end of the year(31.03.2018)	36068248	99.97	36068248	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	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			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	<b>At the end of the year:-</b>				
<b>AS ABOVE (No Change)</b>					



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

SN		Shareholding at the beginning the year		Cumulative Shareholding of during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	<b>Pawan K. Garg, Company Secretary</b>				
	At the beginning of the year (01.04.2017)	50	00.00	50	0.00
	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>No Change</b>	--	--	--	--
	At the end of the year(31.03.2018)	50	00.00	50	0.00

**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>				
<b>i) Principal Amount</b>	0.00	0.00	0.0	00.00
<b>ii) Interest due but not paid</b>	0.00	4979263.00	0.00	4979263.00
<b>iii) Interest accrued but not due</b>	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	4979263.00	0.00	4979263.00
<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	0.00	0.00	0.00	0.00
<b>ii) Interest due but not paid</b>	0.00	4979263.00	0.00	4979263.00
<b>iii) Interest accrued but not due</b>	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	4979263.00	0.00	4979263.00

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Praveen Gupta	
1	<b>Gross salary</b>	18000.00	18000.00
2	<b>Stock Option</b>	0.00	0.00
3	<b>Sweat Equity</b>	0.00	0.00
4	<b>Commission- ( as % of profit or others)</b>	0.00	0.00
5	<b>Others, please specify</b>		
	<b>Total (A)</b>	18000.00	18000.00
	<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	<b>Gross salary</b>	18000.00	805501.00	1871435.00	2694936.00
2	<b>Stock Option</b>	0.00	0.00	0.00	0.00
3	<b>Sweat Equity</b>	0.00	0.00	0.00	0.00
4	<b>Commission - as % of profit or others</b>	0.00	0.00	0.0	00.00
5	<b>Others, please specify</b>	0.0	00.0	00.0	00.00
	<b>Total</b>	<b>18000.00</b>	<b>805501.00</b>	<b>1871435.00</b>	<b>2694936.00</b>

**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, 2018**

To,

**The Members**

**Rajasthan State Ganganagar Sugar Mills Limited**  
**4<sup>th</sup> 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 **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 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 ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Rajasthan State Ganganagar Sugar Mills Limited ("The Company")** for the period ended on 31st March 2018, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made hereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made hereunder - **Not Applicable as Company is unlisted public Company.**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder - **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, 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) - **Not applicable on the company as the company is unlisted government public company :-**
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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 (Delisting of Equity Shares)



Regulations, 2009;

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 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:

- ***The Company has not appointed Independent Directors during the year ended 31<sup>st</sup> March, 2018. Thus the Constitution of the Board of Directors was not as per the provisions of the Companies Act, 2013 and the rules framed thereunder.***
- ***The composition of Committee's of the Board of Directors of the Company was not in accordance with the provisions of the Companies Act 2013 as there were no independent director(s) on the Board of the Company.***

**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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were taken unanimously in the meetings and no dissenting views observed in the minutes.

We further report that there are adequate systems and process 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 :** 31/08/2018

**FCS Mitesh Kasliwal (Partner)**

Designated Partner

**M. No.:** F8233

**COP. :** 9320



**ANNEXURE - B**

To,

**The Members,  
Rajasthan State Ganganagar Sugar Mills Limited  
4<sup>th</sup> 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,**

**Place: Jaipur  
Date: 31/08/2018**

**FCS Mitesh Kasliwal  
Designated Partner  
M. No.: F8233  
COP.: 9320**



## 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 Sahabhagita 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 :**

The Board re-constituted the CSR Committee of the following Board Members in its meeting held on 29.03.2016 :-

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, Member .
5. Chief Engineer, Water Resource (North), Hanumangarh, Jn., Member

Average net profit of last three years Rs. 387186411.67

2% of average net profit Rs. 7743728.23

Total provision for CSR activities Rs. 7743727.23



The amount spent on CSR activity is mentioned below-

Amount in Rs.

S. No	CSR project or activity identified	Amount Sanctioned for the CSR project or activity	Amount spent on or before 31.03.2018
1.	Contribution towards Chief Minister Relief Fund	5.00 Crore	Nil* Amount spent after end of the financial year 2017-18

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**

**(Manjula Verma)**  
Director

**(Praveen Gupta)**  
Director Incharge

**Place : Jaipur**

**Dated : 05.09.2018**





**S. Bhargava Associates**  
Chartered Accountants

"Vishwa Shila", House No 1,  
Pareek College Road,  
Bani Park,  
Jaipur-302016

**INDEPENDENT AUDITOR'S REPORT**

To  
**The Members of**  
**RAJASTHAN STATE GANGANAGAR SUGAR**  
**MILLS LIMITED, JAIPUR**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 thereunder and the Order issued under section 143(11) of the Act. We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

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



## **S.Bhargava Associates**

Chartered Accountants

"Vishwa Shila", House No 1,  
Pareek College Road,  
Bani Park,  
Jaipur-302016

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

We draw attention to the following matters in the Notes to the financial statements:

1. The company has made substantial quantum of advance payments to suppliers amounting to Rs. 1,39,54,903/- which was Rs 1,50,22,191/- in F.Y 2016-2017 which is included in "Financial Assets" Note no 14 "Other Current Assets" under the Assets head of the Balance sheet. As informed by the management, the supplies received by the company from the said supplier amount to Rs. 1,47,93,415/- which was Rs 1,63,18,112/- in F.Y 2016-2017 whose bills have been not adjusted and included in "Other Current Liabilities" in Note no 24 under the Equity & Liabilities head of the balance sheet. Thus, Assets & Liabilities both are overstated to that extent. Further, it has been explained to us that no legal case is pending in this regard.
2. Attention is invited to Note No 22 "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. Further, during scrutiny of pending legal cases in arbitration against the company, 4 legal cases were found filed by entities covered under MSMED Act, principal amount claimed is in total Rs. 2,53,68,274/-.

3. Attention is invited that company has not followed any procedure to obtain confirmation for their balances featured in any particular day in FY 2017-18 & has not conducted any procedure for 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. Therefore we are unable to comment about the extent of realization of such advances/dues, due to uncertainty involved.
4. Attention is invited to Balance Sheet Note No.24 "Other Current Liabilities" item "Advance from Licensees" amounting to Rs. 5,07,12,802/- which includes 1,35,77,808/- pertaining to current FY 2017-18, however, the balance of Licensees for current FY 2017-18 as per Customer Ledger Modules is Rs. 93,45,108.79/-. 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 difference on individual heads of Financial Statements has not been done.
5. During the current FY 2017-18 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 has not been done.
6. With reference to the accounting policy on valuation on inventories as provided in the Note No. 8 in the financial statements and as per the explanation and information provided by the management, the valuation of closing stocks of impure spirit, denatured spirit, levy sugar etc is done at lower of cost or



NRV. However during the course of audit, no record or document for the verification of the NRV of the said goods were provided for verification. Further, Closing Stock of Work-in-Process and finished Good includes stock of Heritage Liquor lying since long which requires reprocessing and rebottling. Company has not provided any provision on valuation of said inventory being overstated by that amount.

7. The Company has not provided us any techno-economic assessment as on March 31, 2018, whether there is an indication that any asset is impaired, in accordance with the Indian Accounting Standard-36 "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 unprovided.
8. Attention invited to provision of Ind AS 113 on Fair Value Measurement where Non Current Investments & loans & advances shown in financial assets should be valued at Fair Value. But no fair valuation of the same has been carried out by company and shown at historical cost in books of accounts.
9. Based on our review, the closing balances of certain parties under the head "Outstanding liability" amounting Rs. 45,75,346/-, "Advance from license" due from more than 3 years amounting Rs. 1,08,45,152/-, "Security deposit" with the company amounting to Rs. 5,62,75,977/- and "Trade payable" which is reflected in the books at Rs. 1,78,90,169/- is carried forwarded from preceding three years and no transactions have taken place in these accounts. Considering the nature of the accounts and transactions, the claimants have not claimed the balances for a considerable time there arises an uncertainty of actual liability. Similarly "Loan and advances" amounting Rs. 27,01,000/- included in Note no. 7 "Other non-current assets", "Trade receivables" amounting 17,00,000/- included in Note no. 9 having ageing more than 1 year and "Advance to staff" amounting to Rs. 12,94,104/- was pending from more than one year which arises an uncertainty of actual asset.
10. Company has provided a list of 98 legal cases pending at various statutes. Out of these 98 cases, the company has quantified details of

41 cases pending for arbitration which are shown as contingent liability not acknowledged as debts. However other cases are related with Labour/Contractor/Private parties, statutory dues and other issues. Details of these cases have not been provided by the company. Therefore provision against these cases or contingent liabilities amount in respect of these Claims of Workmen/ Contractor/ Private Party's pending adjudication/ Appeal, etc., is unascertainable. In this regard it has been observed that the company does not have a system to quantify contingent liabilities in respect of claims of the parties mentioned above; hence the amount could not be ascertained leading to non-disclosure of amount of contingent liabilities in this regard. In the absence of complete details, we cannot comment on the same, further the same is not in accordance with IND-AS 37: Provisions, Contingent Liabilities & Contingent Assets.

11. Attention invited to Note No 3c Based upon our review, it has been observed that Capital Work in progress of the company amounting to Rs. 1,53,69,887.00 is reflected in the books of accounts same as last year and management has not provided any details about capitalization and asset installation of the same.

Our opinion is not modified in respect of these matters.

#### **Other Matter**

The financial information of the Company for the year ended March 31, 2017 and the transition date

opening balance sheet as at April 1, 2016 included in these standalone financial statements, are based on the previously issued audited financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by previous audit firm "M/S Dhoot & Associates (FRN:002145C), on which previous auditors expressed unmodified opinion. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition have been audited by other auditor and have been relied upon by us.

Our opinion on standalone financial statements above and our report on legal and other requirements below is not modified in respect of above matters with respect to



our reliance on the work done and the reports of other firms of Chartered Accountants and the financial statements/financial information certified by the management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors 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 A", a statement on the matters specified in the paragraph 3 & 4 of the said order.
2. As required under section 143 (5) of the Companies Act, 2013, we give in the "Annexure B", a statement on the directions issued by, Comptroller and Auditor General of India, after complying with the suggested methodology of audit, the action taken there on an its impact on the accounts and financial statements of the company.
3. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act., subject to as referred in "Emphasis of matter paragraph"
  - e) In pursuance to the notification number. G.S.R.463 (E) dated June 5, 2015 issued by the ministry of cooperate affairs, section 164(2) of the companies Act 2013 pertaining to disqualification of directors, is not applicable to government company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness

of such controls, refer to our separate Report in "Annexure C". Our report expresses and modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has not disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been significant delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note No.24

For on Behalf of

**S.BHARGAVA ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No. 003191C)

Harsha Ramnani  
M.NO. 411766  
PARTNER

DATE: 5<sup>th</sup>, September, 2018  
PLACE: JAIPUR



**S.Bhargava Associates**  
Chartered Accountants

"Vishwa Shila", House No 1,  
Pareek College Road,  
Bani Park,  
Jaipur-302016

**ANNEXURE "A" TO THE INDEPENDENT  
AUDITOR'S REPORT**

**(Referred to in paragraph 2 under „Report on  
Other Legal and Regulatory Requirements“  
section of our report to the Members of  
RAJASTHAN STATE GANGANAGAR SUGAR  
MILLS LIMITED, JAIPUR of even date)**

i. In respect of the Company's fixed assets:

1. The Company is maintaining records of fixed assets. However, quantitative details and situation of fixed assets are not maintained/ indicated.
2. 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, Sriganganagar, which in our opinion, is reasonable having regard to the size of the Company and the 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.
3. 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/lease deed of immovable properties as disclosed in Note No.3A "Property Plant & Equipment" to the financial statements are held in the name of the company except for the following. For detailed examination, refer point number 1 of Annexure B to the independent auditor reports.

Sr. No	Immovable Property	Location of Property
1	Land and Building	Mandore
2	Land and Building	Rani
3	Land and Building	Chittorgarh
4	Land and Building	Bhilwara
5	Land and Building	Jhotwara
6	Land and Building	Kota
7	Land and Building	Baran (Warehouse)
8	Land	Bundi (Warehouse)

ii. In respect of its Inventory:

- a. 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 except for the instances specified under.

Sr. No.	Goods	Remarks
1	Denatured Spirit	Physical verification reports were not available.
2	Stores and Spare parts	Records not maintained properly, hence cannot be identified.
3	Closing inventories at sugar mill	Physical verification register not maintained properly and not authorized by competent authority.

- b. In our review of physical verification reports provided by management, discrepancies were noticed in physically verified quantities of inventories as compared to book records, but the same were not material and have been properly dealt with in the books of accounts. Further, stocks of rejected goods were found during the physical verification of the stocks but the same were not considered in the quantities of closing stock in the books of accounts.
- iii. As per the information and explanations provided to us by the management, the Company has not granted any loans, secured or unsecured loans 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 paragraph (iii) of the order regarding interest and repayment of such loans are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.
- v. The Company has not accepted deposits, covered under the sections 73 and 76 or other relevant provisions of The Companies Act 2013, during the year and does not have any unclaimed deposits as at March 31, 2018 and no order is passed by the



Company Law Board (CLB) or The National Company Law Tribunal (NCLT) or Reserve Bank Of India or any other court or tribunal, therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has been broadly reviewed by us in respect of products where it has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been maintained by the company. However, detailed examination of these records with a view to determine whether they are accurate or complete could not be carried out.

vii. According to the information and explanations given to us, in respect of statutory dues:

1. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities
2. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except as stated below:-

Name of the Statute	Name of the Dues	Amount in Rs	Period to which the amount relates
Goods and Service Tax Act, 2017	GST	2,022,782.82	FY2017-2018

3. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Name of the Statute	Name of the Dues	Amount in (lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	123.67	A.Y 2000-2001	Supreme Court
		46.71	A.Y 2003-2004	
		80.44	A.Y 2004-2005	
		450.06	A.Y 2005-2006	
		192.63	A.Y 2005-2006	
		1,349.43	A.Y 2006-2007	
		2,311.16	A.Y 2007-2008	
		1,241.93	A.Y 2008-2009	
		220.75	A.Y 2009-2010	
		1,174.23	A.Y 2010-2011	
		1,268.71	A.Y 2011-2012	
		1,497.77	A.Y 2012-2013	
		2,248.88	A.Y 2013-2014	
164.12	A.Y 2014-2015			

viii. The Company has neither taken any loans or borrowings from financial institutions, banks and government nor has issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us and audit procedures applied during the conduct of the audit, one material theft on the Company by its officers or employees has been noticed or reported during the year amounting to Rs. 60.77 Lacs against theft of inventory of country liquor from Pokhran Depot.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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.

For S.BHARGAVA ASSOCIATES  
Chartered Accountants  
(Firm's Registration No. 003191C)

Harsha Ramnani (M.NO.411766)  
PARTNER

DATE:- 5<sup>th</sup> September, 2018

PLACE:- Jaipur



## S. Bhargava Associates

Chartered Accountants

"Vishwa Shila", House No 1,

Pareek College Road, Bani Park, Jaipur-302016

**Annexure " B" to the Independent Auditors' Report-  
GENERAL DIRECTIONS ISSUED U/s 143(5) OF THE  
COMPANIES ACT, 2013 FOR THE FY2017-18**

The Annexure "B" referred to in our Independent Auditor's Report to the members of the Company on the standalone IWD AS financial statements for the year ended 31 March 2018, we report that:

**1. Whether the Company has clear title/lease deeds for freehold and leasehold property respectively? If not, Please state the area of freehold and leasehold land for which title / lease deeds are not available?**

During the conduct of the audit, original title deed/lease deed of any of the immovable property was not provided for our verification; therefore we are unable to give an opinion whether the company has clear title/lease deeds for freehold and leasehold property. However, following information is provided by the company:

S No.	Place	Type	Particulars of the Property	Agreement Date	Validity Period	Amount	Remarks
1	4th Floor. N.S Bhawan Jaipur	Owned	17292 Square ft.	01- Allotment Letter 02- Share Certificate of cooperative Society	N/A	16,56,584/- as on 31-03-2018	
2	Industrial Area, Jhunjhunu	Leased from RFC	2000 Sq.mtr	Sale Deed	99 years	6,16,000/- as on 1996-97	
3	Industrial Area, Tara Nagar	Leased RIICO	4000 Sq.mtr	Allotment Letter	99 years	2,72,000/- as on 02-08-1999	
4	Udai Sagar Road, Udaipur	Owned	3203 Sq.mtr	22.08.1960	NA	Rs. 21,760/-	
5	Kaminpura Chak-23 SGNR	Owned	37695 HACTR	Jamabandi	NA	118,000,000/-	Out of 37695 Hectare, possession of 23.022 Hectare land has been taken on 17.4.2008. The matter of acquisition of rest 14.673 Hectare land is subjudice, as the farmers have challenged the decision of Land Acquisition Officer in Hon'ble High Court, Jodhpur. For further detail refer Note 3(a) Point C (ii) & (iii) of Financial Statement.
6	S.F. SGNR	Owned	125 Bigha 3 Biswa	Govt. Allotment	NA	Rs. 544.33 Cr. As on 9.10.2012	Revalued by Sub Registrar



7	B-327, Industrial Agar, Agri Food Park, SGNR	Leased form RIICO	6807 m2	Lease Deed	99 years	Rs. 88,49,906/- as on 15-11-2011	Title deed are yet to be executed in favour of the company For further detail refer Note 3(a) Point B of Financial Statement.
8	48, Old Industrial Area, Bharatpur	Leased form RIICO	1 Acre	Lease Deed	99 years	8,30,000 /- as on 23-03-1995	
9	E-617, MIA Industrial Area, Alwar	Leased form RIICO	4000 Sq.mtr	Lease Deed	99 years	8,88,990/- as on 18-08-1999	
10	SP-5 (R), SP (B) Industrial Area, Phase-II Hanumangarh	Leased form RIICO	4782 Sq.mtr	08.01.2010 Lease Deed	99 years	38,26,168/- as on 08-01-2010	
11	E-5, Sarveshwar Industrial Area, Sirohi	Leased form RIICO	4000 Sq.mtr	Lease Deed	99 years	5,94,000/- as on 29-05-2001	
12	E-281, 282, Growth Center, Hamirgarh, Bhilwara	Leased form RIICO	4000 Sq.mtr	Lease Deed	99 years	1,25,24,000/- as on 12-09-2012	
13	Dholpur Near Railway Station	Owned form HPGL	54 Bigha 5 Biswa	By Merger		8659.85/- as on 17-06-63	Companies have no title document regarding land amounting to Rs. 8,660.00.  Refer Note No. 3(a) Point B of Financial Statements.
14	Ramganj, Ajmer	Leased	(a) 5 Bigha, 11 Biswa, 10 Biswani	Registration Date- 05-04-2012	99 years	(a) Rs. 12,04,156/-	
		Leased	325 Sq. Yard	transfer UIT	99 years	(b) Rs. 81,250/- as on 06-03-1995	
15	F-3, F-4 Ind. Area, Ranthambhore Road, Sawai Madhopur	Lease from RIICO	4000 Sq. mtr	Lease Deed	99 years	Rs. 6,86,500/- as on 31-03-1995	





16	SPL-1, Kuber Exn. Area, Ranpur, Kota	Lease from RIICO	6000 Sq. mtr	Lease Deed	99 years	Rs. 90,98,805/- as on 12.08.2018	
17	Khara, Bikaner	Lease from RIICO	20000 Sq.mtr	20.02.1997 Lease Deed	99 years	Rs. 12,20,750/- as on 20-02-1997	
18	Industrial Area, Dholpur	Lease from RIICO	4000 Sq.mtr	14.12.2016 Lease Deed	99 years	Rs. 74,50,206/- including S/D and of new charges as on 14-12-2016	
19	Industrial Area, Baran	Lease from RIICO	4816 Sq.ft	16.01.2015 Lease Deed	99 years	Rs. 61,85,957/- including S/D and of new charges as on 16-01-2015	

*Further, the above table should be read with Note 3(a) of the Financial Statement for more clarity.*

Also, the land and building at Mandore, Rani, Chittorgarh, Bhilwara, Jhotwara, Kota, Baran warehouses and land of Buridi city 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 11 of the Companies Act, 2013.

**Waiver/Write Off of debts/loans/interests etc.**

As per the process of the Company any waiver/write off of debts/loans/interest etc. is accounted only with the approval of Competent Authority. During audit period, there are no significant cases of waiver/write off of debts/loans/interest etc. except the following cases:

- In the financial statements, amount of Rs. 4979263/- is shown under the head "Other Non-Current Financial Liabilities"; as "State Enterprises Department Loan". As per the explanation given by the management this amount is the interest liability which occurred due to merger of the HPGL with the company and is pending waiver. An application for the waiver of this interest amount is submitted and order in this regard is awaited.
- In RC; Mandore, accrued: interest of amount 54002/- is reflected in books of accounts. As per the explanation given by the management, this interest amount was wrongly booked in the books based on interest certificate issued by baifi however, no such interest is

realized till date and the interest of amount 54002/- is not actually accrued. Management has not yet written off this accrued interest amount and this amount is still shown under the head "Other Current Assets" "Interest Accrued & Others" in the balance sheet.

**3. inventories lying with the third parties and assets received as gift from Government or other authorities. ;**

As per the information and explanation provided by the management and to the best of our knowledge there are no inventory of the Company lying with third parties as at the end of the year. Further, the company has not received any assets from Government or other authorities as gifts.

**SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2017-18**

**1. Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?**

The company follows the pricing policy as prescribed under pt. 3.8.2 of Rajasthan Excise Policy 2017-18, where the price of country liquor is fixed by the Government of Rajasthan and the same is mentioned in the excise policy. Therefore, the price that absorbs fixed and variable cost of production is not determined by the company.



The sale of sugar takes place through a bidding process in market place at regular intervals. Thus, the price of sugar is determined through the bidding process. Therefore, absorption of fixed and variable costs in the selling price is not in the hands of the company.

In case sale of electricity, rate per unit is decided by RECE and adopted by the company for the purpose of billing and accounting revenue.

**2. What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.**

Finished Goods consists of following components which are measured as follows:

- Sugar at warehouse, which is measured at lower of cost or NRV
- Sugar at retail shops, which is measured at lower of cost or NRV
- I.M.F.L. at warehouse, Which is measured at lower of cost or NRV
- Heritage liquor, which is measured at lower of cost or NRV
- Country liquor:
- Own Production at lower of cost or NRV
- Private Distiller's Production at lower of cost or NRV
- Denatured Spirit; which is measured at lower of cost or NRV

By products of the company consists of following components which are measured as follows:

- Molasses, which is measured at lower of cost or NRV
- Bio-compost Which is measured at NRV
- Impure Spirit) which is measured at NRV

Based upon our review the company followed the above specified policies for the valuation of finished products and by products and no deviation from the policies was observed except matter of emphasis issued in Independent audit report.

**3. 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.**

Based upon our review, it has been noticed that Company has ineffective system for Physical Verification, Valuation of stock and treatment of non-moving items and needs significant improvement. Following are the major discrepancies observed during the audit period:-

1. Physical Verification report of Denatured spirit at

Ganganagar sugar mills is not provided.

2. Inventory of Stores and spares not maintained properly, hence not identifiable.
3. Physical Verification Register of Closing Inventory are not prepared properly and also not authorized by competent Authority at Sugar Mills
4. Based upon the review of physical verification reports of closing stocks of country liquor and the Schedule 20, it is observed that stock physically present at the depot includes stocks of rejected goods (liquor not fit for human consumption) but not considered in the closing quantities as stated by the company in Schedule 20.

As per the management's response, these goods are held to be discarded but permission from excise department is awaited for taking necessary actions.

5. Closing Stock of Work-in-Process and finished Good includes stock of Heritage Liquor lying since long which requires reprocessing and rebottling. Company has not provided any provision on valuation of said inventory being overstated by that amount.
6. In our review of physical verification reports provided by management, discrepancies were noticed in physically Verified quantities of inventories as compared to book records, but the same were not material and have been properly dealt with in the books of accounts.

For & on Behalf of  
**S.BHARGAVAASSOCIATES**  
Chartered Accountants  
(Firm's Registration No. 003191C)

Harsha Ramnani  
M.NO.411766  
PARTNER

DATE:- 5<sup>th</sup> September, 2018  
PLACE:- Jaipur



## **S.Bhargava Associates**

Chartered Accountants  
"Vishwa Shila", House No 1,  
Pareek College Road,  
Bani Park,  
Jaipur-302016

### **ANNEXURE " C " TO THE INDEPENDENT AUDITORS' REPORT-**

*(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR of even date)*

#### **Report on the Internal Financial Controls Over Financial Reporting 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, JAIPUR ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013,; to the extent applicable to an audit of internal financial controls. 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 control 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **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, to the best of our information and according to the explanations given to us, except for the *area* mentioned in the "Emphasis of matter" in Independent Audit Report & Accounting of statutory dues, consumption on relative basis in sugar mill, reconciliation of old suspense balances, fixed deposit balance reconciliation, staff advances, stale cheque accounting, bank reconciliations, application of cut off procedures and GST reconciliations, accounting of input tax credit and accounting of license fee's needs further improvement; and standardization, besides above mentioned 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For & on Behalf of  
**S.BHARGAVAASSOCIATES**  
Chartered Accountants  
(Firm's Registration No. 003191C)

Harsha Ramnani  
M.NO.411766  
PARTNER

DATE:- 5<sup>th</sup> September, 2018  
PLACE:-Jaipur



Para No. of Auditor's Report	Reply
<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.
2.	It has been suitably disclosed at Note No.22
3.	It has been suitably disclosed at Note No.52. However, efforts will be made to get confirmation.
4.	It has been suitably disclosed at Note No.52. 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 31.03.2018 but not reflected in software as challan generated and cash deposited was against supply for the period related to FY 2018-19.
5.	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.
6.	To destroy the stock of Heritage Liquor lying since long at Jhotwara RC, the matter has been taken up with the Excise Department. Adjustment entry will be made in the books of the Company after completion of event.
7.	It has been suitably disclosed at Note No.3 and 46.
8.	It has been suitably disclosed at Note No. 4 and 7.
9.	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 after necessary correspondence with the related party/ supplier. The Company is taking the matter before Board of Directors to book the income of security deposits of suppliers held by the Company for more than 3 years and the Company is not having any transaction with them.
10.	It has been suitably disclosed at Note No. 42.
11.	Due to non adjustment of bills of the concerned party, amount could not be capitalized upto the

	financial year 2017-18, though the same will be capitalized in the next financial year.
Legal and Regulatory requirements 1,2,3(a),(b),(c),(d),(e), (f),(g),(i),(ii),(iii),	These are factual statement and need no comments
<b>ANNEXURE-A</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.
(2)	A Committee was constituted for Physical Verification of fixed Assets of Sugar Division report of which is yet to be received.
(3)	The land mentioned was of government and company is using the same from past many years being a government corporation.
2. (a)	Necessary action will be taken.
(b)	Needs no comments.
3	Needs no comments.
4	Needs no comments.
5	Needs no comments.
6	Needs no comments.
7 (1)and(2)	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.
(3)	The disputed statutory dues as indicated in the relevant paragraphs have been disclosed as contingent liability, as mentioned at Note No. 42 of Notes to Accounts.
8.	It is a factual statement & needs no comments.
9	It is a factual statement & needs no comments.
10	Propor adjustment had been in the books for the theft of stock after registering a FIR in the concerned Police Station.
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.

#### ANNEXURE-B

1	The property mentioned in the annexure was of government, so no title deed or lease deed is in name of company and company is using the same from past many years being a government corporation.
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2(a)	Loan is of HPGL, a company merged in RSGSM. Letter for waiver of this amount had been forwarded to the State Enterprises Loan Department.
2 (b)	Necessary adjustment will be made after getting certificate from the bank of the mistake on the part of bank.
3.	It is a factual statement & needs no comments.
<b>Sub Direction</b>	
1 & 2	It is a factual statement & needs no comments. It has been suitably disclosed at Note No. 2
3.	Physical verification are done by competent personnel of the company. Company is taking steps to improve the same for the future period..

**Place: Jaipur**  
**Dated: 05.09.2018**

**For and on behalf of the Board**

**(Manjula Verma)**  
**Director**

**(Praveen Gupta)**  
**Director-Incharge**



# Financial Statements 2018

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## RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

**CIN : U15421RJ1945SGC000285**

Regd. Office : - 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006

Website: - www.raicxise.gov.in. Phone no.: - 0141-2740040

### **Balance Sheet as at 31<sup>st</sup> March, 2018**

	Note	As at	As at	As at
		31st March, 2018	31st March, 2017	01st April 2016
		Amount	Amount	Amount
		(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
<b>I. ASSETS</b>				
<b>[1] Non-Current Assets</b>				
(a) Property, Plant and Equipments	3 (a)	13,162.68	14,374.07	11,250.33
(b) Intangible Assets	3 (b)	0.01	1.91	2.70
(c) Capital Work-In-Progress	3 (c)	845.13	160.13	5,797.05
(d) Financial Assets				
(1) Non-Current Investments	4	0.11	0.11	0.11
(2) Others	5	36.81	41.82	43.75
(e) Deferred Tax Assets	6	122.80	-	-
(f) Other non-current assets	7	107.59	114.40	160.60
	<b>Sub Total</b>	<b>14,275.13</b>	<b>14,692.44</b>	<b>17,254.54</b>
<b>[2] Current Assets</b>				
(a) Inventories	8	8,081.69	7,467.51	5,647.61
(b) Financial Assets				
(1) Trade Receivables	9	681.80	1,089.69	993.22
(2) Cash and Cash Equivalents	10	2,708.07	2,208.96	3,559.31
(3) Bank Balance Other than Cash and Cash Equivalents	11	15,119.96	10,821.35	6,079.43
(4) Loans and Advances	12	1,338.07	1,809.60	522.73
(5) Others	13	138.10	436.42	355.24
(c) Other Current Assets	14	2,147.58	1,956.56	1,287.30
(d) Current Tax assets (Net)	15	-	-	361.52
(e) Assets classified as held for sale	3 (d)	94.00	-	-
	<b>Sub Total</b>	<b>30,309.28</b>	<b>25,790.08</b>	<b>18,806.37</b>
	<b>Total Assets</b>	<b>44,584.41</b>	<b>40,482.52</b>	<b>36,060.91</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	16	18,039.32	18,039.32	14,284.38
(b) Other Equity	17	11,763.15	9,720.02	6,817.98
	<b>Sub Total</b>	<b>29,802.47</b>	<b>27,759.34</b>	<b>21,102.36</b>
<b>Liabilities</b>				
<b>[1] Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	55.50	80.81	89.81
(ii) Other Financial Liabilities	19	-	-	3,754.79
(b) Deferred Tax Liabilities (Net)	20	-	281.99	566.25
(c) Other Non Current Liabilities	21	486.09	82.29	76.23
	<b>Sub Total</b>	<b>541.59</b>	<b>445.08</b>	<b>4,487.08</b>
<b>[2] Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	22	8,291.37	7,197.78	6,300.64
(ii) Other Financial Liabilities	23	2,675.84	2,208.99	2,341.47
(b) Other Current Liabilities	24	2,914.61	1,872.43	1,729.36
(c) Provisions	25	126.36	211.59	100.00
(d) Current Tax Liabilities	26	232.16	787.31	-
	<b>Sub Total</b>	<b>14,240.34</b>	<b>12,278.10</b>	<b>10,471.47</b>
	<b>Total Equity and Liabilities</b>	<b>44,584.41</b>	<b>40,482.52</b>	<b>36,060.91</b>

Place : Jaipur  
Dated : 05/09/2018

*As per our attached report of even date*

*On behalf of the Board*

For S. Shargava Associates  
Chartered Accountants  
F.R. No: 003191C

(Devendra Arora)  
CFO

(Pawan K. Garg)  
Secretary

(Manjula Verma)  
Director  
DIN-02815903

(Praveen Gupta)  
Director- In charge  
DIN-03521006

Harsha Ramnani  
Partner  
M. No. 411766





**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

**CIN : U15421RJ1945SGC000285**

Regd. Office : - 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006

Website: - www.raieexcise.gov.in. Phone no.: - 0141-2740040

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2018**

	Note No.	Year ended 31st March, 2018 Amount (₹ in Lacs)	Year ended 31st March, 2017 Amount (₹ in Lacs)	
I	Revenue From Operations	27	114,324.56	103,969.40
II	Other Income	28	2,665.74	1,195.17
III	<b>Total Income (I+II)</b>		<b>116,990.30</b>	<b>105,164.57</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	29	24,822.42	24,101.73
	Purchases of Stock-In-Trade	30	67,988.74	58,874.97
	Changes in Inventories	31	(611.98)	(1,874.36)
	Finance Cost	32	11.00	11.59
	Employee Benefits Expenses	33	8,410.54	7,209.93
	Depreciation and Amortization Expenses	3	2,700.27	2,823.54
	Other Expenses	34	9,246.80	9,005.48
	<b>Total Expenses</b>		<b>112,567.80</b>	<b>100,152.89</b>
V	<b>Profit/(Loss) Before Tax (III- IV)</b>		<b>4,422.51</b>	<b>5,011.68</b>
VI	<b>Tax Expenses:</b>			
	(1) Current Tax		2,300.00	2,700.00
	(2) Earlier Years Tax		14.17	0.00
	(3) Deferred Tax Charges/(Credits)		(242.67)	(390.19)
VII	<b>Profit/(Loss) for the period (V- VI)</b>		<b>2,351.01</b>	<b>2,701.88</b>
VIII	<b>Other Comprehensive Income</b>			
-	Items that will not be reclassified to Profit and Loss		(468.43)	306.10
-	Income tax relating to items not be reclassified to profit and loss		162.11	(105.93)
	<b>Total Other Comprehensive Income</b>		<b>(306.32)</b>	<b>200.16</b>
IX	<b>Total Comprehensive Income for the period (VII + VIII)</b>		<b>2,044.69</b>	<b>2,902.04</b>
	<b>Earnings Per Share of Rs.50 Each</b>			
	<b>Basic (Rs.)</b>		5.94	9.43
	<b>Diluted (Rs.)</b>		5.94	9.43
	Significant Accounting Policies	1		
	Notes to Accounts	2		

As per our attached report of even date

Place : Jaipur  
Dated : 05/09/2018

On behalf of the Board

For S. Bhargava Associates  
Chartered Accountants  
F.R. No: 003191C

(Devendra Arora)  
CFO

(Pawan K. Garg)  
Secretary

(Manjula Verma)  
Director  
DIN-02815903

(Praveen Gupta)  
Director- In charge  
DIN-03521006

Harsha Ramnani  
Partner  
M. No. 411766



## RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

**CIN : U15421RJ1945SGC000285**

Regd. Office : - 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006

Website : - www.raiexcise.gov.in. Phone no.: - 0141-2740040

### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>A. Cash Flow from Operating Activities</b>	<b>Amount (₹ in Lacs)</b>	<b>Amount (₹ in Lacs)</b>
<b>Net Profit before Tax and Extraordinary items</b>	4,422.51	5,011.68
<b>Adjustment for :</b>		
Depreciation during the year	2,700.27	2,823.54
Interest cost	11.00	11.59
Provision	60.77	100.00
Amount classified as OCI	(468.43)	306.10
Loss/(Profit) on sale of Fixed Assets	(905.57)	(0.20)
Interest Income	(1,129.18)	(889.09)
Interest Paid	-	-
Other Non operating Income	-	-
<b>Operating Profit before working Capital Changes &amp; Extraordinary Items</b>	<b>4,691.37</b>	<b>7,363.63</b>
<b>Adjustment for :</b>		
Trade and other Receivables, other Current Assets	796.40	(1,423.24)
Inventories	(614.18)	(1,819.90)
Trade and other Liabilities	2,693.39	919.32
<b>Cash Generated from Operations</b>	<b>2,875.60</b>	<b>(2,323.81)</b>
Prior Period Adjustments	-	-
Taxes paid	(2,870.63)	(1,906.44)
Extraordinary Items	-	-
<b>Net Cash from Operating Activities</b>	<b>4,696.35</b>	<b>3,133.38</b>
<b>B. Cash Flow from Investing Activities</b>		
(Purchase)/ Sale of Fixed Assets/CWIP	(1,443.38)	(309.38)
Bank Balances other than cash	(4,298.61)	(4,741.92)
Long Term Loans & Advances, other Non Current Assets	24.08	(307.13)
Interest Income	1,129.18	889.09
<b>Net Cash used in Investing Activities</b>	<b>(4,588.74)</b>	<b>(4,469.34)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issuance of Share Capital	-	3,754.94
Sale of Non Current Investments	-	-
Long Term Borrowing & long Term Liabilities	403.81	(3,757.73)
Interest Paid (Dividend paid (including tax)	(12.30)	(11.59)
Share Application Money	-	-
<b>Net Cash used in Financing Activities</b>	<b>391.50</b>	<b>(14.39)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>499.11</b>	<b>(1,350.35)</b>
Opening Balance of Cash and Cash Equivalents	2,208.96	3,559.31
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,708.07</b>	<b>2,208.96</b>
<b>Cash and Cash Equivalents Comprises</b>		
Cash, cheques and drafts in hand	5.99	10.02
Balance with scheduled bank in current accounts	2,702.08	2,198.94
	<b>2,708.07</b>	<b>2,208.96</b>

**Notes:**

- (i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in 'Ind AS -7 STATEMENT OF CASH FLOWS.  
(ii) Previous Year figures have been re-grouped/ re-arranged wherever considered necessary.

Place : Jaipur  
Dated : 05/09/2018

*As per our attached report of even date*

For S. Bhargava Associates  
Chartered Accountants  
F.R. No: 003191C

*On behalf of the Board*

(Devendra Arora)  
CFO

(Pawan K. Garg)  
Secretary

(Manjula Verma)  
Director  
DIN-02815903

(Praveen Gupta)  
Director- In charge  
DIN-03521006

Harsha Ramnani  
Partner  
M. No. 411766



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

**CIN : U15421RJ1945SGC000285**

Regd. Office : - 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006

Website: - www.raieexcise.gov.in. Phone no.: - 0141-2740040

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2018**

<b>(a) Equity Share Capital</b>							<b>Amount (₹ in Lacs)</b>
<b>For the year ended 31st March, 2018</b>				<b>For the year ended 31st March, 2017</b>			
	Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March 2018		Balance as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 31st March 2017
	18,039.32	-	18,039.32	-	14,284.38	3,754.94	18,039.32
<b>(b) Other Equity</b>							<b>Amount (₹ in Lacs)</b>
Particulars	Reserve and Surplus				Other Comprehensive Income Remeasurement of Defined Benefit Plan	Total Other Equity	
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance as at 1st April, 2016 Opening	33.44	116.75	6,315.15	140.01	-	6,605.34	
Deferred Tax Liability created	-	-	-	(143.30)	-	(143.30)	
Fund Gratuity	-	-	-	309.02	-	309.02	
Fund Leave Encashment	-	-	-	46.92	-	46.92	
Balance as at 1st April, 2016 (Closing)	33.44	116.75	6,315.15	352.65	-	6,817.98	
Balance as at 1st April, 2016	33.44	116.75	6,315.15	352.65	-	6,817.98	
Profit for the year	-	-	-	2,701.88	-	2,701.88	
Other comprehensive Income/(loss) for the year	-	-	-	-	306.10	306.10	
Deferred Tax on OCI	-	-	-	-	(105.93)	(105.93)	
Transfer from/to other comprehensive Income/ retained earnings	-	-	3,150.00	(3,150.00)	-	-	
Dividend	-	-	-	-	-	-	
Dividend Distribution Tax	-	-	-	-	-	-	
Balance as at 31st March, 2017	33.44	116.75	9,465.15	(95.47)	200.16	9,720.02	
Balance as at 1st April, 2017 (As per IND AS)	33.44	116.75	9,465.15	(95.47)	200.16	9,720.02	
Profit for the year	-	-	-	2,351.01	-	2,351.01	
Other comprehensive Income/(loss) for the year	-	-	-	-	(468.43)	(468.43)	
Deferred Tax on OCI	-	-	-	-	162.11	162.11	
Transfer from/to other comprehensive Income/ retained earnings	-	-	2,130.00	(2,130.00)	-	-	
Free Hold Land Written off	-	-	-	(1.56)	-	(1.56)	
Dividend including Dividend Distribution Tax	-	-	-	-	-	-	
Balance as at 31st March, 2018	33.44	116.75	11,595.15	123.97	(106.15)	11,763.15	

Place : Jaipur  
Dated : 05/09/2018

*As per our attached report of even date*

For S. Bhargava Associates  
Chartered Accountants  
F.R. No: 003191C

*On behalf of the Board*

(Devendra Arora)  
CFO

(Pawan K. Garg)  
Secretary

(Manjula Verma)  
Director  
DIN-02815903

(Praveen Gupta)  
Director- In charge  
DIN-03521006

Harsha Ramnani  
Partner  
M. No. 411766



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**1 CORPORATE INFORMATION**

Rajasthan State Ganganagar Sugar Mills Limited (the "Company") is a Government of Rajasthan owned unlisted public limited company incorporated and domiciled in the state of Rajasthan, India and its registered office is located at 4th floor, Nehru Sahakar Bhawan, Bhawani Singh Road, Jaipur, Rajasthan, India.

The Company is engaged in the manufacturing of Sugar and Country Liquor, trading of Country Liquor and generation of electricity in Rajasthan.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.01 Basis of Preparation and Presentation**

- a The Ministry of Corporate Affairs has notified the roadmap to implement IND AS notified under Section 133 of The Act read with Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. According to the said roadmap the company is required to apply IND AS in preparation of Standalone financial statements from the financial year beginning from 1st April 2017.
- b The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rules, 2015 read with section 133 of the Companies Act, 2013. Upto 31-03-2017, the company has prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Indian Accounting Standard) Rules, 2006 and considered as Previous GAAP. These financial statements are the Company's first Ind AS compliant financial statements and are covered by Ind AS-101 "First Time Adoption of Indian Accounting Standards". The date of transition to Ind AS is 01-04-2016. Refer Note No. 2.19 for the details of first time adoption exemptions availed by the Company and reconciliation of the reserves on transition date and the loss for the previous year as per Ind AS and Previous GAAP. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 05-09-2018.

Reconciliations and descriptions of the effect of the transition have been summarized in Note "47".

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 a change in the accounting policy hitherto in use.

**2.02 Basis of Measurement**

The Financial Statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Certain Financial assets and liabilities measured at Fair Value (Refer Accounting policy regarding financial instruments).
- Assets held for sale
- Defined benefit plans

**2.03 USE OF ESTIMATES**

The preparation of the financial statements in conformity with IND-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The estimates, judgements and underlying assumptions are renewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. The management believes that the estimates used in preparation of the Standalone financial statements are prudent and reasonable.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note No. 2.17.



RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED  
Notes forming part of Financial Statement

2.04 **CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT**

**Operating Cycle:**

The company presents all Assets and Liabilities as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Current and Non-Current Classification:**

The Company has presented non-current assets and current assets before the equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

- a** An Assets is treated as Current when it is:
- 1) Expected to be realised or intended to be sold or consumed in normal operating cycle.
  - 2) Held primarily for the purpose of trading
  - 3) Expected to be realised within Twelve months after the reporting period.
  - 4) Cash or Cash equivalents unless restricted from being exchanged or used to settle a liability for atleast twelve months after the
  - 5) It includes Current portion of Non-Current Financial Assets
- All Other Assets classified as Non- Current.*
- b** A liability is current when:
- 1) Expected to be settled in normal operating cycle.
  - 2) Held primarily for the purpose of trading
  - 3) It is due to be settled within Twelve months after the reporting period.
  - 4) There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.
  - 5) It includes Current portion of Non-Current Financial Liabilities.

*All Other liabilities classified as Non- Current.*

2.05 **Property, Plant and Equipment, Intangible Assets and Capital WIP**

a Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

-are expected to be used during more than one period—

Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately.

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite.

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

- b** 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 amortised over the period of lease. Assets are depreciated to their residual values on a written down basis over the estimated useful lives based on technical estimates. Asset's residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land, if any, is not depreciated,

b.1 All tangible assets - Written Down Value Method

b.2 Intangible Assets - Amortised Over useful life.

- c** Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. It is estimated that spares having a value of more than Rs. 2 lacs are assumed to qualify for the definition of property plant equipment. Life of the spares has been considered to be 12 months. Residual value of 5% has been considered for all



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the spares capitalised. The value of such spares is transferred to the Statement of Profit and Loss as and when they are consumed. There are no such spare parts, stand-by equipment and servicing equipment in the current standalone financial statements.

- d The initial cost of property, plant and equipment comprises its purchase price, including non refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
- e Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.
- f An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.
- g Property, plant and equipment having value less than Rs. 5,000.00/- (Five Thousand) are recognised in the Statement of Profit and Loss.
- h It is estimated that if any part of Property, plant and equipment is having value more than 20% of the value of that Property, plant and equipment and can be use individually and having a seperate useful life than the useful life of that Property, plant and equipment, then that particular part is capitalised.
- i Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with

indefinite useful lives are carried at cost less accumulated impairment losses.

## 2.06 INVENTORY VALUATION

Inventories are valued at lower of cost or net realisable value. Cost of Inventories comprises of all the cost of purchase, conversion & other costs incurred in bringing the inventory to its present location & condition. Cost is determined on 'Average Cost' Basis.

### Raw materials:

- a Raw material comprises of Sugar Cane which is used in sugar manufacture and rectified spirit used in manufacture of Liquor. Sugar Cane is measured at cost whereas rectified spirit is measured at cost or net realisable value (NRV) whichever is lower. Cost of
- b **Work-in-Process**
- 1) Sugar - At lower of cost or net realisable value.
  - 2) Molasses - At lower of cost or net realisable value.
  - 3) Country Liquor (Loose) - At cost of Rectified Spirit and Colouring charges
  - 4) Heritage Liqueur (Loose) - At cost of ENA plus cost of spices and distillation charges
  - 5) Agriculture Products (Sugarcane) - At net realisable value.
  - 6) Non-Indian Standard Sugar (NISS)- At lower of cost or Net realisable value. (Taking into consideration its reprocessing cost on the
- c **Finished Goods**
- 1) **Sugar at Godowns** - At lower of cost or net realisable value.  
**Sugar at Retail Shop** - At lower of cost or net realisable value.
  - 2) **Molasses** - At lower of cost or net realisable value.
  - 3) **I.M.F.L.:**
    - (i) At Warehouses - At lower of cost or net realisable value.
  - 4) **Heritage Liqueur:**
    - (i) At Warehouse - At lower of cost or net realisable value.



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- 5) **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.
- 6) **Denatured Spirit** — At lower of cost or net realisable value.
- 7) **Stores and Spare Parts**  
(i) Stores and Spare Parts - At lower of cost or net realisable value\*
- 8) **Packing Material** At Average Cost
- 9) **Rectified Spirit-** At Net Realisable Value
- 10) **Impure Spirit** At Net Realisable Value
- 11) **Biocompost** At Net Realisable Value
- 2.07 **Earning per Share**  
a Basic 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.  
b Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.
- 2.08 **Impairment of Non- Financial Assets and Non- Current Assets**  
An asset is treated as impaired when the carrying cost of asset exceed its recoverable value. An impairment loss/profit is recognised in 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. Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.
- 2.09 **Provisions and Contingent Liabilities and Contingent Assets**  
a Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.  
b Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Standalone Financial Statements.  
c Contingent assets are not recognised in the books of the accounts but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.
- 2.10. **Employee Benefits**  
1) Ex-Gratia payment is accounted for in the year of its declaration.  
2) **Retirement Benefits**  
a. **Leave Encashment** : Company has taken group leave encashment scheme from LIC in order to Ensure payment of Leave encashment to the employees of the company. On the basis of actuarial valuations carried out by an independent actuarial valuer at each Balance Sheet date, the excess or deficit of actuarial valuation of the leave encashment of employees and the balance of funds with LIC at the year end is recognized 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 Profit and Loss. On the basis of actuarial valuations carried out by an independent actuarial valuer at each Balance Sheet date, the excess or deficit of actuarial valuation of the gratuity of employees and the balance of funds with LIC at the year end is recognized in the books of accounts.  
c **Provident Fund:** In accordance with Indian



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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.

- d Short term employee benefits, which are expected to be settled within twelve months after the end of the period in which the employees rendered the related service, are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

**2.11 Taxation**

- a Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

The tax is recognised in statement of Profit and Loss, except to the extent that it related to items recognised in the other comprehensive income(OCI) or in other equity.

- b. Deffered Tax is recognised on temporary difference between the carrying amounts of the Assets and Liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deffered Tax is measured at the tax rates applicable in the period in which the liability is settled or the assets is realised.

**2.12 Cash and Cash Equivalentents**

Cash and Cash Equivalentents includes Cash in Hand and Deposits with any qualifying financial institution repayable on demand or maturing within three months from the date of acquisition and which are subject to an insignificant risk of change in value.

**2.13 Financial instruments - initial recognition, subsequent measurement and impairment**

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

another entity.

**a Financial Assets**

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics. Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

**De-recognition of financial Asset**

A financial asset is primarily derecognised (i.e. removed from the balance sheet) when:

\* The rights to receive cash flows from the asset have expired, or

\* The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

**Impairment of financial assets (other than fair value)**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on the following financial assets:

Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month





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ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

**Trade receivables:**

\* A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less expected credit loss, if any.

\* Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".

\* Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".

\* Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses".

\* Subsequent recoveries of amounts previously written off are credited to "Other Income".

**b Financial Liabilities**

At initial recognition, all financial liabilities other than those valued at fair value through profit and loss are recognised at fair value less transaction costs that are directly related to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

**Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods

purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as "Other Income" or "Finance Expense".

2.14 **Government Grant & Government Assistance:**

Government grants/subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant/subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants/subsidies are disclosed as Other Income in the Statement of Profit or Loss. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants/subsidy of non-monetary assets, the asset and the grant are recorded at fair value amounts. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting



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(c) Country Liquor At selling price.

(d) Cane Molasses At selling price.

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

**e Lease Income**

Lease agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lesser and recognised as operating lease. Operating lease rentals are recognised on straight line basis as per the terms of agreement in statement of profit and loss.

**2.16 Borrowing Costs**

a) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

b) All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

**2.17 Estimates and Exemptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of Assets and Liabilities within the next financial year, are described below:

**a) Recoverability of Trade Recievables**

Judgements are required in assessing the recoverability of overdue trade recievables and determining whether a provision against those recievables is required. Factors includes the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risks of not payment.

**b) Provisions**

Provisions against liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of

cash outflow can be realibly estimated.

**c) Material certainty about going concern**

In preparing financial statements of the company, management had made an assessment of the company's ability to continue as a going concern. Financial Statements are prepared on a going concern basis. The management is aware, in making assessment, of material uncertainties related to eevents or conditions that may cast significant doubt upon the company's ability to continue as a going concern.

**2.18**

**Leases**

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

**A lease is classified at the inception date as a finance lease or an operating lease:**

**a) Finance lease**

\* A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

\* Assets taken on leases are capitalized at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

\* Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to



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achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

**b) Operating lease**

\* An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

\* Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**2.19 First Time adoption of Ind AS**

The company has adopted Ind AS with effect from 01-04-2017 with comprehensive income being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as the 01-04-2016 (transition date). The financial statements prepared as per previous GAAP for the year ended 31-03-2017 has been restated to realign with the accounting policies and other accounting principles adopted for IndAS.

**Exemptions from retrospective application:**

**1 Fair Value as deemed cost exemption**

Under the previous GAAP, property, plant and equipment, Intangible assets and Capital WIP were carried in the financial statements at Cost less Accumulated Depreciation and Impairment Losses if any. The company has elected to regard those values of property, plant and equipment as deemed cost of acquisition as at transition date.

**2 Estimates exemption**

Upon an assessment of the estimates made earlier under the previous GAAP, the company had concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP.

**2.20 Non current investment in unquoted equity share**

Company had been issued one Share of Rs. 1000/- fully Paid up by Rajasthan Rajya Sahkar Bhawan Prabandhak Sangh Limited against use of a portion of 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur. Company had decided to value the investment at cost being fair valuation of the same is not possible.

**2.21 Assets classified as held for sale**

Company revalue its PPE and classified them as held for sale according to estimation and revaluation criteria as decided by the management.

**2.22 Rounded off Figures in Financial Statements**

To comply with requirements of The Companies Act, 2013, figures in Financial Statements is rounded off to nearest "Lacs".



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**3. (a) Property, Plant & Equipment**

Particulars	Amount (₹ in Lacs)									
	Free Hold Land (Rs.)	Lease Hold Land (Rs.)	Buildings (Rs.)	Railway Rates & Sidings (Rs.)	Plant & Machinery (Rs.)	Furniture & Fittings (Rs.)	Vehicles (Rs.)	Computer & data Processing Units (Rs.)	Total	
<b>Gross Block</b>										
As at April 1, 2016	79.43	548.71	4,205.93	0.30	9,641.85	292.93	70.51	237.31	15,076.97	
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	
Other IND AS Adjustment	-	-	-	-	-	-	-	-	-	
Value as at April 1, 2016	79.43	548.71	4,205.93	0.30	9,641.85	292.93	70.51	237.31	15,076.97	
Additions 2016-17	-	5.25	387.82	-	5,485.57	16.87	31.78	22.23	5,949.52	
Deductions/disposals *	-	-	-	-	51.26	7.92	7.92	10.03	76.81	
Adjustments per IND AS	-	-	-	-	-	-	-	-	-	
As at March 31, 2017	79.43	553.95	4,593.75	0.30	15,076.16	302.20	94.38	249.51	20,949.68	
Additions	-	-	1,513.57	-	10.06	-	-	-	1,545.45	
Deductions/disposals *	1.56	-	197.41	0.30	910.66	51.27	-	10.18	1,161.20	
As at March 31, 2018	77.87	553.95	5,909.91	-	14,175.57	262.57	94.38	259.69	21,333.93	
<b>Accumulated Depreciation</b>										
As at April 1, 2016	-	31.02	880.70	0.28	2,399.28	243.70	51.41	220.24	3,826.64	
Depreciation	-	5.67	453.67	-	2,327.81	13.66	15.41	6.53	2,822.75	
Deductions/disposals **	-	-	-	-	49.43	7.22	7.53	9.60	73.78	
As at March 31, 2017	-	36.70	1,334.37	0.28	4,877.66	250.15	59.30	217.17	6,575.61	
Depreciation	-	5.59	487.69	-	2,162.87	13.77	10.90	17.55	2,688.37	
Deductions/disposals **	-	-	186.36	-	867.42	48.66	-	1,102.72	-	
As at March 31, 2018	-	42.29	1,635.11	-	5,973.11	215.25	70.20	234.71	8,171.26	
<b>Net Carrying Amount</b>										
As at 01.04.2016	79.43	517.68	3,325.23	0.01	7,242.57	49.22	19.11	17.07	11,250.33	
As at 31.03.2017	79.43	517.26	3,259.38	0.01	10,398.51	52.05	35.08	32.34	14,374.07	
As at 31.03.2018	77.87	511.66	4,274.21	-	8,202.46	47.32	24.17	24.98	13,162.88	

**Notes:-**

- As per directions of Excise Department of Government of Rajasthan, 128 Beegah one Biewa land (It includes 30,015 square meters of land at Sriganganagar is under encroachment. The book value of this land is ₹ 16,000 (approx.)), of old sugar factory Sriganganagar has been transferred in the name of District Collector (Revenue) Sriganganagar vide letter dated 15/12/2017.
- The title deeds of land amounting to ₹ 1,05,000/- purchased at Sriganganagar and building amounting to 45.45 lac purchased for Head Office, Jaipur are yet to be executed in favour of the company.
- As per directions of Excise Department of Government of Rajasthan, the possession of 6,755 Hectares surplus land of Sugar Factory, Sriganganagar has been handed over to Excise Department, Govt. of Rajasthan on 20th July, 2015.
- 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/-.
- The matter of acquisition of rest 14,673 Hectare land is subjudice, as the farmers have challenged the decision of Land Acquisition Officer in Hon'ble High Court, Jaipur. ₹ 66,84,092/- remained with SDM, Sri Karanpur as an advance, which will be paid to the farmers on possession of the land, which is subjudice.
- The land and building at Mandora, Rani, Chitorgarh, Bhilwara, Jhokwara, Kots, Baran warehouses and land of Bundlciy 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.
- Depreciation charged for lease hold land of warehouse Dholpur amounting ₹ 15903/- for the Financial Year 2016-17 which includes depreciation amounting ₹ 10602/-.
- Foundation expenses amounting ₹ 12250957/- 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.
- The total contracted cost of plant & machinery of Distillery is ₹ 420200000/- out of which ₹ 417300000/- is paid upto 31.03.2017 and capitalized accordingly in financial year 2016-17.
- No payment is made in current financial year 2017-18 and none amount is capitalized in this behalf in current financial year 2017-18.
- Put to use date for Distillery was 24-11-2016
- Put to use date for Grain based Portion of Distillery was 01-02-2018.
- Assets discarded are Factory Building and Plant & Machinery of Hi Tech Precision Glass Factory located at Dholpur having WDV of ₹ 5628,00 sold for ₹ 1461020.00 and Factory Building, Plant & Machinery, Furniture & Fixtures, Railway Siding located at old sugar factory Sriganganagar having WDV of ₹ 5110677 in totality sold for ₹ 854000000.
- Figures have been re arranged and regrouped and rounded off to nearest rupee
- On transition date, the Company has opted to continue with carrying value of all of its property, plant and equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2016 is recognised as gross carrying amount in Ind AS as on 01-04-2016
- Deduction from Gross Carrying Value represents sale/transfer/discard of Property, Plant & Equipment/ Lease hold rights written off
- Deduction in depreciation ₹ 1102.72 Lakhs (Previous Year ₹ 73.78 Lakhs) represents adjustment on account of sale/transfer/discard of Property, Plant & Equipment.
- As per IND AS 40 INVESTMENT PROPERTY: Investment Property is property (land or building or part of a building or both) held to earn rentals or for capital appreciation or both. Further then for -  
  - Use in the production or supply
  - Sale in the ordinary course of business
 Further, No property is fall under the definition Investment Property as per IND AS 40.
- As per IND AS 16 "Property Plant and Equipments" Each major part of an item of PPE with cost being significant in relation to total cost of the item - should be depreciated separately, even though it may not have different useful life, but may be grouped for determining depreciation charge. No part of PPE is separately recognised in the books during the year 2017-18 because addition in PPE during the year is not significant in relation to total cost of item.
- As per IND AS 16 "Property Plant and Equipments" Spare parts or Servicing equipment is accounted in books as follows:-  
  - Normally treated as Inventory and expensed off as consumed
  - Major spare parts and stand-by equipment expected to be used during more than one period are treated as PPE. (if they meet the definition of PPE as per Ind AS 16)
  - Depreciated over the useful life of the main assets to which it relates.
 There are no such spare parts, stand-by equipment and servicing equipment included in the above Property Plant and Equipment Schedule.



### 3 (b) : Intangible Assets

Particulars	Amount (₹ in Lacs)		
	As at March 31st, 2018	As at March 31st, 2017	As at March 31st, 2016
<b>Gross Carrying Value</b>			
Other Intangible	32.02	32.02	32.02
<b>Accumulated amortisation and Impairment for the year</b>			
Other Intangible	32.01	30.11	29.32
<b>Grand Total</b>	<b>0.01</b>	<b>1.91</b>	<b>2.70</b>

Note -

1. On transition date, the Company has opted to continue with carrying value of all of its intangible asset as deemed cost and net carrying value under previous GAAP as on March 31, 2016 is recognised as Gross carrying amount in Ind AS as on 01-04-2016.

2. Other Intangible Assets consist of MS office, Software for server hardware and Tally ERP.

### 3(c) : Capital Work in Progress

Particulars	Amount (₹ in Lacs)		
	Building under Construction	Plant & Equipment under Erection/ Commissioning	Total
<b>Balance at April 1, 2016</b>	<b>387.82</b>	<b>5,409.22</b>	<b>5,797.05</b>
Additions	-	6.44	6.44
Less: Amount capitalized in Property, Plant & Equipment	387.82	5,255.52	5,643.35
<b>Balance at March 31, 2017</b>	<b>-</b>	<b>160.13</b>	<b>160.13</b>
Additions	685.00	-	685.00
Less: Amount capitalized in Property, Plant & Equipment	-	-	-
<b>Balance at March 31, 2018</b>	<b>685.00</b>	<b>160.13</b>	<b>845.13</b>

Note -

1. On transition date, the Company has opted to continue with carrying value of all of its capital work in progress as deemed cost and carrying value under previous GAAP as on March 31, 2016 is recognised as Gross carrying amount in Ind AS as on 01-04-2016.

2. Capital WIP in Plant & Machinery includes amount Rs. 153.69 Lacs against is disputed matter and bill are still pending to be adjusted in the book.

3. Addition to Capital WIP is construction of Staff Quarters and related assets at new Sugar Factory at Shri Ganganagar.

### 3(d) : - Assets Classified as held for sale

Particulars	Amount (₹ in Lacs)		
	As at March 31st, 2018	As at March 31st, 2017	As at March 31st, 2016
Property, Plant & Equipment held for sale	94.00	-	-

Note:-Property, Plant & Equipment are held for sale for ₹ 9400000.00 vide letter dated 29/08/2018 consisting of Channels & Culverts having WDV of Rs 4492.00 and Non-Factory Building having WDV of Rs. 546607.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**4. Non Current Investments**

Amount (Rs. In Lacs)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>Other than Trade Investments</b>			
<b>In Government Securities (Unquoted)</b>			
National Plan certificate	0.01	0.01	0.01
12 Year Plan certificates	0.06	0.06	0.06
6 Year National Saving Certificates	0.02	0.02	0.02
Deposit with Post office	0.01	0.01	0.01
Gold Coin*	-	-	-
<b>In Unquoted Equity Shares</b>			
One Share of ₹ 1000/- fully Paid up of Rajasthan Rajya Sahkar Bhawan Prabandhak Sangh Limited**	0.01	0.01	0.01
<b>Total</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>

Ind As 113 on Fair Value Measurement, Non Current Investments should be valued at Fair Value. Being investments in Government Securities (Unquoted) made by the company comprises of NSC and certificates issued by the Government and these securities are interest bearing therefore are carried at Cost.

\*Gold Coin Of Rs. 130.00 is also carried at Cost and no fair valuation of this investment was done by the company.

\*\*The investment in Unquoted Equity Shares of Rajasthan Rajya Sahkar Bhawan Prabandhak Sangh Limited is against the use of a portion of 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur.

**5. Other-Non Current Financial Assets**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>(Unsecured considered good, unless otherwise)</b>			
Security Deposit with Government and Government Undertakings*			
(a)Unsecured, considered good;	36.81	41.82	43.75
(b)Doubtful.	-	-	-
(c) Less Provisions	-	-	-
<b>Total</b>	<b>36.81</b>	<b>41.82</b>	<b>43.75</b>

\*Security deposits represents deposits made to Government and Government Undertakings which are for infinite period, so no fair valuation can be done.

**6. Deferred Tax Assets**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Deferred Tax Assets	133.49	-	-
Less: Deferred Tax Liability	(10.69)	-	-
<b>Total</b>	<b>122.80</b>	<b>-</b>	<b>-</b>

**7. Other Non Current Assets**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Capital Advances *	56.84	56.84	56.84
Loans and Advances**	27.01	9.60	12.85
Advance to Staff***			
(a) considered good;	15.18	47.96	87.90
(b)considered doubtful	0.53	0.53	0.53
Less : Provision	(0.53)	(0.53)	(0.53)
Others	8.56	-	3.01
<b>Total</b>	<b>107.59</b>	<b>114.40</b>	<b>160.60</b>

\* Capital Advances represents deposits made to Sriganaganagar Collector against the land acquisition which is under dispute.

\*\*Loans and Advances represents advances given to various parties/ suppliers for which recoverability period can not be estimated. Most of them are lying since long. So fair valuation can't be done due to unavailability of recovery period.

\*\* Advance to staff represents amount debited to respective staff against any pending inquiry and recovery period is not certain so no fair valuation is being done.

**8. Inventories**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Raw Material	423.29	424.76	595.37
Work-in-Process**	119.18	132.95	225.22
Finished Goods**	4,659.74	4,416.94	2,110.02
Packing Material	378.89	465.95	523.72
Stores and Spares*	525.41	434.68	260.77
Stock in Trade	1,975.18	1,592.22	1,932.52
<b>Total</b>	<b>8,081.69</b>	<b>7,467.51</b>	<b>5,647.61</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**Cost of Inventory recognised as an expense**

Particulars	As at 31-Mar-18	As at 31-Mar-17
Cost of Material consumed	24,822.42	24,101.73
Changes in Inventory of Finished goods/ WIP and Stock in trade	(611.98)	(1,874.36)
Stores and Spares consumed	30.35	48.89
Power and Fuel	867.28	680.87

For basis of valuation refer note no.2.06

\*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.

\*\*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.

\*\*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.

**9. Trade Receivables**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<i>(Unsecured unless otherwise stated)</i>			
Considered good	681.80	1,089.69	993.22
Considered doubtful	2.54	2.54	2.54
Less : Provision	(2.54)	(2.54)	(2.54)
<b>Total</b>	<b>681.80</b>	<b>1,089.69</b>	<b>993.22</b>

\* Company generally sold its goods on cash basis, so there is minimal possibility of any default by trade receivables. Before accepting any new customer, company seeks deposits from debtors and there after goods supplied to them.

**10. Cash and Cash Equivalents**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Bank Balance	2,702.08	2,198.94	3,033.64
PD Account with Treasury, Government of Rajasthan	-	-	500.45
Cash in Hand	5.99	10.02	25.22
<b>Total</b>	<b>2,708.07</b>	<b>2,208.96</b>	<b>3,559.31</b>

**11. Bank Balances other than Cash and Cash Equivalent**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Term Deposits exceeding 3 months but not 12 months.	15,119.96	10,821.35	6,079.43
<b>Total</b>	<b>15,119.96</b>	<b>10,821.35</b>	<b>6,079.43</b>

**Earmarked balance for term deposits**

	1.30	2.40	2.40
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Company has no Deposits having maturity period exceeding 12 Months

Deposits made by the company with banks can be withdrawn by the company at any point of time without prior notice or penalty on principal.

**12. Loans and Advances (Current)**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<i>(Unsecured unless otherwise stated)</i>			
(a) Loans and advances General	1,208.44	1,753.51	511.05
(b) Advance to Staff Good	129.63	56.09	11.69
doubtful	-	-	-
Less : Provision	-	-	-
<b>Total</b>	<b>1,338.07</b>	<b>1,809.60</b>	<b>522.74</b>

**13. Other Current Financial Assets**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Advance Gratuity Fund	-	378.73	308.32
Advance Leave Encashment Fund	138.10	57.68	46.92
<b>Total</b>	<b>138.10</b>	<b>436.42</b>	<b>355.24</b>

Discosure required as per IND-AS 19 "Employees benefit" are given in Note No49

**14. Other Current Assets**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Interest accrued on Bank FDR's	633.66	502.61	156.78
Others Dues Receivables	4.15	2.61	-
Income Tax Receivable from previous years*	522.61	534.88	179.61
Due From Government	777.83	702.19	727.53
Prepaid Expenses	209.34	214.27	223.37
<b>Total</b>	<b>2,147.58</b>	<b>1,956.56</b>	<b>1,287.30</b>

\* Income Tax receivable from previous years includes, for which matters are pending under various statues of Income Tax Department and in view of management, all pending matters will be in favour of company, therefore, no provision has been made against the same.





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**15. Current Tax Assets (Net)**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Income Tax for current FY			1,761.52
Less: Provision for Income tax			(1,400.00)
<b>Total</b>	-	-	<b>361.52</b>

**16. Equity Share Capital**

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 1-Apr-16	
	Number	Amount (₹ In Lacs)	Number	Amount (₹ In Lacs)	Number	Amount (₹ In Lacs)
<b>Authorised</b>						
Equity Shares of ₹ 50/- each	39,600,000	19,800.00	39,600,000	19,800.00	39,600,000	19,800.00
<b>Issued</b>						
Equity Shares of ₹ 50/- each	36,078,636	18,039.32	36,078,636	18,039.32	28,568,762	14,284.38
<b>Subscribed and Fully Paid up</b>						
Equity Shares of ₹ 50/- each	36,078,636	18,039.32	36,078,636	18,039.32	28,568,762	14,284.38

The Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year is as under :-	Number	Amount (₹ in Lacs)	Number	Amount (₹ in Lacs)	Number	Amount (₹ in Lacs)
Shares outstanding at the beginning of the year	36,078,636	18,039	28,568,762	14,284	15,789,924	7,895
Shares Cancelled or Buy Back during the year	-	-	-	-	-	-
Shares Issued during the year	-	-	7,509,874	3,755	12,778,838	6,389
Shares outstanding at the end of the year	36,078,636	18,039	36,078,636	18,039	28,568,762	14,284

The details of shareholders holding more than 5% equity shares as at reporting date are as under :-	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of Rajasthan	36,068,548	99.97%	36,068,548	99.97%	28,558,674	99.97%

Rights, Preference & Restrictions attached to the shares:

- 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.
- The company has not allotted any share in the last five years, immediately preceding the date of Balance Sheet 31.03.2018 without payment being received in cash.
- The company has not allotted shares as fully paid up by way of bonus shares.
- The company does not have any holding/ultimate holding company.

**17. Other Equity**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>Capital Reserve (Last Balance)</b>			
Opening Balance	33.44	33.44	33.44
Add: Addition	-	-	-
<b>Total</b>	<b>33.44</b>	<b>33.44</b>	<b>33.44</b>

Capital Reserve will be use only for the purpose of issue of Bonus Shares or any other purposes as specified in Companies Act, 2013.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>Capital Redemption Reserve</b>			
Opening Balance	116.75	116.75	107.77
Add: Addition	-	-	8.98
Less: Transfer to General Reserve on Redemption	-	-	-
<b>Total</b>	<b>116.75</b>	<b>116.75</b>	<b>116.75</b>

Capital Redemption Reserve represents the amount statutorily transferred to this reserve under the provisions of Companies Act, 2013 on redemption of Preference Shares and to be utilized for purposes as specified in Companies Act, 2013.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>General Reserve</b>			
Opening Balance	9,465.15	6,315.15	2,515.15
Add: Transfer from Statement of Profit & Loss	2,130.00	3,150.00	-
Add: Transfer from Capital Redemption Reserve	-	-	3,800.00
Less: Transfer to Capital Redemption Reserve	-	-	-
<b>Total</b>	<b>11,595.15</b>	<b>9,465.15</b>	<b>6,315.15</b>

General Reserve represents a statutory reserve that is in accordance with Companies Act wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013, transfer of amount to General Reserve is at the discretion of the company. It is a free reserve to be utilised as per provision of Companies Act, 2013.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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<b>Retained Earnings</b>			
Opening Balance	(95.47)	352.65	140.01
Net Profit for the current year	2,351.01	2,701.88	-
Recognition to OCI		-	-
Free Hold Land w/o	(1.56)	-	-
Transfer to Capital redemption reserve			
Transfer to General Reserve	(2,130.00)	(3,150.00)	-
DTL Creation			(143.30)
Fund gratuity			309.02
Fund Leave Encashment			46.92
<b>Total</b>	<b>123.97</b>	<b>(95.47)</b>	<b>352.65</b>
Retained Earnings represent the undistributed profits of the company and to be utilized as per provisions of Companies Act, 2013			
<b>Other Comprehensive Income</b>			
Opening Balance	200.16	-	-
Add: Other Comprehensive Income for the current year	(306.32)	200.16	-
<b>Total</b>	<b>(106.15)</b>	<b>200.16</b>	<b>-</b>
<b>Grand Total</b>	<b>11,763.15</b>	<b>9,720.02</b>	<b>6,817.98</b>

Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income.

**18. Borrowings**

Particulars	As at 31-Mar-18	As at	As at
		31-Mar-17	1-Apr-16
Redeemable Preference Shares	55.50	80.81	89.81
<b>Total</b>	<b>55.50</b>	<b>80.81</b>	<b>89.81</b>

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

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 interest of 12% and 11% per annum as applicable.

\*Preference Shares redeemable on 15-06-2018 is shown under the Note No. 23 "Other Financial Liabilities".

**19. Other Non Current Financial Liabilities**

Particulars	As at 31-Mar-18	As at	As at
		31-Mar-17	1-Apr-16
Share Application Money Pending Allotment	-	-	3,754.79
Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,754.79</b>

**20. Deferred Tax Liabilities**

Particulars	As at 31-Mar-18	As at	As at
		31-Mar-17	1-Apr-16
Deferred Tax Liabilities		296.01	587.27
Less: Deferred Tax Assets		(14.02)	(21.03)
<b>Total</b>	<b>-</b>	<b>281.99</b>	<b>566.25</b>

**21. Other Non Current Liabilities**

Particulars	As at 31-Mar-18	As at	As at
		31-Mar-17	1-Apr-16
Others	34.75	19.84	-
Provision of Gratuity	388.18	-	-
State Enterprises Department Loan *	49.79	49.79	49.79
Other long term Liabilities (Staff payables)	13.37	12.65	26.44
<b>Total</b>	<b>486.09</b>	<b>82.29</b>	<b>76.23</b>

\* This Loan represents loan of HPGL (company merged in RSGSM). An application for the waiver of this interest amount is submitted and order in this regard is awaited.

**22. Trade Payables**

Particulars	As at 31-Mar-18	As at	As at
		31-Mar-17	1-Apr-16
Micro Small & Medium Enterprises*	-	-	-
Others trade Payable	8,291.37	7,197.78	6,300.64
<b>Total</b>	<b>8,291.37</b>	<b>7,197.78</b>	<b>6,300.64</b>

\*Company is in the process of identifying MSME enterprises. Information from all the enterprises have not been received yet and as such the amount and interest due to MSME Enterprises with bifurcation for 45 days or more than 45 days and interest is not ascertainable and same will be adjusted in further years.



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**23. Other Current Financial Liabilities**

Particulars	As at	As at	As at
	31-Mar-18	31-Mar-17	1-Apr-16
Security Deposits*	2,602.25	2,203.82	2,329.28
Redemption of Preference Shares**	25.31	-	-
Others***	48.28	5.17	12.19
<b>Total</b>	<b>2,675.84</b>	<b>2,208.99</b>	<b>2,341.47</b>

\*Security deposit with the company amounting to Rs. 562.75 Lacs is carried forwarded from preceding three years and no transactions have taken place in these accounts.

\*\*Redemption of Preference Shares is due on 15-06-2018.

\*\*\* Others includes amount to be paid against various franchises/shops.

**24. Other Current Liabilities**

Particulars	As at	As at	As at
	31-Mar-18	31-Mar-17	1-Apr-16
Due to Government Authorities	1,110.92	683.77	604.04
Advance from Licensees	507.13	336.52	493.72
Payable to Staff	127.78	124.94	234.58
Other Payables*	1,168.78	727.20	397.02
<b>Total</b>	<b>2,914.61</b>	<b>1,872.43</b>	<b>1,729.36</b>

\* It includes provision of Corporate Social Responsibility amounting to Rs.77.44 Lacs and unclaimed amount of redemption of preference shares of Rs. 95900.

**25. Provisions- Current Liabilities**

Particulars	As at	As at	As at
	31-Mar-18	31-Mar-17	1-Apr-16
Provision for Gratuity	54.59	-	-
Provision for Leave Encashment	-	-	-
Provision for medical relief fund	-	200.00	100.00
Provision for Interest/Dividend on Preference Shares	11.00	11.59	-
Provision for Stock loss by theft	60.77	-	-
<b>Total</b>	<b>126.36</b>	<b>211.59</b>	<b>100.00</b>

Company was following fund based approach for recognising employee benefit expense relating to gratuity and leave encashment obligation expense. Now in IND AS company has to recognise such expense as per actuarial report but to come in line with IND AS, there is a difference with amount shown in actuarial report. Such difference is just to come in line with IND AS and now there is no non compliance in respect of recognition of gratuity and leave encashment obligation expense.

**26. Current Tax Liabilities (Net)**

Particulars	As at	As at	As at
	31-Mar-18	31-Mar-17	1-Apr-16
Provision for Income Tax	2,300.00	2,700.00	-
Less: Income Tax Deposits	(2,067.84)	(1,912.69)	-
<b>Total</b>	<b>232.16</b>	<b>787.31</b>	<b>-</b>

**27. Revenue from Operations**

Particulars	Year Ended	Year Ended
	31-Mar-18	31-Mar-17
<b>Sale of:</b>		
Sugar	1,366.21	2,689.49
Country Liquor*	111,391.92	100,577.12
Electricity**	387.73	-
Molasses	87.28	328.17
Rectified Spirit***	990.02	340.61
Denatured Spirit	24.24	12.68
Hertigae Liquor	21.90	20.26
Sale of Liquor at Shops	55.27	1.07
<b>Total</b>	<b>114,324.56</b>	<b>103,969.40</b>

\* Sale of Country Liquor own production ₹ 3615463101/- and Private Suppliers Country Liquor ₹ 7523728682/-

\*\* Sale of Electricity includes sale of electricity units by the company in the previous year 2016-17 but same has not been accounted for in the books of accounts of that previous year being the decision of revenue from electricity was not finalised in that year as an appeal in this matter was pending with RERC Tribunal and High Court. During financial year 2017-18 decision went in favour of company and accordingly company has booked income from sale of electricity amounting to Rs.65.77 Lacs.

\*\*\* Sale of Rectified Spirit includes ₹ 96787500/- transfered to own reduction centers.

**28. Other Income**

Particulars	Year Ended	Year Ended
	31-Mar-18	31-Mar-17
Interest on Bank FDR	1,129.18	889.09
Contract Amount	91.49	84.35
Security Forfeited	30.35	0.56
L.D. Income	52.90	74.58
Supervision charges- Yuvraj Whisky	42.68	-
Sale of Scrap	6.48	9.07
Profit on Sale of PPE*	905.57	0.20
Miscellaneous Income**	407.10	137.32
<b>Total</b>	<b>2,665.74</b>	<b>1,195.17</b>



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- \*Profit on sale of PPE comprises of a) sale of Factory Building and Plant & Machinery of Hi Tech Precision Glass Factory located at Dholpur sold for ₹ 1461020.00  
b) Factory Building, Plant & Machinery, Furnitur & Fixtures, Railway Siding etc. located at old sugar factory Sriganganagar sold for ₹ 85400000.  
c) Revaluation profit on Assets held for sale amounting to ₹ 9400000.  
\*\* Miscellaneous Income consists of Demurrage Charges recovered by the company against short supply, late supply of Packing Material and Raw Material.

**29. Cost of Material Consumed**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
<b>Raw Material</b>		
Rectified Spirit	12,893.97	11,811.61
Sugar Cane	2,695.81	4,012.90
Others	457.37	468.40
<b>Total</b>	<b>16,047.15</b>	<b>16,292.91</b>
<b>Packing Material</b>		
For Country Liquor	8,717.23	7,751.55
For Sugar	36.75	52.60
For Heritage Liquor	21.30	4.68
<b>Total</b>	<b>8,775.28</b>	<b>7,808.82</b>
<b>Total</b>	<b>24,822.42</b>	<b>24,101.73</b>
<b>Raw Material</b>		
Opening Stock	424.76	595.37
Purchases	16,023.67	16,140.09
Sale of Raw Material	22.01	17.79
Consumption	16,047.15	16,292.91
Closing Stock	423.29	424.76
<b>Packing Material</b>		
Opening Stock	465.95	523.72
Purchases	8,862.34	7,866.59
Consumption	8,775.28	7,808.82
Closing Stock	378.89	465.95

**30. Purchase of Stock in Trade**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Rectified Spirit	17.97	16.25
Country Liquor (Private)	67,970.77	58,858.72
<b>Total</b>	<b>67,988.74</b>	<b>58,874.97</b>

**31. Change in Inventories**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
<b>Opening Stock</b>		
Work-in-Process	132.95	225.22
Finished Goods	4,416.94	2,110.02
Goods in Trade*	1,592.22	1,932.52
<b>Less: Closing Stock</b>		
Work-in-Process	119.18	132.95
Finished Goods	4,659.74	4,416.94
Goods in Trade*	1,975.18	1,592.22
<b>Total</b>	<b>(611.98)</b>	<b>(1,874.36)</b>

\*Refer note no. 60 (I) for details of Inventory.

**32. Finance Cost**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Preference Share Dividend/ Interest including DDT	11.00	11.59
<b>Total</b>	<b>11.00</b>	<b>11.59</b>

**33. Employee Benefit Expenses**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Salaries, Wages, Bonus etc.	6,981.73	5,916.63
Contributions to Provident and Other Funds	1,125.25	996.08
Gratuity (Including Risk Premium)	259.45	252.59
Staff Welfare Expenses	44.12	44.64
<b>Total</b>	<b>8,410.54</b>	<b>7,209.93</b>

Company was following fund based approach for recognising employee benefit expense relating to gratuity and leave encashment obligation expense. Now In IND AS company has to recognise such expense as per actuarial report but to come in line with IND AS, there is a difference with amount shown in actuarial report. Such difference is just to come in line with IND AS and now there is no non compliance in respect of recognition of gratuity and leave encashment obligation expense.



RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED  
Notes forming part of Financial Statement

### 34. Other Expenses

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Carriage & Cartage	151.13	242.42
Stores and Consumables	30.35	48.89
Power and Fuel	867.28	680.87
Repairs and Maintenance	359.90	165.61
Bottle Filling Charges	504.24	476.76
Excise Duty & Others	4,132.76	4,034.17
Other Manufacturing Expenses	61.00	0.00
Rent	134.23	113.24
Rates and Taxes	199.15	276.81
Insurance	27.39	30.10
Travelling and Conveyance	108.83	114.81
Legal and Professional	63.05	68.94
Postage and Telephone	40.98	44.87
Printing and Stationery	24.36	23.13
Advertisement and Business Promotion	121.72	78.59
Cost Audit Fee	-	0.58
Bank Charges	12.06	15.71
Misc. Expenses	122.77	155.43
Salary Ex-Service Man/ Guard	104.37	97.98
Auditors' Remuneration	-	-
- Statutory Audit Fees	2.60	2.53
- Tax Audit	0.47	0.45
- Reimbursement Of Expenses	0.48	1.07
Directors' Remuneration	0.18	0.18
Information Technology Expenses	41.60	52.69
Selling and Distribution Expenses	384.61	324.12
Corporate Social Responsibility	77.44	47.90
Privilege Fee	1,673.86	1,525.91
Chief Minister Relief Fund	-	200.00
Central Excise Duty	-	181.72
<b>Total</b>	<b>9,246.80</b>	<b>9,005.48</b>

### 35. Financial Risk Management

#### 35.1 Financial risk factors

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

**A. Market Risk**

- Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices.
- Financial Instruments affected by Market Price Risk include investments made in equity instruments by the Company.
- There are no currency rate risk or interest rate risks on the Company since all the transactions are done in the functional currency (INR) and the Company has not taken any loans or borrowings from the market

**B. Credit risk**

- Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both,
- The Company makes major of its sales, either on an advance basis or against a security in the nature of Letter of Credit or Bank Guarantee, and hence the credit risk is minimal. Financial Instruments like trade receivables and loans forwarded to employees are subject to slight credit risk against which the Company has booked Expected Credit Losses, if any.

**Trade Recievables**

Sale of Country Liquor is purely on advance and cash basis. Also, sale of sugar and other items are on cash basis, except the sale of sugar to Rajasthan State Food & Civil Supplies Corporation Ltd., a company owned by Government of Rajasthan. Company also sold Power/ Electricity to Electricy company of Government of Rajasthan (Jodhpur Vidyut Vitran Nigam Ltd.) on unsecured credit.

**Financial instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The Company also has amount deposited in the PD account which was for the construction of New Sugar Factory, Sri Ganganagar, with the government of Rajasthan, which can be withdrawn as and when required and on which interest, as fixed by government, is being received. This PD account is a risk free deposit.

**C. Liquidity risk**

- Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term.. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

- Being a cash rich company, it does not have any acute liquidity risk and has no lines of credit in the forms of loans payable.

Particulars	31.03.2018			
	<1year	1-5year	>5year	Total
<b>Financial assets</b>				
Non-current Investments	-		0.11	0.11
Loans (Non current)	-			-
Loans (current)	1,338.07			1,338.07
Trade receivables	681.80			681.80
Cash and cash equivalents	2,708.07			2,708.07
Bank balances other than cash and cash equivalents	15,119.96			15,119.96
Other financial assets	174.91			174.91
<b>Total financial assets</b>	<b>20,022.82</b>	-	<b>0.11</b>	<b>20,022.93</b>
<b>Financial Liabilities</b>				
Long term Borrowings	-	-	55.50	55.50
Short term Borrowings	-			-
Trade Payables	8,291.37			8,291.37
Other financial liabilities (Non Current)	-	-		-
Other financial liabilities (Current)	2,675.84			2,675.84
<b>Total financial Liabilities</b>	<b>10,967.21</b>		<b>55.50</b>	<b>11,022.71</b>

(₹In lacs)

Particulars	31.03.2017			
	<1year	1-5year	>5year	Total
<b>Financial assets</b>				
Non-current Investments	-	-	0.11	0.11
Loans (Non current)	-	-	-	-
Loans (current)	1,809.60	-	-	1,809.60
Trade receivables	1,089.69	-	-	1,089.69
Cash and cash equivalents	2,208.96	-	-	2,208.96
Bank balances other than cash and cash equivalents	10,821.35	-	-	10,821.35
Other financial assets	478.23	-	-	478.23
<b>Total financial assets</b>	<b>16,407.83</b>	-	<b>0.11</b>	<b>16,407.94</b>
<b>Financial Liabilities</b>				
Long term Borrowings	-	80.81	-	80.81
Short term Borrowings	-	-	-	-
Trade Payables	7,197.78	-	-	7,197.78
Other financial liabilities (Non Current)	-	-	-	-
Other financial liabilities (Current)	2,208.99	-	-	2,208.99
<b>Total financial Liabilities</b>	<b>9,406.77</b>	<b>80.81</b>	-	<b>9,487.58</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

(₹In lacs)

Particulars	01.04.2016			
	<1year	1-5year	>5year	Total
<b>Financial assets</b>				
Non-current Investments	-	-	0.11	0.11
Loans (Non current)	-	-	-	-
Loans (current)	522.73	-	-	522.73
Trade receivables	993.22	-	-	993.22
Cash and cash equivalents	3,559.31	-	-	3,559.31
Bank balances other than cash and cash equivalents	6,079.43	-	-	6,079.43
Other financial assets	398.99	-	-	398.99
<b>Total financial assets</b>	<b>11,553.69</b>	<b>-</b>	<b>0.11</b>	<b>11,553.80</b>
<b>Financial Liabilities</b>				
Long term Borrowings	-	89.81	-	89.81
Short term Borrowings	-	-	-	-
Trade Payables	6,300.64	-	-	6,300.64
Other financial liabilities (Non Current)	-	-	-	-
Other financial liabilities (Current)	2,341.47	-	-	2,341.47
<b>Total financial Liabilities</b>	<b>8,642.11</b>	<b>89.81</b>	<b>-</b>	<b>8,731.92</b>

**Categories of financial instruments**

(₹In lacs)

Particulars	31.03.2018		31.03.2017		31.03.2016	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Loans (Non Current)	-	-	-	-	-	-
Loans (Current)	1,338.07	1,338.07	1,809.60	1,809.60	522.73	522.73
Trade receivables	681.80	681.80	1,089.69	1,089.69	993.22	993.22
Cash and cash equivalents	2,708.07	2,708.07	2,208.96	2,208.96	3,559.31	3,559.31
Bank balances other than cash and cash equivalents	15,119.96	15,119.96	10,821.35	10,821.35	6,079.43	6,079.43
Non-current Investments (NSC)	0.11	0.11	0.11	0.11	0.11	0.11
Other financial assets	174.91	174.91	478.23	478.23	398.99	398.99
<b>Total financial assets at amortised cost (A)</b>	<b>20022.93</b>	<b>20022.93</b>	<b>16,407.94</b>	<b>16,407.94</b>	<b>11,553.80</b>	<b>11,553.80</b>
<b>Financial assets</b>						
Measured at fair value through other comprehensive income						
Non-current Investments	-	-	-	-	-	-
<b>Total financial assets at fair value through other comprehensive income (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets</b>						
Measured at fair value through profit and loss						
Non-current Investments	-	-	-	-	-	-
Current Investments	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
<b>Total financial assets at fair value through profit and loss (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial assets (A+B+C)</b>	<b>20022.93</b>	<b>20022.93</b>	<b>16,407.94</b>	<b>16,407.94</b>	<b>11,553.80</b>	<b>11,553.80</b>





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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<b>Financial Liabilities</b>						
<b>Measured at amortised cost</b>						
Long term Borrowings*	55.50	55.50	80.81	80.81	89.81	89.81
Short term Borrowings	-	-	-	-	-	-
Trade Payables	8,291.37	8,291.37	7,197.78	7,197.78	6,300.64	6,300.64
Other financial liabilities (Non Current)	-	-	-	-	-	-
Other financial liabilities (Current)	2,675.84	2,675.84	2,208.99	2,208.99	2,341.47	2,341.47
<b>Total financial Liabilities at amortised cost</b>	<b>11,022.71</b>	<b>11,022.71</b>	<b>9,487.58</b>	<b>9,487.58</b>	<b>8,731.92</b>	<b>8,731.92</b>

### Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). Company does not undertake any transaction in Foreign Currency, So there is no foreign Currency Risk associated.

### Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations in its division is as under:

#### Sugar Division:

Company's major product is sugar for which is regulated by government. Company always bears the risk of change in market price by government. Raw material prices are subject to raw material availability and agricultural produce.

#### Country liquor

Country liquor price is also regulated by government.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of raw material inputs. The Company purchased substantially all of its Raw Material from third parties in the open market.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates.

(₹In lacs)

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 01st April 2016</b>
Fixed rate borrowings	55.50	80.81	89.81
Floating rate borrowings	0.00	0.00	0.00
Total borrowings	55.50	80.81	89.81



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

### **36. Capital Risk Management**

#### **Objective**

#### **Policy**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the rules and regulations framed by the Government under whose control the Company operates.

(₹In lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Fixed rate borrowings	55.50	80.81	89.81
Long term borrowings	55.50	80.81	89.81
Current maturities of long term debt	0.00	0.00	0.00
Short term borrowings	0.00	0.00	0.00
Total	55.50	80.81	89.81
Less: cash and cash equivalents	2708.07	2208.96	3559.31
Less: bank balances other than cash and cash equivalents	15119.96	10821.35	6079.43
Net debt	-17828.04	-13030.31	-9638.74
Total equity	18039.32	18039.32	14284.38
Gearing ratio	-0.99	-0.72	-0.67

#### **Level wise disclosure of financial instruments**

(₹In lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI					Quoted bid prices in an active market
Long term Borrowings					
Carrying value					
Fair value					Discounted cash flow-observable

### **37. Segment Reporting**

#### **(i) Factors used to identify segments**

The company is primarily engaged in sale of Liquor and Sugar activities. Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Company management time to time for making financial and operating decisions,

a) Sugar

b) Liquor

#### **(iii) Basis of segment measurement**

- The measurement principles for segment reporting are based on IND AS 108 " Segment Reporting". Segment's performance is evaluated based on segment revenue and profit and loss from operating activities.
- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables. Property, Plant and Equipment, inventories, operating cash and bank balances.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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- d) Segment liabilities comprise operating liabilities and exclude provision for taxes and deferred tax liabilities.
- e) Income tax expense and income earned are not allocated to individual segment. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including intersegment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments and the same has been reflected at the Group level for segment reporting.

**iv) Segment Reporting**

Particulars	Year Ended 31-March 18		Year Ended 31-March 17	
	Sugar	Country Liquor	Sugar	Country Liquor
Revenue from external customers	2,809.09	111,515.47	3,340.49	100,628.92
Revenue from transactions with other operating segments of the entity	-	-	-	-
Other Revenue	918.04	141.24	26.20	130.67
<b>Total Revenue</b>	<b>3,727.13</b>	<b>111,656.71</b>	<b>3,366.69</b>	<b>100,759.59</b>
Segment expenses	8,417.93	102,417.63	7,692.66	90,590.08
<b>Segment profit and loss before tax and exceptional item</b>	<b>(4,690.80)</b>	<b>9,239.09</b>	<b>(4,325.97)</b>	<b>10,169.51</b>
Segment assets	19,902.71	5,934.19	21,217.62	5,903.55
Segment liabilities	1,849.23	4,000.16	2,429.00	2,861.71

**v) Reconciliations**

Total Assets with Segment asset		
Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Segment assets	25,836.90	27,121.17
Unallocated assets	18,747.51	13,361.35
<b>Total assets</b>	<b>44,584.41</b>	<b>40,482.52</b>

Total Liabilities with Segment Liabilities		
Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Segment assets	5,849.39	5,290.70
Unallocated assets	38,735.01	35,191.81
<b>Total assets</b>	<b>44,584.41</b>	<b>40,482.52</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**38 Income Tax Expenses**

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
<b>a) Current Tax</b>	2,300.00	2,300.00
<b>b) Adjustments in respect of income tax of previous year</b>	14.17	-
Current tax	-	-
<b>(c)Deferred Tax</b>	(242.67)	(390.19)
<b>Total</b>	<b>2,071.50</b>	<b>2,309.81</b>

**39. Earning Per share**

**As per Ind AS 33, determination and presentation of basic and diluted earnings per equity share:**

a) The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Issued number equity shares	396	396
Potential Equity Shares	-	-
Weighted number of shares	396	287
Weighted average shares outstanding - Basic and Diluted	396	287
<b>Total</b>	<b>396</b>	<b>287</b>

b) Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Profit and loss after tax	2,351.01	2,701.88
Profit and loss after tax for EPS	2,351.01	2,701.88
Basic Earnings per share (in ₹)	5.94	9.43
Diluted Earnings per share (in ₹)	5.94	9.43
Profit and loss before change in accounting policy		3,033.03
Basic Earnings per share (in ₹)	NA	10.55
Diluted Earnings per share (in ₹)	NA	10.55
<b>Change in Basic and Diluted EPS due to change in accounting policy</b>	<b>NA</b>	<b>1.12</b>

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**40. Leases**

(a) The company has taken Reduction Centre and Depots on cancelable Operating Lease. The tenure of these agreements range between 3 to 5 Years. The amount of lease rentals paid of Rs. 13422881/- (P.Y. Rs. 11324222) has been charged under the head "Rent" in Note No. 34.

(b) The company has no cancelable Operating lease for Plant and Machinery.

**41. Related Party Disclosures**

In accordance with the requirements of IND AS 24, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported as under:

**(i) Related party name and relationship**

**(a) Key Managerial Persons**

Name of Related Party	Designation
Praveen Gupta	Director
Aparna Arora	Director
Naveen Mahajan	Director
Manju Rajpal	Director
Gyana Ram	Director
P.P. Yadav	Director
Manju la Verma	Director
U.S. Shekhawat	Director
Rajkumar Chowdhary	Director
K.L. Jakhar	Director
V. C. Bunkar (01-04-17 to 06-11-17)	CFO
Devendra Arora (07-11-17 to 31-03-18)	CFO
Pawan K. Garg	Company Secretary

**(b) Entities where control exist - Subsidiaries and indirect subsidiaries**

Name of the entity in the group	% Shareholding / Voting Power
NO SUCH ENTITY	

**(C) Other related parties**

Name of the party	Relation
NO SUCH PARTY	

**(ii) Related party transactions**

(₹ In lacs)

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Praveen Gupta	0.18	0.18
V. C. Bunkar (01-04-17 to 06-11-17)	11.76	16.06
Devendra Arora (07-11-17 to 31-03-18)	6.42	NA
Pawan K. Garg	8.06	3.26

The Transaction with Related party are in the nature of Director's Remuneration and Salary.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**42. Contingent Liabilities**

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
a) <b>Claims against company not acknowledged as debts</b>	601.75	416.05
b) <b>Other money for which company is contingently liable</b>		
b.1 Non-provision of interest payable to Rajasthan Government in Sugar Factory account since year 1961-62, as amount of interest unascertainable for	2.42	2.42
b.2 Excise duty on pending excess wastage cases of rectified spirit and liquor	27.09	27.09
b.3 Central Excise Department Demand	1.56	-
b.4 Service Tax Demand	0.52	4.11
b.5 Income tax Demand	12,369.97	10,604.48
b.6 TDS/TCS Defaults	6.76	5.10
b.7 Workmen demands / cases	Amount not ascertainable	Amount not ascertainable

**43. Corporate Social Responsibility**

During the financial year 2017-18, the company has incurred 'NIL' towards corporate social responsibility activities in accordance with Section 135 of Companies Act, 2013. Although, it create a provision for CSR Activities amounting to Rs. 77,43,728.00 for the year 2017-18. Amount to be spent for CSR activity is calculated on the basis of Profit as per pervious Indian GAAP.

**44. Capital Commitments**

Contracts remaining to be executed on capital account are amounting to Rs. NIL/-.

**45. Analysis of Raw Materials and Store & Spares**

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
<b>Raw Materials and Components:</b>		
Imported		
Indigenous	16,047.15	16,292.91
<b>Consumables, Stores &amp; Spares:</b>		
Imported		
Indigenous	30.35	48.89

**46. Impairment of assets:**

Ind AS-36 " Impairment of Assets, an entity should ensures that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and required to be recognised as an impairment loss. Company has not revalued its assets during the financial year as required under this Ind AS 36.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**47. Reconciliation of other equity:**

**Reconciliation of Equity between IND-AS and previous GAAP**

(₹In lacs)

	March 31 2017	April 1 2016
<b>Nature of Adjustment</b>		
<b>Shareholder's Equity as per previous GAAP</b>	9626.78	6605.34
Adjustment in relation to retrospective application of Ind AS19	662.03	355.94
Deferred tax adjustment as per ind as 12	(249.23)	(143.30)
Other profit changes	(319.56)	0.00
<b>Shareholder's Equity as per Ind AS</b>	<b>9,720.02</b>	<b>6,817.98</b>
<b>March 2017 figures are on cumulative basis</b>		
<b>Reconciliation of Profit/(loss) after tax between IND-AS and previous GAAP</b>		
	<b>March 31, 2017</b>	
Net profit/(loss) as per Previous GAAP		3033.03
<b>Adjustments</b>		
Preference dividend to be treated as interest cost	(11.59)	
Increase in expenses due to Ind as 19	(223.37)	
Change In deferred tax liability	326.36	
Extraoridinry item	(422.54)	
<b>Net decrease in Profit</b>		<b>(331.15)</b>
Net profit/(loss) as per Ind AS		2701.88
Add: Other comprehensive income		200.16
<b>Total comprehensive income/(loss) as per Ind AS</b>		<b>2902.04</b>

**48. Adjustment In Statement Of Profit & Loss Account For The Year Ended 31st March 2017**

Particulars	for the year ended 31-March 18 (AS)	Adjustments	for the year ended 31-March 17 (AS)
(I) Revenue From Operations	103,787.69	181.72	103,969.40
(II) Other Income	1,195.17	-	1,195.17
<b>(III) Total Income (I+II)</b>	<b>104,982.85</b>	<b>181.72</b>	<b>105,164.57</b>
(IV) Expenses			
Cost of Materials Consumed	24,101.73	-	24,101.73
Purchases of Stock-In-Trade	58,874.97	-	58,874.97
Changes in Inventories	(1,874.36)	-	(1,874.36)
Finance Cost	-	11.59	11.59



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

Employee Benefits Expenses	6,986.56	223.37	7,209.93
Depreciation and Amortization Expenses	2,823.54	-	2,823.54
Other Expenses	8,823.76	181.72	9,005.48
<b>Total Expenses</b>	<b>99,736.20</b>	<b>416.69</b>	<b>100,152.89</b>
<b>(V) Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>5,246.65</b>	<b>(234.97)</b>	<b>5,011.68</b>
(VI) Exceptional Items	422.54	-	-
(VII) Profit/(Loss) Before Tax (V+VI)	5,669.19	-	5,011.68
(VIII) Tax Expenses: -			
(1) Current Tax	2,700.00	-	2,700.00
(2) Earlier Years Tax -			
(3) Deferred Tax Charges/(Credits)	(63.84)	(326.36)	(390.19)
(IX) Profit/(Loss) for the period (VII - VIII)	3,033.03	-	2,701.88
(X) Other Comprehensive Income	-	-	-
-Items that will not be reclassified to Profit and Loss	-	306.10	306.10
- Income tax relating to items not be reclassified to profit and loss	-	105.93	105.93
<b>(XI) Total OCI</b>	<b>-</b>	<b>200.16</b>	<b>200.16</b>
(XII) Total Comprehensive Income for the period			<b>2,902.04</b>

<b>Earnings Per Share of ₹ 50 Each</b>			
<b>Basic (₹)</b>	<b>10.55</b>		<b>9.43</b>
<b>Diluted (₹)</b>	<b>10.55</b>		<b>9.43</b>

**49. IND AS 19 Employees Benefits:**

(₹ In lacs)

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Employer's Contribution to Provident, Pension Funds and Other Funds	1,091.04	1,219.46

**A) Gratuity (Funded)**

**A.1) (Liability/Asset) to be recognised in the Balance Sheet**

Amount in Balance Sheet	Year Ended 31-March 18	Year Ended 31-March 17
Defined Benefit Obligation (DBO)	6,407.47	5,697.95
Fair value of Plan Assets	5,964.69	6,076.69
Funded Status- (Surplus)/Deficit		
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>442.77</b>	<b>(378.73)</b>

**A.2) Bifurcation of DBO Into Current and Non Current Portion**

Current/ Non Current Benefit obligation/asset	Year Ended 31-March 18	Year Ended 31-March 17
Current Liability	790.00	644.72
Non Current Liability	5,617.47	5,053.23
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>6,407.47</b>	<b>5,697.95</b>





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**A.3) Expense recognised during the year in the Statement of Profit and Loss**

Particulars	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
Current Service Cost	210.22	270.85
Interest Cost	455.84	464.00
Expected Return on Plan Assets	486.13	488.66
<b>Total "Expense/(Income) included in Employee benefit Expense</b>	<b>179.93</b>	<b>246.18</b>

**A.4) Expense recognised during the year in the Statement of Other Comprehensive Income(OCI)**

Particulars	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
Amount recognised in OCI, Beginning of period	(252.61)	-
Remesurements due to:		
Effect of change in financial assumptions	(1,111.80)	-
Effect of experience adjustments	1,652.02	(252.61)
Actuarial (Gains)/Losses	540.22	(252.61)
Return on plan assets (excluding interest)	-	-
<b>Total remeasurements recognized in OCI</b>	<b>540.22</b>	<b>(252.61)</b>
<b>Amount recognized in OCI, End of Period</b>	<b>287.61</b>	<b>(252.61)</b>

**A.5) Return on Plan Assets**

Actual Return on Plan Assets	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
Interest Income Plan Asset	486.13	488.66
Actuarial Gains/(Losses) on Plan Assets	(45.68)	(0.43)
<b>Actual Return on Plan Assets</b>	<b>440.46</b>	<b>488.24</b>

**A.6) Reconcilliation of amounts in Balance Sheet**

Particulars	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
Opening Balance Sheet (Asset)/Liability	(108.76)	(38.35)
Total Expense/(Income) recognised in P&L	240.55	185.56
Actual Employer Contribution	(4.94)	(3.78)
Total Remeasurements Recognised in Other Comprehensive (Income)/Loss	585.90	(252.18)
Acuisition/ Business Combination/ Divestiture	-	-
<b>Closing Balance Sheet (Asset)/Li ability</b>	<b>712.74</b>	<b>(108.76)</b>

Change In Present Value of Benefit Obligation during the Period	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
Defined Benefit Obligation, beginning of the period	5,697.95	5,799.96
Current Service Cost	270.85	210.22
Interest Cost	455.84	464.00
Actuarial (Gains)/Losses	540.22	(252.61)
Actual Benefits Paid	(557.39)	(523.62)
<b>Defined Benefit Obligation, end of the period</b>	<b>6,407.47</b>	<b>5,697.95</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**A.7) Reconciliation of Fair Value of Plan Asset**

Change in fair value of plan assets during the period	for the year 31-March 18	for the year 31-March 17
Fair Value of Plan assets, beginning of the period	6,076.69	6,108.29
Interest income on plan assets	486.13	488.66
Actual Enterprises' contribution	4.94	3.78
Actual benefits paid	557.39	(523.62)
Actuarial gains/flosses)	(45.68)	(0.43)
<b>Fair Value of Plan assets, end of the period</b>	<b>5,964.69</b>	<b>6,076.69</b>
Other Items	for the year 31-March 18	for the year 31-March 17
Weighted average duration (based on discounted cash flow)	-	-

**A.8) Categorisation of Investments under Plan Assets**

Category of Assets	Year Ended 31-March 18	Year Ended 31-March 17
Govt, of India Securities (Central and State)	0.00%	0.00%
High Quality corporate bonds (incl PSU Bonds)	0.00%	0.00%
Equity Shares of listed companies	0.00%	0.00%
Real Estate / Propetry	0.00%	0.00%
Cash (including special deposits)	0.00%	0.00%
Other (inclding assets under schemes of Ins.)	100.00%	100.00%

**A.9) History of DBO, Asset values. Surplus / Deficit and Experience Gains / Losses**

History of DBO, Asset values. Surplus / Deficit and Experience Gains / Losses	Year Ended 31-March 18 (AS)	Year Ended 31-March 17 (AS)
DBO	6,407.47	5,697.95
Plan Assets	5,964.69	6,076.69
(Surplus)/Deficit	442.77	(378.73)
Exp Adj- Plan Assets gain/(Loss)	(1,652.02)	252.61
Assumptions Gain/(loss)	-	-
Exp Adj- Plan Liabilities Gain/(loss)	1,111.80	-
<b>Total Actuarial Gain/(loss)</b>	<b>(540.22)</b>	<b>252.61</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**A.10) Reconciliation of Actuarial (Gain)/Losses**

Recognition of Actuarial gains and losses	Year Ended 31-March 18	Year Ended 31-March 17
Actuarial (Gain)/Loss arising on DBO	540.22	(252.61)
Actuarial (Gain)/Loss arising on Plan Assets	45.68	0.43
<b>Total (Gain)/Loss recognised during the period</b>	<b>585.90</b>	<b>(252.18)</b>

**A.11) Sensitivity analysis**

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Defined benefit obligation (Base)	6,407.47	5,697.95

Sensitivity analysis	Year Ended 31-03-2017	
	Increase	Decrease
<b>Discount rate</b>	7.50%	7.50%
Impact of increase/ decrease of 50 bps on DBO	(209.44)	222.20
<b>Salary growth rate</b>	7.00%	7.00%
Impact of increase/ decrease of 50 bps on DBO	215.71	(207.30)

Sensitivity analysis	Year Ended 31-03-2017	
	Increase	Decrease
<b>Discount rate</b>	8%	8%
Impact of increase/ decrease of 50 bps on DBO		
<b>Salary growth rate</b>	10%	10%
Impact of increase/ decrease of 50 bps on DBO		

**A.12) Expected Undiscounted Cash Flows**

Cash Flows	Year Ended 31-March 18	Year Ended 31-March 17
Year 1	790.00	644.72
Year 2	2 848.77	1,084.79
Year 3	3 366.8	1 288.16
Year 4	4 371.72	310.94
Year 5	5 330.43	280.83
Year 6 to 10	3,699.73	3,088.52

**A.13) Plan provisions considered for carrying out actuarial valuation**

Cash Flows	Year Ended 31-March 18	Year Ended 31-March 17
Eligibility	All employees	All employees
Qualifying salary	Monthly Basic	Monthly Basic
Qualifying service	Completed years of Continious	Completed years of Continious
Form of payment	Lumpsum	Lumpsum



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

Retirement benefit	15/26xLast drawn Salaryx Service	15/26xLast drawn Salaryx Service
Withdrawal benefit	15/26x Last drawn Salaryx Service	15/26xLastdrawnSalaryxService
Death benefit	15/26x Last drawn SalaryxService	15/26x Last drawn SalaryxService
Vesting Period	5 years on retirement and withdrawal For Executive Employees 15 months months	5 years on retirement and withdrawal For Executive Employees 15 months months
Maximum Ceiling	salary and for workmen 20 months salary	salary and for workmen 20 months salary

**A.14) Data used for Actuarial Valuation**

Membership data	Year Ended 31-March 18	Year Ended 31-March 17
Number of Members	1368	1436
Total monthly Salary (in Lac)	457.89	403.63
Average Remaining working life (Years)	12.09	12.08
Weighted Average Duration	10.29	10.31
Average age (Years)	47.91	47.92
Average Past Service (Years)	24.17	24.22

**A.15) Actuarial Assumptions**

Actuarial Assumptions	Year Ended 31-March 18	Year Ended 31-March 17
Discount Rate	7.50%	8.00%
Salary Escalation rate	7.00%	10.00%
Demographic Assumptions	Year Ended 31-March 18	Year Ended 31-March 17
Mortality Table*		
Withdrawal Rate**		
Retirement age	60	60
Timing Related Assumptions	Year Ended 31-March 18	Year Ended 31-March 17
Time of retirement	Immediately on achieving normal	Immediately on achieving normal
Salary increase frequency	Once a year	Once a year



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes forming part of Financial Statement**

\* Mortality Rate : Represents mortality rates from Indian Asured Lives Morality (2006-08) Ult. are given in the table below.

Age	Rate
20	0.000888
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.017009
70	0.25855
75	0.039637

•• Withdrawl Rate

Withdrawl rate	Year Ended 31-March 18	Year Ended 31-March 17
Up-to 30 Years	3%	3%
31 to 44 Years	2%	2%
Above 44 Years	1%	1%

**Discount rate**

Discount Rate for the valuation is based on Yield to Maturity (YTM) available on Government bonds having similar term to decrement-adjusted estimated term of liabilities. For valuation as at 31st March 2018 /31st March, 2017 the estimated term of liabilities is 8.56 / 8.16 years, corresponding to which YTM on government bonds is 7.05% / 7.68% respectively, after rounding to nearest 0.05%. Estimated term of liabilities, for selection of discount rate, is calculated as average term of all future benefit payments on account of death, retirement or resignation weighted by corresponding amount of benefits.

**Expected Rate of Return on Assets**

It is the average long term rate of return expected on investments of the Trust Fund.

**Salary growth rate**

Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**Withdrawal rate**

Assumptions regarding withdrawal rates are also set based on the estimates of expected long-term future employee turnover within the organization.

**Mortality rate**

Indian Assured Lives Mortality (2006-08) Ult. as issued by Institute of Actuaries of India has been used.

**Projected Unit Credit Method**

Projected Unit Credit Method Privilege Leave Plan is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits to plan members. Actuarial & Investment risks are borne by the Company.

As required under Para 51 (b) of Ind AS 19, valuation of plan benefits is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

Ind AS 19 also requires 'Service Cost' to be calculated separately in respect of benefit accrued during the current period. Service Cost is calculated using the same method as described above; however instead of all accrued benefits, benefit accrued over the current reporting period is considered.

**Modelling Assumptions**

Decrements due to death & resignation are assumed to occur uniformly throughout the year

Members above Normal Retirement Age are assumed to retire immediately after the reporting date.

**B) Leave Encashment (Funded)**

**B.1) Liability/(Asset) to be recognised in the Balance Sheet**

Amount in Balance Sheet	Year Ended 31-March 18	Year Ended 31-March 17
Defined Benefit Obligation (DBO)	1,141.39	1,255.28
Fair value of Plan Assets	1,279.49	1,312.96
Funded Status- (Surplus)/Deficit	(138.10)	(57.68)
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>(138.10)</b>	<b>(57.68)</b>

**B.2) Bifurcation of DBO into Current and Non Current Portion**

Current/ Non Current Benefit obligation/asset	Year Ended 31-March 18	Year Ended 31-March 17
Current Liability	217.01	202.57
Non Current Liability	924.38	1,052.71
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>1,141.39</b>	<b>1,255.28</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

**B.3) Expense recognised during the year in the Statement of Profit and Loss**

Actual Return on Plan Assets	Year Ended 31-March 18	Year Ended 31-March 17
Current Service Cost	43.20	48.69
Interest Cost	100.42	102.27
Net Acturial Losses /(gain)	(127.11)	(53.33)
Expected Return on Plan Assets	105.04	106.02
<b>Total Expense/(Income) included in Employee Benefit Expense</b>	<b>(88.52)</b>	<b>(8.39)</b>

**B.4) Return on Plan Assets**

Particulars	Year Ended 31-March 18	Year Ended 31-March 17
Interest Income Plan Asset	105.04	106.02
Actuarial Gains/(Losses) on Plan Assets	9.64	0.59
<b>Actual Return on Plan Assets</b>	<b>114.68</b>	<b>106.61</b>

**B.5) Reconcillation of amounts in Balance Sheet**

Change in Present Value of Benefit Obligation during the Period	Year Ended 31-March 18	Year Ended 31-March 17
Opening Balance Sheet (Asset)/Liability	(10.76)	-
Total Expense/(Income) recognised in P&L	38.58	44.94
Remeasurement	(117.47)	(53.92)
Actual Employer Contribution	(1.53)	(1.79)
<b>Closing Balance Sheet (Asset)/Liabilfty</b>	<b>(91.18)</b>	<b>(10.76)</b>

Change in fair value of plan assets during the period	Year Ended 31-March 18	Year Ended 31-March 17
Defined Benefit Obligation, beginning of the period	1,255.28	1,278.39
Current Service Cost	43.20	48.69
Interest Cost	100.42	102.27
Actuarial (Gains)/Losses	(127.11)	(53.33)
Actual Benefits Paid	(130.41)	(120.74)
<b>Defined Benefit Obligation, end of the period</b>	<b>1,141.39</b>	<b>1,255.28</b>

**B.6) Reconciliation of Fair Value of Plan Asset**

Other Items	Year Ended 31-March 18	Year Ended 31-March 17
Fair Value of Plan assets, beginning of the period	1,312.96	1,325.31
Interest income on plan assets	105.04	106.02
Actual Enterprises' contribution	1.53	1.79
Actual benefits paid	(130.41)	(120.74)
Actuarial gains/(losses)	(9.64)	0.59
<b>Fair Value of Plan assets, end of the period</b>	<b>1,279.49</b>	<b>1,312.96</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes forming part of Financial Statement

Other Items	Year Ended 31-March 18	Year Ended 31-March 17
Weighted average duration (based on discounted cash flow)	10.29	10.31

**B.7) Categorisation of Investments under Plan Assets**

Category of Assets	Year Ended 31-March 18	Year Ended 31-March 17
Govt, of India Securities (Central and State)	-	-
High Quality corporate bonds (incl PSU Bonds)	-	-
Equity Shares of listed companies	-	-
Real Estate / Propetry	-	-
Cash (including special deposits)	-	-
Other (inclnding assets under schemes of Ins.)	1,279.49	1,312.96

**B.8) History of DBO, Asset values. Surplus / Deficit and Experience Gains / Losses**

History of DBO, Asset values. Surplus / Deficit and Experience Gains / Losses	Year Ended 31-March 18	Year Ended 31-March 17
DBO	1,141.39	1,255.28
Plan Assets	1,279.49	1,312.96
(Surplus)/Deficit	(138.10)	(57.68)
Exp Adj- Plan Assets gain/(Loss)	(9.64)	0.59
Assumptions Gain/(loss)	183.92	-
Exp Adj- Plan Liabilities Gain/(loss)	(56.81)	53.33
<b>Total Actuarial Gain/(loss)</b>	<b>117.47</b>	<b>53.92</b>





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes forming part of Financial Statement**

50. 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.
51. Balance of unclaimed preference shares are kept in a separate bank account and as per Companies Act 2013, the amount kept in a separate bank account for the purpose of redemption of preference share remains unclaimed for more than 7 years, will be transferred to Investor Education and Protection Fund.
52. Claims made by the Company, but not acknowledged as debts by the parties amounting to ₹19863925/- (Previous year ₹19863925/-)
53. Light & Water Expenses include a sum of ₹1865673/- (Previous year ₹1211298 /-) on account of electricity consumed by employees residing in Sugar Factory colony, Sriganganagar, out of which a sum of ₹ 945556/- (Previous year ₹ 2087683 /-) 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.
54. The company has made some advance payments amounting to ₹ 13954903/- (Previous ₹15022191/-) 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 ₹ 14793415/- (Previous Year ₹ 16318112/-). Thus the quantum of assets and liabilities are overstated to that extent. But these will not affect the Profit & Loss of the Company.
55. 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.
56. 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 received 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.
57. The production of royal heritage liqueur remained suspended w.e.f. 09/05/2008, however redistillation was done as per requirement.
58. The Stock of 412.00 Qtl. Levy Sugar has been valued at the price fixed by the Sugar Directorate, New Delhi at prevailing rate for 2009-10 @ ₹1920.51 per Qtl.
59. On 24.06.2017 at Pokhran Depot 5757 cases of country liquor was found short amounting to Rs.60.77 lacs including State Excise Duty. The company has registered an FIR on 29.06.2017 in this matter and suspended the concerned employees. The matter is under investigation till the date. However, company has made provision of the same amount against theft.

**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**



Note No. - 60 (I)

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

S. No. of Goods	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	78,605 (114,915)	-	77,781 (34,293)	275,451,200 (107,922,628)	117,906 (77,781)	350,646,850 (275,451,200)	38,380 (71,427)	136,920,506 (288,949,429)	
2	Molasses (Own Production)	Qtl.			46,881 (88,884)		105,175 (72,872)	53,113,392 (32,792,387)	85,427 (105,175)	11,672,359 (53,113,392)	66,629 (56,581)	8,728,399 (32,816,980)	
3	Country Liquor at Retail Shops	BL				37,438 (795)	4,838,736 (107,932)	-	-	-	35,587 (795)	5,526,804 (133,719)	
4	Country Liquor at Warehouses (Own Production)	BL			81,991,996 (80,078,938)		2,244,371 (1,914,933)	79,493,714 (70,161,537)	2,166,466 (2,244,371)	96,017,286 (79,195,677)	81,967,465 (79,688,762)	3,615,463,032 (3,465,318,611)	
	(Private Distillers Production)	BL			176,819,649 (154,295,284)		6,803,091,004 (5,886,234,918)	4,142,943 (5,051,198)	159,222,085 (183,251,883)	197,518,483 (159,222,085)	175,548,878 (155,087,232)	7,523,728,682 (6,592,403,222)	
5	Heritage Liqueur	BL			6,595 (3,679)		34 (40)	9,091 (10,216)	2,916 (34)	689,383 (9,091)	3,713 (3,686)	2,180,411 (2,025,856)	
6	Denatured Spirit	BL			29,090 (16,000)		1,666 (2,148)	58,930 (71,080)	2,457 (1,888)	66,456 (56,062)	28,518 (16,257)	2,423,904 (1,268,046)	
7	Rectified Spirit (Sugar Factory)	BL (*)			1,761,091 (1,592,125)		767,125 (30,017,601)	30,017,601 (767,125)	353,216 (767,125)	15,435,517 (30,017,601)	2,175,000 (825,000)	96,787,500 (32,282,250)	
6	Rectified Spirit (CRC)	LPL			66,921 (63,920)		1,787,095 (1,625,014)				66,921 (63,920)	2,214,025 (1,778,780)	
9	Glass ware	Qtls.	N.A.	N.A.	-								
10	I.M.F.L. at Retail Shops	BL											
11	Blo Composed Product	Qtl.											
12	Impure Spirit	BL											
13	Electric	MT			6,798,426						6,798,426	38,772,547	
13	DDGS	MT			45				45	148,665			
14	WDGS	MT			64				64	1,062,600			
<b>Gross Total</b>							<b>6,809,726,835</b>	<b>600,916,330</b>		<b>677,665,818</b>		<b>11,432,455,810</b>	
Less: C.L. transfer to Shops													
<b>NET SALE</b>							<b>6,809,726,835</b>					<b>11,432,455,810</b>	
Less : Purchase Return							<b>10,852,673</b>						
Less : Excise Duty													
<b>NET TOTAL</b>							<b>6,798,874,162</b>	<b>600,916,330</b>		<b>677,665,818</b>		<b>11,432,455,810</b>	
Previous Year													
Less : C.L. Transfer to Shops													
Less : Purchase Return													
Less : Excise Duty													
<b>Net Total</b>							<b>(5,867,496,973)</b>	<b>(404,253,898)</b>		<b>(600,615,425)</b>		<b>(10,376,768,608)</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 248326 LPL being liquor in process (W.I.P.) as on 31.03.2018 and includes 226666 LPL being in process as on 31.03.2017
- 5 Production of Heritage Liqueur excludes 1580 BL being in process (W.I.P.) as on 31.03.2018 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 Distillery at New Sugar Complex at Kaminpura Distillery has Started from 01-04-2017 to 11-09-2017 on Molasses mode of from 11-02-2018 to 22-03-2018 on Grain mode
- 7 Closing Stock of:-
  - (i) Country Liquor at retail shops is after adjustment of transit & storage wastage NIL BL (Previous Year NIL BL). Closing Balance 1851 BL Transfer to C.L at W.H. (previous Year NIL)
  - (ii) Country Liquor at Warehouses (own production) is after adjustment of transit wastage being 86227 BL (Previous year 76030 BL), sample 4 BL (Previous Year 0 BL), shortage/ recovery 16162 BL. (Previous 8726 BL) Reprocessing 0 BL (Previous Year 997 BL) Physically excess received 0 BL (Previous Year 5035 BL), Excess wrongly include Closing Balance March 2017 4873 BL No Exclude March 2018
  - (iii) Country Liquor at warehouse (private) is after adjustment of sample 20 BL (Previous Year 78 BL), transit wastage 194 BL (Previous Year 247 BL), short recovery 33591 BL (Previous Year 0 BL), other receipt in purchase 0 BL (Previous Year 0 BL), Purchase return to party 277220 BL Amounting in Rs. 10852676/- (Previous Year 113394 BL Amt. In Rs. 2434350/-), 190 BL Without Value Exclude Stock 1157 BL without Value Include Stock.
  - (iv) D/Spirit is after adjustment of sample 03 BL (Previous year 01 BL)
  - (v) 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.
  - (vi) Glassware includes 01 Qtl. Without value (Previous year 01 Qtl).
  - (vii) 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)
  - (viii) Heritage Liqueur includes stock of NIL BL (Previous year NIL BL) with RSBCL for sale.
  - (ix) Sugar is after adjustment of NIL Qtl., transfer for reprocess (Previous Year NIL Qtls).
  - (x) W.I.P. of country liquor has been taken after adjustment of sample NIL LPL. (Previous year NIL LPL)



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR**

**Note No . 60 (II)**

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

S.No.	Class of Goods	Unit of Measurement	For the year ended on 31.03.2018		For the year ended on 31.03.2017	
			Qty.	Value (₹)	Qty.	Value(₹)
1	Cane	Qtl.	880,672	302,699,499	1,451,366	413,642,411
2	Molasses (Cane)	Qtl.	66629	8,728,399		
3	Rectified Spirit * (Excluding cost of own production)	LPL	48,049,631	1,290,681,780	46,527,034	1,181,832,182
4	E.N.A.	LPL	5,102	165,884	2,794	90,719
5	Spices, Colour & Essence		-	2,439,206		908,726
<b>TOTAL</b>				<b>1,604,714,768</b>		<b>1,596,474,038</b>

**NOTES :**

Wastage of Rectified Spirit & ENA Includes various wastage : Storage R/S 155883 LPL & ENA 3; Transit R/S 86896 LPL & ENA NIL; Reduction R/S 57423 LPL & ENA NIL; Burning Loss R/S 1607 & ENA NIL (Previous year Storage R/S 152764 LPL & ENA NIL LPL ; Transit R/S 78992 LPL & ENA NIL; Reduction R/S 57185 LPL & ENA NIL LPL ; Burning Loss R/S 158 & ENA NIL).

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

S.No.	Class of Goods	For the year ended on 31.03.2018		For the year ended on 31.03.2017	
		Value (₹)	% of total consumption	Value (₹)	% of total consumption
01(a)	<b>Raw Material</b>				
	<b>Imported (at landed cost)</b>	-	-	-	-
	<b>indigenous</b>	1,604,714,768	100%	-	100%
(b)	<b>Stores &amp; Spare parts</b>				
	<b>Imported (at landed cost)</b>				
	<b>indigenous</b>	3,035,007	100%	4,888,673	100%



## Activity wise details of Profit & Loss Account for the year 2017-18 & 2016-17

(Rs. In Lacs)

	Note No.	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
<b>I</b>									
Revenue From Operations	27	111,515.47	-	2,809.09	114,324.56	100,628.92	-	3,340.48	103,969.40
<b>II</b>									
Other Income	28	141.24	1,606.46	918.04	2,665.74	130.67	1,038.30	26.20	1,195.17
<b>III</b>									
<b>Total Revenue (I+II)</b>		<b>111,656.71</b>	<b>1,606.46</b>	<b>3,727.13</b>	<b>116,990.30</b>	<b>100,759.59</b>	<b>1,038.30</b>	<b>3,366.68</b>	<b>105,164.57</b>
<b>IV</b>									
<b>Expenses</b>									
Cost of Materials Consumed	29	21,770.12	(98.72)	3,151.03	24,822.42	19,584.54	-	4,517.19	24,101.73
Purchases of Stock-In-Trade	30	67,988.74	-	-	67,988.74	58,874.97	-	-	58,874.97
Changes in Inventories	31	(422.72)	-	(189.27)	(611.99)	257.97	-	(2,132.33)	(1,874.36)
Finance Cost	32	-	11.00	-	11.00	-	11.59	-	11.59
Employee Benefits Expenses	33	5,447.21	1,336.17	1,627.16	8,410.54	4,564.83	1,151.25	1,493.85	7,209.94
Depreciation and Amortization Expenses	3	129.79	20.15	2,550.33	2,700.27	169.17	19.03	2,635.34	2,823.54
Other Expenses	34	7,646.21	321.90	1,278.69	9,246.80	7,318.69	508.18	1,178.61	9,005.48
<b>Total Expenses</b>		<b>102,559.36</b>	<b>1,590.50</b>	<b>8,417.93</b>	<b>112,567.79</b>	<b>90,770.17</b>	<b>1,690.05</b>	<b>7,692.66</b>	<b>100,152.89</b>
<b>V</b>									
<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>		<b>9,097.35</b>	<b>15.96</b>	<b>(4,690.80)</b>	<b>4,422.51</b>	<b>9,989.41</b>	<b>(651.75)</b>	<b>(4,325.98)</b>	<b>5,011.68</b>
<b>VI</b>									
Profit on revaluation of PPE/ RC Profit in HO		-	-	-	-	-	-	-	-
<b>VII</b>									
<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>9,097.35</b>	<b>15.96</b>	<b>(4,690.80)</b>	<b>4,422.51</b>	<b>- 9,989.41</b>	<b>(651.75)</b>	<b>(4,325.98)</b>	<b>5,011.68</b>

## Activity wise details of Other Income for the year 2017-18 & 2016-17

(Rs. In Lacs)

S.No.	Particulars	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
A.	Interest Income	12.56	1,106.43	10.20	1,129.18	21.79	846.88	20.42	889.09
B.	<b>Mis. Income</b>								
i	Other Income/ Demurrage Income	4.10	357.90	16.83	378.83	6.05	116.65	5.78	128.48
ii	Sale of Tender Form	0.01	1.59	-	1.59	0.03	-	-	0.03
iii	Sale of Broken Glass / Press Mud/Fix Assets	0.02	-	-	0.02	0.55	-	-	0.55
iv	Recovery against Excess Wastage	25.87	-	-	25.87	3.95	-	-	3.95
v	Recovery against shortage	0.16	-	-	0.16	1.68	-	-	1.68
vi	Sale of Scrap	6.48	-	-	6.48	9.07	-	-	9.07
vii	Contract Amount	91.49	-	-	91.49	84.35	-	-	84.35
viii	Income From Loading Unloading Charges	-	-	-	-	2.19	-	-	2.19
ix	Security Forfeited	-	30.35	-	30.35	0.56	-	-	0.56
x	L.D.Received	0.07	52.83	-	52.90	-	74.58	-	74.58
xi	HRA Deduction / Other Non Operative Income	0.47	-	-	0.47	0.44	-	-	0.44
xii	Revaluation of Opening stock Heritage	-	-	-	-	-	-	-	-
xiii	Adjustment of Stock	-	-	-	-	-	-	-	-
xiv	Profit on Sale of Fixed Assets	-	14.55	891.02	905.57	-	0.20	-	0.20
	<b>Total (A+B)</b>	<b>141.23</b>	<b>1,563.65</b>	<b>918.04</b>	<b>2,622.92</b>	<b>130.67</b>	<b>1,038.30</b>	<b>26.20</b>	<b>1,195.17</b>
C.	Credit Balance Written Back	0.01	0.14	-	0.15	-	-	-	-
D.	Supervision charges- Yuvraj Whisky	-	42.68	-	42.68	-	-	-	-
E.	Prior period income	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>141.24</b>	<b>1,606.46</b>	<b>918.04</b>	<b>2,665.74</b>	<b>130.67</b>	<b>1,038.30</b>	<b>26.20</b>	<b>1,195.17</b>



### Activity wise details of Cost of Material Consumed for the year 2017-18 & 2016-17

(RS. In Lacs)

S.No.	Particulars	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
<b>A.</b>	<b>Raw Material-</b>								
i.	Rectified Spirit Consumed	12,893.97	-	-	12,893.97	11,811.61	-	-	11,811.61
ii.	Heritages Spirits Consumed	1.66	-	-	1.66	9.64	-	-	9.64
iii.	Molasses Consumed	-	-	87.28	87.28	-	-	328.17	328.17
iv.	Denature Spirit Consumed	12.85	-	-	12.85	6.71	-	-	6.71
v.	Sugar Cane	-	-	2,695.81	2,695.81	-	-	4,012.90	4,012.90
vi.	Broken Rice	-	-	197.35	197.35	-	-	-	-
vii.	Process Material (Sugar/heritage Spices)	24.39	-	133.84	158.23	0.36	-	123.52	123.88
	<b>Sub Total (A)</b>	<b>12,932.87</b>	<b>-</b>	<b>3,114.28</b>	<b>16,047.15</b>	<b>11,828.32</b>	<b>-</b>	<b>4,464.59</b>	<b>16,292.91</b>
<b>B.</b>	<b>Packging Material Consumed</b>								
i.	Packging Material Consumption C.L.	8,815.95	(98.72)	-	8,717.23	7,751.55	-	-	7,751.55
ii.	Packging Material Consumption Heritage	21.30	-	-	21.30	4.68	-	-	4.68
iii.	Packging Material Sugar	-	-	36.75	36.75	-	-	52.60	52.60
	<b>Sub Total (B)</b>	<b>8,837.25</b>	<b>(98.72)</b>	<b>36.75</b>	<b>8,775.28</b>	<b>7,756.22</b>	<b>-</b>	<b>52.60</b>	<b>7,808.82</b>
	<b>Grand Total (A+B)</b>	<b>21,770.12</b>	<b>(98.72)</b>	<b>3,151.03</b>	<b>24,822.42</b>	<b>19,584.54</b>	<b>-</b>	<b>4,517.19</b>	<b>24,101.73</b>

### Activity wise details of Purchase of Stock in Trade for the year 2017-18 & 2016-17

(Rs. In Lacs)

S.No.	Particulars	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
<b>A</b>	<b>Goods Purchase For Re sale :-</b>								
	Rectified Spirit	17.97	-	-	17.97	16.25	-	-	16.25
	Sugar cane	-	-	-	-	-	-	-	-
	Mollases	-	-	-	-	-	-	-	-
	Country Liquor Of Depot (Private)	68,030.91	-	-	68,030.91	58,882.35	-	-	58,882.35
	Less Purchase return	(108.53)	-	-	(108.53)	(24.34)	-	-	(24.34)
	C.L. at shop	48.39	-	-	48.39	1.08	-	-	1.08
	IMFL at Shop	-	-	-	-	-	-	-	-
	Add : Goods Received from Other RC	41.23	-	-	41.23	29.89	-	-	29.89
	<b>Sub Total (A)</b>	<b>68,029.97</b>	<b>-</b>	<b>-</b>	<b>68,029.97</b>	<b>58,905.22</b>	<b>-</b>	<b>-</b>	<b>58,905.22</b>
<b>B</b>	Less : C.L. shop Transfer to retail shop	-	-	-	-	0.37	-	-	0.37
<b>C</b>	Less : Goods sent to Other RC	41.23	-	-	41.23	29.89	-	-	29.89
	<b>Sub Total (B)</b>	<b>41.23</b>	<b>-</b>	<b>-</b>	<b>41.23</b>	<b>30.25</b>	<b>-</b>	<b>-</b>	<b>30.25</b>
	<b>Grand Total (A-B)</b>	<b>67,988.74</b>	<b>-</b>	<b>-</b>	<b>67,988.74</b>	<b>58,874.97</b>	<b>-</b>	<b>-</b>	<b>58,874.97</b>



**Activity wise details of Change in Inventories of finished goods, WIP & stock in trade for the year 2017-18 & 2016-17**

(RS. In Lacs)

S. No.	Particulars	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
1.	Opening Stock ( After Stock Adjustment )								
	(A) Finished Goods								
	(i) C.L. RSGSM	794.94	-	-	794.94	701.62	-	-	701.62
	(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	0.59	0.19	-	0.52	0.71
	(vi) Sugar	-	-	2,754.51	2,754.51	-	-	1,079.23	1,079.23
	(vii) Cane Molasses	-	-	531.13	531.13	-	-	327.92	327.92
	(viii) Liquor at Shops CL	-	-	-	-	-	-	-	-
	(ix) Liquor at Shops IMFL	0.44	-	-	0.44	0.44	-	-	0.44
	(x) Rectified Spirit	-	-	300.18	300.18	-	-	-	-
	(xi) Impure Spirit	-	-	24.26	24.26	-	-	-	-
	(xii) Biocompast	-	-	10.80	10.80	-	-	-	-
	<b>Sub Total (A)</b>	<b>2,387.76</b>	<b>-</b>	<b>3,621.40</b>	<b>6,009.16</b>	<b>2,634.87</b>	<b>-</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	-	-	155.95	155.95
	(iv) Molasses	-	-	15.76	15.76	-	-	-	-
	(v) Agriculture Product	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>58.41</b>	<b>-</b>	<b>74.55</b>	<b>132.95</b>	<b>69.26</b>	<b>-</b>	<b>155.95</b>	<b>225.22</b>
	<b>Total (A+B)</b>	<b>2,446.17</b>	<b>-</b>	<b>3,695.95</b>	<b>6,142.12</b>	<b>2,704.14</b>	<b>-</b>	<b>1,563.62</b>	<b>4,267.75</b>
II	Less – Closing Stock In Trade								
	(A) Finished Goods								
	(i) C.L. RSGSM	818.44	-	-	818.44	794.94	-	-	794.94
	(ii) C.L. Private	1,975.18	-	-	1,975.18	1,592.22	-	-	1,592.22
	(iii) Heritage Liqueur At W.H.	6.99	-	-	6.99	0.09	-	-	0.09
	(iv) Heritage Liqueur At RSBCL	-	-	-	-	-	-	-	-
	(v) Denature Spirit	0.35	-	0.52	0.86	0.07	-	0.52	0.59
	(vi) Sugar	-	-	3,506.47	3,506.47	-	-	2,754.51	2,754.51
	(vii) Cane Molasses	-	-	116.72	116.72	-	-	531.13	531.13
	(viii) Rectified spirit Sugar Factory	-	-	154.36	154.36	-	-	300.18	300.18
	(ix) Impure spirit Sugar Factory	-	-	29.84	29.84	-	-	24.26	24.26
	(x) biocompost	-	-	13.50	13.50	-	-	10.80	10.80
	(xi) Liquor at Shops CL	-	-	-	-	-	-	-	-
	(xii) Liquor at Shops IMFL	0.44	-	-	0.44	0.44	-	-	0.44
	(xiii) DDGS	-	-	10.63	10.63	-	-	-	-
	(xiv) WDGS	-	-	1.49	1.49	-	-	-	-
	<b>Sub Total (A)</b>	<b>2,801.41</b>	<b>-</b>	<b>3,833.52</b>	<b>6,634.93</b>	<b>2,387.76</b>	<b>-</b>	<b>3,621.40</b>	<b>6,009.16</b>
	(B) Work In Progress								
	(i) C.L. RSGSM	66.99	-	-	66.99	57.86	-	-	57.86
	(ii) Heritage Liqueur	0.49	-	-	0.49	0.54	-	-	0.54
	(iii) Sugar	-	-	51.70	51.70	-	-	58.79	58.79
	(iv) Molasses	-	-	-	-	-	-	15.76	15.76
	(v) Agriculture Product	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>67.48</b>	<b>-</b>	<b>51.70</b>	<b>119.18</b>	<b>58.41</b>	<b>-</b>	<b>74.55</b>	<b>132.95</b>
	<b>Total (A+B)</b>	<b>2,868.89</b>	<b>-</b>	<b>3,885.22</b>	<b>6,754.10</b>	<b>2,446.17</b>	<b>-</b>	<b>3,695.95</b>	<b>6,142.12</b>
	<b>Net Grand Total (I - II)</b>	<b>(422.72)</b>	<b>-</b>	<b>(189.27)</b>	<b>(611.99)</b>	<b>257.97</b>	<b>-</b>	<b>(2,132.33)</b>	<b>(1,874.36)</b>



## Activity wise details of Employee Benefit Expenses for the year 2017-18 & 2016-17

(RS. In Lacs)

Particulars	2018				2017			
	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
<b>Salaries &amp; wages-</b>								
Adminstration	-	593.27	361.70	954.97	13.19	484.22	475.48	972.89
Production	3,174.28	-	909.16	4,083.44	2,696.12	-	713.21	3,409.33
Depots & Shops	1,054.50	-	-	1,054.50	839.59	-	-	839.59
Heritage	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>4,228.78</b>	<b>593.27</b>	<b>1,270.86</b>	<b>6,092.91</b>	<b>3,548.90</b>	<b>484.22</b>	<b>1,188.68</b>	<b>5,221.81</b>
<b>Leave Encashment-</b>								
Premium of L.I.C. / SBI	-	39.53	-	39.53	-	11.01	-	11.01
15 Days Surrender Leave	91.40	21.94	24.86	138.21	89.29	14.97	27.54	131.80
<b>Sub Total</b>	<b>91.40</b>	<b>61.47</b>	<b>24.86</b>	<b>177.74</b>	<b>89.29</b>	<b>25.98</b>	<b>27.54</b>	<b>142.81</b>
House Rent Allowance	278.69	59.19	23.11	360.99	196.19	37.55	20.14	253.88
City Compensatory Allowance	19.22	7.97	-	27.19	13.18	5.27	-	18.45
Handicaped Allowance	1.29	1.23	-	2.52	1.04	-	-	1.04
Overtime & Hard Duty	1.91	0.41	42.51	44.84	2.93	2.44	80.34	85.72
Washing Allowance	16.26	-	2.11	18.37	16.25	1.23	2.59	20.06
Computer Allowance	1.18	-	-	1.18	1.22	-	-	1.22
Employers Contribution P.F.	307.38	40.39	104.96	452.73	292.86	35.82	72.43	401.11
Employer's Contribution to Pension Fund	189.97	18.97	5.88	214.81	129.53	14.91	27.20	171.63
Employers Contribution To ESI	13.48	-	0.13	13.61	3.94	-	0.02	3.95
Employers Contribution To EDLI	14.86	0.79	2.92	18.58	-	-	-	-
Employers Contribution To NPS	5.66	2.73	1.08	9.48	4.25	-	0.24	4.49
Bonus	5.46	0.21	4.04	9.71	8.84	0.34	2.92	12.09
Ex-Gratia	82.78	7.61	16.69	107.07	83.88	6.07	15.80	105.75
Staff Welfare Expenses	4.27	29.27	10.57	44.12	5.90	26.11	12.63	44.64
Contribution to Medical relief Fund trust	-	200.00	-	200.00	-	200.00	-	200.00
Uniform & liveries	19.37	0.83	3.36	23.56	21.23	0.82	3.58	25.63
Medical Reimbursement	80.18	42.94	27.98	151.10	84.63	31.86	24.49	140.97
Administration Charges on P.F. & EDLI	27.76	3.78	6.76	38.31	35.73	3.29	9.11	48.13
Gratuity	-	259.45	-	259.45	-	252.59	-	252.59
VRS Payment	-	-	-	-	-	-	-	-
Deputation allowance	0.66	-	-	0.66	-	-	-	-
Gift	56.64	5.65	14.80	77.09	21.87	2.00	6.14	30.01
State Renewal Fund	-	-	-	-	-	20.00	-	20.00
Employers Cont. to Group Ins. EDLI	-	-	-	-	3.18	0.78	-	3.96
Retaining Allowance	-	-	64.53	64.53	-	-	-	-
Leave Salary & Pension Contribution	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>1,127.03</b>	<b>681.43</b>	<b>331.43</b>	<b>2,139.89</b>	<b>926.64</b>	<b>641.05</b>	<b>277.63</b>	<b>1,845.32</b>
<b>Grand Total</b>	<b>5,447.21</b>	<b>1,336.17</b>	<b>1,627.16</b>	<b>8,410.54</b>	<b>4,564.83</b>	<b>1,151.25</b>	<b>1,493.85</b>	<b>7,209.94</b>





**Activity wise details of Others Expenses for the year 2017-18 & 2016-17**

(RS. In Lacs)

S.No	Particulars	2018				2017			
		Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
<b>A.</b>	<b>Production Expenses-</b>								
	Consumption Of Store & Spare Part	30.35	-	-	30.35	48.89	-	-	48.89
	Power Fuel & Water	224.10	8.27	634.92	867.28	215.82	7.26	457.79	680.87
	Repair & Maintenance P & M	35.37	-	288.09	323.46	25.97	-	114.66	140.62
	Repair & Maintenance of vehicles	0.62	12.16	1.56	14.35	0.03	8.80	2.74	11.58
	Repair & Maintenance Factory Building	13.94	3.93	4.21	22.08	7.32	5.79	0.31	13.41
	Carriage & Cartage (Loading & Unloading of Bottles etc.)	106.28	-	44.86	151.13	107.61	-	134.81	242.42
	Bottle filling charges	504.24	-	-	504.24	476.76	-	-	476.76
	Loss on store Article & Heritage Store	0.01	-	-	0.01	0.00	-	-	0.00
	Stock Loss	60.98	-	-	60.98	-	-	-	-
	Stock Written Off	-	-	-	-	-	-	-	-
	Agriculture Operation Expenses	-	-	-	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>975.90</b>	<b>24.36</b>	<b>973.64</b>	<b>1,973.91</b>	<b>882.39</b>	<b>21.85</b>	<b>710.31</b>	<b>1,614.55</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	1.02	-	-	1.02	0.96	-	-	0.96
	Royalty on heritage	0.16	-	-	0.16	0.31	-	-	0.31
	Excise duty on heritage	15.75	-	-	15.75	11.62	-	-	11.62
	Excise duty on Excess Wastage heritage	-	-	-	-	0.03	-	-	0.03
	Excise Duty Permit Fee CL	7.94	-	-	7.94	17.13	-	-	17.13
	Excise Duty Permit Fee Heritage	12.44	-	-	12.44	-	-	-	-
	Bottling Fee CL	4,095.12	-	-	4,095.12	4,004.12	-	-	4,004.12
	Bottling Fee Heritage	0.33	-	-	0.33	-	-	-	-
	Margin On Sale of Heritage(RSBCL)	0.00	-	-	0.00	0.01	-	-	0.01
	<b>Sub Total (B)</b>	<b>4,132.76</b>	<b>-</b>	<b>-</b>	<b>4,132.76</b>	<b>4,034.17</b>	<b>-</b>	<b>-</b>	<b>4,034.17</b>
<b>C.</b>	<b>Administration Expenses-</b>								
	Rent	120.13	14.10	-	134.23	100.01	13.23	-	113.24
	Rates & Taxes	166.11	1.33	31.71	199.15	241.40	1.47	33.94	276.81
	Insurance	6.45	2.33	18.61	27.39	11.21	2.53	16.36	30.10
	CM relief Fund	-	-	-	-	-	200.00	-	200.00
	Telephone Expenses, Postage & Telegram	22.34	11.14	7.50	40.98	26.46	8.03	10.38	44.87
	Books & Periodical	0.48	0.90	0.02	1.39	0.46	0.64	-	1.10
	Advertisement Expenses	0.08	69.37	52.27	121.72	-	60.17	18.41	78.59
	General Office Expenses	21.99	23.28	21.11	66.38	21.85	20.21	15.68	57.74
	Travelling & Conveyance Expenses	70.73	10.73	27.37	108.83	73.39	8.10	33.32	114.81
	Printing & Stationery	13.99	7.33	3.03	24.36	14.83	6.63	1.67	23.13
	Repairs & Maintenance Other	27.58	6.24	6.67	40.50	21.57	10.63	7.45	39.65
	Legal Expenses	0.30	9.06	12.30	21.66	0.36	4.93	26.68	31.98
	Professional fees	6.82	15.54	19.03	41.40	4.81	7.76	24.39	36.96
	Cost Audit Fees	-	-	-	-	-	-	0.58	0.58
	I.T. Expenses	18.12	23.48	-	41.60	16.69	30.10	5.90	52.69
	Salary Ex. Serviceman Guard	16.78	7.20	80.40	104.37	15.71	7.07	75.21	97.98
	Management Training Expenses	-	-	-	-	-	0.72	-	0.72
	Testing Fee	-	-	-	-	1.30	-	-	1.30
	Guest House Exp.	-	-	5.51	5.51	-	-	2.74	2.74
	Bank Charges	4.61	5.54	1.91	12.06	15.31	-	0.40	15.71
	Claim Paid W/O	-	8.67	-	8.67	-	51.71	-	51.71
	Peity Balance W/O	-	-	-	-	-	0.04	-	0.04
	Doubtful Debts	-	-	-	-	-	-	-	-
	Compensation to Cultivators	-	-	-	-	-	-	-	-
	Membership & Subscription	-	0.14	0.18	0.31	-	0.20	0.23	0.43
	CSR	-	77.44	-	77.44	-	47.90	-	47.90
	ROC Fees	-	-	-	-	-	-	-	-
	Payment to Directors	-	0.18	-	0.18	-	0.18	-	0.18
	Central Excise Duty	-	-	-	-	-	-	181.72	181.72
	<b>Sub Total (C)</b>	<b>496.51</b>	<b>293.99</b>	<b>287.62</b>	<b>1,078.12</b>	<b>565.36</b>	<b>482.27</b>	<b>455.04</b>	<b>1,502.67</b>
<b>D.</b>	<b>Payment to auditor</b>								
	For Audit	-	2.60	-	2.60	-	2.53	-	2.53
	For Tax Audit	-	0.47	-	0.47	-	0.45	-	0.45
	For Company law matters	-	-	-	-	-	-	-	-
	For other services	-	-	-	-	-	-	-	-
	For reimbursement of expenses	-	0.48	-	0.48	-	1.07	-	1.07
	<b>Sub Total (D)</b>	<b>-</b>	<b>3.55</b>	<b>-</b>	<b>3.55</b>	<b>-</b>	<b>4.06</b>	<b>-</b>	<b>4.06</b>
<b>E.</b>	<b>Selling &amp; Distribution Expenses</b>								
	Freight & Transportation & S.T.	367.18	-	17.42	384.61	310.86	-	13.26	324.12
	Sale Promotion/Exp.	-	-	-	-	-	-	-	-
	<b>Sub Total (E)</b>	<b>367.18</b>	<b>-</b>	<b>17.42</b>	<b>384.61</b>	<b>310.86</b>	<b>-</b>	<b>13.26</b>	<b>324.12</b>
<b>F.</b>	<b>Privilege Fees</b>								
	Privilege Fees	1,673.86	-	-	1,673.86	1,525.91	-	-	1,525.91
	Prior period expenditure	-	-	-	-	-	-	-	-
	<b>Sub Total (F)</b>	<b>1,673.86</b>	<b>-</b>	<b>-</b>	<b>1,673.86</b>	<b>1,525.91</b>	<b>-</b>	<b>-</b>	<b>1,525.91</b>
	<b>Grand Total (A+B+C+D+E+F)</b>	<b>7,646.21</b>	<b>321.90</b>	<b>1,278.69</b>	<b>9,246.80</b>	<b>7,318.69</b>	<b>508.18</b>	<b>1,178.61</b>	<b>9,005.48</b>



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of Rajasthan State Ganganagar Sugar Mills Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 5 September 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Rajasthan State Ganganagar Sugar Mills Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

**A. Comments on Profitability  
Statement of Profit and Loss  
Expenses  
Tax Expenses  
Earlier years Tax ₹ 14.17 lakh**

The Company has not recognised the amount already paid in excess of the tax liability for the year 2016-17 as 'Other Current Assets during FY 2017-18 in accordance with IND-AS 12. This has resulted into overstatement of Earlier Years

Tax Expenses and understatement of Profit for the period by \* 2.67 crore. Consequently, Other Current Assets are also understated to that extent.

**For and on behalf of  
the Comptroller and Auditor General of India**

**(Anadi Misra)**

**Accountant General**

**(Economic & Revenue Sector Audit)**

**Rajasthan, Jaipur**

**Place:-Jaipur  
Date:-1710118**



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR**  
**Director's Reply to COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**  
**For The Year Ended 31<sup>st</sup> March 2018**

As per Para 46 of IND AS -12, current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by end of the reporting period.

As per para 46, company can recognise asset only to the extent, it is expected to be recovered from the taxation authorities.

Since in the present case Company is not certain that the amount claimed as refund will be received by the Company entirely. In absence of refund to be received by the Company, the Company did not recognize excess amount paid as current tax asset and charged it to profit & loss account. Whenever company will receive such amount it will be booked as tax income in the respective year.

Thus the matter under concern is merely a timing difference in recognizing the current asset. It does not impact the Income of either previous or current year since the income tax expense does not influence the tax liability and the amount does not affect the Profit before Tax for the year.

**Place: Jaipur**  
**Dated: 19.11.2018**

**For and on behalf of the Board**

**(Manjula Verma)**  
**Director**

**(Praveen Gupta)**  
**Director-Incharge**

