



# 74th ANNUAL REPORT 2019



**RAJASTHAN STATE GANGANAGAR  
SUGAR MILLS LTD. JAIPUR**

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**Integrated New Sugar Mill, Co Gen and Distillery Plant View by Drone Camera**



**New Integrated Sugar Mill Complex, Chak - 23F, Sriganaganagar.**

# **74th Annual Report 2019**



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





# 74th Annual Report 2019

**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED, JAIPUR**  
**CIN : U15421RJ19455GC000285**

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

***Board of Directors***

(As on 07.11.2019) :

**Dr. Prithvi, IAS**

Director In-Charge  
Secretary, Finance (Revenue),  
Government of Rajasthan, Jaipur.

**Shri Hemant Kr. Gera, IAS,**

Secretary, Finance (Budget),  
Government of Rajasthan, Jaipur

**Shri Bishnu Charan Mallick, IAS**

Excise Commissioner,  
'Aabkari Bhawan'. 2, Gumania wala, Panchvati, Udaipur – 313001

**Dr. Om Prakash, IAS,**

Project Director,  
Rajasthan Agriculture Competitive Project & Administrator,  
Rajasthan State Agriculture Marketing Board, Jaipur-302005.

**Shri N. Shivprasad Madan, IAS**

Distt. Collector, Collectorate, Sriganganagar

**Dr. Bharti Dixit, IAS,**

Chief Executive Officer, Zila Parisad, Jaipur.

**Smt. Sandhya Sharma,**

Addl. Director (A/C), HCM, RIPA (OTS), JLN Marg, Jaipur

**Shri U.S.Shekhawat,**

Zonal Director (Research), Agriculture Research Station, Sriganganagar

**General Manager :**

**Shri Kesar Lal Meena**

**Financial Advisor :**

**Shri S.Z. Shahid**

**Company Secretary :**

**Shri Pawan K. Garg**

**Statutory Auditors**

M/s. S. Bhargava Associates, Vishwa Shila, House N.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 (74<sup>th</sup> AGM)/2019/24433-24933

Dated 13.11.2019

### NOTICE

**NOTICE** is hereby given that the **Seventy Fourth ( 74<sup>th</sup> ) Annual General Meeting** of the Company will be held on Monday, the **16<sup>th</sup> December, 2019 at 3.00 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 2018-19 and the Reports of the Directors and Auditors thereon.
2. To declare the interest/dividend on preference shares for the year 2018-19.
3. To fix the remuneration of Statutory Auditors for the year 2019-20 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. 2019-20 and onwards in pursuance of provisions of the Companies Act, 2013.”

4. To fix the remuneration of Cost Auditor for the year 2019-20:-

“Resolved that approval be and is hereby accorded to appoint M/s. Vinaykant Pareek & Company, 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 13.11.2019.

1. All Shareholders of the Company.
2. All Directors of the Company.
3. M/s S Bhargava Associates, Statutory Auditors, Jaipur-302016.
4. M/s ARMS & Associates, Company Secretaries, Secretarial Auditor, K-2, Kesav Path, Raj Apartment, Ahinsha Circle, C-Scheme, Jaipur-302001.

**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



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No.:RSGSM/HO/Co.Law (74<sup>th</sup> AGM)/2019/24433-24933

Dated 13.11.2019

### 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 to 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.

PLACE : JAIPUR  
DATE : 13.11.2019

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 2019**

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# DIRECTORS' REPORT TO THE SHAREHOLDERS

## **Ladies & Gentlemen,**

Your Directors are pleased to place before you the 74th Annual Report regarding the performance of the Company for the year ending on 31st March, 2019, together with audited statements of accounts.

## **FINANCIAL RESULTS :**

During the year under review 2018-19, the Company has shown operational surplus of Rs. 9626.28 lacs (before depreciation) as compared to Rs 7122.78 lacs for the year 2017-18. The retained earnings of the Company have been increased from Rs. 11763.15 lacs to Rs. 15912.82 lacs. The provision for depreciation amounting to Rs. 2298.10 lacs have been made as against Rs. 2700.27 lacs for previous year. The profit for the year is Rs. 7328.18 lacs as against Rs. 4422.51 Lacs of last year. After provision for current year's taxation amounting to Rs. 2600 lacs and deferred tax liability of Rs. 35.91 lacs, the net profit during the year is Rs. 4692.27 lacs as against Rs. 2351.01 lacs during the last year.

In the Excise Policy effective from 01.04.2017 to 31.03.2019, 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 33.27% of the annual requirement of the Country Liquor out of its own production in the State during the year 2018-19 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 & 65 Sub-Depots have been connected by On-line Computer networking in order to have the status of

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

During FY 2018-19 Liquor Division has shown a profit of Rs. 13208.30 lacs as against Rs. 9239.00 lacs during the previous year, whereas during 2018-19 Sugar Factory has shown a loss of Rs. 5922.88 lacs as against a loss of Rs. 4691.00 lacs during last year after allocating office overheads proportionately in the ratio of turnover. Privilege Fee of Rs. 1000.00 lacs has been paid on issue of Country Liquor this year (Previous year Rs. 1673.86 lacs @ Rs. 0.65 per BL) to the Excise Department.

## **RESERVES :**

Out of the working surplus for the year ended on 31st March' 2019, a sum of Rs. 3950.00 lacs has been transferred to General Reserve.

## **INTEREST/DIVIDEND :**

Your Directors propose payment of Rs. 8.40 lacs as interest/ dividend (including Interest/ dividend distribution tax Rs. 1.47 lacs) on Redeemable Cumulative Preference Shares for the year 2018-19. 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 2018-19, the total sales of various brands of Heritage Liqueur have been of 23.67 lacs (2880.00 BL) during the year as against Rs. 21.90 lacs (3713.00 BL) during last year.

### **SUGAR DIVISION :**

The cane crushing season commenced on 27.12.2018 and ended on 10.04.2019 (106 days) as against 71 days (from 21.12.2017 to 01.03.2018) in the previous year. The Sugar factory crushed 11.61 lacs qtls. of cane and produced 105962.50 qtls. white sugar and 1180 qtls.



NISS in the 2018-19 Cane crushing season in compare to 7.73 lacs Qtls. Cane crushing with production of 70075 qtls. white sugar and 975 qtls. NISS during the last financial year. During the season estimated sugar recovery, molasses % cane, stoppages % and purchased fuel % were 9.18%, 4.85 %, 17.55 % and 5.35 % respectively. Power export system has exported to the grid 2490180 unit of electricity during the season in compare to 1757219 units of electricity during the last year. The turnover of Sugar Factory & Distillery during the year 2018-19 is Rs. 2719.00 lacs as compared to Rs. 2809.09 lacs during last year 2017-18.

#### **LIQUOR DIVISION :**

Sale of Country Liquor during the year 2018-19 has been 2703.06 lacs BL, out of which 899.63 lacs BL Country Liquor was of RSGSM production and 1803.43 lacs BL country Liquor was that of private Distillers/Bottlers.

Sale of Country Liquor during the year 2017-18 has been 2575.57 lacs BL, out of which 819.68 lacs BL Country Liquor was of RSGSM production and 1755.89 lacs 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, RSBCL 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 RSBCL (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, 2019 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:-

**Dr. Prithvi Raj** has been appointed as director in charge of the Company in place of Shri Praveen Gupta w.e.f. 19.12.2018.



**Shri N. Shivprasad Madan**, Collector, Sriganganagar has been appointed as Director in place of Shri Purna Chandra Kishan w.e.f. 26.12.2018.

**Shri Somnath Mishra**, Excise Commissioner was appointed as director w.e.f. 27.02.2019.

**Smt. Sandhya Sharma** was appointed as woman Director w.e.f. 27.02.2019.

**Shri Baldev Singh Thind** was appointed as Non official Director (Independent Director) on 25.07.2018 and ceased to be member of the Board w.e.f. 21.12.2018.

**Smt. Manjula Verma** ceased to be director on the Board of the Company w.e.f. 30.11.2018.

**After 31.03.2019 following changes were made in the directorship.**

**Dr. Om Prakash, IAS**, Project Director has been appointed director in place of Shri K.L. Jhakar ,chief engineer ,Water Resources, Hanumangarh w.e.f. 21.05.2019.

**Dr. Bharti Dixit, IAS**, Chief executive officer Zila parisad ,Jaipur has been appointed as woman director in place of smt. Aparna Arora w.e.f. 21.05.2019.

**Shri Bishnu Charan Mallick**, Excise Commissioner has been appointed as director in place of Shri Somnath Mishra w.e.f. 07.10.2019.

**Shri Hemant Gera, Secretary, Finance(Budget)** has been appointed as director in place of Smt. Manju Rajpal w.e.f. 07.10.2019.

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 four meetings of the Board of Directors were held during the year on 29.06.2018, 05.09.2018, 24.12.2018 and 08.03.2019 the table given below shows the attendance of the directors-

<b>Name of Director</b>	<b>No of Meetings attended by the Director /Total no of Meetings of his period</b>
Shri Praveen Gupta	2/2
Smt. Aparna Arora	1/4
Shri. Baldev Singh	1/1
Smt. Manju Rajpal	0/4
Shri Gyana Ram	0/3
Smt. Manjula Verma	2/2
Shri U.S. Shekhawat	2/4
Dr. Prithvi raj	2/2
Shri Somnath Mishra	1/1
Shri N. Shiv Prasad Madan	1/1
Smt. Sandhya Sharma	1/1
Shri K. L. Jakhar	0/4

##### **AUDIT COMMITTEE-**

The Board of Directors vide circular resolution no. 3/2018-19 constituted the Audit Committee comprising of following Directors as Members :-

1	Smt. Manju Rajpal, Secretary Finance (Budget),	Chairperson
2.	Smt. Manjula Verma, Women Director,	Member
3.	Shri Baldev Singh,	Member
4.	Shri U S Shekhawat, Zonal Director, ARS, Sriganganagar	Member

Further the Audit Committee was re-constituted through circular resolution no. 1/2019-20 in following manner-

1.	Dr. Bharti Dixit, Women Director	Chairperson
2.	Smt. Sandhya Sharma, Women Director,	Member
3.	Zonal Director ARC, Sriganganagar,	Member



The only meeting of Audit Committee was held on 05.09.2018 where Shri Baldev singh Thind and Smt. Manjula verma were present and Smt. Manju Rajpal and Shri U. S. Shekhawat were granted leave of absence.

#### **CSR COMMITTEE**

The Board of Directors in its 474th meeting held on dated 29.03.2016 constituted the CSR Committee comprising of following Directors as members:-

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

Further the CSR Committee was re-constituted through circular resolution no. 1/2019-20 in following manner-

1. Project Director, Rajasthan Agriculture Competitive  
Project And Commissioner, Agriculture Department,  
Rajasthan, Jaipur, Chairperson
2. Smt. Sandhya Sharma, Woman Director, Member
3. Zonal Director, ARC, Sgnr, Member

#### **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 2018-19 by the Comptroller & Auditor General of India, New Delhi vide its letter No./CA.V/COY/RAJASTHAN,GANSUG(1)/1309

dated 01.10.2018.

#### **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 2018-19 and Company has appointed M/s Mehta N. & Associates, Cost Accountants as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2018-19.

#### **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 ANNX. - 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 2018-19. The report of the Secretarial Auditors is enclosed as Annexure II to this report. The report is self-explanatory and contains the only observation of non compliance of requirement of appointment of Independent Directors on the Board and Audit Committee.

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

S. No	Observation	Reply
a.	The Company has not appointed Independent Directors during the year ended 31st March, 2019. Thus the Constitution of the Board of Directors was not as per the provisions of the Companies Act, 2013 and the rules framed	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



b.	thereunder. The composition of Committees 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	in the Company as per the applicable provisions and exemptions granted by the MCA notification dated 05.06.2015 to Government Companies.
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#### **INTERNAL AUDIT & CONTORL :**

The Company is in practice of engaging a panel of qualified CA(s) for Internal Audit of the Company. During the year two 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

2018-19.

##### **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 2018-19 was made of Rs 93.93 lacs. The Company has contributed the same 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 Annex III.

##### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in



accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

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

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

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

**a) Conservation of energy**

(i)	The steps taken or impact on conservation of energy	<p><b>In the new integrated Sugar complex following actions has been taken for conservation of energy:-</b></p> <ol style="list-style-type: none"> <li>1. Installation of planetary gear boxes.</li> <li>2. Operation of motors through VFD'S.</li> <li>3. Installation of HP heater, economizer and air heater in boiler.</li> <li>4. Installation of dynamic, vapour line juice heater and flash heat recovery system in boiling house.</li> <li>5. Installation of LED lights in campus and factory.</li> </ol>
(ii)	The steps taken by the company for utilizing alternate sources of energy	<p><b>Following steps are being taken for utilizing alternate energy source:-</b></p> <ol style="list-style-type: none"> <li>1. In Sugar plant: Bagass, by-product of Sugar cane crushing process shall be used as fuel in boiler for steam generation.</li> <li>2. In Distillery Plant: Bio-mass like cotton stalks, rice husk, mustard straw etc shall be used as fuel in Distillery Boiler for steam generation.</li> </ol>

(iii)	The capital investment on energy conservation equipment's	<p><b>Capital investment on conservation of energy in new Sugar and Distillery Plant was of Rs. 600.00 lacs. (approx)</b></p>
-------	---	---

**(b) Technology Absorption**

(i)	The efforts made towards technology absorption	<p>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-grade1.</p>
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<p>In the new Sugar Plant</p> <ol style="list-style-type: none"> <li>1. With superior quality Plantation, White Sugar is being produced.</li> <li>2. Surplus electric power being exported to grid.</li> <li>3. Cost of production is reduced.</li> <li>4. Zero discharge Distillery. In Distillery Plant grain as well as molasses shall be used as raw material and following will be produced:-</li> </ol> <ol style="list-style-type: none"> <li>1. RS grade 1</li> <li>2. Biogas</li> <li>3. Bio-compost</li> <li>4. DDGS</li> </ol>
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - (a) the details of technology imported	N.A.



	(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	
(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 (Sandhya Sharma) (Dr. Prithvi Raj)**

**Dated: 14.10.2019 Director Director-Incharge**





Annexure- I

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

SN	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Country liquor of private suppliers	155/1551/15511	64.70%
2	Sale of Country liquor produced by RSGSM	155/1551/15511	33.13 %



### 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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	—
<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 holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	HON'BLE GOVERNOR OF RAJASTHAN	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 (01.04.2018)	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) : No Change	--	--	--	--
	At the end of the year(31.03.2019)	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 Rajive Kothari	199			
	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:**

S N	Pawan K. Garg, Company Secretary	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 (01.04.2018)	50	00.00	50	00.00
	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(31.03.2019)	50	00.00	50	00.00

**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	0.00	0.00
<b>ii) Interest due but not paid</b>	0.00	0.00	0.00	0.00
<b>iii) Interest accrued but not due</b>	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	0.00	0.00	0.00
<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	0.00	0.00	0.00
<b>iii) Interest accrued but not due</b>	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	0.00	0.00	0.00

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

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

Amount in Rs.

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Prithvi Raj	Shri Praveen Gupta	
1	<b>Gross salary</b>	16935.00	37984.00	54919.00
2	<b>Stock Option</b>	0.00	0.00	0.00
3	<b>Sweat Equity</b>	0.00	0.00	0.00
4	<b>Commission- ( as % of profit or others)</b>	0.00	0.00	0.00
5	<b>Others, please specify</b>	0.00	0.00	0.00
	<b>Total (A)</b>	<b>16935.00</b>	<b>37984.00</b>	<b>54919.00</b>
	<b>Ceiling as per the Act</b>			



**B. Remuneration to other directors**

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

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

Amount in Rs.

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO/MD	CS	CFO	Total
1	Gross salary	54919.00	1037190.00	1951118.00	3043227.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission - as % of profit or others	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>54919.00</b>	<b>1037190.00</b>	<b>1951118.00</b>	<b>3043227.00</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 No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
(FOR THE FINANCIAL YEAR 31<sup>ST</sup> MARCH, 2019)**

To,  
The Members  
Rajasthan State Ganganagar Sugar Mills Limited  
4th Floor, Nehru Sahkar Bhawan 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 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2019, 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;
- 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, Listing Agreements etc. mentioned above subject to the following observations:

- ***The Company has not appointed Independent Directors during the year ended 31st March, 2019. 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**

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

**Place:** Jaipur  
**Date:** 26.09.2019



**ANNEXURE - II(B)**

**To,  
The Members,  
Rajasthan State Ganganagar Sugar Mills Limited  
4th Floor, Nehru Sahkar Bhawan 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: 26.09.2019**

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

### **CSR COMMITTEE :**

The Board 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, Member.
3. Collector, Sriganganagar, Director, Member.
4. Zonal Director, Agriculture Research Centre, Sriganganagar.
5. Chief Engineer, Water Resource (North), Hanumangarh, Jn.

Further the CSR Committee was re-constituted through circular resolution no. 1/2019-20 in following manner-

1. Project Director, Rajasthan Agriculture Competitive Project And Commissioner, Agriculture Department, Rajasthan, Jaipur, Chairperson
2. Smt. Sandhya Sharma, Woman Director, Member
3. Zonal Director, ARC, Sgrn, Member

Average net profit of Rs. 469657672.00  
last three years

2% of average net profit Rs. 9393153.44

Total provision for CSR activities Rs. 9393153.44



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 31.03.2019
1.	Contribution towards Chief Minister Relief fund	93.93 lacs	93.93 lacs

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**

**(Sandhya Sharma)**

**Director**

**(Dr. Prithvi Raj)**

**Director-Incharge**

**Place: Jaipur**

**Dated: 14.10.2019**



## INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS  
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, 2019, 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.

### **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, 2019, 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 advance to supplier amounting to Rs. 6,23,94,152/- included in item "Loans and advances General" shown in Note no 12 of "Loans and Advance Current" are unreconciled and out of which Rs. 1,39,54,903/- has been unsettled for more than 3 years.
2. Refer 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 Act). 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, 3 legal cases filed in previous years by entities covered under MSMED Act, where in the principal amount claimed is Rs. 1,71,19,633/- in total.
3. The company has not obtained confirmation of their balances and not followed 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 is also subject to confirmation and reconciliation. Therefore we are unable to comment on the extent of realization of such advances/dues, due to uncertainty involved.
4. Attention is invited to Balance Sheet Note No.24 of "Other Current Liabilities" under item "Advance from Licensees" amounting to Rs. 6,25,14,153/- which includes 95,59,438/- pertaining to current FY 2018-19, whereas the balance of Licensees for current FY 2018-19 as per Customer Ledger Modules is Rs.79,07,414/- . Therefore, the balance of Licensees as per Customer Ledger Modules does not tally with the Financial Statements and we are unable to comment on the sanctity of the figures considered for financial statements.
5. 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 amounting to Rs. 40,24,729/- is done at lower of cost or NRV. However in the absence of the evidence of NRV, we are unable to comment whether these stocks are valued at lower of cost or realisable value.
6. The Company has not provided us any techno-economic assessment as on March 31, 2019, 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 un-provided.
7. Based on our review, the closing balances of certain parties under the head "Outstanding liability" amounting Rs. 4,43,78,599/-, "Security deposit" with the company amounting to Rs. 3,96,67,622.00/- and "Trade payable" which is reflected in the books at Rs. 72,27,599/- have been carried forwarded from preceding three financial years and no transactions have taken place in these accounts in preceding three financial years. The claimants have not claimed their outstanding due balances for a considerable time and therefore there arises an uncertainty of actual



liability of the company. Similarly "Loan and advances" amounting Rs. 27,73,177 included in Note no. 7 "Other non-current assets", and "Trade receivables" amounting 2,85,88,029 included in Note no. 9 were pending from more than one year and hence, we are unable to comment on the extent of realisable amount.

8. The company has provided a list of 97 pending legal cases out of which the company has quantified the financial impact of only 42 cases pending for arbitration and the same have been shown as contingent liability not acknowledged as debts. In the absence of information about probable liability of all cases we are unable to comment on proper disclosure requirement of IND- AS 37: Provision, Contingent Liabilities and Contingent Assets.
9. The Company has reconciled the Energy Customer Accounts for previous three years up to FY' 2018-19 and amount of Rs,1,31,24,003 has been recognised as Customer Reconciliation difference which is reflected as part of Note No. 34 of the Statement of Profit and Loss A/c. After adjustment of said difference, sum of Rs. 3,79,12,293/- are still overdue from the respective State Electricity Distribution Companies.
10. The Cenvat credit against Excise Duty paid for setting up Plant and Machinery for Sugar Complex at Sri Ganganagar during the FY 2015-16 amounting to Rs. 6,01,13,579/- has been charged to Statement of Profit and Loss A/c during FY 2018-19, as there is a remote possibility of set off / refund post changes in indirect tax regime w.e.f. July 01,2017.

Our opinion is not modified in respect of these matters.

#### **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 and 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 and 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 Corporate 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)

**S.N Khandelwal**

M. NO. 073048

PARTNER

**DATE:** 14th October, 2019

**PLACE:** JAIPUR



## 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. We have been explained that 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 Sugar Division, Sri Ganganagar, 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 therefore 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.

4.

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 as 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, some old stocks of rejected goods which were found during the physical verification of the stocks in previous year but the same have were not yet been 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, 2019 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, Goods and Service Tax, Value Added Tax, State Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  2. There were non disputed 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, 2019 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	16,76,941.00	FY2018-2019

3. Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 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	128.36	A.Y 2000-2001	Supreme Court
		48.15	A.Y 2003-2004	
		84.04	A.Y 2004-2005	
		471.16	A.Y 2005-2006	
		201.66	A.Y 2005-2006	
		1,415.80	A.Y 2006-2007	
		2,430.71	A.Y 2007-2008	
		1,309.68	A.Y 2008-2009	
		233.49	A.Y 2009-2010	
		1,241.97	A.Y 2010-2011	
		1,351.46	A.Y 2011-2012	
		1,602.26	A.Y 2012-2013	
		2,417.54	A.Y 2013-2014	
		177.43	A.Y 2014-2015	
204.75	A.Y 2016-2017	CIT (Appeal)		





- 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, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- 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)

**S. N. Khandelwal**  
M. NO. 073048  
PARTNER

DATE : 14th October, 2019  
PLACE : Jaipur



## **Annexure "B" to the Independent Auditors' Report**

### **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")**

#### **GENERAL DIRECTIONS ISSUED U/s143 (5) OF THE COMPANIES ACT, 2013 FOR THE FY 2018-19**

The Annexure "B" referred to in our Independent Auditor's Report to the members of the Company on the standalone INDAS financial statements for the year ended 31 March 2019, were port that:

**1. Whether the company has system in place to process all the accounting transactions through IT system?**

The company does not use a single Accounting Module for all of its accounting transactions across all business segments. Further, Cash and Bank Book, Fixed Asset Record, Consumptions, Production and Inventory, etc are still maintained manually.

**2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan?**

There is no restructuring of any existing loan or cases of waiver/write off of debts/loans/interests etc made by a lender to the company due to the company's inability to repay the loan.

**3. Whether funds received /receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its terms and condition? List the cases of deviation.**

There are no funds received /receivable for specific schemes from central/ state agencies during the F.Y 2018-19.

#### **SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2018-19**

**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 RERC 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 NR
- 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. 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.BHARGAVA ASSOCIATES**

Chartered Accountants

(Firm's Registration No. 003191C)

**S.N Khandelwal**

M.NO. 073048

PARTNER

**DATE:** 14thOctober, 2019

**PLACE:** JAIPUR



## **Annexure "C" to the Independent Auditors' Report**

### ***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")***

(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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The 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 controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorizations of management and directors of the company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

**S. BHARGAVA ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 003191C)

**(S. N. Khandelwal)**

Partner  
Membership No. 073048

Place: Jaipur

Date : 14<sup>th</sup> Oct., 2019



**DIRECTORS' REPLY TO AUDITORS' REPORT ON ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019.**

Para No. of Auditors' Report	Reply
<b>Emphasis of matter</b>	
1.	As per practice followed in the Company, necessary adjustments has been made after passing of the bills. Steps have been taken to adjust maximum possible bills. It has been Suitably disclosed at note no. 53
2.	It has been suitably disclosed at Note No.22
3.	It has been suitably disclosed at Note No.49. However, efforts will be made to get confirmation.
4.	It has been suitably disclosed at Note No.49. 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 31.03.2019 but not reflected in software as challan generated and cash deposited was against supply for the period related to FY 2019-20.
5.	It has been suitably disclosed at Note No.2
6.	It has been suitably disclosed at Note No.3 and 46.
7.	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/expenditure of security deposits, credit balances/debit balances lying with the Company for more than 3 years and the Company is not having any transaction with them.
8.	It has been suitably disclosed at Note No. 42.
9.	It has been suitably disclosed at Note No. 34
10.	It has been suitably disclosed at Note No. 34
<b>Legal and Regulatory requirements 1,2,3(a),(b),(c),(d), (e), (f), (g) (i),(ii),(iii)</b>	These are factual statement and need no comments.
<b>ANNEXURE - A</b>	
1. (1)	Fixed Assets Registers relating to various liquor units and also of Sugar Factory, Sriganaganagar 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 governmnet 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.
11-16		It is a factual statement & needs no comments.
<b>ANNEXURE-B</b>		
1		Company is presently working on Tally based accosting software and taking necessary steps for switching over its accounting on IEMS software.
2-3.		Needs no comment as not applicable on the Company.
<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 is done by competent personnel of the company. Company is taking steps to improve the same for the future period.

For and on behalf of the Board

Place : Jaipur  
Dated : 14.10.2019

(Sandhya Sharma)  
Director

(Dr. Prithvi Raj)  
Director-Incharge



# Financial Statements 2019





# 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

## Balance Sheet as at 31st March, 2019

		Note	As at 31st March, 2019	Amount (Rs. in Lakhs) As at 31st March, 2018
<b>I. ASSETS</b>				
[1]	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipments	3 (a)	11,760.03	13,162.68
	(b) Intangible Assets	3 (b)	0.00	0.01
	(c) Capital Work-In-Progress	3 (c)	44.36	845.13
	(d) Financial Assets			
	(1) Non-Current Investments	4	0.11	0.11
	(2) Others	5	36.81	36.81
	(e) Deferred Tax Assets	6	682.79	122.80
	(f) Other non-current assets	7	110.43	107.59
	<b>Sub Total</b>		<b>12,634.53</b>	<b>14,275.13</b>
[2]	<b>Current Assets</b>			
	(a) Inventories	8	9,303.42	8,081.69
	(b) Financial Assets		-	-
	(1) Trade Receivables	9	288.32	681.80
	(2) Cash and Cash Equivalents	10	3,075.17	2,708.07
	(3) Bank Balance Other than Cash and Cash Equivalents	11	20,428.91	15,119.96
	(4) Loans and Advances	12	1,339.90	1,338.07
	(5) Others	13	-	138.10
	(c) Other Current Assets	14	2,346.24	2,147.58
	(d) Current Tax assets (Net)	15	495.62	-
	(e) Assets classified as held for sale	3 (d)	-	94.00
	<b>Sub Total</b>		<b>37,277.57</b>	<b>30,309.28</b>
	<b>Total Assets</b>		<b>49,912.10</b>	<b>44,584.41</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	(a) Equity Share Capital	16	18,039.32	18,039.32
	(b) Other Equity	17	15,912.82	11,763.15
	<b>Sub Total</b>		<b>33,952.14</b>	<b>29,802.47</b>
<b>Liabilities</b>				
[1]	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	41.00	55.50
	(ii) Other Financial Liabilities	19	-	-
	(b) Deferred Tax Liabilities (Net)	20	-	-
	(c) Other Non Current Liabilities	21	2,056.09	486.09
	<b>Sub Total</b>		<b>2,097.09</b>	<b>541.59</b>
[2]	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	22	8,714.90	8,291.37
	(ii) Other Financial Liabilities	23	2,895.01	2,675.84
	(b) Other Current Liabilities	24	2,151.58	2,914.61
	(c) Provisions	25	101.39	126.36
	(d) Current Tax Liabilities	26	-	232.16
	<b>Sub Total</b>		<b>13,862.88</b>	<b>14,240.34</b>
	<b>Total Equity and Liabilities</b>		<b>49,912.10</b>	<b>44,584.41</b>

As per our attached report of even date

Place : Jaipur

Dated : 14th October, 2019

On behalf of the Board

For S. Bhargava Associates

Chartered Accountants

F.R. No: 003191C

(S. N. Khandelwal)

Partner

M. No. 073048

(S. Z. Shahid)  
CFO

(Pawan K. Garg)  
Secretary

(Sandhya Sharma)  
Director  
DIN - 07489408

(Dr. Prithvi Raj)  
Director- In charge  
DIN - 03340556



# 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 31st March, 2019

	Note No.	Year Ended 31st March, 2019	Amount (Rs. in Lakhs) Year Ended 31st March, 2018
I Revenue From Operations	27	130,681.09	114,324.56
II Other Income	28	3,165.97	2,665.74
<b>III Total Income (I+II)</b>		<b>133,847.07</b>	<b>116,990.30</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	29	28,297.47	24,822.42
Purchases of Stock-In-Trade	30	76,207.26	67,988.74
Changes in Inventories	31	(1,100.82)	(611.98)
Finance Cost	32	8.40	11.00
Employee Benefits Expenses	33	8,260.64	8,410.54
Depreciation and Amortization Expenses	3	2,298.10	2,700.27
Other Expenses	34	12,547.84	9,246.80
<b>Total Expenses</b>		<b>126,518.89</b>	<b>112,567.80</b>
<b>V Profit/(Loss) Before Tax (III- IV)</b>		<b>7,328.18</b>	<b>4,422.51</b>
<b>VI Tax Expenses:</b>			
(1) Current Tax		2,600.00	2,300.00
(2) Earlier Years Tax		0.00	14.17
(3) Deferred Tax Charges/(Credits)		35.91	(242.67)
<b>VII Profit/(Loss) for the period (V- VI)</b>		<b>4,692.27</b>	<b>2,351.01</b>
VIII Other Comprehensive Income			
- Items that will not be reclassified to Profit and Loss		(1,705.28)	(468.43)
- Income tax relating to items not be reclassified to profit and loss		595.89	162.11
<b>Total Other Comprehensive Income</b>		<b>(1,109.38)</b>	<b>(306.32)</b>
<b>IX Total Comprehensive Income for the period (VII + VIII)</b>		<b>3,582.89</b>	<b>2,044.69</b>
<b>Earnings Per Share of Rs.50 Each</b>			
<b>Basic (Rs.)</b>		13.01	6.52
<b>Diluted (Rs.)</b>		13.01	6.52
Significant Accounting Policies	1		
Notes to Accounts	2		

Place : Jaipur

Dated : 14th October, 2019

On behalf of the Board

(S. Z. Shahid)  
CFO

(Pawan K. Garg)  
Secretary

(Sandhya Sharma)  
Director  
DIN - 07489408

(Dr. Prithvi Raj)  
Director- In charge  
DIN - 03340556

As per our attached report of even date

For S. Bhargava Associates

Chartered Accountants

F.R. No: 003191C

(S. N. Khandelwal)

Partner

M. No. 073048



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

CIN : U15421RJ1945SGC000285

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

Website : - www.rajexcise.gov.in, Phone no. : - 0141-2740040

**Statement of Changes in Equity for the year ended 31st March, 2019**

**(a) Equity Share Capital** Amount (Rs. In Lakhs)

For the year ended 31st March, 2019			For the year ended 31st March, 2018		
Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March 2019	Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March 2018
18,039.32	-	18,039.32	18,039.32	-	18,039.32

**(b) Other Equity** Amount (Rs. In Lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1st April, 2017	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
Balance as at 1st April, 2018	33.44	116.75	11,595.15	123.97	(106.15)	11,763.15
Profit for the year	-	-	-	4,692.27	-	4,692.27
Other comprehensive income/(loss) for the year	-	-	-	-	(1,705.28)	(1,705.28)
Deferred Tax on OCI	-	-	-	-	595.89	595.89
Income Tax Refund	-	-	566.77	-	-	566.77
Transfer from/to other comprehensive income/retained earnings	-	-	3,590.00	(3,590.00)	-	-
Balance as at 31st March, 2019	33.44	116.75	15,751.92	1,226.25	(1,215.54)	15,912.82

Place : Jaipur  
Dated : 14-10-2019

On behalf of the Board

As per our attached report of even date

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

(S.Z. Shahid)  
CFO

(Pawan K. Garg)  
Secretary

(Sandhya Sharma)  
Director  
DIN-07489408

(Dr. Prithvi Raj)  
Director- In charge  
DIN-03340556

(S.N. Khandelwal)  
Partner  
M. No. 073048



# RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED

CIN : U15421RJ1945SGC000285

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

Website :- www.raiaexcise.gov.in Phone No.: 0141-2740040

## Cash Flow Statement for the Year ended 31st March, 2019

	Note No.	Year Ended 31st March, 2019	Amount (Rs. in Lakhs) Year Ended 31st March, 2018
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before Tax and Extraordinary items		7,328.18	4,422.51
<b>Adjustment for :</b>			
Depreciation during the year		2,298.10	2,700.27
Interest cost		8.40	11.00
Provision		32.21	60.77
Amount classified as OCI		(1,705.28)	(468.43)
Loss/(Profit) on sale of Fixed Assets		-	(905.57)
Interest Income		(1,549.87)	(1,129.18)
<b>Operating Profit before working Capital Changes &amp; Extraordinary Items</b>		<b>6,411.75</b>	<b>4,691.37</b>
<b>Adjustment for :</b>			
Trade and other Receivables, other Current Assets		298.87	796.40
Inventories		(1,221.72)	(614.18)
Trade and other Liabilities		1,526.34	2,693.39
<b>Cash Generated from Operations</b>		<b>7,015.24</b>	<b>7,566.97</b>
Taxes paid		(2,761.00)	(2,870.63)
<b>Net Cash from Operating Activities</b>		<b>4,254.24</b>	<b>4,696.35</b>
<b>B. Cash Flow from Investing Activities</b>			
(Purchase)/ Sale of Fixed Assets/CWIP		(94.97)	(1,443.38)
Bank Balances other than cash		(5,308.94)	(4,298.61)
Long Term Loans & Advances, other Non Current Assets		(2.84)	24.08
Interest Income		1,549.87	1,129.18
<b>Net Cash used in Investing Activities</b>		<b>(3,856.89)</b>	<b>(4,588.74)</b>
<b>C. Cash flow from Financing Activities</b>			
Long Term Borrowing & long Term Liabilities		(21.85)	403.81
Interest Paid (Dividend paid (including tax))		(8.40)	(12.30)
<b>Net Cash used in Financing Activities</b>		<b>(30.26)</b>	<b>391.50</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>367.09</b>	<b>499.11</b>
Opening Balance of Cash and Cash Equivalents		2,708.07	2,208.96
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>3,075.17</b>	<b>2,708.07</b>
<b>Cash and Cash Equivalents Comprises</b>			
Cash, Cheques and drafts in hand		7.25	5.99
Balance with scheduled bank in current accounts		3,067.92	2,702.08
		<b>3,075.17</b>	<b>2,708.07</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 : 14th October, 2019

On behalf of the Board

(S. Z. Shahid)  
CFO

(Pawan K. Garg)  
Secretary

(Sandhya Sharma)  
Director  
DIN - 07489408

(Dr. Prithvi Raj)  
Director- In charge  
DIN - 03340556

As per our attached report of even date

For S. Bhargava Associates

Chartered Accountants

F.R. No: 003191C

(S. N. Khandelwal)

Partner

M. No. 073048



**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 was 01-04-2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 14-10-2019.

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."

**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 reporting period.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Forming Part of Financial Statement**

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 Assets 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 bench marking 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 Lakhs 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 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 capitalised. 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.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Forming Part of Financial Statement**

**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 rectified Spirit is determined on the basis of weighted average cost to the Units concerned."

**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 (Sugar cane) - 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 basis of Technical Committee's Report.)

**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.
- 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 Vaue
- 10) **Impure Spirit** At Net Realisable Vaue
- 11) **Biocompast** At Net Realisable Vaue

**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.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Forming Part of Financial Statement**

- 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 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 Equivalents**

Cash and Cash Equivalents 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





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Forming Part of Financial Statement**

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 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 policy applicable to financial liabilities.

**2.15 Revenue Recognition**

Revenue is recognised only if the company has transferred risks and rewards incidental to ownership to its customer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, excluding taxes or duties collected on behalf of the Government (Both State or Central). The specific recognition criteria described below must also be met before revenue is recognised.

**a Sale of goods**

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of consideration that will be derived from the sales of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of



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returns and allowances, trade discounts and volume rebates. The sales include the excise duty and exclude Value added tax/sales tax."

**b Revenue from sale of Power**

Revenue from sale of power is accounted on the basis of billing to the customer and includes unbilled revenues accrued up to the end of financial year.

Customers are billed on the basis of rates specified in the Tariff Order issued by Rajasthan electricity Regulatory Commission."

**c Interest Income**

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest is accounted on accrual basis on overdue receivables.

Dividend Income

Dividend income is recognized when the right to receive dividend is established.

**d Inter-Unit Transfers**

The Company accounts for inter-unit transfers as under:

**1) Own Production**

- (a) Rectified spirit At Last purchase price from a private vendor
- (b) Denatured spirit At selling price.
- (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 Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables 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 events 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.



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\* 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 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 increase.

**2.19 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.

**2.20 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.

**2.21 Rounded off Figures in Financial Statements**

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



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

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**Amount (Rs. in Lakhs)**

PARTICULARS	Free Hold Land	Lease Hold Land	Buildings	Railway Rakes & Sidings	Plant & Machinery	Furniture & Fittings	Vehicle	Computer & Processing	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Gross Block</b>									
<b>As at April 1, 2017</b>	79.43	553.95	4,593.75	0.30	15,076.16	302.20	94.38	249.51	20,949.68
Additions 2017-18	-	-	1,513.57	-	10.06	11.64	-	10.18	1,545.45
Deduction/Disposals	1.56	-	197.41	0.30	910.66	51.27	-	-	1,161.20
<b>As at March 31, 2018</b>	77.87	553.95	5,909.91	-	14,175.57	262.57	94.38	259.69	21,333.93
Additions 2018-19	-	-	689.21	-	190.42	13.72	-	2.25	895.59
Deduction/Disposals	-	-	-	-	-	-	4.75	-	4.75
<b>As at March 31, 2019</b>	77.87	553.95	6,599.11	-	14,365.99	276.28	89.63	261.94	22,224.78
<b>Accumulated Depreciation</b>									
<b>As at April 1, 2017</b>	-	36.70	1,334.37	0.28	4,677.66	250.15	59.30	217.17	6,575.61
Depreciation 2017-18	-	5.59	487.69	-	2,162.87	13.77	10.90	17.55	2,698.37
Deduction/Disposals	-	-	186.36	0.28	867.42	48.66	-	-	1,102.72
<b>As at March 31, 2018</b>	-	42.29	1,635.70	-	5,973.11	215.25	70.20	234.71	8,171.26
Depreciation 2018-19	-	5.60	518.12	-	1,744.75	10.97	7.17	11.48	2,298.09
Deduction/Disposals	-	-	-	-	-	-	4.60	-	4.60
<b>As at March 31, 2019</b>	-	47.89	2,153.82	-	7,717.69	226.22	72.77	246.20	10,464.58
<b>Net Carrying Amount</b>									
<b>As at March 31, 2018</b>	77.87	511.66	4,274.21	-	8,202.46	47.32	24.17	24.98	13,162.68
<b>As at March 31, 2019</b>	77.87	506.06	4,445.30	-	6,648.13	50.07	16.86	15.74	11,760.03

**Note:-**

- a As per directions of Excise Department of Government of Rajasthan, 128 Beegah one Biswa land (It includes 30,015 square meters of land at Sriganaganagar is under encroachment. The book value of this land is Rs. 16,000 (approx.)) of old sugar factory Sriganaganagar has been transferred in the name of District Collector (Revenue) Sriganaganagar vide letter dated 15/12/2017.
- b The title deeds of land amounting to Rs.1,05,000/- purchased at Sriganaganagar and building amounting to Rs. 45.45 lac purchased for Head Office, Jaipur are yet to be executed in favour of the company. Further, the company have no title document regarding land amounting to Rs. 8,660.00 and well amounting to Rs.1,367.00 transferred from HPGL."
- c (i) As per directions of Excise Department of Government of Rajasthan, the possession of 6.755 Hectares surplus land of Sugar Factory, Sriganaganagar has been handed over to Excise Department, Govt. of Rajasthan on 20th July, 2015.  
(ii) The cost of land and building has been accounted for provisionally, pending determination of final price. 37.695 Hectare land for new Sugar Factory has been acquired by State Govt. through Land Acquisition Officer-cum-SDM, Sri Karanpur at 23-F (Phoosewala), Tehsil Sri Karanpur, Distt. Sri Ganganagar. Out of which possession of 23.022 Hectare land has been taken on 17.4.2008, which has been capitalized at Rs. 65,74,102/- (Rs. 61,47,722/- with other expenses of Rs. 4,26,380/-).
- (iii) 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. Rs. 56,84,092/- remained with SDM, Sri Karanpur as an advance, which will be paid to the farmers on possession of the land, which is subjudice.
- d The land and building at Mandore, Rani, Chittoorgarh, Bhilwara, Jhotwara, Kota, Baran warehouses and land of Bundicity warehouse which belong to the Government of Rajasthan, but are in use and possession of the Company. Additions on these assets have been capitalized and depreciation being charged according to schedule II of the Companies Act, 2013.
- e Put to use date for Grain based Portion of Distillery was 01-02-2018.
- f Assets discarded are Factory Building and Plant & Machinery of Hi Tech Precision Glass Factory located at Dholpur having WDV of Rs. 5628.00 sold for Rs. 1461020.00 and Factory Building, Plant & Machinery, Furniture & Fixtures, Railway Siding located at old sugar factory Sriganaganagar having WDV of Rs. 5110677 in totality sold for Rs. 85400000 in the FY 2017-18.
- g Figures have been re arranged and regrouped and rounded off to nearest rupee in Lakhs
- h Deduction from Gross Carrying Value Rs. 4.75 Lakhs (Previous Year Rs. 11.61.20 Lakhs) represents sale/ transfer/ discarding of Property, Plant & Equipment/ Lease hold rights written off.
- i Deduction in depreciation Rs. 4.60 Lakhs (Previous Year Rs. 1102.72 Lakhs) represents adjustment on account of sale/ transfer/ discarding of Property, Plant & Equipment.
- j 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. Rather than for -  
1. Use in the production or supply  
2. Sale in the ordinary course of business  
Further, No property is fall under the definition Investment Property as per IND AS 40."
- k 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 because addition in PPE during the year is not significant in relation to total cost of item."
- l As per IND AS 16 "" Property Plant and Equipments "" Spare parts or Servicing equipment is accounted in books as follows:-  
1. Normally treated as inventory and expensed off as consumed  
2. 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)  
3. 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.



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**3 (b) : Intangible Assets**

Particulars	Amount ( Rs. in Lakhs)	
	As at March 31st, 2019	As at March 31st, 2018
Gross Carrying Value		
Other Intangible	32.02	32.02
<b>Accumulated amortisation and impairment for the year</b>		
Other Intangible	32.02	32.01
Net Carrying Value	0.00	0.01

**Note -**

Other Intangible Assets consist of MS office, Software for server hardware and Tally ERP having Net Carrying Value of Rs. 7.

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

Particulars	Amount ( Rs. in Lakhs)		
	Building under Construction	Plant & Equipment under Erection/ Commissioning	Total
<b>Balance at April 1, 2017</b>	-	160.13	160.13
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>
Additions	0.91	37.02	37.93
Less: Amount capitalized in Property, Plant & Equipment	685.00	153.70	838.70
<b>Balance at March 31, 2019</b>	<b>0.91</b>	<b>43.45</b>	<b>44.36</b>

**Note -**

1. Capital WIP in Plant & Machinery in FY 2017-18 includes amount Rs. 153.69 Lakhs against disputed matter and whose bill are adjusted in the current FY 2018-19. Also, staff quarter were taken for use in FY 2018-19, so the same were dercognised from CWIP.
2. Addition to Capital WIP is Civil Work at RC Hanumangarh and new Plant and Machinery at RC.Jhotwara which will be taken for use in next Financial Year.

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

Particulars	Amount ( Rs. in Lakhs)	
	As at March 31st, 2019	As at March 31st, 2018
Property, Plant & Equipment held for sale	-	94.00
Net Carrying Value	-	94.00

Note:-Property, Plant & Equipment are held for sale for Rs. 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. Same have been transferred during the FY 2018-19.



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

	Amount ( Rs. in Lakhs)	
Particulars	As at March 31st, 2019	As at March 31st, 2018
<b>Other than Trade Investments</b>		
<b><u>In Government Securities (Unquoted)</u></b>		
National Plan certificate	0.01	0.01
12 Year Plan certificates	0.06	0.06
6 Year National Saving Certificates	0.02	0.02
Deposit with Post office	0.01	0.01
Gold Coin*	-	-
<b><u>In Unquoted Equity Shares</u></b>		
One Share of Rs. 1000/- fully Paid up of Rajasthan Rajya Sahkar Bhawan Prabandhak Sangh Limited**	0.01	0.01
<b>Total</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 is 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**

	As at March 31st, 2019	As at March 31st, 2018
<b><u>(Unsecured considered good, unless otherwise)</u></b>		
Security Deposit with Government and Government Undertakings*		
(a) Unsecured, considered good;	36.81	36.81
(b) Doubtful.	-	-
(c) Less Provisions	-	-
<b>Total</b>	<b>36.81</b>	<b>36.81</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**

	As at March 31st, 2019	As at March 31st, 2018
Deferred Tax Assets	682.79	133.49
Less: Deferred Tax Liability	-	(10.69)
<b>Total</b>	<b>682.79</b>	<b>122.80</b>



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**Notes Accompanying to the financial statement for the year ended March 31,2019**

**7. Other Non Current Assets**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Capital Advances *	56.84	56.84
Loans and Advances**	27.73	27.01
Advance to Staff***		
(a) considered good;	15.70	15.18
(b) considered doubtful	0.53	0.53
Less : Provision	(0.53)	(0.53)
Others	10.15	8.56
<b>Total</b>	<b>110.43</b>	<b>107.59</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 March 31st, 2019	As at March 31st, 2018
Raw Material	535.82	423.29
Work-in-Process	127.59	119.18
Finished Goods*	5,182.21	4,659.74
Packing Material	488.57	378.89
Stores and Spares	431.60	525.41
Stock in Trade	2,537.62	1,975.18
<b>Total</b>	<b>9,303.42</b>	<b>8,081.69</b>

**Cost of Inventory recognised as an expense**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Cost of Material consumed	28,297.47	24,822.42
Changes in Inventory of Finished goods/ WIP and Stock in trade	(1,100.82)	(611.98)
Stores and Spares consumed	60.83	30.35
Power and Fuel	459.96	867.28

\* 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 March 31st, 2019	As at March 31st, 2018
(Unsecured unless otherwise stated)		
Considered good	288.32	681.80
Considered doubtful	2.54	2.54
Less : Provision	(2.54)	(2.54)
<b>Total</b>	<b>288.32</b>	<b>681.80</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.



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**10. Cash and Cash Equivalents**

Particulars	Amount ( Rs. in Lakhs)	
	As at March 31st, 2019	As at March 31st, 2018
Bank Balance	3,067.92	2,702.08
Cash in Hand	7.25	5.99
<b>Total</b>	<b>3,075.17</b>	<b>2,708.07</b>

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

Particulars	As at March 31st, 2019	As at March 31st, 2018
Term Deposits exceeding 3 months but not 12 months.	20,428.91	15,119.96
<b>Total</b>	<b>20,428.91</b>	<b>15,119.96</b>
<b>Earmarked balance for term deposits</b>	<b>1.30</b>	<b>1.30</b>

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 March 31st, 2019	As at March 31st, 2018
(Unsecured unless otherwise stated)		
(a) Loans and advances General	1,208.44	1,208.44
(b) Advance to Staff	131.45	129.63
Good	-	-
doubtful	-	-
Less : Provision	-	-
<b>Total</b>	<b>1,339.90</b>	<b>1,338.07</b>

**13. Other Current Financial Assets**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Advance Gratuity Fund	-	-
Advance Leave Encashment Fund	-	138.10
<b>Total</b>	<b>-</b>	<b>138.10</b>

Discosure required as per IND-AS 19 "Employees benefit" are given in Note No 47.

**14. Other Current Assets**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Interest accrued on Bank FDR's	974.42	633.66
Others Dues Recievables	25.41	4.15
Income Tax Receivable from previous years*	751.27	522.61
Due From Government	323.92	777.83
Prepaid Expenses	271.23	209.34
<b>Total</b>	<b>2,346.24</b>	<b>2,147.58</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.





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**15. Current Tax Assets (NET)**

Particulars	Amount ( Rs. in Lakhs)	
	As at March 31st, 2019	As at March 31st, 2018
Income Tax for current FY	3,095.62	-
Less: Provision for income tax for current FY	(2,600.00)	-
<b>Total</b>	<b>495.62</b>	<b>-</b>

**16. Equity Share Capital**

Particulars	As at March 31st, 2019		As at March 31st, 2018	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
<b>Authorised</b>				
Equity Shares of Rs. 50/- each	39,600,000	19,800.00	39,600,000	19,800.00
<b>Issued</b>				
Equity Shares of Rs. 50/- each	36,078,636	18,039.32	36,078,636	18,039.32
<b>Subscribed and Fully Paid up</b>				
Equity Shares of Rs. 50/- each	36,078,636	18,039.32	36,078,636	18,039.32
The Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year is as under :-	<b>Number</b>	<b>Amount (Rs. in Lakhs)</b>	<b>Number</b>	<b>Amount (Rs. in Lakhs)</b>
Shares outstanding at the beginning of the year	36,078,636	18,039	28,568,762	14,284
Shares Cancelled or Buy Back during the year	-	-		
Shares Issued during the year	-	-	7,509,874	3,755
Shares outstanding at the end of the year	36,078,636	18,039	36,078,636	18,039
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
Government of Rajasthan	36,068,248	99.97%	36,068,248	99.97%

Rights, Preference & Restrictions attached to the shares:

- a. The company has one class of equity share having a par value of Rs. 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.
- b. The company has not allotted any share in the last five years, immediately preceeding the date of Balance Sheet 31.03.2019 without payment being received in cash.
- c. The company has not allotted shares as fully paid up by way of bonus shares.
- d. The company does not have any holding/ultimate holding company.

**17. Other Equity**

Particulars	As at March 31st, 2019	As at March 31st, 2018
<b>Capital Reserve (Last Balance)</b>		
Opening Balance	33.44	33.44
Add: Addition	-	-
<b>Total</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.		



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**Notes Accompanying to the financial statement for the year ended March 31,2019**

<b>Capital Redemption Reserve</b>		
Opening Balance	116.75	116.75
Add: Addition	-	-
Less: Transfer to General Reserve on Redemption	-	-
<b>Total</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.

<b>General Reserve</b>		
Opening Balance	11,595.15	9,465.15
Add: Transfer from Statement of Profit & Loss	3,590.00	2,130.00
Add: Income Tax Refund	566.77	-
<b>Total</b>	<b>15,751.92</b>	<b>11,595.15</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.

<b>Retained Earnings</b>		
Opening Balance	123.97	(95.47)
Net Profit for the current year	4,692.27	2,351.01
Recognition to OCI	-	-
Free Hold Land w/o	-	(1.56)
Transfer to Capital redemption reserve	-	-
Transfer to General Reserve	(3,590.00)	(2,130.00)
DTL Creation	-	-
Fund gratuity	-	-
Fund Leave Encashment	-	-
<b>Total</b>	<b>1,226.25</b>	<b>123.97</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	(106.15)	200.16
Add: Other Comprehensive Income for the current year*	(1,109.38)	(306.32)
<b>Total</b>	<b>(1,215.54)</b>	<b>(106.15)</b>
<b>Grand Total</b>	<b>15,912.82</b>	<b>11,763.15</b>

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

\* Amount shows Actuarial Loss on Gratuity and Leave Encashment Fund (net of Deferred Tax) as per actuarial report which is mandatory in compliance of Ind AS.

**18. Borrowings**

<b>Particulars</b>	<b>As at March 31st, 2019</b>	<b>As at March 31st, 2018</b>
Redeemable Preference Shares*	41.00	55.50
<b>Total</b>	<b>41.00</b>	<b>55.50</b>

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 31-03-2020 is shown under the Note No. 23 " Other Current Financial Liabilities".



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

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 Rs. 50 each	29,000	31/Mar/2020
12% 10 years Preference Share of Rs. 50 each	20,000	26/Dec/2020
12% 10 years Preference Share of Rs. 50 each	30,000	22/Feb/2022
11% 10 years Preference Share of Rs. 50 each	32,000	31/Dec/2023

**19. Other Non Current Financial Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Share Application Money Pending Allotment	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20. Deferred Tax Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Deferred Tax Liabilities		-
Less: Deferred Tax Assets		-
<b>Total</b>	<b>-</b>	<b>-</b>

**21. Other Non Current Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Others	26.27	34.75
Provision of Leave Encashment*	139.70	-
Provision of Gratuity*	1,825.83	388.18
State Enterprises Department Loan **	49.79	49.79
Other long term Liabilities (Staff payables)	14.50	13.37
<b>Total</b>	<b>2,056.09</b>	<b>486.09</b>

\* This amount represents the liability of the company as per actuarial report which is mandatory in compliance of Ind AS.

\*\* 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 March 31st, 2019	As at March 31st, 2018
Micro Small & Medium Enterprises*	-	-
Others trade Payable	8,714.90	8,291.37
<b>Total</b>	<b>8,714.90</b>	<b>8,291.37</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 future years.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**23. Other Current Financial Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Security Deposits*	2,834.55	2,602.25
Redemption of Preference Shares**	14.50	25.31
Others***	45.95	48.28
<b>Total</b>	<b>2,895.01</b>	<b>2,675.84</b>

\*Security deposit with the company amounting to Rs. 396.67 Lakhs is carried forwarded from preceding three years and no transactions have taken Lakhs in these accounts.

\*\*Redemption of Preference Shares is due on 31-03-2020

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

**24. Other Current Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Due to Government Authorities	557.75	1,110.92
Advance from Licensees	625.14	507.13
Payable to Staff	130.17	127.78
Other Payables*	838.52	1,168.78
<b>Total</b>	<b>2,151.58</b>	<b>2,914.61</b>

\* It includes unclaimed amount of redemption of preference shares of Rs. 0.96 Lakhs

**25. Provisions- Current Liabilities**

Particulars	As at March 31st, 2019	As at March 31st, 2018
Provision for Gratuity	–	54.59
Provision for bad Debts	32.21	–
Provision for Interest/Dividend on Preference Shares	8.40	11.00
Provision for Stock loss by theft	60.77	60.77
<b>Total</b>	<b>101.39</b>	<b>126.36</b>

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

Particulars	As at March 31st, 2019	As at March 31st, 2018
Provision for Income Tax	–	2,300.00
Less: Income Tax Deposits	–	(2,067.84)
<b>Total</b>	<b>–</b>	<b>232.16</b>

**27. Revenue from Operations**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sale of:		
Sugar	2,357.05	1,366.21
Country Liquor*	127,844.64	111,391.92
Electricity	122.64	387.73
Molasses	86.73	87.28
Rectified Spirit**	154.79	990.02
Denatured Spirit	74.73	24.24
Bicompost/ WDGS/DDGS	16.83	–
Hertigae Liquor	23.67	21.90
Liquor at Shops	–	55.27
<b>Total</b>	<b>130,681.09</b>	<b>114,324.56</b>

\* Sale of Country Liquor own production Rs. 43,292 Lakhs and Private Suppliers Country Liquor Rs. 84,553 Lakhs.

\*\* Sale of Rectified Spirit includes Rs. 19.56 Lakhs transferd to own reduction centers.



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**28. Other Income**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
Interest on Bank FDR	1,549.87	1,129.18
Interest on Income Tax Refund	57.73	-
Contract Amount	137.30	91.49
Security Forfeited	262.82	30.35
L.D. Income	88.96	52.90
Supervision charges- Yuvraj Whisky	162.00	42.68
Sale of Scrap	13.48	6.48
Profit on Sale of PPE	-	905.57
Old Balance of Licensee W/o	122.06	-
Miscellaneous Income*	771.76	407.10
<b>Total</b>	<b>3,165.97</b>	<b>2,665.74</b>

\* 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 March, 2019	Year ended 31 March , 2018
<b>Raw Material</b>		
Rectified Spirit	13,530.94	12,893.97
Sugar Cane	3,267.56	2,695.81
Others	205.26	457.37
<b>Total</b>	<b>17,003.76</b>	<b>16,047.15</b>
<b>Packing Material</b>		
For Country Liquor	11,210.59	8,717.23
For Sugar	52.21	36.75
For Heritage Liquor	30.91	21.30
<b>Total</b>	<b>11,293.71</b>	<b>8,775.28</b>
<b>Grand Total</b>	<b>28,297.47</b>	<b>24,822.43</b>
<b>Raw Material</b>		
Opening Stock	423.29	424.76
Purchases	16,064.21	16,023.67
Sale of Raw Material	19.56	22.01
Consumption	17,003.76	16,047.15
Closing Stock	535.82	423.29
<b>Packing Material</b>		
Opening Stock	378.89	465.95
Purchases	11,403.39	8,862.34
Consumption	11,293.71	8,775.28
Closing Stock	488.57	378.89

**30. Purchase of Stock in Trade**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
Rectified Spirit	15.20	17.97
Country Liquor (Private)	76,192.06	67,970.77
<b>Total</b>	<b>76,207.26</b>	<b>67,988.74</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**31. Change in Inventories**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
<b>Opening Stock</b>		
Work-in-Process	119.18	132.95
Finished Goods	4,652.22	4,416.94
Goods in Trade*	1,975.19	1,592.22
<b>Less: Closing Stock</b>		
Work-in-Process	127.59	119.18
Finished Goods	5,182.21	4,659.74
Goods in Trade*	2,537.62	1,975.18
<b>Total</b>	<b>(1,100.82)</b>	<b>(611.98)</b>

\*Refer note no. 58 (i) for details of Inventory.

**32. Finance Cost**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
Preference Share Dividend/ Interest including DDT	8.40	11.00
<b>Total</b>	<b>8.40</b>	<b>11.00</b>

**33. Employee Benefit Expenses**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
Salaries, Wages, Bonus etc.	7,022.23	7,119.94
Contributions to Provident and Other Funds	821.65	987.04
Gratuity (Including Risk Premium)	364.08	259.45
Staff Welfare Expenses	52.68	44.12
<b>Total</b>	<b>8,260.64</b>	<b>8,410.54</b>

**34. Other Expenses**

Particulars	Year ended 31 March, 2019	Year ended 31 March , 2018
Carriage & Cartage	136.62	151.13
Stores and Consumables	60.83	30.35
Power and Fuel	459.96	867.28
Repairs and Maintenance	354.24	359.90
Bottle Filling Charges	611.67	504.24
Excise Duty & Others	4,545.51	4,132.76
Other Manufacturing Expenses	0.03	61.00
Rent	144.88	134.23
Rates and Taxes*	836.63	199.15
Insurance	24.52	27.39
Travelling and Conveyance	125.20	108.83
Legal and Professional	53.61	63.05
Postage and Telephone	36.41	40.98
Printing and Stationery	24.36	24.36
Advertisement and Business Promotion	142.90	121.72
Cost Audit Fee	-	-
Bank Charges	1.76	12.06
Misc. Expenses**	274.60	122.77



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Salary Ex-Service Man/ Guard	203.72	104.37
<b>Auditors' Remuneration</b>	-	-
- Statutory Audit Fees	3.25	2.60
- Tax Audit	0.47	0.47
- Reimbursement Of Expenses	-	0.48
Directors' Remuneration	0.55	0.18
Information Technology Expenses	61.75	41.60
Selling and Distribution Expenses	444.37	384.61
Corporate Social Responsibility***	3,000.00	77.44
Privilege Fee	1,000.00	1,673.86
<b>Total</b>	<b>12,547.84</b>	<b>9,246.80</b>

\* Rate and Taxes includes a sum of Rs. 601.14 Lakhs on account of ineligible Credit under GST laws.

\*\* Misc. Expenses includes a sum of Rs. 131.24 Lakhs on account of balance write off of parties whose balance was reconciled during the year 2018-19

\*\*\* Company has paid Rs. 3000 Lakhs to Rajasthan CM Relief Fund under its CSR obligation.

### **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.

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

#### **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 direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
- 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 Receivables**

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 Electricity 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



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

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.

- 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.

(Rs. In Lakhs)

Particulars	31.03.2019			
	<1 year	1-5year	>5year	Total
<b>Financial assets</b>				
Non-current Investments	-	-	0.11	0.11
Loans (Non current)	-	-	-	-
Loans (current)	1,339.90	-	-	1,339.90
Trade receivables	288.32			288.32
Cash and cash equivalents	3,075.17			3,075.17
Bank balances other than cash and cash equivalents	20,428.91			20,428.91
Other financial assets	36.81	-		36.81
<b>Total financial assets</b>	<b>25,169.11</b>	<b>-</b>	<b>0.11</b>	<b>25,169.23</b>
<b>Financial Liabilities</b>				
Long term Borrowings	-	41.00		41.00
Short term Borrowings	-			-
Trade Payables	8,714.90			8,714.90
Other financial liabilities (Non Current)	-	-		-
Other financial liabilities (Current)	2,895.01			2,895.01
<b>Total financial Liabilities</b>	<b>11,609.91</b>	<b>41.00</b>	<b>-</b>	<b>11,650.91</b>

(Rs. In Lakhs)

Particulars	31.03.2018			
	<1 year	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>20,022.81</b>	<b>-</b>	<b>0.11</b>	<b>20,022.92</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>-</b>	<b>11,022.71</b>





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**Categories of financial instruments**

Particulars	31.03.2019		31.03.2018	
	Carrying value	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Loans (Non Current)	-	-	-	-
Loans (Current)	1,339.90	1,339.90	1,338.07	1,338.07
Trade receivables	288.32	288.32	681.80	681.80
Cash and cash equivalents	3,075.17	3,075.17	2,708.07	2,708.07
Bank balances other than cash and cash equivalents	20,428.91	20,428.91	15,119.96	15,119.96
Non-current Investments (NSC)	0.11	0.11	0.11	0.11
Other financial assets	36.81	36.81	174.91	174.91
<b>Total financial assets at amortised cost (A)</b>	<b>25,169.23</b>	<b>25,169.23</b>	<b>20,022.92</b>	<b>20,022.92</b>
<b>Financial assets</b>				
<b>Measured at fair value through other comprehensive income</b>				
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>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
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>Total financial assets (A+B+C)</b>	<b>25,169.23</b>	<b>25,169.23</b>	<b>20,022.92</b>	<b>20,022.92</b>
<b>Financial Liabilities</b>				
<b>Measured at amortised cost</b>				
Long term Borrowings	41.00	41.00	55.50	55.50
Short term Borrowings	14.50	14.50	25.31	25.31
Trade Payables	8,714.90	8,714.90	8,291.37	8,291.37
Other financial liabilities (Non Current)	-	-	-	-
Other financial liabilities (Current)	2,895.01	2,895.01	2,675.84	2,675.84
<b>Total financial Liabilities at amortised cost</b>	<b>11,665.41</b>	<b>11,665.41</b>	<b>11,048.02</b>	<b>11,048.02</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 State 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.



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(Rs. In Lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Fixed rate borrowings	41.00	55.50
Floating rate borrowings	0.00	0.00
Total borrowings	41.00	55.50

**36. Capital Risk Management**

**Objective**

The primary objective of the Company's capital management is to maximize the shareholder value i.e. to provide maximum returns to the State government which is a major shareholder. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the Government. "

**Policy**

(Rs. In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Long term borrowings	41.00	55.50
Current maturities of long term debt	0.00	0.00
Short term borrowings	14.50	25.31
<b>Total</b>	<b>55.50</b>	<b>80.81</b>
Less: cash and cash equivalents	3075.17	2708.07
Less: bank balances other than cash and cash equivalents	20428.91	15119.96
Net debt	-23448.58	-17747.22
<b>Total equity</b>	<b>18039.32</b>	<b>18039.32</b>
Gearing ratio	-1.30	-0.98

**Level wise disclosure of financial instruments**

(Rs. In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018	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				Discounted cash flow
Fair value				—observable future cash flows are based on terms discounted at a rate that reflects market risks.

**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.

**(ii) Following business segments have been identified by the management**

- a) Sugar
- b) Liquor



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**(iii) Basis of segment measurement**

- a) 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.
- b) Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- c) 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.
- 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 inter-segment 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	(Rs. In Lakhs)			
	Year ended 31 March, 2019		Year ended 31 March, 2018	
	Sugar	Liquor	Sugar	Liquor
<b>Revenue from external customers</b>	<b>2,718.99</b>	<b>127,962.10</b>	<b>2,809.09</b>	<b>111,515.47</b>
Revenue from transactions with other operating segments of the entity	-	-	-	-
Other Revenue	50.47	289.21	918.04	141.24
<b>Total Revenue</b>	<b>2,769.46</b>	<b>128,251.31</b>	<b>3,727.13</b>	<b>111,656.71</b>
Segment expenses	8,692.34	115,043.00	8,417.93	102,417.63
<b>Segment profit and loss before tax and exceptional item</b>	<b>(5,922.88)</b>	<b>13,208.31</b>	<b>(4,690.80)</b>	<b>9,239.09</b>
<b>Segment assets</b>	<b>17,499.79</b>	<b>7,014.11</b>	<b>19,902.71</b>	<b>5,934.19</b>
<b>Segment liabilities</b>	<b>2,389.90</b>	<b>4,271.16</b>	<b>1,849.23</b>	<b>4,000.16</b>

**V) Reconciliations**

Total assets with segment asset		
Particulars	As at 31st March 2019	As at 31st March 2018
Segment assets	24,513.90	25,836.90
Unallocated assets	25,398.21	18,747.51
<b>Total assets</b>	<b>49,912.10</b>	<b>44,584.41</b>

Total liabilities with segment liabilities		
Particulars	As at 31st March 2019	As at 31st March 2018
Segment liabilities	6,661.06	5,849.39
Unallocated liabilities	43,251.05	38,735.01
<b>Total liabilities</b>	<b>49,912.10</b>	<b>44,584.41</b>

**38. Income Tax Expenses**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Current Tax	2,600.00	2,300.00
b) Adjustments in respect of income tax of previous year		
<b>Current tax</b>	-	<b>14.17</b>
c) Deferred Tax	35.91	(242.67)
<b>Total</b>	<b>2,635.91</b>	<b>2,071.50</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**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, 2019	Year ended 31 March, 2018
Issued number equity shares	360.78	360.78
Potential Equity Shares	-	-
Weighted number of shares	360.78	360.78
Weighted average shares outstanding - Basic and Diluted	360.78	360.78
<b>Total</b>	<b>360.78</b>	<b>360.78</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, 2019	Year ended 31 March, 2018
Profit and loss after tax (Rs. In Lakhs)	4,692.27	2,351.01
Profit and loss after tax for EPS (Rs. In Lakhs)	4,692.27	2,351.01
Basic Earnings per share (in Rs.)	13.01	6.52
Diluted Earnings per share (in Rs.)	13.01	6.52

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.

**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. 144.88 Lakhs (P.Y. Rs. 134.22 lakhs) 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 (01.04.2018 to 18.12.2018)	Director
Dr. Prithvi Raj (19.12.2018 to 31.03.2019)	Director
Aparna Arora	Director
Manju Rajpal	Director
Somnath Mishra	Director
N. Shiv Prasad Madan	Director
Sandhya Sharma	Director
U.S. Shekhawat	Director
K.L. Jakhar	Director
Devendra Arora	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	



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**(C) Other related parties**

Name of the party	Relation
NO SUCH PARTY	

**(ii) Related party transactions**

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Praveen Gupta (01.04.2018 to 18.12.2018)	0.38	0.18
Dr. Prithvi Raj (19.12.2018 to 31.03.2019)	0.17	NA
Devendra Arora	19.61	6.42
Pawan K. Garg	12.10	8.05

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

**42. Contingent Liabilities**

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>a) Claims against company not acknowledged as debts</b>	635.95	601.75
<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 want of rate of interest & other terms	2.42	2.42
b.2 Excise duty on pending excess wastage cases of rectified spirit and liquor	3.41	27.09
b.3 Central Excise Department Demand	65.50	1.56
b.4 Service Tax Demand	0.52	0.52
b.5 Income tax Demand	13,113.72	12,369.97
b.6 TDS/ TCS Defaults	20.77	6.76
b.7 Workmen demands /cases	Amount not ascertainable	Amount not ascertainable

**43. Corporate Social Responsibility**

During the financial year 2018-19, the company has incurred Rs. 3000 Lakhs towards corporate social responsibility activities in accordance with Section 135 of Companies Act, 2013. This amount is given to Rajasthan CM Relief Fund.

**44. Capital Commitments**

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

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

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Raw Materials and Components:</b>		
Imported		
Indigenous	17,003.76	16,047.15
<b>Consumables, Stores &amp; Spares</b>		
Imported		
Indigenous	60.83	30.35

**46. Impairment of assets :**

Ind AS-36 "Impairment of Assets, an entity should ensure 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**  
Notes Accompanying to the financial statement for the year ended March 31,2019

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

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Employer's Contribution to Provident, Pension Funds and Other Funds	7,022.23	7,119.94

**A) Gratuity (Funded)**

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

Amount in Balance Sheet	Year ended 31 March, 2019	Year ended 31 March, 2018
Defined Benefit Obligation (DBO)	7,803.69	6,407.47
Fair value of Plan Assets	5,977.86	5,964.69
Funded Status- (Surplus)/Deficit		
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>1,825.83</b>	<b>442.77</b>

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

(Rs. In Lakhs)

Current/ Non Current Benefit obligation/asset	Year ended 31 March, 2019	Year ended 31 March, 2018
Current Liability	689.51	790.00
Non Current Liability	7,114.18	5,617.47
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>7,803.69</b>	<b>6,407.47</b>

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

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current Service Cost	308.05	270.84
Interest Cost	480.56	455.84
Expected Return on Plan Assets	447.35	486.13
<b>Total "Expense/(Income) included in Employee benefit Expense</b>	<b>341.26</b>	<b>240.55</b>

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

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Amount recognised in OCI, Beginning of period	287.61	(252.61)
Remeasurements due to:		
Effect of change in financial assumptions	1,318.60	(1,111.80)
Effect of experience adjustments	145.41	1,652.02
Net Actuarial (Gains)/Losses	1,464.01	540.22
Return on plan assets (excluding interest)	540.22	(252.61)
<b>Total remeasurements recognized in OCI</b>	<b>1,464.01</b>	<b>540.22</b>
<b>Amount recognized in OCI, End of Period</b>	<b>1,240.10</b>	<b>287.61</b>

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

(Rs. In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest Income Plan Asset	447.35	486.13
Actuarial Gains/(Losses) on Plan Assets	(4.70)	(45.68)
<b>Actual Return on Plan Assets</b>	<b>442.65</b>	<b>440.46</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
Notes Accompanying to the financial statement for the year ended March 31, 2019

**A.6) Reconciliation of change in benefit Obligation**

Change in Present Value of Benefit Obligation during the Period	Year ended 31 March, 2019	Year ended 31 March, 2018
Defined Benefit Obligation, beginning of the period	6,407.47	5,697.95
Current Service Cost	480.56	270.85
Interest Cost	308.05	455.84
Actuarial (Gains)/Losses	1,464.01	540.22
Actual Benefits Paid	(856.39)	(557.39)
<b>Defined Benefit Obligation, end of the period</b>	<b>7,803.70</b>	<b>6,407.47</b>

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

Change in fair value of plan assets during the period	Year ended 31 March, 2019	Year ended 31 March, 2018
Fair Value of Plan assets, beginning of the period	5,964.69	6,076.69
Interest income on plan assets	447.35	486.13
Actual Enterprises' contribution	426.91	4.94
Actual benefits paid	(856.39)	(557.39)
Actuarial gains/(losses)	(4.70)	(45.68)
<b>Fair Value of Plan assets, end of the period</b>	<b>5,977.86</b>	<b>5,964.69</b>

Other Items	Year ended 31 March, 2019	Year ended 31 March, 2018
Weighted average duration (based on discounted cash flow)	10.40	10.29

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

Category of Assets	Year ended 31 March, 2019	Year ended 31 March, 2018
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 (including 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, 2019	Year ended 31 March, 2018
DBO	7,803.70	6,407.47
Plan Assets	5,977.86	5,964.69
(Surplus)/Deficit	1,825.83	442.77
Exp Adj- gain/(Loss)	1,318.60	(1,652.02)
Assumptions Gain/(loss)	(1,652.02)	-
Exp Adj- Plan Liabilities Gain/(loss)	145.41	1,111.80
<b>Total Actuarial Gain/(loss)</b>	<b>(188.01)</b>	<b>(540.22)</b>

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

Recognition of Actuarial gains and losses	Year ended 31 March, 2019	Year ended 31 March, 2018
Actuarial (Gain)/Loss arising on DBO	(188.01)	540.22
Actuarial (Gain)/Loss arising on Plan Assets	(4.70)	45.68
<b>Total (Gain)/Loss recognised during the period</b>	<b>(192.71)</b>	<b>585.90</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
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**A.11) Sensitivity analysis**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Defined benefit obligation (Base)	7,803.70	6,407.47

Sensitivity analysis	Year Ended 31-03-2019	
	Increase	Decrease
Discount rate	7.59%	7.59%
Impact of increase/ decrease of 50 bps on DBO	(280.56)	298.41
<b>Salary growth rate</b>	10.00%	10.00%
Impact of increase/ decrease of 50 bps on DBO	208.44	(218.84)

Sensitivity analysis	Year Ended 31-03-2018	
	Increase	Decrease
Discount rate	7.50%	7.50%
Impact of increase/ decrease of 50 bps on DBO	(209.44)	222.20
<b>Salary growth rate</b>	7%	7%
Impact of increase/ decrease of 50 bps on DBO	215.71	(207.30)

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

Cash Flows	Year ended 31 March, 2019	Year ended 31 March, 2018
Year 0	689.51	790.00
Year 1	902.77	848.77
Year 2	445.41	366.81
Year 3	478.28	371.72
Year 4	497.86	330.43
Year 5	5,329.87	3,699.73

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

Cash Flows	Year ended 31 March, 2019	Year ended 31 March, 2018
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
Retirement benefit	15/26 x Last drawn Salary x Service	15/26 x Last drawn Salary x Service
Withdrawal benefit	15/26 x Last drawn Salary x Service	15/26 x Last drawn Salary x Service
Death benefit	15/26 x Last drawn Salary x Service	15/26 x Last drawn Salary x Service
Vesting Period	5 years on retirement and withdrawal	5 years on retirement and withdrawal
Maximum Ceiling	"For Executive Employees 15 months	For Executive Employees 15 months

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

Membership data	Year ended 31 March, 2019	Year ended 31 March, 2018
Number of Members	1,302.00	1,368.00
Total monthly Salary (in Lakhs)	465.47	457.89
Average Remaining working life (Years)	12.31	12.09
Weighted Average Duration	10.40	10.29
Average age (Years)	47.69	47.91
Average Past Service (Years)	23.92	24.17





**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**A.15) Actuarial Assumptions**

Actuarial Assumptions	Year ended 31 March, 2019	Year ended 31 March, 2018
Discount Rate	7.59%	7.50%
Salary Escalation rate	10.00%	7.00%

Demographic Assumptions	Year ended 31 March, 2019	Year ended 31 March, 2018
Mortality Table*	100% of IALM	
Withdrawal Rate**		
Retirement age	60	60

Timing Related Assumptions	Year ended 31 March, 2019	Year ended 31 March, 2018
Time of retirement	Immediately on achieving normal	Immediately on achieving normal
Salary increase frequency	Once a year	Once a year

\* Mortality Rate : Represents mortality rates from Indian Assured Lives Mortality (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, 2019	Year ended 31 March, 2018
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 2019 /31st March, 2018 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 Accompanying to the financial statement for the year ended March 31,2019**

**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, 2019	Year ended 31 March, 2018
Defined Benefit Obligation (DBO)	1,270.06	1,141.39
Fair value of Plan Assets	1,130.36	1,279.49
Funded Status- (Surplus)/Deficit	139.70	(138.10)
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>139.70</b>	<b>(138.10)</b>

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

Current/ Non Current Benefit obligation/asset	Year ended 31 March, 2019	Year ended 31 March, 2018
Current Liability	180.66	217.01
Non Current Liability	1,089.40	924.38
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>1,270.06</b>	<b>1,141.39</b>

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

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current Service Cost	53.22	43.20
Interest Cost	85.60	100.42
Net Actuarial Losses/(gain)	229.68	(127.11)
Expected Return on Plan Assets	95.96	105.04
<b>Total Expense/(Income) included in Employee Benefit Expense</b>	<b>42.86</b>	<b>(88.52)</b>

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

Actual Return on Plan Assets	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest Income Plan Asset	95.96	105.04
Actuarial Gains/(Losses) on Plan Assets	(6.89)	(9.64)
<b>Actual Return on Plan Assets</b>	<b>89.07</b>	<b>95.40</b>



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

**B.5) Reconciliation of Benefit obligation**

Change in Present Value of Benefit Obligation during the Period	Year ended 31 March, 2019	Year ended 31 March, 2018
Defined Benefit Obligation, beginning of the period	1,141.39	1,255.28
Current Service Cost	53.22	43.20
Interest Cost	85.60	100.42
Actuarial (Gains)/Losses	229.67	(127.11)
Actual Benefits Paid	(239.82)	(130.41)
<b>Defined Benefit Obligation, end of the period</b>	<b>1,270.06</b>	<b>1,141.39</b>

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

Change in fair value of plan assets during the period	Year ended 31 March, 2019	Year ended 31 March, 2018
Fair Value of Plan assets, beginning of the period	1,279.49	1,312.96
Interest income on plan assets	95.96	105.04
Actual Enterprises' contribution	1.63	1.53
Actual benefits paid	(239.83)	(130.41)
Actuarial gains/(losses)	(6.89)	(9.64)
<b>Fair Value of Plan assets, end of the period</b>	<b>1,130.36</b>	<b>1,279.49</b>

Other Items	Year ended 31 March, 2019	Year ended 31 March, 2018
Weighted average duration (based on discounted cash flow)	10.40	10.29

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

Category of Assets	Year ended 31 March, 2019	Year ended 31 March, 2018
Govt. of India Securities (Central and State)	0.43	0.43
High Quality corporate bonds (incl PSU Bonds)	-	-
Equity Shares of listed companies	-	-
Real Estate / Propetry	-	-
Cash (including special deposits)	-	-
Other (incliding assets under schemes of Ins.)	1,130.36	1,279.49

**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, 2019	Year ended 31 March, 2018
DBO	1,270.06	1,141.39
Plan Assets	1,130.36	1,279.49
(Surplus)/Deficit	139.70	(138.10)
Exp Adj- Plan Assets gain/(Loss)	(6.89)	(9.64)
Assumptions Gain/(loss)	215.20	183.92
Exp Adj- Plan Liabilities Gain/(loss)	14.48	(56.81)
<b>Total Actuarial Gain/(loss)</b>	<b>222.79</b>	<b>117.47</b>

48. Licensee balances outstanding for more than 3 years, preceeding the current financial year, have been written off in profit and loss account in compliance to decision of Board dated 05-09-2018.

49. 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 .



**RAJASTHAN STATE GANAGANAGAR SUGAR MILLS LIMITED**  
**Notes Accompanying to the financial statement for the year ended March 31,2019**

50. 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.

51. Claims made by the Company, but not acknowledged as debts by the parties amounting to Rs. 530.65 Lakhs (Previous year Rs. 198.64 Lakhs )

52. Light & Water Expenses include a sum of Rs. 12.64 Lakhs on account of electricity consumed by employees residing in Sugar Factory colony, Sriganganagar, out of which a sum of Rs. 4.70 Lakhs 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.

53. The company has made some advance payments amounting to Rs. 623.00 Lakhs 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. Thus the quantum of assets and liabilities are overstated to that extent. But these will not affect the Profit & Loss of the Company.

54. An amount of Rs. 6.57 Lakhs 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.

55. In a civil suit filed by the Company against a supplier, a decree of Rs. 24.10 Lakhs 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 Rs. 93.02 Lakhs. Out of this amount Rs. 24.33 Lakhs and Rs. 12.28 Lakhs 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 Rs. 145.52 Lakhs 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 Rs. 15.57 lakhs 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 Rs. 14.62 Lakhs plus Interest is to be received from DCM Shriram. Matter is still pending in Court.

56. The production of royal heritage liqueur remained suspended w.e.f. 09/05/2008, however redistillation was done as per requirement.

57. 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 @ Rs.1920.51 per Qtl.



**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED  
RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

Note No.: 58 (U)

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

S. No.	Class of Goods	Units of Measurement	Licensed Capacity Per Day	Installed Capacity per day	Actual Production	Goods Purchased for re-sale (GPR)		Opening Balance		Closing Balance		Sales	
						Qty	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
1	Sugar	Qtl.	1500MT	1500MT	83,000	(-)	(-)	117,906	350,646,850	130,884	405,415,932	80,012	235,705,242
			Crushing	Crushing	(78,505)		(77,781)	(275,451,200)	(350,646,850)	(117,906)	(350,646,850)	(38,380)	(136,620,506)
2	Molasses (Own Production)	Qtl.			45,495		85,427	11,672,359	14,061,559	80,184	14,061,559	50,737	3,931,066
					(46,861)		(105,175)	(53,113,392)	(11,672,359)	(85,427)	(11,672,359)	(66,629)	(8,728,399)
3	Country Liquor at Retail Shops	BL											
						(37,438)	(4,838,736)					(35,587)	(5,526,804)
4	Country Liquor at Warehouses (Own Production)	BL			90,005,342		2,166,486	96,017,286	108,403,584	2,120,636	108,403,584	89,962,630	4,329,187,518
					(81,991,996)		(2,244,371)	(79,493,714)	(96,017,286)	(2,166,486)	(96,017,286)	(81,967,465)	(3,615,463,032)
						181,272,575	7,620,477,566	5,102,498	197,518,483	6,010,275	253,761,564	180,343,123	8,455,276,894
						(176,819,649)	(6,803,091,004)	(4,142,943)	(159,222,085)	(5,102,498)	(197,518,483)	(175,548,878)	(7,523,728,682)
5	Heritage Liqueur	BL					(2,916)	(699,383)	36	9,629	9,629	2,880	2,367,200
					(595)		(34)	(9,091)	(2,916)	(699,383)	(699,383)	(3,713)	(2,190,411)
6	Denatured Spirit	BL			87,050		2,457	(86,458)	98,204	2,151	98,204	87,315	7,421,775
					(29,090)		(1,888)	(58,930)	(2,457)	(86,458)	(86,458)	(28,518)	(2,423,904)
7	Rectified Spirit (Sugar Factory)	BL			125,885		(353,216)	(15,435,517)	154,101	6,412,122	6,412,122	325,000	13,523,250
					(1,761,091)		(767,125)	(30,017,601)	(353,216)	(15,435,517)	(15,435,517)	(2,175,000)	(96,787,500)
8	Rectified Spirit (CRC)	LPL				202,212	1,519,721					202,212	1,956,240
						(66,921)	(1,797,095)					(66,921)	(2,214,025)
9	Glass ware	Qtlis.					(1)			(1)			
							(1)			(1)			
10	I.M.F.L. at Retail Shops	BL					374	44,167	374	44,167	44,167		
							(374)	(44,167)	(374)	(44,167)	(44,167)		
11	Blo Composed Product	Qtl.			2,240		(1,800)	(1,350,000)	2,980	2,235,000	2,235,000	1,060	795,963
							(1,800)	(1,080,000)	(1,800)	(1,350,000)	(1,350,000)		
12	Impure Spirit	BL			6,049		(119,362)	(2,984,050)	125,411	3,135,275	3,135,275		
					(22,316)		(97,046)	(2,426,150)	(119,362)	(2,984,050)	(2,984,050)		
13	Electric	KW			2,097,082							2,097,082	12,263,731
					(6,799,426)							(6,799,426)	(38,772,547)
13	DDGS	MT					45	148,665		(45)	(148,665)		
14	WDGS	MT					64	1,062,600		(64)	(1,062,600)		
	<b>Gross Total</b>						<b>7,621,997,287</b>	<b>636,555,002</b>	<b>791,577,036</b>	<b>13,063,316,285</b>	<b>13,063,316,285</b>		
	Less: C.L. transfer to Shops												
	<b>NET SALE</b>						<b>7,621,997,287</b>						<b>13,063,316,285</b>
	Less : Purchase Return						<b>1,271,476</b>						
	Less : Excise Duty												
	<b>NET TOTAL</b>						<b>7,620,725,811</b>	<b>636,555,002</b>	<b>791,577,036</b>	<b>13,063,316,285</b>	<b>13,063,316,285</b>		
	Previous Year						<b>(6,809,726,835)</b>	<b>(600,916,330)</b>	<b>(677,665,818)</b>	<b>(11,432,455,810)</b>	<b>(11,432,455,810)</b>		
	Less : C.L. Transfer to Shops												
	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>	<b>(11,432,455,810)</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 235232.975 LPL being liquor in process (W.I.P.) as on 31.03.2019 and includes 248326 LPL being in process as on 31.03.2018
- 5 Heritage Liqueur production is not done in Financial Year 2018-19. WIP of Heritage Liqueur is lying 1580 BL . (Previous Year WIP 1580 BL )
- 6 Closing Stock of :-
  - (i) Country Liquor at retail shops is after adjustment of transit & storage wastage NIL BL (Previous Year NIL BL). Closing Balance NIL 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 93401 BL (Previous year 86227 BL), sample NIL BL (Previous Year 4 BL), shortage/ recovery BL. (Previous 16162 BL) Reprocessing NIL BL(Previous Year NIL BL) Physically excess received NIL BL (Previous Year NIL BL)
  - (iii) Country Liquor at warehouse (private) is after adjustment of sample 55.800 BL (Previous Year 20 BL) , transit wastage 2367.72 BL (Previous Year 194 BL), short recovery NIL BL (Previous Year 33591 BL) ,other receipt in purchase 0 BL (Previous Year 0 BL), Purchase return to party 32927.400 BL Amounting in Rs. 1271476/-(Previous Year 277220 BL Amounting in Rs. 10852676/-), 23607.540 BL valued at Zero value in closing stock. (Previous Year 190 BL Without Value Exclude Stock 1157 BL without Value Include Stock.)
  - (iv) D/Spirit is after adjustment of sample 4.500 BL (Previous year 03 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 GANAGANAGAR SUGAR MILLS LIMITED**

**Note No. 58 (II)**

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

S.No.	Class of Goods	Unit of Measurement	For the year ended on 31.03.2019		For the year ended on 31.03.2018	
			Qty.	Value (₹)	Qty.	Value (₹)
1	Cane	Qtl.	1,055,951	334,988,047	880,672	302,699,499
2	Molasses (Cane)	Qtl.	14,500	4,741,500	66629	8,728,399
3	Rectified Spirit * (Excluding cost of own production)	LPL	52,407,439	1,352,978,575	48,049,631	1,290,681,780
4	E.N.A.	LPL	-	-	5,102	165,884
5	Spices, Colour & Essence		-	4,155,272	-	2,439,206
<b>TOTAL</b>				<b>1,696,863,394</b>		<b>1,604,714,768</b>

**NOTES :**

Wastage of Rectified Spirit & ENA Includes various wastage : Storage R/S 175936.650 LPL & ENA NIL,, Transit R/S 95724.267 LPL & ENA NIL; Reduction R/S 59843.363 LPL & ENA NIL; Burning Loss R/S 3831.546 & ENA NIL (Previous year 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).

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

S.No.	Class of Goods	For the year ended on 31.03.2019		For the year ended on 31.03.2018	
		Value (₹)	% of total consumption	Value (₹)	% of total consumption
01. (a)	Raw Material Imported (at landed cost)	-	-	-	-
	indigenous	1,696,863,394	100%	1,604,714,768	100%
(b)	Stores & Spare parts Imported (at landed cost)				
	indigenous	6,082,817	100%	3,035,007	100%



## Activity wise details of Profit & Loss Account for the year 2018-19 & 2017-18

(Rs.in Lacs)

Sr.No.	Particulars	Note No.	2019				2018			
			Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory and Distillery	RSGSM Total
I	Revenue From Operations	27	127,962.10	-	2,719.00	130,681.09	111,515.47	-	2,809.09	114,324.56
II	Other Income	28	289.21	2,826.30	50.47	3,165.97	141.24	1,606.46	918.04	2,665.74
III	<b>Total Income (I+II)</b>		<b>128,251.31</b>	<b>2,826.30</b>	<b>2,769.46</b>	<b>133,847.07</b>	<b>111,656.71</b>	<b>1,606.46</b>	<b>3,727.13</b>	<b>116,990.30</b>
IV	<b>Expenses</b>									
	Cost of Materials Consumed	29	24,847.97	-	3,449.50	28,297.47	21,770.12	(98.72)	3,151.03	24,822.42
	Purchases of Stock-In-Trade	30	76,207.26	-	-	76,207.26	67,988.74	-	-	67,988.74
	Changes in Inventories	31	(607.32)	-	(493.50)	(1,100.82)	(422.72)	-	(189.27)	(611.98)
	Finance Cost	32	-	8.40	-	8.40	-	11.00	-	11.00
	Employee Benefits Expenses	33	7,066.27	(720.20)	1,914.57	8,260.64	5,447.21	1,336.17	1,627.16	8,410.54
	Depreciation and Amortization Expenses	3	102.43	13.43	2,182.24	2,298.10	129.79	20.15	2,550.33	2,700.27
	Other Expenses	34	7,621.89	3,286.43	1,639.53	12,547.84	7,646.21	321.90	1,278.69	9,246.80
	<b>Total Expenses</b>		<b>115,238.49</b>	<b>2,588.06</b>	<b>8,692.34</b>	<b>126,518.89</b>	<b>102,559.36</b>	<b>1,590.50</b>	<b>8,417.93</b>	<b>112,567.80</b>
V	Profit/(Loss) Before Exceptional Items and tax (III-IV)		13,012.82	238.24	(5,922.88)	7,328.18	9,097.35	15.96	(4,690.80)	4,422.51
VI	Profit on revaluation of PPE/ RC Profit in HO		-	-	-	-	-	-	-	-
VII	<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>13,012.82</b>	<b>238.24</b>	<b>(5,922.88)</b>	<b>7,328.18</b>	<b>9,097.35</b>	<b>15.96</b>	<b>(4,690.80)</b>	<b>4,422.51</b>

## Activity wise details of Other Income for the year 2018-19 & 2017-18

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
A.	Interest Income on bank FDR	11.18	1,524.69	14.00	1,549.87	12.56	1,106.43	10.20	1,129.18
B.	Interest on income tax refund	-	57.73	-	57.73	-	-	-	-
C.	Mis. Income								
i	Other Income/ Demurrage Income	0.56	348.17	12.88	361.61	4.10	357.90	16.83	378.83
ii	Sale of Tender Form	0.03	1.51	-	1.54	0.01	1.59	-	1.59
iii	Sale of Broken Glass / Press Mud/Fix Assets	3.31	-	-	3.31	0.02	-	-	0.02
iv	Sale of Scrap	13.48	-	-	13.48	6.48	-	-	6.48
v	Recovery against Excess Wastage	0.32	-	-	0.32	25.87	-	-	25.87
vi	Recovery against shortage	0.18	-	-	0.18	0.16	-	-	0.16
vii	Contract Amount	137.30	-	-	137.30	91.49	-	-	91.49
viii	Income From Loading Unloading Charges	-	-	-	-	-	-	-	-
ix	Security Forfeited	-	262.82	-	262.82	-	30.35	-	30.35
x	L.D.Received	-	65.37	23.58	88.96	0.07	52.83	-	52.90
xi	HRA Deduction / Other Non Operative Income	0.78	-	-	0.78	0.47	-	-	0.47
xii	Revaluation of Opening stock Heritage	-	-	-	-	-	-	-	-
xiii	Adjustment of Stock	-	-	-	-	-	-	-	-
xiv	Licensee Balance W/o	122.06	-	-	122.06	-	-	-	-
xv	Profit on Sale of Fixed Assets	-	-	-	-	-	14.55	891.02	905.57
	<b>Total (A+B)</b>	<b>289.21</b>	<b>2,260.29</b>	<b>50.46</b>	<b>2,599.97</b>	<b>141.23</b>	<b>1,563.65</b>	<b>918.04</b>	<b>2,622.92</b>
D.	Credit Balance Written Back	-	404.00	0.00	404.01	0.01	0.14	-	0.15
E.	Supervision charges- Yuvraj Whisky	-	162.00	-	162.00	-	42.68	-	42.68
F.	Prior period income	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>289.21</b>	<b>2,826.30</b>	<b>50.47</b>	<b>3,165.97</b>	<b>141.24</b>	<b>1,606.46</b>	<b>918.04</b>	<b>2,665.74</b>





## Activity wise details of Cost of Material Consumed for the Year 2018-19 & 2017-18

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>A.</b>	<b>Raw Material:-</b>								
i.	Rectified Spirit Consumed	13,529.79	-	-	13,529.79	12,893.97	-	-	12,893.97
ii.	Heritages Spirits Consumed	1.15	-	-	1.15	1.66	-	-	1.66
iii.	Molasses Consumed	-	-	47.42	47.42	-	-	87.28	87.28
iv.	Denature Spirit Consumed	36.71	-	-	36.71	12.85	-	-	12.85
v.	Sugar Cane	-	-	3,267.56	3,267.56	-	-	2,695.81	2,695.81
vi.	Broken Rice	-	-	-	-	-	-	197.35	197.35
vii.	Process Material (Sugar/heritage Spices)	38.81	-	82.32	121.13	24.39	-	133.84	158.23
	<b>Sub Total (A)</b>	<b>13,606.47</b>	<b>-</b>	<b>3,397.30</b>	<b>17,003.76</b>	<b>12,932.87</b>	<b>-</b>	<b>3,114.28</b>	<b>16,047.15</b>
<b>B.</b>	<b>Packging Material Consumed:-</b>								
i.	Packing Material Consumption C.L.	11,210.59	-	-	11,210.59	8,815.95	(98.72)	-	8,717.23
ii.	Packing Material Consumption Heritage	30.91	-	-	30.91	21.30	-	-	21.30
iii.	Packing Material Sugar	-	-	52.21	52.21	-	-	36.75	36.75
	<b>Sub Total (B)</b>	<b>11,241.50</b>	<b>-</b>	<b>52.21</b>	<b>11,293.71</b>	<b>8,837.25</b>	<b>(98.72)</b>	<b>36.75</b>	<b>8,775.28</b>
	<b>Grand Total (A+B)</b>	<b>24,847.97</b>	<b>-</b>	<b>3,449.50</b>	<b>28,297.47</b>	<b>21,770.12</b>	<b>(98.72)</b>	<b>3,151.03</b>	<b>24,822.42</b>

## Activity wise details of Purchase of Stoke In Trade for the year 2018-19 & 2017-18

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>I</b>	<b>Goods Purchase For Re sale :-</b>								
a	Rectified Spirit	15.20	-	-	15.20	17.97	-	-	17.97
b	Sugar cane	-	-	-	-	-	-	-	-
c	Mollases	-	-	-	-	-	-	-	-
d	Country Liquor Of Depot (Private)	76,204.78	-	-	76,204.78	68,030.91	-	-	68,030.91
e	C.L. at shop	-	-	-	-	48.39	-	-	48.39
f	IMFL at Shop	-	-	-	-	-	-	-	-
g	Add : Goods Received from Other RC	27.37	-	-	27.37	41.23	-	-	41.23
	<b>Sub Total (A)</b>	<b>76,247.35</b>	<b>-</b>	<b>-</b>	<b>76,247.35</b>	<b>68,138.50</b>	<b>-</b>	<b>-</b>	<b>68,138.50</b>
<b>II</b>	Less : C.L. shop Transfer to retail shop	-	-	-	-	-	-	-	-
<b>III</b>	Less : Goods sent to Other RC	27.37	-	-	27.37	41.23	-	-	41.23
<b>IV</b>	Less : Purchase return	12.71	-	-	12.71	108.53	-	-	108.53
	<b>Sub Total (B)</b>	<b>40.09</b>	<b>-</b>	<b>-</b>	<b>40.09</b>	<b>149.75</b>	<b>-</b>	<b>-</b>	<b>149.75</b>
	<b>Grand Total (A-B)</b>	<b>76,207.26</b>	<b>-</b>	<b>-</b>	<b>76,207.26</b>	<b>67,988.74</b>	<b>-</b>	<b>-</b>	<b>67,988.74</b>



**Activity wise details of Changes In Inventories Of Finished Goods & WIP Stock  
in Trade for the year 2018-19 & 2017-18**

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>I.</b>	<b>Opening Stock ( After Stock Adjustment )</b>	-	-	-	-	-	-	-	-
	<b>(A) Finished Goods</b>								
	(i) C.L. RSGSM	810.92	-	-	810.92	794.94	-	-	794.94
	(ii) C.L. Private	1,975.19	-	-	1,975.19	1,592.22	-	-	1,592.22
	(iii) Heritage Liqueur At W.H.	6.99	-	-	6.99	0.09	-	-	0.09
	(iv) Heritage Liqueur At RSBCCL	-	-	-	-	-	-	-	-
	(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) Liqueur at Shops CL	-	-	-	-	-	-	-	-
	(ix) Liqueur at Shops IMFL	0.44	-	-	0.44	0.44	-	-	0.44
	(x) Rectified Spirit	-	-	154.36	154.36	-	-	300.18	300.18
	(xi) Impure Spirit	-	-	29.84	29.84	-	-	24.26	24.26
	(xii) Biocompast	-	-	13.50	13.50	-	-	10.80	10.80
	(xiii) DDGS	-	-	10.63	10.63	-	-	-	-
	(xiv) WDGS	-	-	1.49	1.49	-	-	-	-
	<b>Sub Total (A)</b>	<b>2,793.90</b>	<b>-</b>	<b>3,833.52</b>	<b>6,627.42</b>	<b>2,387.76</b>	<b>-</b>	<b>3,621.40</b>	<b>6,009.16</b>
	<b>(B) Work in Progress</b>								
	(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>2,861.38</b>	<b>-</b>	<b>3,885.22</b>	<b>6,746.59</b>	<b>2,446.17</b>	<b>-</b>	<b>3,695.95</b>	<b>6,142.12</b>
<b>II</b>	<b>Less – Closing Stock In Trade</b>								
	<b>(A) Finished Goods</b>								
	(i) C.L. RSGSM	868.55	-	-	868.55	818.44	-	-	818.44
	(ii) C.L. Private	2,537.62	-	-	2,537.62	1,975.18	-	-	1,975.18
	(iii) Heritage Liqueur At W.H.	0.10	-	-	0.10	6.99	-	-	6.99
	(iv) Heritage Liqueur At RSBCCL	-	-	-	-	-	-	-	-
	(v) Denature Spirit	0.98	-	-	0.98	0.35	-	0.52	0.86
	(vi) Sugar	-	-	4,054.16	4,054.16	-	-	3,506.47	3,506.47
	(vii) Cane Molasses	-	-	140.62	140.62	-	-	116.72	116.72
	(viii) Rectified spirit Sugar Factory	-	-	64.12	64.12	-	-	154.36	154.36
	(ix) Impure spirit Sugar Factory	-	-	31.35	31.35	-	-	29.84	29.84
	(x) biocompast	-	-	22.34	22.34	-	-	13.50	13.50
	(xi) Liqueur at Shops CL	-	-	-	-	-	-	-	-
	(xii) Liqueur at Shops IMFL	-	-	-	-	0.44	-	-	0.44
	(xiii) DDGS	-	-	-	-	-	-	10.63	10.63
	(xiv) WDGS	-	-	-	-	-	-	1.49	1.49
	<b>Sub Total (C)</b>	<b>3,407.24</b>	<b>-</b>	<b>4,312.59</b>	<b>7,719.83</b>	<b>2,801.41</b>	<b>-</b>	<b>3,833.52</b>	<b>6,634.93</b>
	<b>(B) Work In Progress</b>								
	(i) C.L. RSGSM	60.97	-	-	60.97	66.99	-	-	66.99
	(ii) Heritage Liqueur	0.49	-	-	0.49	0.49	-	-	0.49
	(iii) Sugar	-	-	38.20	38.20	-	-	51.70	51.70
	(iv) Molasses	-	-	27.93	27.93	-	-	-	-
	(v) Agriculture Product	-	-	-	-	-	-	-	-
	<b>Sub Total (D)</b>	<b>61.46</b>	<b>-</b>	<b>66.13</b>	<b>127.59</b>	<b>67.48</b>	<b>-</b>	<b>51.70</b>	<b>119.18</b>
	<b>Total (C+D)</b>	<b>3,468.70</b>	<b>-</b>	<b>4,378.72</b>	<b>7,847.42</b>	<b>2,868.89</b>	<b>-</b>	<b>3,885.22</b>	<b>6,754.11</b>
	<b>Net Grand Total (I - II)</b>	<b>-607.32</b>	<b>-</b>	<b>-493.50</b>	<b>-1,100.82</b>	<b>-422.72</b>	<b>-</b>	<b>-189.27</b>	<b>-611.99</b>



### Activity wise details of Financial costs for the year 2018-19 & 2017-18

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
a	Proposed Dividend On Redeemable Preference Shares	-	6.93	-	6.93	-	9.14	-	9.14
b	Tax On Preference Shares Dividend	-	1.47	-	1.47	-	1.86	-	1.86
	<b>Grand Total</b>	-	<b>8.40</b>	-	<b>8.40</b>	-	<b>11.00</b>	-	<b>11.00</b>

### Activity wise details of Employee Benefit Expenses for the year 2018-19 & 2017-18

(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>A</b>	<b>Salaries &amp; wages:-</b>								
a	Administration	-	557.68	313.35	871.03	-	593.27	361.70	954.97
b	Production	3,083.53	-	866.19	3,949.72	3,174.28	-	909.16	4,083.44
c	Depots & Shops	1,069.69	-	-	1,069.69	1,054.50	-	-	1,054.50
d	Heritage	-	-	-	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>4,153.22</b>	<b>557.68</b>	<b>1,179.54</b>	<b>5,890.44</b>	<b>4,228.78</b>	<b>593.27</b>	<b>1,270.86</b>	<b>6,092.91</b>
<b>B</b>	<b>Others</b>								
a	House Rent Allowance	387.22	72.87	44.84	504.94	278.69	59.19	23.11	360.99
b	City Compensatory Allowance	26.98	9.47	-	36.45	19.22	7.97	-	27.19
c	Handicapped Allowance	1.18	1.05	-	2.23	1.29	1.23	-	2.52
d	Overtime & Hard Duty	0.38	2.42	30.06	32.85	1.91	0.41	42.51	44.84
e	Washing Allowance	14.96	-	2.31	17.27	16.26	-	2.11	18.37
f	Computer Allowance	1.13	-	-	1.13	1.18	-	-	1.18
g	Deputation allowance	0.82	-	-	0.82	0.66	-	-	0.66
h	15 Days Surrender Leave	87.38	19.86	25.11	132.35	91.40	21.94	24.86	138.21
i	Employers Contribution P.F.	171.84	21.34	62.20	255.38	307.38	40.39	104.96	452.73
j	Employer's Contribution to Pension Fund	338.47	42.16	64.98	445.61	189.97	18.97	5.88	214.81
k	Employers Contribution To ESI	3.77	-	-	3.77	13.48	-	0.13	13.61
l	Employers Contribution To EDLI	10.83	0.70	2.30	13.82	14.86	0.79	2.92	18.58
m	Employers Contribution To NPS	5.06	3.38	1.02	9.46	5.66	2.73	1.08	9.48
n	Administration Charges on P.F. & EDLI	19.23	2.82	5.68	27.73	27.76	3.78	6.76	38.31
o	Bonus	3.72	1.22	1.05	5.98	5.46	0.21	4.04	9.71
p	Ex-Gratia	81.51	6.16	17.26	104.93	82.78	7.61	16.69	107.07
q	Staff Welfare Expenses	4.25	37.18	11.25	52.68	4.27	29.27	10.57	44.12
r	Uniform & liveries	18.36	0.70	3.20	22.26	19.37	0.83	3.36	23.56
s	Medical Reimbursement	77.64	42.73	23.95	144.32	80.18	42.94	27.98	151.10
t	Gift	53.38	4.40	14.40	72.18	56.64	5.65	14.80	77.09
u	Gratuity Expenses (Premium)	1,393.96	-1,352.39	322.51	364.08	-	259.45	-	259.45
v	Leave Encashment Expenses (Premium)	211.00	-213.96	48.82	45.86	-	39.53	-	39.53
w	VRS Payment	-	-	-	-	-	-	-	-
x	State Renewal Fund	-	20.00	-	20.00	-	-	-	-
y	Contribution to Medical relief Fund trust	-	-	-	-	-	200.00	-	200.00
z	Employers Cont. to Group Ins. EDLI	-	-	-	-	-	-	-	-
aa	Retaining Allowance	-	-	54.09	54.09	-	-	64.53	64.53
ab	Leave Salary & Pension Contribution	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>2,913.06</b>	<b>-1,277.88</b>	<b>735.03</b>	<b>2,370.20</b>	<b>1,218.43</b>	<b>742.90</b>	<b>356.30</b>	<b>2,317.63</b>
	<b>Grand Total (A+B)</b>	<b>7,066.27</b>	<b>-720.20</b>	<b>1,914.57</b>	<b>8,260.64</b>	<b>5,447.21</b>	<b>1,336.17</b>	<b>1,627.16</b>	<b>8,410.54</b>



## Activity wise details of Other Expenses for the year 2018-19 & 2017-18

( Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>A</b>	<b>Production Expenses:-</b>								
a	Consumption Of Store & Spare Part	60.83	-	-	60.83	30.35	-	-	30.35
b	Power Fuel & Water	209.74	7.25	242.97	459.96	224.10	8.27	634.92	867.28
c	Repair & Maintance P & M	17.17	-	303.96	321.13	35.37	-	288.09	323.46
d	Repair & Maintance of vehicles	0.28	13.25	6.37	19.90	0.62	12.16	1.56	14.35
e	Repair & Maintance Factory Building	8.86	3.73	0.63	13.22	13.94	3.93	4.21	22.08
f	Carriage & Cartage ( Loading & UnLoading of Bottles etc.)	132.53	-	4.09	136.62	106.28	-	44.86	151.13
g	Bottle filling charges	611.67	-	-	611.67	504.24	-	-	504.24
h	Loss on store Article & Heritage Store	-	-	-	-	0.01	-	-	0.01
i	Stock Loss	0.03	-	-	0.03	60.98	-	-	60.98
j	Stock Written Off	-	-	-	-	-	-	-	-
k	Agriculture Operation Expenses	-	-	-	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>1,041.11</b>	<b>24.23</b>	<b>558.01</b>	<b>1,623.35</b>	<b>975.90</b>	<b>24.36</b>	<b>973.64</b>	<b>1,973.91</b>
<b>B</b>	<b>Excise Duty &amp; Others:-</b>								
a	Excise duty on C.L. Shop	-	-	-	-	-	-	-	-
b	Excise duty on Civil Work	2.50	-	-	2.50	-	-	-	-
c	Excise duty on D/Spirit	5.95	-	-	5.95	1.02	-	-	1.02
d	Royalty on heritage	0.01	-	-	0.01	0.16	-	-	0.16
e	Excise duty on heritage	17.14	-	-	17.14	15.75	-	-	15.75
f	Excise duty on Excess Wastage heritage	-	-	-	-	-	-	-	-
g	Excise Duty Permit Fee CL	6.39	-	-	6.39	7.94	-	-	7.94
h	Excise Duty Permit Fee Heritage	12.95	-	-	12.95	12.44	-	-	12.44
i	Bottling Fee CL	4,500.53	-	-	4,500.53	4,095.12	-	-	4,095.12
j	Bottling Fee Heritage	-	-	-	-	0.33	-	-	0.33
k	Margin On Sale of Heritage(RSBCL)	0.05	-	-	0.05	0.00	-	-	0.00
	<b>Sub Total (B)</b>	<b>4,545.51</b>	<b>-</b>	<b>-</b>	<b>4,545.51</b>	<b>4,132.76</b>	<b>-</b>	<b>-</b>	<b>4,132.76</b>
<b>C</b>	<b>Others:-</b>								
a	Rent Depot	120.41	-	-	120.41	120.13	-	-	120.13
b	Rent RC	9.63	-	-	9.63	-	-	-	-
c	Rent Head Office	-	14.84	-	14.84	-	14.10	-	14.10
d	Rates & Taxes	184.69	1.26	49.55	235.50	166.11	1.33	31.71	199.15
e	Insurance	6.14	2.62	15.75	24.52	6.45	2.33	18.61	27.39
f	Telephone Expenses, Postage & Telegram	17.88	9.89	8.64	36.41	22.34	11.14	7.50	40.98
g	Books & Periodical	0.51	0.53	-	1.04	0.48	0.90	0.02	1.39
h	Advertisement Expenses	0.42	93.73	48.74	142.90	0.08	69.37	52.27	121.72
i	General Office Expenses	33.16	17.93	24.89	75.99	21.99	23.28	21.11	66.38
j	Travelling & Conveyance Expenses	91.23	8.32	25.65	125.20	70.73	10.73	27.37	108.83
k	Printing & Stationery	14.11	8.71	1.54	24.36	13.99	7.33	3.03	24.36
l	Repairs & Maintenance Other	29.44	13.17	5.44	48.05	27.58	6.24	6.67	40.50
m	Legal Expenses	0.15	9.21	1.30	10.67	0.30	9.06	12.30	21.66
n	Professional fees	6.44	24.66	11.84	42.94	6.82	15.54	19.03	41.40
o	Cost Audit Fees	-	-	-	-	-	-	-	-
p	I.T. Expenses	25.40	36.35	-	61.75	18.12	23.48	-	41.60
q	Salary Security Guard	47.05	7.77	148.90	203.72	16.78	7.20	80.40	104.37
r	Management Training Expenses	-	0.03	-	0.03	-	-	-	-
s	Testing Fee	7.44	-	-	7.44	-	-	-	-
t	Guest House Exp.	-	-	1.89	1.89	-	-	5.51	5.51
u	Bank Charges	0.54	0.24	0.98	1.76	4.61	5.54	1.91	12.06
v	Claim Paid W/O	-	8.51	-	8.51	-	8.67	-	8.67
w	Balance W/O	-	-	131.24	131.24	-	-	-	-
x	Doubtful Debts	-	-	-	-	-	-	-	-
y	Compensation to Cultivators	-	-	-	-	-	-	-	-
z	Membership & Subscription	-	0.17	0.25	0.42	-	0.14	0.18	0.31
aa	CSR	-	3,000.00	-	3,000.00	-	77.44	-	77.44
ab	ROC Fees	-	-	-	-	-	-	-	-
ac	Payment to Directors	-	0.55	-	0.55	-	0.18	-	0.18
ad	Ineligible CENVAT	-	-	601.14	601.14	-	-	-	-
	<b>Sub Total (C)</b>	<b>594.67</b>	<b>3,258.49</b>	<b>1,077.74</b>	<b>4,930.89</b>	<b>496.51</b>	<b>293.99</b>	<b>287.62</b>	<b>1,078.12</b>



(Rs.in Lacs)

S.No.	Particulars	Year 2018-19				Year 2017-18			
		Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total	Country Liquor	Head Office	Sugar Factory & Distillery	RSGSM Total
<b>D</b>	<b>Payment to auditor</b>								
a	For Audit	-	3.25	-	3.25	-	2.60	-	2.60
b	For Tax Audit	-	0.47	-	0.47	-	0.47	-	0.47
c	For Company law matters	-	-	-	-	-	-	-	-
d	For other services	-	-	-	-	-	-	-	-
e	For reimbursement of expenses	-	-	-	-	-	0.48	-	0.48
f	<b>Sub Total (D)</b>	-	<b>3.71</b>	-	<b>3.71</b>	-	<b>3.55</b>	-	<b>3.55</b>
<b>E</b>	<b>Selling &amp; Distribution Expenses:-</b>								
a	Freight & Transportation & S.T.	440.59	-	3.78	444.37	367.18	-	17.42	384.61
b	Sale Promotion/Exp.	-	-	-	-	-	-	-	-
	<b>Sub Total (E)</b>	<b>440.59</b>	-	<b>3.78</b>	<b>444.37</b>	<b>367.18</b>	-	<b>17.42</b>	<b>384.61</b>
<b>F</b>	<b>Privilege Fees</b>	1,000.00	-	-	1,000.00	1,673.86	-	-	1,673.86
<b>G</b>	<b>Prior period expenditure</b>	-	-	-	-	-	-	-	-
	<b>Sub Total (F)</b>	<b>1,000.00</b>	-	-	<b>1,000.00</b>	<b>1,673.86</b>	-	-	<b>1,673.86</b>
	<b>Grand Total (A+B+C+D+E+F+G)</b>	<b>7,621.89</b>	<b>3,286.43</b>	<b>1,639.53</b>	<b>12,547.84</b>	<b>7,646.21</b>	<b>321.90</b>	<b>1,278.69</b>	<b>9,246.80</b>



संख्या/No. सी.ए.डब्ल्यू-1/वा.ले./आरएसजीएसएम/2018-19/के-709/1696



भारतीय लेखा तथा लेखापरीक्षा विभाग  
कार्यालय महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) राजस्थान  
जनपथ, जयपुर-302 005  
**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**  
**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC & REVENUE SECTOR AUDIT) RAJASTHAN**  
JANPATH, JAIPUR-302 005

दिनांक/Date : 9/12/2019

प्रभारी निदेशक,  
राजस्थान स्टेट गंगानगर शुगर मिल्स लिमिटेड  
चौथी मंजिल, नेहरू सहकार भवन,  
जयपुर।

**विषय :** राजस्थान स्टेट गंगानगर शुगर मिल्स लिमिटेड, जयपुर के 31 मार्च, 2019 को समाप्त वर्ष के वित्तीय विवरणों पर भारत के नियंत्रक महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे कम्पनी अधिनियम की धारा 143(6) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु 31 मार्च 2019 को समाप्त वर्ष के लिए राजस्थान स्टेट गंगानगर शुगर मिल्स लिमिटेड, जयपुर के वित्तीय विवरणों पर कम्पनी अधिनियम की धारा 143(6)(b) के अधीन शून्य टिप्पणी प्रमाण पत्र जारी करने का आदेश प्राप्त हुआ है।

उपरोक्त अवधि के वित्तीय विवरणों एवं लेखापरीक्षकों की रिपोर्ट की सात प्रतियां जैसी कि साधारण सभा में रखी जावें तथा स्वीकृत की जावें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

भवदीय,

ह./-

उपमहालेखाकार  
(आर्थिक क्षेत्र लेखा परीक्षा-I)

संलग्न : उपरोक्तानुसार



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## **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<sup>st</sup> MARCH 2019**

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The preparation of financial statements of Rajasthan State Ganganagar Sugar Mills Limited for the year ended 31 March 2019 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 14 October 2019.

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 2019 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

**Sd/-  
(Anadi Misra)  
Accountant General  
(Economic & Revenue Sector Audit)  
Rajasthan, Jaipur**

**Place:-Jaipur**

**Date:-09-12-2019**







## Integrated New Sugar Complex, Sri Ganganagar



**REGISTERED OFFICE**

4th Floor, Nehru Sahakar Bhawan, Bhawani Singh Road, Jaipur-302 006