

# **ANNUAL REPORT**

## **2018-2019**



**RIGA SUGAR COMPANY LIMITED**

---

# **RIGA SUGAR COMPANY LIMITED**

**CIN : L15421WB1980PLC032970**

**Annual Report : 2019**

Board of Directors	:	<b>Shri O. P. Dhanuka</b> - Chairman & Managing Director <b>Shri Dilip Datta</b> <b>Shri P. J. Bhide</b> <b>Smt. Sulekha Dutta</b> <b>Shri N. K. Parasramka</b>
Company Secretary	:	<b>Shri B. K. Bhartia</b>
Auditors	:	<b>Salarpuria &amp; Partners</b> Chartered Accountants Kolkata
Bankers	:	<b>Bank of India</b> <b>Union Bank of India</b>
Registered Office	:	14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001 Phone : 2231 3414/15 E-mail : sprasad@rigasugar.in Website : www.rigasugar.com
Registrars & Share Transfer Agent	:	<b>S. K. Infosolutions Pvt. Ltd.</b> 34/1A, Sudhir Chatterjee Street Kolkata - 700 001 E-mail : skcdilip@gmail.com
Shares Listed at	:	<b>The Calcutta Stock Exchange Ltd.</b> 7, Lyons Range Kolkata - 700 001  <b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
Legal Advisor and Solicitor	:	<b>Khaitan &amp; Co.</b> Emerald House 1B, Old Post Office Street Kolkata - 700 001

## DIRECTORS' REPORT

### To THE SHAREHOLDERS

Your Directors have pleasure in presenting their Report and audited Accounts of the Company for the financial year ended 31st March, 2019.

### FINANCIAL & OPERATIONAL RESULTS

(Rs. in Lacs)

	Financial Year 31st March, 2019	Financial Year 31st March, 2018
<b>FINANCIAL RESULTS</b>		
(a) Gross Turnover	15,487.31	9,799.04
(b) Operating Profit Before Finance Cost & Depreciation	(2,189.13)	155.75
(c) Finance Cost	1,963.44	1,765.35
(d) Cash Accruals	(4,152.57)	(1,609.60)
(e) Depreciation & Amortization	490.55	471.74
(f) Profit (Loss) before extraordinary items	(4643.12)	(2,081.34)
(g) Extraordinary Item of Exp./Income	---	--
(h) Profit (Loss) Before Tax	(4,643.12)	(2,081.34)
(i) Provision for Tax		
- Deferred Tax	--	
- Income Tax of earlier year	--	4.23
(j) Profit (Loss) After Tax	(4,643.12)	(2,085.57)
(k) Other comprehensive Income (net of tax)	(1.66)	(53.11)
(l) Total Comprehensive Income for the year	(4,644.78)	(2138.68)

### DIVIDEND:

In view of losses company is unable to pay Dividend.

### OPERATIONAL RESULTS

#### Sugar Unit

The comparative figures in regard to duration of season, cane crush, sugar recovery and production for the year ended 31st March, 2019 vis -a-vis previous financial year ended 31st March, 2018 in respect of the Sugar Factory of your Company are given below:-

	Financial Year 31st March, 2019	Financial Year 31st March, 2018
1. Duration of crushing (gross days)	110	114
2. Cane crushed (Lac Qtls.)	35.28	44.72
3. Recovery (%)	8.78	8.79
4. Production (Lac Qtls.) -	3.10	3.93

The sales of sugar unit increased by 54% from Rs.82.56 Cr. to Rs. 127.52 Cr.

The crushing season for 2018-19 Started on 20th December 2018 and was extended till 16th May, 2019 against 4th April last year. Due to the extreme hot weather in the months of April and May, the recovery of sugar was abysmally low & at 8%. During the months of April and May, 2019 the recovery falls below 5%. The labour problems and strike during season period also contributed to adverse working and loss of recovery of sugar and thus resulting higher cost of production.

The state government had promised to compensate for the loss due to the extended running period of sugar factory during the scorching summer heat and the company has also made a claim against the same. However, company is awaiting the release of compensation from state government.

Sugar sale price remained subdued during the year, much below cost of production of sugar.

The sale price of sugar was lower than cost of production. The central government fixed minimum floor price of sugar at Rs. 29 per kg which was subsequently increased to Rs. 31 per kg. However the cost of production of sugar on all India basis was much higher and industry demanded floor price of Rs. 35-36 per kg which was not accepted by the government, which resulted in a loss on realizations. The parity between cane price and sugar price is yet to be established.

### Continuing Losses

During last 8 years company has incurred Loss of Rs. 102 Cr. but still made repayment of Term Loan of Rs. 79 Cr. and interest of Rs. 127 Cr., whereas fixed assets investment were Rs. 48 Cr as enumerated below:-

	Rs. in Lacs								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Net Profit (Loss)	(524)	(350)	(272)	(1,442)	(506)	(409)	(2081)	(4,643)	(10,227)
Term Loan Repayment	1,432	492	477	1,066	786	1,205	1,410	1,039	7,907
Payment of Interest	1,571	1,559	1,318	1,607	1,435	1,502	1,765	1,963	12,720
Fixed Assets Investment	702	209	546	412	195	1,325	1,114	342	4,845

Due to continuous losses for last 8 years there are cane price arrears to farmers. However the company has totally repaid the sugar cane price till last season 2017-18.

Since last few years your company is facing natural calamities one after another. The Phalin cyclone in October 2013, the Hudhud in October 2014 stranded the growth of sugarcane as well as reduced the sugar recovery considerably. Again company faced devastating earthquake in April 2015 and May 2015 and lost crores of rupees. The State Government had given assurance to help and visited the area but no compensation was granted. In August 2017 heavy flood also caused huge damage to our plant and sugarcane.

The incentive claim as declared by the State Government and other receivable from state government is pending for long time which the Government is not releasing. The same amount could have been used for payment of cane price arrears for the season 2018-19.

Since the entire bank loans of the company had become an NPA in the previous year, the bankers allowed holding on operation which is still going on.

Due to continuous losses, the Net worth of the company is fully eroded which may have an effect on the entity's ability to continue as a going concern. However, the Management is still hopeful that with financial restructuring by the banks and financial assistance from the state and central government, the company can still revive.

The state government has announced cane price subsidy of Rs. 12.50 per qtl. of sugarcane for the season 2018-19.

**The company has made request for the following support from the Central and the State government. If provided, the company can be revived and it can come out of NPA:-**

#### **CENTRAL GOVERNMENT**

- (a) Soft Loan from Bank as per the Central Government scheme for companies which have become an NPA, by waiving the prerequisite of State Guarantee.
- (b) The central government to delink prior export obligation with cane price subsidy release and pay to the farmer the subsidy amount of Rs.13.88 per qtl. directly.
- (c) As a help to the weak and NPA sugar factories and also sugar factories whose recovery is lower than 9.5%, a higher allocation of Buffer Stock shall be assured.
- (d) SDF Loan Restructuring - The company became a totally weak and Sick Sugar Undertaking and has become an NPA from 30th September, 2018. As per SDF Rules our company is eligible for restructuring of the Loan by way of :-
  - (a) extension of repayment period;
  - (b) waiving of all penal and additional interest;
  - (c) providing loan for clearance of cane price arrears to farmers;
  - (d) loan for plant rejuvenation and balancing ;
  - (e) for cane development loan; and
  - (f) loan for Ethanol and Power Plant
- (e) Ethanol Loan as per Central government scheme.

#### **STATE GOVERNMENT OF BIHAR**

- (a) Soft Loan of Rs.40 Cr. at 4% rate for 10 years for payment of Cane price arrears
- (b) For the purpose of getting Soft Loan from Bank of Rs.11 Cr. as per the Central Government Scheme, the company requires Guarantee from the State Government as we are an NPA Account.
- (c) Help farmers directly for procurement of High Yield Variety of cane seed of CO 238 for 2 years.
- (d) Compensation towards running sugar plant in scorching heat of April and May, 2019 as per direction of the state government in the interest of farmers in season 2018-19 and consequent loss by way of extremely lower recovery.

#### **Central Government action during the year**

**FRP:** The FRP for 2018-19 was fixed at Rs. 275 per quintal against last year Rs. 255 per qtl. linked to a basic recovery of 10% subject to a premium of Rs. 2.75 per quintal for every 0.1 percentage point increase above that level.

In Bihar the cane Price for the season 2018-19 remained at same at Rs.290 per qtl. for normal varieties, Rs. 265 per qtl. for lower varieties and Rs.310 for premium variety. Transport rebate on out center cane is at Rs.20 per qtl.

**MIEQ Scheme:** The Central government with a view to facilitate export of sugar during the season 2018-19 thereby improving the liquidity position of the sugar mills to enabling them to clear cane price arrears of farmers for sugar season 2018-19, announced a mill-wise Minimum Indicative Export Quotas (MIEQ) totaling 50 Lacs tonnes, for the sugar season 2018-19.

**Financial assistance:** In order to help sugar mills clear farmer cane dues, the Government decided to provide financial assistance @ Rs. 13.88 per quintal of cane crushed in sugar season 2018-19 to sugar mills to offset their cost of cane. The assistance shall be paid directly to farmers on behalf of the mills and be adjusted against the cane price payable due to farmers against a Fair and Remunerative Price (FRP), including arrears, relating to the previous years, if any. However the pre-condition of export of minimum quantity of sugar is working as deterrent because on export of sugar loss has to be beared by the mill because international price is much below than domestic price. Many sugar companies are not able to bear such loss upfront including our company.

**Floor Price of Sugar:** The Government set floor price of sugar at Rs. 29 per kg below which sugar factory cannot sell sugar, which has been increased to Rs. 31 per kg. However the cost of production of sugar is between Rs. 3,600 to Rs.3,900 per qtl.

**Stock holding limit on Sugar Mills:** The government continued monthly stock holding limits on sugar mills to control sugar availability in domestic market so as to improve the realization. This ensures that market is not to be flooded with sugar and act as stabilizing factor.

**Package for Ethanol Production:** The Government announced Package of Rs.8,500 Cr. which includes providing subsidized loans for ethanol production capacity. It will encourage setting up of more distilleries in the country over the next 3 years and will help in diverting some of the surplus sugarcane into ethanol and reduce surplus sugar in the long run.

**Buffer Stock creation:** The government created buffer stock of 30 lac MT from 1st July, 2018 for a period of one year.

**Transport Rebate on MIEQ:** To facilitate the export of sugar in the 2018-19 season, improving the liquidity of sugar mills to help clear cane price dues, the government notified a scheme for defraying the expenditure towards internal transport, freight, handling and other charges.

**Ethanol from B-heavy molasses and direct cane juice:** For the first time, the government permitted ethanol to be produced from B-heavy molasses and direct sugarcane juice.

**GST:** The government reduced GST on ethanol from 18% to 5%

In spite of all the measures, cane arrears on all India basis stood at Rs. 17,000 crore.

## Sugar Scenario

Sugar production for the season 2018-19 surpassed all previous record. The market anticipated the higher production well in advance and price began to decline from beginning of season 2018-19 and continued unabated following every upward production revision. The sugar industry is in such precarious condition where the sugar realization is not even covering cost of sugarcane itself. This has brought a situation where the country's sugar industry is facing serious and unprecedented cash flow mismatch resulting in mammoth cane price arrears.

The All India sugar price and sugarcane price announced by Central Government as per FRP for last 9 years are depicted below:-

<u>Year</u>	<u>Sugar Price</u>	<u>Sugarcane Price (FRP)</u>
2009-10	2,951	129.84
2010-11	2,727	139.39
2011-12	2,951	145.00
2012-13	3,148	170.00
2013-14	2,917	210.00
2014-15	2,492	220.00
2015-16	3,121	230.00

2016-17	3,620	230.00
2017-18	3,136	255.00
2018-19	3,050	275.00

**The sugar price during last 9 years increased by 4%, whereas the sugarcane price increased by 113%.**

<b>Distillery Unit</b>	<b>Financial Year 31st March, 2019</b>	<b>Financial Year 31st March, 2018</b>
1. Production of Ethanol from Molasses (Lac BL)	71.70	47.46
2. Supply of Ethanol (Lac BL)	81.35	49.90

### **Ethanol**

The Distillery of the company run for higher nos. of days of 157 days against 99 days last year as against stipulated 270 days working. During the year 38 days remained closed due to arbitrary non-renewal of Distillery License by State District Administration and also 56 days closure due to illegal closure by CPCB on the pretext of non-installation of CPU although company have full proof proven and certified system of Zero discharge.

With better margin coupled with improved sale price of ethanol and also lower cost of molasses procurement from other sugar factories the working of distillery was better than last year. With installation of CPU its working is expected to improve further.

### **Co-Gen of Power**

The Company is supplying surplus power upto 3MW from its co-generation plant. This forward integration contribute to the bottom-line of the company .

### **Bio-Compost Fertiliser**

The company is using distillery effluent and press mud from sugar and other agricultural waste to produce bio-compost which is very cost efficient. Thus the company apart from treatment of effluent and zero discharge adding value.

### **SEGMENT-WISE PERFORMANCE:**

During the reporting period sugar segment contributed 79 percent of net sales of the company whereas Distillery accounted for 21 percent. The company identified two business segments in line with the Accounting Standard on Segment Reporting, Segment-wise Revenue, Results and Capital Employed as stated in Note No.25 (5) of financial statement enclosed with the Annual Report.

### **INDUSTRY STRUCTURE & POLICY**

#### **Structure**

Sugar Industry, is seasonal in nature and directly dependent on monsoon for availability of adequate sugar cane. India is the largest consumer and second largest producer of sugar in the world, contributing over 15 percent of the world's sugar production through over 600 sugar factories situated in different parts of the country. The sugar Industry is the largest agro based industry in India. This industry also provides valuable by-products like bagasse, molasses and press mud. The availability of these by-products had led to setting up of Alcohol/Ethanol/co-generation of Power and Organic Manure plants. Over 5 Crore farmers, large number of agricultural labourer are involved in sugarcane cultivation and its harvesting operations. The growth of sugar industry has a powerful impact on the rural economy. Integrated Sugar Industry (comprising sugar, molasses, alcohol, power and bio-fertilizer) enjoys annual turnover of over Rs. 1,00,000 Crore and contribute about Rs.5,000 crore to the Central Government Exchequer by way of GST beside state taxes on sugarcane and hefty taxes collected by state as excise and VAT on sale of spirit in the state which run an estimated Rs.10,000 crores annually. The Income tax also contributes to the government coffer. Industry accelerates rural development through farm employment as well as business opportunities in transport and communication.

Sugar has been declared as an 'essential commodity' under the Essential Commodities Act, 1955. Under Sugarcane (Control) Order, 1966, the Government of India fixes cane price called Fair and Remunerative Price (FRP) for sugarcane every year based on the recommendations of the Commission on Agricultural Costs & Prices. However many state government fixes higher cane price for the sugar factories in their state. CACP gives recommendation of cane price , but government do not implement due to political consideration.

## Sugar Cycle

The Indian sugar industry is characterized by cycle of high and low sugar production. This cycle of 3-4 years is broadly of two types viz. Natural comprising climatic variation, water availability and pest attacks. The other is induced cyclicity which have sequence like -- higher sugar production and accumulation of stock -- decline in sugar prices & profitability -- higher sugarcane arrears -- decline in area under cultivation & Lower cane production -- lower sugar production -- lower sugar availability and stock and thus increase in sugar prices --- improved profitability & low cane arrears -- higher cane production -- higher sugar production and so on. Every time the cyclicity reaches its low government have to step in to provide Fiscal support in the form of Export subsidy, Buffer Stock creation, Interest Free Loans etc.

The fundamental problem of the Indian Sugar Industry is that there is no parity between the price of raw material i.e. sugarcane and its finished goods of sugar i.e. Illogical intervention of state government cause wide economical distortion in sugar industry. In almost all major sugar producing countries of the world the price of cane paid to the farmers depends on realization from sugar. Untimely decision of government of import and export of sugar hampers the domestic sugar market sentiments. Timely decision of import and export of sugar based on fixed parameter is utmost necessary.

## Rangrajan Committee Report-Linkage of Raw Material Costs and Sugar Realization

The main recommendation of Rangrajan Committee report of the year 2012 regarding linkage of cane price with sugar price and its by products has not been implemented so far. The committee has suggested for revenue sharing model under which 70% of sugar value and each of its major three by-products would be paid to farmers. Rangrajan Committee has indicated a derived cane price formula. It indicates that cane price will not be an absolute but linked to another variable. Cane price will be linked to the price of sugar in the market place. The higher the sugar realizations, the greater will be the cane price. This is an internationally tested model. This ensures that any increase in sectors profitability is equitably shared between its manufactures and growers. The cane grower will not be treated outsider, but as partner of entire value chain. The Rangrajan committee has gone a step further in this proposed linkage; it has proposed a sharing percentage at a level higher than what is practiced abroad, which more than secures the interest of farmers.

Fixation of cane price at high level than the market price of sugar should be made illegal. Various committees and high-level committee like Rangarajan have said so. According to Rangrajan Committee, "A sugar unit without any by-products' business will have to pay cane price of 70% of its revenue realisation, while it will have to spend 30% on its functioning. On the other hand, a sugar factory with by-products business will have to pay cane price of 75% of its revenue realization from sugar. The cane price to be fixed taking into account this formula."

## Pollution Control- Zero Discharge Company

The Sugar and Distillery factories of the company are Zero Discharge Plants as per norms of Central Pollution Control Board and Ministry of Forest and Environment. The company treat the entire solid waste generated from Sugar factory which is generated in the form of Press-mud and liquid generated from Distillery in the form of spent wash for production of Bio-Compost. For this the company has set-up Digesters, MEE, RO, Lagoon and Bio-compost facilities on more than 17 Acres of Land. The Digesters is capable of generating bio-gas which is replacement of fossil fuel. The Bio-compost produced is rich in all organic nutrients required for fertility of the land. The said bio-compost is sold to farmers who supply sugarcane to company and also to other farmers and even used in Tea Gardens of Assam and Darjeeling.

The company is not only zero discharge company, but is also generating economic value from such waste products and rejuvenating the farm land through use of organic fertilizer.

As per revised norms of CPCB, Distillery of the company is also installing CPU.

## OPPORTUNITIES AND THREATS

### OPPORTUNITIES

#### Sugar

India is largest consumer and second largest producer of sugar in the world. The consumption of sugar is on increasing trend with the increase in consumption of cold drink, Biscuits, Confectioneries and Halwais which constitute 70% of total consumption and rest 30% by ordinary consumer. There are huge scope for further increase in demand as India is still lagging behind from many



advanced countries in respect of per capita consumption of sugar. Thus there are opportunity in production and consumption of higher quantity of sugar in coming period.

### **Distillery**

The mandatory provision of ethanol blending of 10% have strong support for growth of sugar industry. Ethanol production improves oil security and contributes to environmental protection. The Government is further considering to increase the ethanol mixing with petrol at 20% and also mixing with Diesel. The Government of India has announced package for financing of Ethanol Production Capacity including new Ethanol plant and expansion including financing of Pollution Control Equipment. Thus coming years the Ethanol is going to be major driver for growth of sugar industry in the country.

### **Power**

Sugar Industry offer immense scope for renewal energy project on co-generation basis, which provide clean energy. Due to this the increased demand of surplus bagasse has added imputes to revenue generation. The Tariff policy for co-gen renewal power is also lucrative in comparison to conventional power based on fusel fuel. At present sugar industry in India is producing about 4000 MW of surplus power and supplying to grid. However there is potential of 8000 MW co-gen surplus power with the sugar industry.

### **Bio-Compost Fertiliser**

The bio-compost fertilizer being produced by the company has got immense scope of demand in all major agriculture cultivation as it not only preserve the soil from excessive use of chemical fertilizer but also increase its fertility.

### **THREATS**

- No linkage of Sugar Price with cane price
- Unreasonable increase in cane price in comparison to sugar selling price.
- The sugar sector is exposed to political intervention.
- Natural Calamity.

### **FUTURE PROSPECTS/OUTLOOK**

As per ISMA's latest estimates, production of sugar for the season 2018-19 estimated at 328 Lacs MT and consumption of 260 Lac MT. With opening balance of 107 Lac MT and estimated export under MIEQ of hardly 30 Lac MT, the closing balance in the current season is estimated to be around 145 Lac MT, which is equivalent to 6.5 months of consumption and is very high in comparison to 3 months ideal norms.

The international sugar price is much lower than domestic cost of production and thus there is loss on export.

However the by-products of Power and Ethanol support the sugar industry to some extent. The proactive policy of the central government to promote the production capacity of Ethanol will have far reaching positive impact on sugar industry.

Ethanol sector in India A steady rise in ethanol blending is not only likely to moderate crude oil import, saving precious foreign exchange reserves, but also encourage the use of additional cane juice and other raw materials efficiently while protecting the environment from the release of poisonous vehicular exhaust gas. Against a requirement of 3300 million litres of ethanol based on 10% ethanol blending, ethanol supply contracts were signed for 2477 million litres for the ethanol supply period 2018-19, which includes 465 million litres produced from B-heavy molasses. If the quantity as contracted is successfully blended, about 7.2% of petrol consumption would be substituted by the environment friendly bioethanol. The achievement is significant as the new National Biofuel Policy 2018 has fixed a target of achieving 20% ethanol blending with petrol by 2030 with the government targeting to achieve the 10% milestone of ethanol blending with petrol by 2022.

### **Committee of the Board**

The details of composition of Audit Committee and other committees of the Board of Directors is provided in the Corporate Governance Report forming part hereof.

## Audit Committee

The composition of the audit committee meeting are as follow:-

<u>Name of Members</u>	<u>Status</u>	<u>Date of joining during the year</u>	<u>Date of leaving during the year</u>
Mr. S. K. Goenka (Chairman)	Independent & Non-Executive	-	06.04.2018
Mr. Sarad Jha (Chairman)	-do-	06.04.2018	-
Mr. Suyash Borar	-do-	-	28.03.2019
Mr.N.K.Parasramka	Non Independent & Non Executive	06.04.2018	-

Mr. Sarad Jha left on 11.04.2019 and Mr.P.J.Bhide and Mrs. Sulekha Dutta joined as Chairman and Member respectively on 12.04.2019.

Four meetings of Audit Committee held during the year on 08.06.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

### Information pursuant to Section 134 of the Companies Act, 2013

- a. Extract of the annual return as provided under Section 92(3) of Companies Act, 2013 is enclosed -**Annexure I**
- b. Six meetings of the Board of Directors of the Company were held during the year on 06.04.2018, 08.06.2018, 14.08.2018, 22.10.2018, 14.11.2018 and 14.02.2019.
- c. All the Independent Directors of the company have furnished declarations that they satisfy the requirement of Section 149 (6) of the Companies Act, 2013.
- d. Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed - **Annexure II**. We affirm that the remuneration paid to the Directors is as per terms laid out in the Nomination and Remuneration Policy of the company.
- e. There is no qualification in the auditors report. The explanation of the Board on reservation, adverse remark and disclaimer made by the auditor in his report and by Company Secretary in practice in the secretarial audit report are explained.
- f. There has been no materially-significant related party transactions made by the company with the promoters, the directors, the Key Managerial Personnel which may be in conflict with the interest of the company at large. The company has formulated a policy on Related Party Transactions and also on dealing with Related Party Transactions. The policy is disclosed on the website of the company ([www.rigasugar.com](http://www.rigasugar.com)). All related party transactions as placed before the Audit Committee has also received approval from the Board. Your Directors draw attention of the members the Note No. 25 (9) to the financial statement which set out Related Party Disclosures.
- g. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed - **Annexure III**
- h. The company has laid down policy on risk assessment and minimization procedures and the same is periodically reviewed by the Board. The Policy facilitates in identification of risk at appropriate time and ensure necessary steps to be taken to mitigate the risk. Brief details of risks and concerns are given in this Board Report.
- i. The corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities of the company. The Annual Report on CSR activities is not annexed herewith due to non- applicability of relevant provisions to the company due to losses.
- j. In compliance with the Companies Act, 2013 and Regulation 17 of the Listing Regulations, during the year the Board adopted a mechanism for evaluating its performance as well as that of its Committee and Individual directors, including the Chairman of the Board.

The evaluation of Independent Director was carried out by the entire Board and that of the chairman and Non-Independent directors were carried out by the Independent directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its committee with the company.

## **RISK AND CONCERN**

### **SUGAR**

- (a) Delay in evolving a rational Sugarcane Pricing Policy having link with sugar price is detrimental to growth of the industry.
- (b) The output of sugar, an agro-based product, is influenced by climatic vagaries.
- (c) Sugar Industry being cyclic in nature, the growth is hampered during downtrend.

### **DISTILLERY**

Since the movement and price of Ethanol is controlled by the Government, it has risk of adverse Government Policy, if any.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has adequate systems and internal control procedures to safeguard the assets of the company and to ensure maintenance of proper accounting records. There is also an Internal Audit System in place which reviews the key business and controls and also test checks on routine transactions and reports deviations. Besides, an Audit Committee periodically reviews the functioning of the entire system.

### **CREDIT RATING**

On being default CARE decreased credit rating of the company's Long-term Bank facilities to CARE D and Short Term Bank facilities from to CARE D due to delay in repayment of Loan. The Loans of the Company from Banks become NPA from 30th September 2019.

### **FIXED DEPOSITS:**

The company has neither accepted nor renewed any deposit from public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year under the review.

## **AUDITORS**

### **(a) Statutory Auditors**

Pursuant to the applicable provisions of the Act, the members of the Company at their AGM held on 18th September, 2017, appointed M/s. Co M/s. Salarpuria & Partners., Chartered Accountants (ICAI Registration No. 302113E), Kolkata, as the Statutory Auditors of the Company to hold office from the conclusion of the 36th AGM until the conclusion of the 41st AGM. The reports given by the Auditors, M/s. Salarpuria & Partners., Chartered Accountants on the standalone financial statements of the Company for the year ended 31st March, 2019 form part of this Annual Report and there is no qualification, but there is reservation, adverse remark or disclaimer given by the Auditors in their Reports which are explained in the Notes. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

### **(b) Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. Mani & Co., Cost Accountants (Firm Registration No 000004) as the Cost Auditor to audit the cost accounts of the Company for the financial year 2019-20. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

### **(c) Secretarial Auditor and Secretarial Audit Report**

In pursuance of section 204 of the Companies Act, 2013 M/s H.M. Choraria & Co., Company Secretaries were appointed

as secretarial Auditors to carry out Secretarial Audit for the financial year 2018-19. Their report is annexed to this report as Annexure-IV.

#### **DIRECTORS:**

The Board of the Company has an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and Management. As on 31st March, 2019, the Board consists of 5 members, one of whom was executive director, one non executive non independent director and three were independent directors consisting of one lady director.

The Board periodically evaluates the need for change in its composition and size.

Mr. S.K.Goenka, Mr. N.C.Majumdar, Mr. Suyash Borar and Mr. Sarad Jha left the Board on 06.04.2018, 14.08.2018, 28.03.2019 and 11.04.2019 respectively. The Board expressed their appreciation for valuable advices given by the outgoing Director during their tenure.

Mr.Purushottam Jagannath Bhide was appointed as Independent Director (Additional Director) of the Company with effect from 12.04.2019 subject to approval of Shareholders by passing special resolution.

On recommendation of Nomination and Remuneration Committee, the Board of Directors, in their meeting held on 12.07.2019, re appointed Mr. O.P.Dhanuka as Managing Director of the Company for a period of 3 years with effect from 13.08.2019, subject to approval of the Shareholders of the Company by passing special resolution.

Mr.Nirmal Kumar Parasramka, Director, who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re - appointment. The Board recommends his re-appointment.

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

For disclosure as per SEBI (LODR) Regulations, 2015, brief details, including qualification and expertise of directors to be appointed / re - appointed, has been mentioned in the Notice of the thirty eighth Annual General Meeting of the company.

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

##### **Your Directors state that:-**

- (i) in preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (ii) 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 and of the loss of the company as on 31st March, 2019;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively; and
- (vi) directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **PERSONNEL:**

The particulars of employee as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as separate annexure attached hereto and forms part of this report as Annexure- V.

During the year under review, no complaint/case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**CORPORATE GOVERNANCE:**

The Corporate Governance form an integral part of this Report and are set out as Annexure- VI to this Report. The certificate from the Auditors of the company certifying compliance of condition of Corporate Governance stipulated in Regulations 34(3) of the Listing Regulations is also annexed to Report on Corporate governance.

**KEY MANAGERIAL PERSONNELS**

In compliance of provisions of section 203 of the Companies Act, 2013 the following persons were the key managerial personnel of the company during the year:

- (i) Mr. O.P.Dhanuka, Chairman & Managing Director
- (ii) Mr. S.Prasad, Company Secretary . Mr. S. Prasad resigned with effect from 01.04.2019.
- (iii) Mr. R.N. Sharma CFO, Mr. R.N.Sharma resigned with effect from 20.01.2019.
- (iv) Mr. B. K. Bhartia was appointed as Company Secretary with effect from 12th July, 2019.
- (v) Mr. S. R. Mullick was appointed as CFO of the Company with effect from 20th June, 2019.

The other details pertaining to KMP of the company, their appointment/cessation during the year under review and their remuneration have been provided in the Extract of Annual Return annexed hereto and forming part of this report.

**Code of conducts and ethics**

The Board of company has adopted a Code of Conducts and ethics for the Directors and Senior Executives of the company. The code is available on the company's website at [www.rigasugar.com](http://www.rigasugar.com).

**Significant & material orders passed by the regulators**

During the year under review, no significant and materials orders were passed by the Regulators or courts or Tribunals impacting the going concern status.

**Whistleblower Policy**

The company has in place a whistleblower policy to deal with unethical behavior, victimizations, fraud and other grievances or concerns, if any. The Whistleblower policy can be accessed on the company's website [www.rigasugar.com](http://www.rigasugar.com).

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy. No sexual harassment complaints were received during the year 2018-19.

**Risk Management Policy**

The Company has Risk Management committee of Directors to have a system of Risk Management, inter alia, to review it periodically.

**Policy for Preservation of Documents**

The Policy for preservation of documents are stated in website of the company [www.rigasugar.com](http://www.rigasugar.com).

**Material changes and commitments affecting the financial position of the company after 31st March, 2019**

Due to record production the Sugar price continue to show southward trend during current financial year so far.

**Subsidiaries, Joint Ventures or Associate Companies**

There is no subsidiary, Joint Venture or Associate of the company under meaning of Companies Act, 2013.

**LISTING OF EQUITY SHARES:**

The Shares of the Company are listed on The Calcutta Stock Exchange Ltd. and BSE Ltd. The Company has paid Listing Fees to Stock Exchanges.

**ANNEXURES FORMING PART OF THIS REPORT OF THE DIRECTORS**

The Annexure referred to in this report and other information which are required to be disclosed are annexed herewith and forms a part of this report of the Directors:-

<b><u>Annexure</u></b>	<b><u>Particulars</u></b>
I	Extract of the Annual Return as per form MGT-9
II	Policy on selection & Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity
III	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo
IV	Secretarial Audit Report
V	Particulars of Employees
VI	Corporate Governance Report

**APPRECIATION:**

Your Directors express their appreciation for the support and contribution by Cane Growers, Bankers, Central and Bihar State Government, Suppliers, Customers and the valuable services rendered by the Employees at all levels.

Kolkata,  
Dated : 12th July, 2019

For and on behalf of the Board,  
**O. P. Dhanuka**  
(DIN : 00049947)  
Chairman & Managing Director

**Annexure - I to the Directors Report**

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 & OTHER DETAILS:**

1.	CIN	L15421WB1980PLC032970
2.	Registration Date	2nd September, 1980
3.	Name of the Company	Riga Sugar Company Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	14, Netaji Subhas Road, 2nd Floor, Kolkata-700001 Phone : 033-6607 1600, E-mail : sprasad@rigasugar.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S.K. Info solutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata-700 006 Phone : 033 2219 4815 E-mail : skcdilip@gmail.com

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	10721-Manufacture of sugar from sugarcane	79%
2	Ethanol	1101	21%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl. No.	Name and address of company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Application section
	NONE				

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 18]				No. of Shares held at the end of the year [As on 31st March 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1,03,677	0	1,03,677	0.72	1,03,677	0	1,03,677	0.72	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(S)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	98,89,701	NIL	98,89,701	63.41	98,89,701	NIL	98,89,810	68.47	0
Banks / FI	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
f) Any other	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
Total shareholding of Promoter (A)	99,93,378	NIL	99,93,378	69.19	99,93,378	NIL	99,93,487	69.19	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
a) Mutual Funds	0	2,600	2,600	0.02	0	2,600	2,600	0.02	0
b) Banks / FI	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
c) Central Govt	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
d) State Govt(s)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
e) Venture Capital Funds	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
f) Insurance Companies	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
g) FIs	NIL	NIL	NIL	NIL	NIL	0	NIL	0	0
h) Foreign Venture Capital Funds	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
i) Others (specify)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	
<b>Sub-total (B)(1):-</b>	0	2,600	2,600	0.02	NIL	2600	2600	0.02	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	12,00,579	6,700	12,07,279	8.36	10,57,644	6,600	10,64,244	7.37	-0.99
ii) Overseas	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
b) Individuals									



i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18,81,505	2,32,417	21,13,922	14.64	23,38,957	2,21,317	25,60,274	17.73	3.09
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	10,43,918	NIL	10,43,918	7.23	7,51,877	NIL	7,51,877	5.21	-2.02
c) Others (specify)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(i) Non Resident Indians	82,308	NIL	82,308	0.57	70,923	NIL	70,923	0.49	-0.08
(ii) Overseas Corporate Bodies	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(iii) Foreign Nationals	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(iv) Clearing Members	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(v) Trusts	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(vi) Foreign Bodies-DR	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
<b>Sub-total (B)(2):-</b>	<b>42,08,310</b>	<b>2,39,117</b>	<b>44,47,427</b>	<b>30.79</b>	<b>42,19,401</b>	<b>2,,27,917</b>	<b>44,47,318</b>	<b>30.79</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>42,08,310</b>	<b>2,41,717</b>	<b>44,50,027</b>	<b>30.81</b>	<b>42,19,401</b>	<b>2,30,517</b>	<b>44,49,918</b>	<b>30.81</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
<b>Grand Total (A+B+C)</b>	<b>142,01,688</b>	<b>2,41,717</b>	<b>14443405</b>	<b>100.00</b>	<b>1,42,01,688</b>	<b>2,41,717</b>	<b>1,44,43,405</b>	<b>100.00</b>	<b>0</b>

## ii. Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Meera Dhanuka	45,342	0.31	0	45,342	0.31	0	0
2	Tripti Saraff	57,135	0.39	0	57,135	0.39	0	0
3	Garima Tibrawalla	1,100	0.01	0	1,100	0.01	0	0
4	Shruti Jatia	100	0.00	0	100	0.00	0	0
5	DG Vitta Vinimay & Properties Ltd.	70,98,484	49.15	0	70,98,484	49.15	0	0
6	O.P.Vanyjya Ltd.	1,40,993	0.98	0	0	0	0	-0.98
7	The Belsund Sugar & Industries Ltd.	26,16,165	18.11	0	27,91,326	19.33	0	+1.22
8	Garima Investment & Trading Ltd.	34,059	0.24	0	0	0	0	-0.24
	<b>Total</b>	<b>99,93,378</b>	<b>69.19</b>	<b>0</b>	<b>99,93,487</b>	<b>69.19</b>	<b>0</b>	<b>0</b>

## iii. Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.	Particulars	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		99,93,378	69.19	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
1.	O. P. Vanyiya Ltd. (Transfer) 10.08.18 17.08.18			-106961	-0.74
2.	Grina Investment & Trading Co. Ltd. (Transfer) 03.08.18 10.08.18			-34032	-0.24
3.	The Belsund Sugar & Ind. Ltd. (Transfer) 10.08.18 17.08.18			-15000	-0.13
				-19069	-0.11
				+101130	+0.70
				+74031	0.52
	At the end of the year			99,93,487	69.19

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name 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>1</b>	<b>Chitravali Barter Pvt.Ltd.</b>				
	At the beginning of the year	3,00,000	2.08		
	As at 31.03.2019			3,00,000	2.08
<b>2</b>	<b>Baldeep Singh</b>				
	At the beginning of the year	1,44,514	1.00		
	As at 31.03.2019			1,44,514	1.00
<b>3</b>	<b>Harchand Singh Sidana</b>				
	At the beginning of the year	1,20,000	0.84		
	As at 31.03.2019			1,20,000	0.84
<b>4</b>	<b>Gayatri Dealtrade Private Ltd.</b>				
	At the beginning of the year	1,01,853	0.70		
	As at 31.03.2019			1,01,853	0.70
<b>5</b>	<b>Universal Cine Trade Pvt. Ltd.</b>				
	At the beginning of the year	96,000	0.68		
	As at 31.03.2019			96,000	0.68
<b>6</b>	<b>Raj Kumar Kudilal Seksaria</b>				
	At the beginning of the year	90,000	0.62		
	As at 31.03.2019			90,000	0.62
<b>7</b>	<b>Black Rose Industries Ltd.</b>				
	At the beginning of the year	62,660	0.43		
	As at 31.03.2019			62,660	0.43

<b>8</b>	<b>Harinder Kour Sidana</b>				
	At the beginning of the year	61,400	0.42		
	As at 31.03.2019			61,400	0.42
<b>9</b>	<b>Darshan Financial Services Pvt. Ltd.</b>				
	At the beginning of the year	Nil	N.A.		
	21.09.2018	717	0.00	717	0.00
	28.09.2018	31,580	2.22	32,297	0.22
	05.10.2018	23,876	0.16	56,173	0.38
<b>10</b>	<b>Famous Developers Pvt.Ltd.</b>				
	At the beginning of the year	51,000	0.36	-	-
	As at 31.03.2019			51,000	0.36
<b>11</b>	<b>Abhinna Vyapaar Pvt. Ltd.</b>				
	At the beginning of the year	50,000	0.35	50,000	0.35
	As at 31.03.2019			50,000	0.35

**v. Shareholding of Directors and Key Managerial Personnel :**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters				
	Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/sweat equity etc.):				
	At the end of the year				

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	11343.55	2659.00	-	14002.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	97.75	6.58	-	104.33
<b>Total (i+ii+iii)</b>	<b>11441.30</b>	<b>2665.58</b>	<b>-</b>	<b>14106.88</b>
<b>Change in Indebtedness during the financial year</b>				
*Addition	-	123.12	-	123.12
*Reduction	984.86	-	-	984.86
Net Change	(984.86)	123.12	-	(864.71)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	10113.03	2675.00	-	12788.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	343.41	113.70	-	457.11
<b>Total (i+ii+iii)</b>	<b>10,456.44</b>	<b>2,788.70</b>	<b>-</b>	<b>13,245.14</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. O. P. Dhanuka, CMD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000/-	36,00,000/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	62,094/-	62,094/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...	--	--
5	Others, please specify	--	--
	Total (A)	36,62,094	36,62,094/-
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration paid is well within the limit.	

**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Dilip Datta	Mr. S. Borar	Mr. N. C. Manumdar	Mr. Sarad Jha	Mrs. Sulekha Dutta	Mr. N. K. Parasramka	
<b>1</b>	<b>Independent Directors</b>							
	Fee for attending Board meetings	12,000/-	Nil	4,000/-	16,000/-	24,000/-	-	56,000/-
	Commission							
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>12,000/-</b>	<b>Nil</b>	<b>4,000/-</b>	<b>16,000/-</b>	<b>24,000/-</b>	<b>-</b>	<b>56,000/-</b>
<b>2</b>	<b>Other Non-Executive Directors</b>							
	Fee for attending Board meetings	--	--	--	--	--	24,000	24,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>						<b>24,000/-</b>	<b>24,000/-</b>
<b>Total (B)=(1+2)</b>	<b>12,000/-</b>	<b>Nil</b>	<b>4,000/-</b>	<b>16,000/-</b>	<b>24,000/-</b>	<b>24,000/-</b>	<b>80,000/-</b>	
	Total Managerial Remuneration	12,000/-	Nil	4,000/-	16,000/-	24,000/-	24,000/-	80,000/-
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration paid is well within the limit.						

**Note :**

- Mr. O.P. Dhanuka - Managing Director of the Company, is not entitled for Director's sitting fee
- Mr. Suyash Borar vide his letter dated 01.04.2009 expressed his intention to not to pay him sitting fee.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS Mr. Shailendra Prasad	CFO Mr. Ramanand Sharma	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,99,520/-	7,13,370/-	25,12,890/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	34,656/-	23,911/-	58,567/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>18,34,176/-</b>	<b>7,37,281/-</b>	<b>25,71,457/-</b>

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

No penalties /punishment/compounding of offences were levied under the Companies Act, 2013.

## Annexure - II to the Directors Report

### **POLICY ON SELECTION & REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES AND ON BOARD DIVERSITY.**

The objectives of this Policy include the following:

- to lay down criteria for identifying persons who are qualified to become Directors;
- to formulate criteria for determining qualification, positive attributes and independence of a Director;
- to determine the composition and level of remuneration, which is reasonable and sufficient to attract, retain and motivate Directors and KMP. ;
- to frame guidelines on the diversity of the Board;

#### **DEFINITIONS**

Unless the context requires otherwise, the following terms shall have the following meanings:

"Director" means a Director of the Company.

"Key Managerial Personnel" or "KMP" means-

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

#### **Criteria for identifying persons who are qualified to be appointed as a Director of the Company:**

Section 164 of the Companies Act, 2013 ("Act") provides for the disqualifications for appointment of any person to become Director of any company. Any person who in the opinion of the Board of Directors ("Board") is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

#### **Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014; and (B) the Listing Regulations.

#### **Appointment criteria and qualifications**

The Nomination & Remuneration Committee (Committee) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), or KMP and recommend to the Board his / her appointment. Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

#### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director or KMP at regular interval and at least on a yearly basis.

#### **Evaluation of Directors:**

In terms of Section 149 of the Act read with Schedule IV of the said Act the Independent Directors shall at its separate meeting review the performance of non-independent Directors based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

### **Evaluation of KMP and Senior Management Personnel**

Criteria for evaluating performance of KMP (other than Directors) and Senior Management Personnel shall be as per the internal guidelines of the Company on performance management and development.

### **Criteria for evaluating performance of Other Employees**

The human resources department of the Company shall evaluate the performance of Other Employees. In this regard, the human resources department shall decide upon the criteria for evaluating performance of Other Employees.

### **REMUNERATION OF DIRECTORS AND KMP**

The remuneration/ compensation etc. to Managing Director / Whole-time Director and remuneration of KMP will be determined by the Committee and recommended to the Board for approval. Remuneration/commission to Directors (including Independent Directors) as per the statutory provisions of the Act and the rules made thereunder for the time being in force within limits approved by shareholders, shall be decided by the Board.

Increments to the existing remuneration/ compensation structure payable to Managing Director / Wholetime Directors and KMP may be recommended by the Committee to the Board which should be within the slabs if any, approved by the shareholders in the case of Directors.

### **Sitting Fees:**

Non-Executive Directors including Independent Directors may receive remuneration by way of fees for attending meetings of Board or its committee within limits prescribed by the Central govt.

### **Remuneration to Senior Management Personnel:**

The Committee has delegated its powers under this Policy with respect to Senior Management Personnel (other than their appointment) and other employees to the Whole time Director of the Company and the Whole-time Director shall be entitled to take decisions with respect to remuneration of Senior Management Personnel and other employees / their extension after attainment of applicable retirement age/employee welfare measure including provision of loans (with or without interest as per statutory provisions) through wage settlements or company rules/regulations or otherwise.

### **Remuneration to Other Employees**

The human resources department of the Company with Managing Director 's approval, will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the human resources department of the Company.

### **BOARD DIVERSITY**

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc. The Board shall have the optimum combination of Directors of different genders, from different areas, fields, backgrounds and skill sets as maybe deemed absolutely necessary. The Board shall have members who have accounting or related financial management expertise and are financially literate.

### Annexure - III to the Directors Report

Particular of Energy Conservation , Technology Absorption and Foreign Exchange earnings and outgo required under the Companies (Accounts) Rules, 2014:

#### A. CONSERVATION OF ENERGY:

(i) The Steps taken or impact on conservation of energy

Your Company continues to give priority to conservation of energy on an ongoing basis. Some of the significant measures taken are:

- (a) Installation of Variable Frequency Drive (VFD) at Boiler, Plate Type heat exchanger, Cane Belt Conveyor.
- (b) DCS controlled operation at various stations to achieve maximum efficiency. Use of capacitor near motor to maintain power factor.
- (c) Installation of DC drive having full auto control, hydraulic cane unloader, rotary screens, juice flow stabilization system, continuous sulphur burner, high efficiency centrifugal pumps, sugar bag conveying system, efficient and automatic centrifugal machines, semikestner.
- (d) Installation of travelers, High Pressure Boiler, condensensing cum extraction turbine, variable frequency drives for feed pumps, compressors and fans, heat recovery unit in Boiler, feed water heaters, distributed control system.
- (e) Recycling of process water to conserve natural resources. Replacement of conventional inefficient bulbs with efficient CFL and LED lights.

The above measures result into saving of fuel and power and consequently cost of production.

(ii) Steps taken by the company for utilizing alternate source of energy

- (a) Sugar factory runs on bagasse based steam and power and thus there is no fossil fuel consumption.
- (b) The company also installed co-gen plant which is supplying surplus power to state grid.
- (c) During off-season also the boiler run on bagasse, thus saving fuel.
- (d) In Distillery installed new digester for treatment of spent wash feeding, which generate bio gas and reduce COD and BOD substantially.

(iii) The Capital investment on energy conservation equipments during the year 2018-19 was Rs NIL

#### B. TECHNOLOGY ABSORPTION:

The company carried out the following technology absorption activities during the financial year 2018-19 :

(i) Sugarcane Development

- (a) Soil Analysis and Nutrition
- (b) Soil Testing Lab
- (c) Tissue Culture
- (d) Microbial Culture Laboratory
- (e) Biological Control of Cane Crop
- (f) Heat Treatment Therapy to treat Sugarcane Seeds
- (g) Pest Control Measures to protect Sugar Cane from diseases.
- (h) Multiplication of foundation Cane Seeds by rearing in Nurseries
- (i) Ratoon Management for Sugar Cane crops.
- (j) Installation GPS, HHT for cane survey.



The above measures will result into high yielding disease-free cane and higher financial return to the Cane Growers. Microbial Lab will increase the fertility of soil by restoring its vital components.

**(ii) Utilisation of by-products:**

- (a) Manufacture of Bio-Compost & Vermi- Compost by using Pressmud and Distillery Effluents.
- (b) Co-gen of power from bagassee.

The above measures results into advent of Bio-Fertilizer and cheaper duly treated Effluent Water, rich in nutrients, which are beneficial to the farmers, factory and environment and achievement of zero water discharge and pollution level below the maximum norms set by government and co-gen.

- (iii) The company has not imported any technology.
- (iv) Expenditure incurred on Research and Development: Rs. 10.20 Lacs

**C. FOREIGN EXCHANGE EARNING AND OUTGO :**

	<b>Financial Year <u>31st March, 2019</u></b>	<b>Financial Year <u>31st March, 2018</u></b>
i) Total Foreign Exchange Earnings	Nil	Nil
ii) Used (Rs. in Lacs)	6.00	259.65

**Annexure - IV to the Directors Report****FORM-MR-3  
SECRETARIAL AUDIT REPORT**

(For the financial year ended 31st March, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Riga Sugar Company Limited  
14, Netaji subhas Road  
Kolkata- 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Riga Sugar Company Limited (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 our 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 covering the financial year 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 Riga Sugar Company Limited ("The Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ; Not applicable
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities ) Regulations, 2008; Not applicable
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable.
- VI. Laws specifically applicable to the industry to which the company specifically belongs, as identified by the management, that is to say:-

- a. Essential Commodities Act., 1955
- b. Sugar Control Order, 1966
- c. Sugar Cess Act, 1982
- d. Levy Sugar Price Equalisation Fund Act, 1976
- e. Sugar Development Fund Act, 1982
- f. Food Safety and Standards Act, 2006
- g. The Legal Metrology Act, 2009
- h. Environment Protection Act, 1986

VII. We have also examined compliance with the applicable clauses Secretarial Standards issued by The Institute of Company Secretaries of India and Listing Agreement entered into by the company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulations etc mentioned above, save and except the following observations.

1. In some cases the Company was irregular in depositing the statutory dues, within the period allowed by the respective statutes.
2. BSE has imposed a fine of Rs. 53100/- for non compliance of the regulation 33 of the LODR regulations for late filing of audited financial results of the Company for the quarter ended 31st March, 2018, which had been paid by the Company.
3. The Company has not filed form MGT-14 for appointment of Internal Auditors for the year as the Internal Auditors were the employee of the Company having required qualification.
4. Notice of the closure of the Trading windows were not given by the company to all those who are likely to have access to the price sensitive information, however management explained that the account of the company had declared an NPA by its banker and net worth of the Company eroded, hence such compliance were not ensured.

Reliance has been put on compliance system prevailing in the company and legal compliance certificates received from various Unit heads as regards compliance of Laws specifically applicable to the industry to which the company specifically belongs:

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the company for the Board/Committee and Shareholders, we noticed that all decisions were approved by the respective Board/Committee and shareholders without any dissent note.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, mentioned hereinabove, we further report that the accumulated losses of the Company have eroded the entire net worth of the Company indicating the uncertainty about the Company's ability to continue on a going concern basis. We, further report that the accounts of the Company with Bank of India has been declared as non performing assets (NPA)

For **H.M. Choraria**  
Company secretaries

**(H.M.Choraria)**

Proprietor

FCS 2398

CP No. 1499

Place: Kolkata

Date : 12th July, 2019

## Annexure - V to the Directors Report

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial Year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:-

Sl. No.	Name of Directors(KMP) and Designation	Remuneration of Director/KMP for the Financial Year 2018-19 (Rs. in Lac)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each of Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr.Om Prakash Dhanuka -Chairman cum Managing Director	36.62	-4%	17.27	Sales increased by 58% during 2018-19. Net loss was Rs. 4644.78 lacs in 2018-19 as against net loss of Rs. 2138.68 lacs in 2017-18
2.	Mr. Suyash Borar-Independent Director *	Nil	--	--	
3.	Mr. N.C.Majumdar -Independent Director	0.04	-73%	0.02	
4.	Mr. Dilip Datta-Independent Director	0.12	-29%	0.06	
5.	Mr. Sarad Jha-Independent Director	0.16	23%	0.08	
6.	Mrs.Sulekha Dutta *** Independent Director	0.24	118%	0.11	
7.	Mr. Nirmal K. Parasramka Non Executive Director	0.24	71%	0.11	
8.	Mr.S.Prasad-Company Secretary	18.34	61%	8.65	
9.	Mr.R.N.Sharma - CFO	7.37	35%	3.47	

**Note:**

- (i) Remuneration to the Independent Directors and non-executive Directors consisting of only sitting fee in 2017-18 and 2018-19.  
\* Mr.Suyash Borar vide his letter dated 01.04.2009 expressed his intention to not to pay him sitting fee.
- (ii) The median remuneration of employees of the Company during the Financial Year was Rs. 2.12 lacs.
- (iii) In the financial year, there was an increase of 5 % in the median remuneration of the employees.
- (iv) Number of permanent employees on the rolls of the Company as on 31.03.18 were 596.
- (v) Sales during the year 2018-19 was Rs.15487.31 lacs as compared to Rs 9799.04 lacs during 2017-18. Net loss was Rs. 4644.78 lacs in 2018-19 as against net loss of Rs. 2138.68 lacs in 2017-18. Increase in median remuneration of employees during the year was 5%. The average increase in remuneration was not in line with the sales performance of the Company.
- (vi) The total remuneration of Key Managerial Personnel's increased by 12 % from Rs.55.42 lacs in 2017-18 to Rs. 62.33 lacs in 2018-19. Net loss during 2018-19 was Rs 4644.78 lacs as against net loss of Rs. 2138.68 lacs in 2017-18. In view of lower existing remuneration and market challenges for retaining talent and experienced KMP remuneration has to be commensurate with market trend.
- (vii) a) Variations in the Market capitalization of the Company: The Market capitalization as on 31.03.2019 was Rs. 823.27 Lacs and as on 31.03.2018 was Rs. 1337.46 Lacs.

- b) Price earnings ratio of the Company as at 31.03.2019 and 31.03.2018 was not applicable as the EPS was negative in both years.
- c) Percentage increase over/decrease in the Market quotations of the shares of the Company as compared to the rate at which the Company had come out with last public offer in the year: The company made initial public offer (IPO) in 1994-95 @ Rs.50/- per share . As on 31.03.2019, the closing market price of one Equity share was Rs. 5.70. Therefore, an amount of Rs. 100 invested in the said IPO would be worth Rs. 11.40 as on 31.03.2019. This excludes the dividend payout.
- (viii) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year 2018-19 was 5%, whereas the total managerial remuneration was decreased in financial year 2018-19 was 27.34 %.
- (ix) The Non-executive Directors were paid sitting fee of Rs. 4,000/- for attending the Board Meetings. No sitting fee was paid for attending committee meetings. Remuneration to directors are as per recommendation of the Nomination and Remuneration Committee and as approved by the Board and shareholders of the Company.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Nil
- (xi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sl. No.	Name (Relationship)	Designation, Nature of duties	Remuneration (Rs.)	Qualification and experience (years)	Age (Years)	Date of commencement of employment	Last employer, designation
1	Om Prakash Dhanuka	Chairman & Managing Director	36,62,094	M .B.A, (39 Yrs.)	69	01st April 1981	Nil
2	Shailendra Prasad	Chief Executive Officer & Company Secretary	18,34,176	M.Com, ACMA, ACS. (26 Yrs.)	50	1st July 1995	Chemcrown (India) Ltd- Company Secretary .
3	Amar Singh Sharma	President	13,24,857	B.Sc. (Agriculture), MBA (30 years)	57	20th June, 2018	Triveni Engineering & Industries Ltd. (CGM & Unit Head)
4	Ram Kumar Pandey	G.M. (Commercial)	12,80,388	B.Com , MBA (Finance), CA (Inter) (25 years)	51	05th June 2017	M/s K.R. Pulp & papers Ltd. (AGM- Commercial)
5	Sunil Kumar	General Manager (Distillery)	10,82,590	Msc. (24 years)	51	15th May, 2010	The Seksaria Biswan Sugar Factory Ltd. (Asst Manager)
6	Mukesh Kumar Mittal	G.M. (Production)	10,68,393	B.Sc., A.N.S.I. (Sugar Technology) ( 31 Yrs.)	55	31st May, 2017	Modi Sugar Ltd. GM- Production
7	Wazir Singh	G.M. (Technical)	10,73,100	B.E. Mechanical ( 31Yrs.)	60	12th July, 2018	Uttam Sugar Mill Ltd. (HOD-Engineering)
8	Mrinal Kanti Ghosh	DGM (Electrical)	10,63,227	Diploma in Electrical Engineering ( 25 yrs)	50	04th Feb'2017	Yadu Sugar Mill (HOD Electrical GM)
9	Janki Jwan Mani	DGM (instrumentation)	9,23,216	B.E. (Electronics & Instrument) ( 23 yrs.)	49	15th September, 1999	Kanoria Sugar & General Manufacturing Co. Ltd. (Sr. Instrument Engineer)
10	Sukbir Singh Malick	CGM	8,51,493	M.Sc , PhD (40 Yrs.)	63	06th May 2017	Bajaj Hindusthan Ltd. (Sr. V.P.)

## Annexure - VII to the Directors Report

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Riga Sugar Company Limited as a part of Dhanuka Group, has over the years endeavored to follow practice of Corporate Governance. Riga Sugar's business objective and that of its management and employees is to manufacture and market the Company's products so as to create value for consumers, farmers, shareholders, employees, and the national economy. In addition to compliance with regulatory requirements, Riga Sugar Company Limited endeavors to ensure that standards of ethical and responsible conduct are met throughout the organization.

**BOARD OF DIRECTORS:-**

The Board of Riga sugar Co. Ltd. as on 31st March, 2019 comprises of an Executive Chairman cum Managing Director (CMD) and four other Directors including a Women Director. The day to day affairs of the company is managed by CMD. The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Composition, attendance at the Board meeting & last Annual General Meeting, Outside Directorship and other Board Committees are given below.

During the year ended 31st March, 2019, six board meetings were held. The company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days. The details are as follow:-

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
1	06.04.2018	7	4	3
2	08.06.2018	7	3	1
3	14.08.2018	6	5	3
4	22.10.2018	6	5	3
5	14.11.2018	6	5	3
6	14.02.2019	6	4	2

The composition of the Board of Directors as at 31st March, 2019, the number of other Boards of Directors or Board Committees of which he/she is a member/Chairperson and the attendance of each director at these Board Meetings and the last Annual General Meeting was as under:-

Directors	Category	No. of Outside Directorship Held (Public Ltd. Co.)	No. of Membership (Chairmanship) In Board Committees	No. of Board Meetings Attended	Attendance At previous AGM held on 25.09.2018	Shareholding in the Company
Mr. O. P. Dhanuka Chairman & Managing Director	Promoter & Executive	4	Nil	5	No	Nil
Mr. Sarad Jha	Independent & Non- Executive	0	3	4	Yes	Nil
Mrs. Sulekha Dutta	-do-	2	1	6	Yes	Nil
Mr. Dilip Datta	-do-	2	0	3	No	Nil
Mr. N. K. Parasramka	Non Independent & Non - Executive	1	3	6	Yes	Nil

**Note 1:** number of directorship in other companies excludes directorship in private limited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013.

**Note 2:** Board Committee chairmanship/memberships in other companies include only chairmanships/memberships of Audit Committees and Stakeholders Relationship Committee.

**Note 3:** Board committee memberships in other companies includes only chairmanships in committees of other companies.

All the independent directors qualify the conditions for being independent director as prescribed under Regulation 16(1) of SEBI (LODR) Regulations, 2015. The Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance of law. .

As required under Regulation 17(7) of SEBI (LODR) Regulations, 2015, all the necessary information were placed before the Board from time to time.

The company pays to its non-executive Directors as sitting fees, an amount of Rs.4,000/- per meeting for attending meetings of the Board of Directors.

### **Code of Conduct**

The company has adopted a code of conduct for its non-executive Directors and all non-executive Directors have affirmed compliances with the said code. All senior Management of the company have also affirmed compliance with the Code of Conduct. The code of conduct is also displayed on the website of the company [www.rigasugar.com](http://www.rigasugar.com).

### **Maximum tenure of independent directors**

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### **Formal Letter of appointment to independent directors**

The company issue a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of independent directors are placed on the company's website.

### **Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board of Directors has carried out an annual performance evaluation of its own performance, and that of its Committee and individual Directors.

A structured questionnaire was prepared after taking into consideration input received from the Directors, covering many aspects of the Board functioning. The performance evaluation of the independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent directors was carried out by independent directors. The Nomination and Remuneration Committee also carried out evaluation of every director's performance. The directors expressed their satisfaction with the evaluation process.

### **Independent Directors Meeting**

In compliance with schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the independent directors held their separate meeting on 15.02.2019 without the attendance of non-independent directors and members of management to review the performance of non-independent directors and chairman of the Board, assess their quality, quantity and timeliness of flow of information between company Management and the Board.

All Independent Director were present at the meeting. The independent directors present at the meeting deliberated on the above and expressed their satisfaction.

### **Transaction with Board Members, KMC and Senior Management**

There were no materially significant transactions during the Financial Year with Board Members, KMC and Senior Management, including their relatives that had or could have has a potential conflict of interest with the company. The Annual Report of the company contains a certificate duly signed by Managing Director in this regard.

## **BOARD COMMITTEES**

Composition of various Committees of Board of Directors are disclosed in website of the company [www.rigasugar.com](http://www.rigasugar.com).

### **AUDIT COMMITTEE**

The Audit committee has been constituted and its Terms of reference is in line with provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013. Terms of Audit committee includes overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit report, recommending appointment and remuneration of auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function and other matters specified for audit committee under the listing regulations and section 177 of the Act. The Audit committee also review information as per the requirement of part C of schedule II to the Listing Regulations.

The Audit Committee comprises of 3 directors, two of whom are Independent Directors. All of them are expert in corporate finance, accounts and corporate law. The Company Secretary acts as secretary of the committee. The CFO, Auditor, Internal Auditor and Cost Auditor are the permanent invitee of the audit committee meeting. The Internal auditors report directly to the audit committee.

The Audit Committee of the Company met 4 times during the financial year 2018-19 on 08.06.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

#### The composition and attendance at the audit committee meeting are as follow:-

Name of Members	Status	No. of Meetings attended	Date of Joining during the year	Date of leaving during the year
Mr. S. K. Goenka (Chairman)	Independent & Non-Executive	0	-	06.04.2018
Mr. Sarad Jha (Chairman)	-do-	3	06.04.2018	-
Mr. Suyash Borar	-do-	1	-	28.03.2019
Mr.N.K.Parasramka	Non Independent & Non Executive	4	06.04.2018	-

Mr. Sarad Jha, Chairman attended the AGM held on 25.09.2018.

Mr. Sarad Jha left on 11.04.2019 and Mr.P.J.Bhide and Mrs. Sulekha Dutta joined as Chairman and Member respectively on 12.04.2019.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every directors performance. It shall carry out such other functions as may be required under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee comprises of 3 Directors, all of whom are non-executive and two of them are Independent Directors. The members of the Committee are Mr. Sarad Jha - Chairman, Mr.S.Borar and Mr.N.K.Parasramka.

During the Financial Year 2018 -19 one Nomination and Remuneration Committee Meeting was held on 03.08.2018. The composition and attendance of the members of the Nomination and remuneration Committee are as follow:-

Name of Members	Status	Position in Committee	Date of Joining during the year 2018-19	Date of leaving during the year 2018-19	Meeting dated 03.08.2018 attended by
Mr.S.K.Goenka	Independent & Non-Executive	Chairman	-	06.04.2018	
Mr.Suyash Borar	-do-	Member	-	28.03.2019	Attended
Mr.N.C.Majumdar	-do-	Chairman w.e.f. 06.04.2018	-	14.08.2018	Attended
Mr. Sarad Jha	-do-	Chairman w.e.f. 14.08.2018	14.08.2018	-	
Mr.N.K.Parasramka	Non Ind. & Non Executive	Member	06.04.2018	-	Attended

Mr.Sarad Jha left on 11.04.2019 and Mr. P.J.Bhide and Mrs.Sulekha Dutta joined on 12.04.2019 as Chairman and Member respectively.

#### Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualification, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.



**REMUNERATION OF DIRECTORS FOR FINANCIAL YEAR 2018-19**

<u>Name of the Director</u>	<u>Sitting Fee</u>	<u>Salaries</u>	<u>Perquisites/ Benefits</u>	(Amount in Rs.) <u>Total</u>
Mr. O.P.Dhanuka, Chairman - Managing Director	--	36,00,000/-	2,13,851/-	38,13,851/-
Mr. S. Borar	Nil			
Mr.N.C.Majumdar	4,000/-			4,000/-
Mr.Sarad Jha	16,000/-			16,000/-
Mrs. Sulekha Dutta	24,000/-			24,000/-
Dr. Dilip Datta	12,000/-			12,000/-
Mr.N.K.Parasramka	24,000/-			24,000/-

The Company does not have any stock option scheme.

The present appointment of the Managing Director is for a period of three years and is effective from 13th August, 2016.

**Familiarization Programme**

With a view to familiarizing the Independent Directors with the company's operations as required under Regulation 25 of SEBI (LODR) Regulations, 2015, the company held various programme on continuous basis. The details of familiarization programmes are also placed on the companies website [www.rigasugar.com](http://www.rigasugar.com)

**SHAREHOLDERS COMMITTEE****(i) Share Transfer Committee**

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The members of the committee are Mr. O.P.Dhanuka, Mr. N.K.Parasramka. and Mrs.Sulekha Dutta. Mr. S.Prasad, Company Secretary is Ex-officio Secretary of the Share Transfer Committee. During financial year 2018-19, 12 No. of share transfer committee meetings were held on 07.05.2018, 08.06.2018, 23.07.2018, 09.08.2018, 22.10.2018, 31.10.2018, 14.11.2018, 05.12.2018, 31.12.2018, 17.01.2019, 18.02.2019 and 05.03.2019.

Mr. S.K.Goenka left on 6.04.2018 and Mr.N.K.Parasramka joined the committee from the same date.

**(ii) Stakeholders Relationship Committee**

In compliance with the provision of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Board has constituted "Stakeholders Relationship Committee " to look into and resolve the Grievance of security holders of the company related to transfer of shares, non-receipt of annual report and non-receipt of dividend.

During the financial year 2018-19, the Committee met on 07.04.2018, 07.07.2018, 08.10.2018 and 08.01.2019 (four meetings).

The Composition and attendance of Stakeholder Relationship Committee during the year were as follows:-

<u>Name of Members</u>	<u>Status</u>	<u>No. of Meetings attended</u>	<u>Date of Joining during the year</u>	<u>Date of Leaving</u>
Mr. S.K.Goenka - Chairman	Independent & Non-Executive	0	-	06.04.2018
Mr. N.K.Parasramka - Chairman	Non Ind. & Non Executive	4	06.04.2018	-
Mr.Sarad Jha	Independent & Non-Executive <sup>4</sup>	-	-	-
Mrs. Sulekha Dutta	-do-	4	-	-

Nature of Grievances	Complaints received from				Total Complaints received during 2018-19	Total Complaints resolved	No. of complaints outstanding as on 31st March, 2018
	Investors directly	Stock Exchange	SEBI 'SCORES'	ROC			
Non-receipt of Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Reports	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**SUBSIDIARY COMPANY**

The company has no subsidiary company.

**COMPLIANCE OFFICER**

Mr. S. Prasad , Company Secretary - Compliance Officer left with effect from 01.04.2019

Mr. B. K. Bhartia was appointed as Company Secretary and Compliance Officer with effect from 12.07.2019.

Address: Riga Sugar Co. Ltd.

14, Netaji Subhas Road, Kolkata- 700 001

Phone No. 033 2231 3414/15

Fax: 033 2230 3663

e-mail.:sprasad@rigasugar.in

**GENERAL BODY MEETING**

Location and time of last Annual General Meetings are as under:

<u>For Financial year ended</u>	<u>Venue</u>	<u>Date and time</u>	<u>No of Special Resolution passed</u>
31.03.2018	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	25th September, 2018 at 11.00 a.m.	0
31.03.2017	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	18th September, 2017 at 10.00 a.m	1
31.03.2016	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	30th September, 2016 at 10.00 a.m.	1

**DISCLOSURES**

- (i) The details of related party transactions is mentioned in note no. 25 (9) of financial statement. There was no materially significant related party transaction, which was considered to have conflict with the interest of the Company at large. The company has disclosed the policy of dealing with the related party transaction on its websites at [www.rigasugar.com](http://www.rigasugar.com).
- (ii) There was no non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years except fine by BSE of Rs. 53,100/- for late publication of quarterly result of 31st March, 2018 under regulation 33 of LODR.
- (iii) None of the Non-Executive Directors hold equity shares or convertible instruments of the Company as on 31.03.2019.
- (iv) The Company has followed the guidelines of Accounting Standards prescribed under the Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.
- (v) Pursuant to section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, Whistle Blower Policy has been made in Board Meeting dated 25.05.2014.

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report violations without fear of victimization of any unethical behavior, suspected or actual fraud, violation of the code of conduct etc. which are detrimental to the organization's interest. The Whistle Blower Policy is placed on the companies website [www.rigasugar.com](http://www.rigasugar.com). During the year no personnel has been denied access to the Audit Committee.

- (v) The company has no unlisted subsidiary company as defined under Listing Regulations.
- (vi) Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Director's Report.
- (vii) The Managing Director and CFO certificate for the year 2018-19 forms part of the Annual Report.
- (viii) All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non mandatory (discretionary) requirements is given below:
1. The Company does not bear any expenses of the Non executive Chairman's office.
  2. The Financial Statements are free from any Audit Qualifications.
  3. The Internal Auditors of the Company report directly to the Audit Committee.
- (ix) The Company has laid down Risk Assessment and Minimization procedures and the same are periodically reviewed by the Board. The Company has a defined Risk Management Policy approved by the Board of Directors of the Company. Further the Company has adequate internal control systems to identify risks at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- (x) The company is engaged in the production and sale of commodities viz sugar, Ethanol, Bio-Fertiliser and co-gen power in the domestic market. The price risk of sugar is related to domestic demand and supply and there is no absurd movement in price as the market is homogeneous because large no. of sugar manufacturer and supplier is there in India. The Ethanol Procurement and Co-Gen Power is determined by the government and thus there is no price movement risk associated. The sale of Bio-fertiliser is primarily to farmers at pre-determined price and thus there is no risk of price fluctuation.
- There is no foreign exchange exposure and also no hedging and thus there is no associated foreign exchange and hedging risk associated with the company.
- (xi) Other terms which are not applicable to the Company have not been separately commented upon.

#### MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results were published in the leading English and Bengali Newspapers such as 'The Financial Express', and 'Dainik Statement' (Bengali). The Half-Yearly reports are not sent to household of shareholders. The Company's Website is [www.rigasugar.com](http://www.rigasugar.com), Official news release and presentations made to analysts are sent to the Stock Exchanges at Calcutta and Mumbai, where shares of the Company are listed.

The Company's Quarterly Results are available on [www.rigasugar.com](http://www.rigasugar.com)

As per Listing Regulations, certain documents/information such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website [www.rigasugar.com](http://www.rigasugar.com)

The Company has designated separate section for redressal of the investor grievances and necessary disclosure to this effect in the Company's website [www.rigasugar.com](http://www.rigasugar.com) as well the email-id [sprasad@rigasugar.in](mailto:sprasad@rigasugar.in)

#### GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Date and Time : Wednesday, 25th September, 2019 at. 11.30 a.m.

Venue : Parmanand Churiwal Conference Room  
Bhartiya Bhasa Parishad,  
36A, Shakespeare Sarani,  
Kolkata- 700 017

(ii) Financial Year Calendar for 2019-2020

Results for quarter ending, June, 2019	second week of August, 2019
Results for quarter ending, September, 2019	second week of November, 2019
Results for quarter ending, December, 2019	second week of February, 2020
Results for quarter ending March, 2020	second week of May, 2020 (Unaudited) OR last week of May, 2020 (if audited)

(iii) Date of Book Closure

21.09.2019 to 25.09.2019

- (iv) Outstanding ADRs/GDRs Warrants or any convertible instruments, conversion date and likely impact on equity NIL

#### LISTING OF EQUITY SHARES ON STOCK EXCHANGES AT

- (i) The Calcutta Stock Exchange Limited  
7, Lyons range, Kolkata - 700 001
- (ii) BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001

#### LISTING FEES

Listing fee for the year 2019-20 has been paid to the above Stock Exchanges.

#### DEPOSITORIES

- (i) National Securities Depository Limited  
Trade World, 4th Floor, Kamala Mills Compound  
Senapat Bapat Marg, Lower Parel  
Mumbai-400023
- (ii) Central Depository Securities Limited  
Phiroze Jeejeebhoy Towers, 28th Floor  
Dalal Street  
Mumbai-400023

#### STOCK CODE

- CSE Code 10028038
- BSE Code 507508
- ISIN Code INE 909 C01010

#### STOCK MARKET DATA

	Calcutta Stock Exchange(CSE)			Bombay Stock Exchange(BSE)		
	Month's high Price	Months Low Price	Volume	Month's high price	Month's low price	Volume
April . 2018	-	-	-	11.74	8.80	314427
May. 2018	-	-	-	8.87	6.92	347593
June. 2018	-	-	-	9.69	7.00	211365
July. 2018	-	-	-	7.44	6.46	150805
Aug. 2018	-	-	-	7.35	5.43	1559733
Sept. 2018	-	-	-	8.91	5.24	974024
Oct. 2018	-	-	-	9.35	6.80	392734
Nov. 2018	-	-	-	8.89	6.86	163156
Dec. 2018	-	-	-	8.45	7.54	76466
Jan. 2019	-	-	-	7.45	4.50	120992
Feb. 2019	-	-	-	4.72	3.61	61961
Mar. 2019	-	-	-	6.00	3.56	136689

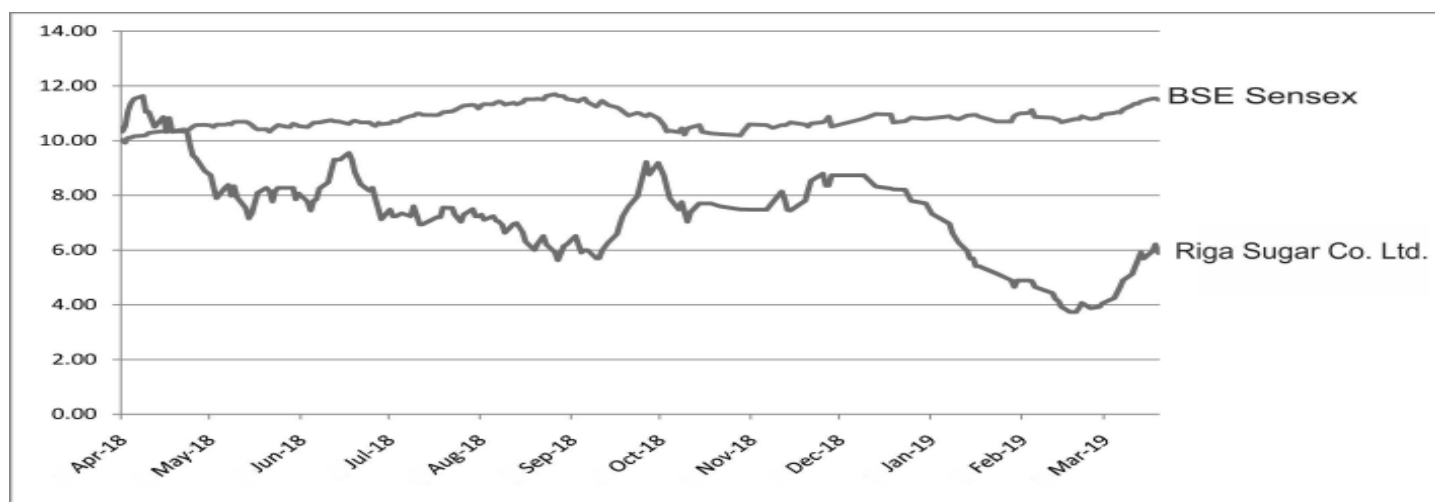
**Note:** There was no trading in Calcutta Stock Exchange during the year.

Share Price Performance in comparison to BSE Sensex.

BSE Sensex	
% change in RSCL share price	% change in Sensex
(-) 38%	(+) 17%

Financial Year ended 31st March,2019

#### MOVEMENT OF SHARE PRICE VIS-A-VIS SENSEX



#### REGISTRAR AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM

Share transfers are normally held within a maximum period of 15 days from the date of receipt and Demat request is confirmed within a period of 14 days.

##### Registrars and Share Transfer Agents:

M/s S.K. Infosolutions Pvt.Ltd.  
34/1A, Sudhir Chatterjee Street,  
Kolkata-700006  
Phone : 033 2219 6797  
Fax : 033 2219 4815  
E-mail : skcdilip@gmail.com

#### CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2019

Category	Number of Shares	Percent of total shares
Promoters	99,93,487	69.19
Foreign Institutional Investors	-	-
Banks, Financial Institutions, Insurance Co.	-	-
Companies (Central/State Govt. Institutions/Non Govt. Institutions)	-	-
Mutual Funds and UTI	2,600	0.02
Private Corporate Bodies( including clearing members)	10,64,244	7.37
Non-Resident Indian(NRI) and Overseas Corporate Bodies( OCB)	70,923	0.49
Indian Public	33,12,151	22.93
<b>TOTAL</b>	<b>1,44,43,405</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019**

<u>Shareholding Range</u>	<u>Number of shareholders</u>	<u>% of Shareholders</u>	<u>No. of Shares</u>	<u>% of Shareholding</u>
1-500	5,226	86.00	635120	4.40
501-1000	356	5.86	294997	2.04
1001-2000	197	3.24	303977	2.10
2001-3000	89	1.46	228246	1.58
3001-4000	36	0.58	130991	0.91
4001-5000	35	0.59	168338	1.17
5001-10000	68	1.12	510063	3.53
10001-50000	57	0.94	1141128	7.90
50001-100000	7	0.12	474368	3.28
100001 and above	6	0.09	10556177	73.09
<b>TOTAL</b>	<b>6077</b>	<b>100.00</b>	<b>1,44,43,405</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

	<u>No.</u>	<u>%</u>
Demat in CDSL	17,02,577	11.79
Demat in NSDL	1,25,04,711	86.58
Physical	2,36,117	1.63
<b>Total</b>	<b>1,44,43,405</b>	<b>100.00</b>

98.33% Equity Shares of the Company have been dematerialized as on 31st March, 2019.

**PLANT LOCATION**

i) SUGAR UNIT	(ii) DISTILLERY UNIT
Dhanuka Gram,	Dhanuka Gram,
P.O.Riga	P.O.Riga
Dist. Sitamarhi	Dist. Sitamarhi
Bihar - 843 327	Bihar - 843 327

**INVESTORS CORRESPONDANCE**

All share transfer cases should be forwarded to the Registrars & Share Transfer Agents of the company. All communication should be forwarded to the Registered Office of the Company marked to the attention of the Company Secretary - Mr. B. K. Bhartia (Phone No. 033 2231-3414, E-mail sprasad@rigasugar.in)

**DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT**

Pursuant to Regulation 17 (5) of SEBI (LODR) Regulations, 2015, this is to confirm that company has adopted the code of conducts for its Board Members and Senior Management Personnel and same is available on the website of the company. The Board of Directors and Senior Management Personnel of the company have affirmed their compliance with the said code, it is hereby declared that the company has obtained from all the Board Members and Senior Management personnel affirmation that they have complied with the said code for the financial year 2018-19.

Kolkata  
12.07.2019

**O. P. Dhanuka**  
(DIN : 00049947)  
Chairman - Managing Director

## **CMD Certification in Terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors

**Riga Sugar Co.Ltd.**

Kolkata.

### **Re: Financial Statements for the Financial Year 2018-19 Certification by CMD.**

I, O.P.Dhanuka, Managing Director of Riga Sugar Co. Ltd, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March,2019 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March,2019 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
5. We have indicated to the Auditors & the Audit Committee:
  - a) there have been no significant changes in internal control over financial reporting during this period
  - b) about the significant changes in accounting policies during this period.
  - c) there have no instances of significant fraud of which we have become aware and the involvements therein, of management or an employee having significant role in the company's internal control systems over financial reporting.

Kolkata  
12.07.2019

**O.P.Dhanuka**  
(DIN : 00049947)  
Chairman - Managing Director

## CERTIFICATE

To the Members of Riga Sugar Company Limited

We have examined the compliance of conditions of corporate governance by Riga Sugar Company Limited for the year ended 31st March, 2019 as stipulated in SEBI (Listing Obligation and Disclosure Requirements Regulation 2015).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulation, 2015.

We state that in respect of investor grievances received during the financial year ended 31st March, 2019 no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Stakeholder Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **H M CHORARIA**  
Company Secretaries

**(H M Choraria )**  
Proprietor  
(FCS 2398 )  
CP No. 1499

Kolkata  
12.07.2019



**INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF  
RIGA SUGAR COMPANY LIMITED**

**Opinion**

We have audited the accompanying Ind AS financial statements of **Riga Sugar Co Ltd**("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 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 loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 11(b) in the Ind AS financial statements, which indicates that the Company incurred a net loss (including other comprehensive income) of `4,644.78/- lakhs during the year ended March 31, 2019 and Net Worth of the Company has also been fully eroded. The loans from the banks became Non-Performing Asset (NPA) w.e.f. 30.09.2018 and also called by the bank for repayment [Refer Note 12(d)]. As stated in Note 25(8), these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Management of the Company has prepared the statement on going concern basis based on their assessment of the successful outcome of the restructuring proposal and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation or classification in the Balance Sheet. Also, in case of defaulted loans, the Banks have allowed "Holding on Operation" for the time being.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant of the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with AS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of user taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 except one (1) who resigned from the Board w.e.f. 11.04.2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B".
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as at 31st March 2019 [Refer Note No. 25(1) to the financial statements].
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as at 31st March, 2019.

**For Salarpuria & Partners**

Chartered Accountants

(Firm ICAI Regd No. 302113E)

UDIN : 19057076AAAABS7460

Place : Kolkata

Date : 12.07.2019

**Nihar Ranjan Nayak**

Partner

(Membership No. : 57076)

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

**(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date)**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company. According to the information and explanations given to us, discrepancies noticed on such verification have been properly adjusted in the books of account.  
  
(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of company.
- ii) As explained to us, inventories have been physically verified during the year by the management, which, in our opinion, is reasonable and discrepancies which were noticed have been properly dealt with in the books of account.
- iii) The Company has granted an unsecured loan, to a company, covered in the register maintained under section 189 of the Companies Act, 2013.  
  
(a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.  
  
(b) The said loans and interest thereon are fully received during the year. In respect of another Company, refer Note No. 25(9)(b)(7).
- iv) According to the information and explanations given to us, there are no such loans, investments, guarantees and security for which Section 185 & Section 186 are applicable.
- v) According to the information and explanations given to us, there is no such deposits, taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are required to be complied with.
- vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
- vii) a) According to the records of the Company and as per the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues except in some cases including provident fund, employees' state insurance, goods and services tax, income tax, duty of customs, cess and other statutory dues with the appropriate authorities. Some delay is noticed in depositing the above however, no arrears of outstanding statutory dues on the last day of the financial year concerned exists for a period of more than six months from the date they became payable.  
  
b) On the basis of our examination of the documents and records the following disputed statutory due which have not been deposited with the appropriate authorities are as under:

The details regarding the Excise Duty, Custom Duty and Service Tax disputed dues are as follows:

Name of Statute	Nature of dues	Amount of demand (Including Interest & Penalty) (Rs. in Lacs)	Amount deposited under dispute (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
1 VAT	VAT	25.87	25.87	2004-05	Hon'ble Patna High Court
2 VAT	VAT on SDS @ 12.5% instead of 4%	95.72	35.62	2009-10 & 2010-11	Commercial Taxes Tribunal, Patna
3 VAT	VAT on SDS @ 12.5% instead of 4%	230.65	41.73	2011-12	Commercial Taxes Tribunal, Patna
4 VAT	VAT on Stock Transfer of RS for CL	61.84	12.99	2012-13	Commercial Taxes Tribunal, Patna
5 VAT	VAT on Stock Transfer of RS for CL	200.15	10.00	2013-14	Commercial Taxes Tribunal, Patna
6 Central Government	Demand under rule 6(3) LSPEF Act	42.56	-	Nov 13 to Jun 17	CESTAT, Kolkata
7 Central Excise	Central Credit taken on Service Tax on Transportation	64.05	-	2012-13 to 2015-16 (upto Feb 16)	Excise Commissioner (Appeal), Patna
8 State Excise Dept.	Inferior Quality of Country Liquor supplied at Araria	382.49	-	2015-16	Hon'ble Patna High Court
9 State Excise Dept.	Inferior Quality of Country Liquor supplied at Seohar	98.07	-	2016-17	Hon'ble Patna High Court
10 Employee State Insurance	Employee State Insurance	3.07	0.77	2013-2014 to 2017-2018	Employee State Insurance Court

viii) The Company has defaulted in repayment of loans to Banks .The details of the facts are given as follows:

Name of the Banks/ Financial Institution	Loan outstanding as on 31.03.2019	Interest outstanding as on 31.03.2019	Remarks
Bank of India(BOI)	Rs. 6788.60 lacs	Rs. 211.88 lacs	<b>Present status - "Holding on Operation"</b> Both banks served notice under SARFAESI Act,2002 for repayment of their respective loan and as per banks the loan became NPA w.e.f 30th September,2018. As a result, term loans and working capital loans is shown under Financial Liabilities under Current liabilities as "Holding on Operation" and subject to confirmation and reconciliation thereof Refer Note 12 (d)&( e) to the financial statements.
Union Bank of India (UBI)	Rs. 2368.58 lacs	Rs. 115.08 lacs	

Further, the Company has defaulted in repayment of Sugar Development Fund (SDF) amounting to Rs. 951.11 lakhs and of Rs. 934.12 Lakhs is still not acknowledged as debt [Refer Note 25(1)(c)]. The company has also defaulted in repayment of Kishan Credit Loans [Refer Note 25(7)]

- ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised any term loan, and it has not raised any money by way of initial public offer or further public offer during the year. Hence comment on this clause is not applicable.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanation given to us, we have neither come across instance of fraud on the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi) To the best of our knowledge and belief, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) According to the information and explanation given to us, clause (xii) in respect of Nidhi Company is not applicable to the company. Hence the comment on the said clause does not arise.
- xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act 2013, and have been disclosed in Notes to Accounts as required by Ind AS 24. [Refer Note 25(9)].
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; hence comment on the said clause of the order is not applicable.
- xv) To the best of our knowledge and belief and as per the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with them.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Salarpuria & Partners**  
Chartered Accountants  
(Firm ICAI Regd No. 302113E)  
UDIN : 19057076AAAABS7460

**Nihar Ranjan Nayak**  
Partner  
(Membership No. : 57076)

Place : Kolkata  
Date : 12.07.2019

## **ANNEXURE `B' TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to Paragraph 2(g) of Report on Other Legal and Regulatory Requirements of our Report of even date)**

We have audited the internal financial controls over financial reporting of Riga Sugar Co Ltd("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Unit considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Unit's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, 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 31st March, 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 **Salarpuria & Partners**  
Chartered Accountants  
(Firm ICAI Regd No. 302113E)  
UDIN : 19057076AAAABS7460

**Nihar Ranjan Nayak**  
Partner  
(Membership No. : 57076)

Place : Kolkata  
Date : 12.07.2019



## Balance Sheet as at 31st March, 2019

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

ASSETS	Notes	As at 31.03.2019	As at 31.03.2018
<b>(1) NONCURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	15,464.87	15,789.64
(b) Capital Work in Progress	2	176.92	-
(c) Other Intangible Assets	3	38.50	35.10
(d) Financial Assets			
(i) Other Financial Assets	4(b)	691.48	504.94
(e) Deferred Tax Assets (Net)	5	935.52	935.52
(f) Other Non- Current Assets	6	334.26	279.37
<b>Total (1)</b>		<b>17,641.54</b>	<b>17,544.57</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	7	11,955.30	17,318.41
(b) Financial Assets			
(i) Trade Receivables	8(a)	658.56	875.39
(ii) Cash & Cash Equivalents	8(b)	184.75	31.40
(iii) Bank Balances other than (ii) above	8(c)	141.46	38.57
(iv) Loans	4(a)	-	12.50
(c) Current Tax Asset (Net)	9	13.25	12.42
(d) Other Current Assets	10	542.30	523.70
<b>Total (2)</b>		<b>13,494.62</b>	<b>18,812.38</b>
<b>Total Assets (1+2)</b>		<b>31,137.15</b>	<b>36,356.95</b>
EQUITY AND LIABILITIES	Notes	As at 31.03.2019	As at 31.03.2018
<b>(1) EQUITY</b>			
(a) Equity Share Capital	11(A)	1,444.34	1,444.34
(b) Other Equity	11(B)	(1,133.00)	3,511.79
<b>Total (1)</b>		<b>311.35</b>	<b>4,956.13</b>
<b>(2) LIABILITIES</b>			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12(a)	952.87	2,327.30
(b) Other Non Current Liabilities	15(a)	49.92	-
(c) Provisions	13	502.37	576.98
<b>Total (2)</b>		<b>1,505.16</b>	<b>2,904.28</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(a)	11,832.18	10,572.14
(ii) Trade Payables	12(b)		
(A) Total outstanding dues of micro enterprises and small enterprises;		16,192.75	15,653.89
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises;		1,021.04	1,841.92
(iii) Other Financial Liabilities	14(b)	1,021.04	1,841.92
(b) Other Current Liabilities	15(b)	165.17	329.39
(c) Provisions	16	109.50	99.20
<b>Total (3)</b>		<b>29,320.64</b>	<b>28,496.54</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>31,137.15</b>	<b>36,356.95</b>

Significant Accounting Policies &amp; Other Notes

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For **SALARPURIA & PARTNERS**

Chartered Accountants

Firm ICAI Reg. No. 302113E

**Nihar Ranjan Nayak**

Partner

(Membership No. : 57076)

**S. R. Mallick**

CFO

**B. K. Bhartia**

Company Secretary

1 &amp; 25

For and behalf of the Board of Directors

**O. P. Dhanuka**

(DIN : 00049947)

Chairman &  
Managing Director**Nirmal K. Parsarmka**

(DIN : 00086584)

Directors

Place : Kolkata

Date : 12.07.2019

## Statement of Profit and Loss for the year ended 31st March, 2019

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

PARTICULARS	Notes	For the Year ended 31.03.2019	For the Year ended 31.03.2018
I. Revenue from Operations	17	15,487.31	9,799.04
II. Other Income	18	503.22	307.87
<b>III. Total Revenue (I + II)</b>		<b>15,990.53</b>	<b>10,106.91</b>
<b>IV. Expenses:</b>			
a) Cost of Materials Consumed	19	9,851.67	12,569.33
b) Excise duty on sale of goods		-	221.29
c) "Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress"	20	5,285.08	(6,512.39)
d) Employee Benefit Expenses	21	1,600.91	1,883.75
e) Finance Costs	22	1,963.44	1,765.35
f) Depreciation and Amortization Expense	23	490.55	471.74
g) Other Expenses	24	1,442.00	1,789.18
<b>IV. Total Expenses</b>		<b>20,633.66</b>	<b>12,188.25</b>
V. Profit/(Loss) before Exceptional Items and Tax (III - IV)		(4,643.12)	(2,081.34)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before Tax (V -VI)		(4,643.12)	(2,081.34)
VIII. Tax Expense:			
1 Current Tax		-	-
2 Tax for earlier years (Net)		-	4.23
3 Deferred Tax		-	-
<b>Net Current Tax (VIII)</b>		<b>-</b>	<b>4.23</b>
IX. Profit/(Loss) for the Period (VII- VIII)		(4,643.12)	(2,085.57)
X. Other Comprehensive Income for the period			
(i) Item that will not be reclassified to Profit or Loss		(1.66)	(53.11)
(ii) Items that will be reclassified to Profit or Loss		-	-
XI. Total Comprehensive Income for the period (IX +X)		<b>(4,644.78)</b>	<b>(2,138.68)</b>
Earnings per Equity Share (for Continuing Operations):	25(3)		
(1) Basic		(32.15)	(14.44)
(2) Diluted		(32.15)	(14.44)

### Significant Accounting Policies & Other Notes

The accompanying notes are an integral part of the Financial Statements

1 &amp; 25

As per our report of even date

For **SALARPURIA & PARTNERS**Chartered Accountants  
Firm ICAI Reg. No. 302113E**Nihar Ranjan Nayak**Partner  
(Membership No. : 57076)**S. R. Mallick**

CFO

**B. K. Bhartia**

Company Secretary

**O. P. Dhanuka**

(DIN : 00049947)

Chairman &  
Managing Director**Nirmal K. Parsarmka**

(DIN : 00086584)

Directors

Place : Kolkata

Date : 12.07.2019

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

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	(4,643.12)	(2,081.34)
Adjustment for :		
Depreciation	485.33	466.60
Net Gain/Loss on Fair Valuation	(1.66)	(53.11)
Amortisation	5.22	5.14
Loss on Dispose of asset	4.71	-
Interest Expenses	1,963.44	1,765.35
Interest Income	(7.61)	(7.10)
<b>Operating Profit before Working Capital Changes</b>	<b>(2,193.69)</b>	<b>95.54</b>
<b>Movements In Working Capital :</b>		
Increase/(Decrease) in Trade Payables	538.86	7,648.41
Increase/(Decrease) in Other Current Liabilities	(166.80)	(386.73)
(Increase)/ Decrease in Inventories	5,363.11	(6,092.48)
(Increase)/ Decrease in Trade Receivables	216.83	(311.08)
(Increase)/ Decrease in Loans	-	(8.50)
Increase/ (Decrease) in Provisions	(64.31)	90.74
Increase/ (Decrease) in Other Financial Assets	(198.96)	-
(Increase)/ Decrease in Other Financial Liabilities	(65.07)	255.53
(Increase)/Decrease in Other Non Current Assets	(54.88)	1,165.14
(Increase)/Decrease in Other Current Assets	(18.60)	(191.82)
<b>Cash generated from/(used in) Operations</b>	<b>3,356.48</b>	<b>2,264.75</b>
Direct Taxes Paid (Net)	(0.83)	0.06
<b>Net Cash from Operating Activities (A)</b>	<b>3,355.65</b>	<b>2,264.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investment in Bank Deposits	(90.48)	(9.82)
Addition to Capital Work-in-Progress	(176.92)	595.47
Sale of Property, Plant & Equipment and Intangible Assets	-	0.14
Capital Subsidy Received	52.49	-
Interest Received	7.61	7.10
Purchase of Property, Plant & Equipment and Intangible Assets	(173.88)	(1,133.48)
<b>Net Cash from Investing Activities (B)</b>	<b>(381.18)</b>	<b>(540.59)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(1,619.11)	(1,649.40)
Repayment of Long Term Borrowings	(1,038.81)	(1,410.25)
Refund from Long Term Loans	12.50	77.35
Proceeds/(Repayment) of Short Term Borrowings	(175.71)	1,233.04
<b>Net Cash from Financing Activities (C)</b>	<b>(2,821.13)</b>	<b>(1,749.26)</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>153.35</b>	<b>(25.04)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>31.40</b>	<b>56.43</b>
<b>Cash and Cash Equivalents at end of the year</b>	<b>184.75</b>	<b>31.40</b>
<b>Cash &amp; Cash Equivalents</b>		
Balance with Bank	184.11	29.72
Current Account	0.64	1.68
Cash in hand	<b>184.75</b>	<b>31.40</b>

**Note :** (a) Previous year's figures have been regrouped/recasted wherever necessary.

(b) The above cash flow has been prepared under "Indirect Method" as prescribed under Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flows", notified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, and other accounting principles generally accepted in India.

As per our report of even date  
For **SALARPURIA & PARTNERS**  
Chartered Accountants  
Firm ICAI Reg. No. 302113E  
**Nihar Ranjan Nayak**  
Partner  
(Membership No. : 57076)

**S. R. Mallick**  
CFO

**B. K. Bhartia**  
Company Secretary

**O. P. Dhanuka**  
(DIN : 00049947)  
Chairman &  
Managing Director

**Nirmal K. Parsarmka**  
(DIN : 00086584)  
Directors

Place : Kolkata  
Date : 12.07.2019

## Statement of Changes in Equity for the year ended 31.03.2019

### A) EQUITY SHARE CAPITAL

Rs. in Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
At the beginning of the year	1,444.34	1,444.34
Issue of Equity share capital during the year	-	-
At the end of the year	<b>1,444.34</b>	<b>1,444.34</b>

### B) OTHER EQUITY

Rs. in Lakhs

Particulars	Reserves & Surplus				Other Compre- hensive Income	Total Other Equity
	Capital Reserve	Securities Premium	Revaluation Surplus	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	8.43	1,703.05	7,991.98	(6,112.41)	(79.26)	3,511.78
Changes in equity during the year ended 31st March, 2019:						-
Profit/(Loss) for the year				(4,643.12)	(1.66)	(4,644.78)
Transfer from/to revaluation surplus/retained earnings	-	-	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>8.43</b>	<b>1,703.05</b>	<b>7,991.98</b>	<b>(10,755.53)</b>	<b>(80.92)</b>	<b>(1,133.00)</b>
Balance as at 1st April, 2017	8.43	1,703.05	7,991.98	(4,026.84)	(26.15)	5,650.47
Changes in equity during the year ended 31st March, 2018:						-
Profit/(Loss) for the year	-	-	-	(2,085.57)	(53.11)	(2,138.68)
Transfer from/to revaluation surplus/retained earnings	-	-	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-
Balance as at 31st March, 2018	<b>8.43</b>	<b>1,703.05</b>	<b>7,991.98</b>	<b>(6,112.41)</b>	<b>(79.26)</b>	<b>3,511.78</b>

As per our report of even date  
For **SALARPURIA & PARTNERS**  
Chartered Accountants  
Firm ICAI Reg. No. 302113E  
**Nihar Ranjan Nayak**  
Partner  
(Membership No. : 57076)

**S. R. Mallick**  
CFO

**B. K. Bhartia**  
Company Secretary

**O. P. Dhanuka**  
(DIN : 00049947)  
Chairman &  
Managing Director

**Nirmal K. Parsarmka**  
(DIN : 00086584)  
Directors

Place : Kolkata  
Date : 12.07.2019

## Notes to Financial Statements as at 31st March, 2019

### NOTE 1(A) CORPORATE INFORMATION

Riga Sugar Co Ltd ("RSCL" or "the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is situated at 14, Netaji Subhas Road, 2nd Floor Kolkata– 700001, West Bengal, India.

The Company's shares are listed on the Bombay Stock Exchange Ltd. and The Calcutta Stock Exchange Ltd.

The Company's sugar factory is one of the oldest sugar factories in India. The principal activity of the Company is manufacturing of sugar.

#### Its allied business consists of :

- (a) Manufacturing and sale of Ethanol & Bio-Compost (in the name of Harabhara Fertilisers, Krishi Labh) ,and
- (b) Generation and Sale of Power

The financial statements are presented in Indian Rupee (Rs.) in Lakhs

### NOTE 1(B) SIGNIFICANT ACCOUNTING POLICIES

#### i) Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2017 . Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

#### ii) Basis of Preparation

These financial statements have been prepared in accordance with Ind AS under the historical cost basis except for the following:

- i) **Certain financial assets and financial liabilities** - measured at fair value and
- ii) **Defined benefits plan** – plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "Rs." or "₹"), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest rupees in lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

#### iii) Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

##### a. Sale of goods

Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. It includes excise duty and cess and excludes sales tax/VAT,GST, trade discounts and rebates.

## Notes to Financial Statements for the Year ended 31st March, 2019

### b. Interest income

Interest income is included in "Other Income" in the Statement of Profit and Loss.

### c. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

d. All other incomes are accounted for on accrual basis.

### iv) Expenses

All expenses are accounted for on accrual basis.

### v) Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

a. All Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision is met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### b. Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated.

Depreciation on other items of PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013, except where stated otherwise.

The estimated useful lives are determined based on assessment made by technical experts, in order to reflect the actual usage of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

#### The estimated useful lives considered are as follows:

<u>Category</u>	<u>Useful life</u>
Buildings Factory	30 years
Buildings Non-Factory	60 years
Plant and equipment	25 years
Furniture and fixtures*	5 years
Vehicles	8 years
Computer and Data Processor	3 years

## Notes to Financial Statements for the Year ended 31st March, 2019

\* The Management believes that the useful life of Furniture & Fixtures best represents the period over which it is expected to be used. Hence the useful lives of these assets are different from the useful lives as prescribed under Schedule II of the Companies Act, 2013.

The residual value of an item of PPE is not more than 5% of the original cost of the respective asset.

The estimated useful lives, residual values and depreciation method are reviewed at-least at the end of each financial year and are adjusted, wherever appropriate.

### Expenditure during construction period

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under CWIP. CWIP is stated at the amount expended upto balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

### vi) Intangible assets

#### a. Recognition

An intangible asset shall be recognised if, and only if:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and
- the cost of the asset can be measured reliably.

#### b. Amortization methods, estimated useful lives and residual value

Intangible Assets are amortized on a straight-line basis over its estimated useful lives of ten years and are carried at cost less accumulated amortisation & impairment losses, if any.

The estimated useful lives, residual values and amortization method are reviewed at-least at the end of each financial year and are adjusted, wherever appropriate.

### vii) Inventories

- a. Inventories (other than by-products and scraps) are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventory comprises purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

- b. By-products and scraps are valued at net realisable value.
- c. Biological Assets comprise Standing crops of Sugarcane. Biological Assets are measured at Fair Value less estimated costs to sell.

### viii) Government Grants

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate, and are adjusted with the related expenditure.

Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

If not related to a specific expenditure, it is taken as income and presented under "Other Income".

## Notes to Financial Statements for the Year ended 31st March, 2019

### ix) Borrowings Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### x) Provisions, contingent liabilities and contingent assets

- a. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to provision is presented in the Statement of Profit and Loss, net of any reimbursement.

- b. A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognized in the financial statements of the period (except in the extremely rare circumstances, where no reliable estimate can be made).

- c. A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.

When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

- d. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

### xi) Dividend payable

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.

### xii) Foreign currency transactions and translations

#### a. Functional and presentation currency

The items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

The financial statements are presented in Indian National Rupee (INR), which is the Company's functional as well as presentation currency.

#### b. Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.



## Notes to Financial Statements for the Year ended 31st March, 2019

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

### xiii) Employee benefits

#### a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

#### b. Defined contribution plans

Contributions under the Provident Fund benefit Plan are being deposited to the Government administered/trust formed exclusively for maintaining the Provident fund related activities of the company, which is an exempted organization under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss on accrual basis.

#### c. Defined benefit plans

The liability or asset recognised in the Balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by external actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to the market yields as at the balance sheet date on government bonds that have terms approximating to the terms of the related obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

#### Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Net interest expense or income

#### d) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date. The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### xiv) Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the Statement of Profit and Loss, except to the extent it relates to items directly recognized in Equity or in OCI.

## Notes to Financial Statements for the Year ended 31st March, 2019

### a) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and Equity are recognized in OCI and in Equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws to the extent it is likely to give future economic benefits in the form of availability to set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### xv) Prior Period Items

Prior Period Income/expenses are accounted under the respective heads. Material items, if any, are disclosed separately by way of a note, except the items which are necessitated by circumstances although related to prior period but are determined in current period.

### xvi) Earnings per Share

- a. Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.
- b. Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented. Dilutive potential equity shares are determined independently for each period presented.

## Notes to Financial Statements for the Year ended 31st March, 2019

### xvii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- a. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realisable value in case of by-products.

- b. Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

### xviii) Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand and balance with banks on current accounts.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

### xix) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### xx) Financial Instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

- a. **Financial Assets "Initial recognition and measurement:** All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include trade and other receivables, loans and advances, and cash and bank balances.

**De-recognition:** The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

- b. **Financial liabilities Initial recognition and measurement:** All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs. The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts etc. **De-recognition** A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### xxi) Use of critical estimates, judgements and assumptions

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgement and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

## Notes to Financial Statements for the Year ended 31st March, 2019

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the financial statements.

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

## NOTE 2: PROPERTY, PLANT &amp; EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	PROPERTY, PLANT & EQUIPMENT						Capital Work-in Progress
	Freehold Land	Building	Plant & Machinery	Furniture, Fixtures & Equipments	Vehicles	Total	
<b>Gross block</b>							
Gross Carrying Amount As At 1st April, 2018	8,069.60	971.56	7,531.69	34.61	77.70	16,685.17	-
Additions during the year	-	-	164.56	0.71	-	165.27	176.92
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year*	-	-	-	5.73	-	5.73	-
<b>Gross carrying amount as at 31st March, 2019</b>	<b>8,069.60</b>	<b>971.56</b>	<b>7,696.25</b>	<b>29.60</b>	<b>77.70</b>	<b>16,844.71</b>	<b>176.92</b>
Depreciation/amortisation							
Accumulated depreciation/amortisation as at 1st April, 2018	-	80.52	763.81	19.38	31.81	895.52	-
Depreciation/amortisation for the year	-	41.94	420.61	8.80	13.97	485.33	-
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	1.02	-	1.02	-
<b>Accumulated depreciation as at 31st March, 2019</b>	<b>-</b>	<b>122.46</b>	<b>1,184.42</b>	<b>27.16</b>	<b>45.79</b>	<b>1,379.84</b>	<b>-</b>
<b>Net carrying amount as at 31st March, 2019</b>	<b>8,069.60</b>	<b>849.10</b>	<b>6,511.82</b>	<b>2.43</b>	<b>31.91</b>	<b>15,464.87</b>	<b>176.92</b>
<b>Gross block</b>							
Gross Carrying Amount As At 1st April, 2017	8,069.60	877.85	6,516.31	30.56	76.40	15,570.73	595.47
Additions during the year	-	93.71	1,015.38	4.05	1.50	1,114.64	-
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year*	-	-	-	-	0.20	0.20	595.47
<b>Gross carrying amount as at 31st March, 2018</b>	<b>8,069.60</b>	<b>971.56</b>	<b>7,531.69</b>	<b>34.61</b>	<b>77.70</b>	<b>16,685.17</b>	<b>-</b>
Depreciation/amortisation							
Accumulated depreciation/amortisation as at 1st April, 2017	-	39.10	363.58	10.70	15.61	428.99	-
Depreciation/amortisation for the year	-	41.42	400.23	8.68	16.27	466.60	-
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	0.07	0.07	-
<b>Accumulated depreciation as at 31st March, 2018</b>	<b>-</b>	<b>80.52</b>	<b>763.81</b>	<b>19.38</b>	<b>31.81</b>	<b>895.52</b>	<b>-</b>
<b>Net carrying amount as at 31st March, 2018</b>	<b>8,069.60</b>	<b>891.04</b>	<b>6,767.88</b>	<b>15.23</b>	<b>45.89</b>	<b>15,789.64</b>	<b>-</b>

## NOTES:

The finance costs on specific borrowings capitalised during the year amounted to Rs NIL (P.Y. Rs 42.71 Lakhs).

\* The Company has disposed of Furniture & Fixtures of Rs. 4.71 lakh. The loss on account of this has been charged to Statement of Profit & Loss.

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

<b>Note : 3 OTHER INTANGIBLE ASSETS</b>	<b>Software Development</b>	<b>Total</b>
<b>Gross block</b>		
<b>Gross carrying amount as at 1st April, 2018</b>	43.53	43.53
Additions during the year	8.61	8.61
Disposals/deductions during the year	-	-
<b>Gross carrying amount as at 31st March, 2019</b>	<b>52.15</b>	<b>52.15</b>
<u>Amortisation</u>		
Accumulated amortisation as at 1st April, 2018	8.43	8.43
Amortisation for the year	5.22	5.22
Disposals/deductions during the year	-	-
<b>Accumulated amortisation as at 31st March, 2019</b>	<b>13.65</b>	<b>13.65</b>
<b>Net carrying amount as at 31st March, 2019</b>	<b>38.50</b>	<b>38.50</b>
<b>Gross block</b>		
Gross carrying amount as at 1st April, 2017	24.70	24.70
Additions during the year	18.83	18.83
Disposals/deductions during the year	-	-
<b>Gross carrying amount as at 31st March, 2018</b>	<b>43.53</b>	<b>43.53</b>
<u>Amortisation</u>		
Accumulated amortisation as at 1st April, 2017	3.29	3.29
Amortisation for the year	5.14	5.14
Disposals/deductions during the year	-	-
<b>Accumulated amortisation as at 31st March, 2018</b>	<b>8.43</b>	<b>8.43</b>
<b>Net carrying amount as at 31st March, 2018</b>	<b>35.10</b>	<b>35.10</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

<b>Note : 4(a) LOANS (Carried at amortised cost)</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Loan Receivable considered good - Secured</b>	-	-
<b>Loan Receivable considered good - Unsecured</b>	-	-
Loan to Related Party		
- DG Vitta Vinimay & Properties Limited	-	12.50
Loan Receivable which have significant increase in Credit Risk	-	-
Loan Receivable - credit impaired	-	-
Unsecured, Considered Good	-	-
<b>Total</b>	<b>-</b>	<b>12.50</b>

<b>Note : 4(b) OTHER FINANCIAL ASSETS (Unsecured, Considered good)</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Bank Deposits with Maturity more than 12 months(Refer Note No. 8c) (Margin money against Bank Guarantee)	10.26	22.67
Buffer Stock Subsidy	124.42	-
Government Grants	556.81	482.26
<b>Total</b>	<b>691.48</b>	<b>504.94</b>

<b>Note : 5 DEFERRED TAX ASSET (NET)</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Deferred Tax (Net)	935.52	935.52
<b>Total</b>	<b>935.52</b>	<b>935.52</b>

<b>Note : 6 OTHER NON CURRENT ASSETS (Unsecured, Considered good unless otherwise stated)</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Balances with Government Authorities	52.92	7.79
Receivable from Government	278.03	270.38
Security Deposit	3.30	1.21
<b>Total</b>	<b>334.26</b>	<b>279.37</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note : 7 INVENTORIES (Valued at Cost or NRV whichever is lower)	As at 31.03.2019	As at 31.03.2018
Raw Material	163.49	195.48
Stock-in-Process*	252.71	291.80
Finished Goods**	10,438.35	14,803.48
By- Products***	497.97	1,378.84
Stores & Spares	602.78	648.81
<b>Total</b>	<b>11,955.30</b>	<b>17,318.41</b>

**\*Details of Stock-in-Process:**

Sugar	252.71	291.80
Ethanol	-	-
	<b>252.71</b>	<b>291.80</b>

**\*\*Details of Finished Goods:**

Sugar	10,149.10	13,991.86
Ethanol	213.90	614.70
Fertiliser	75.36	196.93
	<b>10,438.35</b>	<b>14,803.48</b>

**\*\*\*Details of By-Products:**

Molasses	177.99	313.52
Bagassee	319.98	1,065.32
	<b>497.97</b>	<b>1,378.84</b>

Note : 8(a) TRADE RECEIVABLES (Carried at Amortised cost)	As at 31.03.2019	As at 31.03.2018
Trade Receivable considered goods -Secured	-	-
Trade Receivable considered goods -Unsecured	658.56	875.39
Trade Receivable which has significant increase in Credit Risk	-	-
Trade Receivable -credit impaired	-	-
<b>Total</b>	<b>658.56</b>	<b>875.39</b>

Note : 8(b) CASH AND CASHEQUIVALENT	As at 31.03.2019	As at 31.03.2018
Balances with Bank		
- In Current Account*	184.11	29.72
Cash on Hand	0.64	1.68
<b>Total</b>	<b>184.75</b>	<b>31.40</b>

\*Includes Rs. 153.98 Lakhs ,withheld by Bank since 30.09.2018 on becoming NPA which is to be paid to suppliers of cane.



## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note : 8(c) BANK BALANCES OTHER THAN 8(b) ABOVE	As at 31.03.2019	As at 31.03.2018
Bank Deposits with maturity less than 12 months (Margin money against Bank Guarantee)*	141.46	38.57
<b>Total</b>	<b>141.46</b>	<b>38.57</b>

\* For Bank Gurantee amounting to Rs.237.76 Lakh, Margin Money Deposit of Rs.151.72 lakh has been kept with the Bank.

Note : 9 CURRENT TAX ASSET (NET)	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, Considered good</b>		
Advance payment of Income Tax (Net)	13.25	12.42
<b>Total</b>	<b>13.25</b>	<b>12.42</b>

Note : 10 OTHER CURRENT ASSETS (Unsecured, considered good)	As at 31.03.2019	As at 31.03.2018
Advances other than Capital Advances		
Prepaid Expenses	22.51	16.96
Advance to Cane Growers	21.45	19.76
Advance to staff	8.96	16.38
Advance to Suppliers	218.21	132.36
Other Advances	271.17	338.24
<b>Total</b>	<b>542.30</b>	<b>523.70</b>

Note : 11(A) EQUITY SHARE CAPITAL	Nos.	As at 31.03.2019	Nos.	As at 31.03.2018
<b>(A) Equity Share Capital</b>				
Authorised Shares				
Equity Shares of Rs. 10/- each	19,900,000	1,990.00	19,900,000	1,990.00
12% Cumulative Redeemable Preference shares of Rs. 10/- each	100,000	10.00	100,000	10.00
<b>(B) Issued, Subscribed Shares &amp; Paid-up Shares</b>				
<b>Issued and Subscribed :</b>				
Equity Shares of Rs. 10/- each	14,477,105	1,447.71	14,477,105	1,447.71
<b>Paid- Up :</b>				
Equity Shares of Rs. 10/- each	14,443,405	1,444.34	14,443,405	1,444.34
<b>Total</b>		<b>1,444.34</b>		<b>1,444.34</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

**a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period :**

Rs. in Lakhs

Equity Shares	Nos.	As at 31.03.2019	Nos.	As at 31.03.2018
At the beginning of the period	14,443,405	1,444.34	14,443,405	1,444.34
Issued during the period	-	-	-	-
Outstanding at the end of the period	14,443,405	1,444.34	14,443,405	1,444.34

**b. Terms/Rights attached to Equity Shares**

The Company has one Class of Shares issued, Equity Shares having a par value of Rs. 10/- each and no special right and/or preference are attached to such shares. Each Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

c. The Company does not have any Holding Company, ultimate Holding Company or Subsidiary Company.

**d. Details of Shareholders holding more than 5% of Shares in the Company :**

Particulars	Nos.	As at 31.03.2019	Nos.	As at 31.03.2018
D G Vitta Vinimay & Properties Limited	7,098,484	49.15%	7,098,484	49.15%
The Belsund Sugar and Industries Ltd	2,791,326	19.33%	2,616,165	18.11%

e. No Shares reserved for issue under options and contract/commitments for the sale of shares/disinvestment including the terms and amounts.

f. For the period of five years immediately preceding the date as at the Balance Sheet is prepared:

No Shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash.

No Shares have been allotted as fully paid up by way of Bonus Shares.

No Shares has been bought back by the Company.

g. There is no unpaid call.

**h. Amount of forfeited equity shares :**

Particulars	As at 31.03.2019	As at 31.03.2018
(33,700) shares of Rs. 10 each on which Rs. 5 was paid up)	1.69	1.69

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note : 11(B) : OTHER EQUITY	As at 31.03.2019		As at 31.03.2018	
<b>(a) Capital Reserve</b>				
Opening balance	8.43		8.43	
Addition/Deduction during the year	-		-	
Closing Balance		8.43		8.43
<b>(b) Securities Premium</b>				
Opening balance	1,703.05		1,703.05	
Addition/Deduction during the year	-		-	
Closing Balance		1,703.05		1,703.05
<b>(c) Revaluation Surplus</b>				
Opening balance	7,991.98		7,991.98	
Addition/Deduction during the year	-		-	
Closing Balance		7,991.98		7,991.98
<b>(d) Retained Earnings</b>				
Opening balance	(6,112.41)		(4,026.84)	
Profit/(Loss) during the year	(4,643.12)		(2,085.57)	
Closing Balance		(10,755.53)		(6,112.41)
<b>(e) OCI (Remeasurement of Defined Benefit Plan)</b>				
Opening balance	(79.26)		(26.15)	
Addition/Deduction during the year	(1.66)		(53.11)	
Closing Balance		(80.92)		(79.26)
<b>TOTAL OTHER EQUITY</b>		<b>(1,133.00)</b>		<b>3,511.79</b>

**Nature and Purpose of Reserve****i) Capital Reserve**

Capital Reserve have arised on the account of Share Forfeiture.

**ii) Revaluation Reserve**

Revaluation Reserve have arised on the account of revaluation of Land.

**iii) Securities Premium**

Securities Premium is the premium on issue of equity shares. The reserve will be utilised in accordance with the provision of the Act.

**iv) Retained Earnings**

Retained Earnings is the present accumulated profits/(losses) earned the Company and remaining undistributed as on date.

**v) FVTOCI Reserve**

OCI have arised on the account of remasurement of defined benefit plan.

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note 12 : FINANCIAL LIABILITIES	As at 31.03.2019		As at 31.03.2018	
<b>(A) BORROWINGS</b>				
<b>(i) Non-Current</b>				
<b>Carried at amortised cost</b>				
<b>Secured</b>				
<b>Rupee Loans</b>				
Bank of India (BOI)	1,066.57		1,049.59	
Union Bank of India(UBI)	369.19		343.03	
Less : Transferred to Current Borrowings as "Holding on Operation" [Note No. : 14]	<b>(1,435.75)</b>	-	-	<b>1,392.62</b>
<b>Car Loan</b>				
HDFC Bank	-		0.80	
<b>Tractor Loan</b>				
Central Bank of India		1.76		5.76
<b>From entities other than banks</b>				
<b>Secured</b>				
Rupee Loans				
Government of India, Sugar Development Fund (SDF)		951.11		928.13
<b>Total</b>		<b>952.87</b>		<b>2,327.30</b>

## a. Nature of Security, Terms of Repayment etc. (As per Sanction Letter) :

Term Loans from Bank	Rate of Interest	Repayment Terms
<b>Bank of India (BOI) :</b>		
Excise Loan	12.00%	Monthly Repayment of Rs. 26.72 Lakhs from April, 2018 to February, 2019
Bihar Soft Loan	11.95%	Quarterly Repayment of Rs. 62.90 Lakhs from June, 2018 to June, 2021
Term Loan	13.65%	Quarterly Repayment of Rs. 34.70 Lakhs from June, 2018 to June, 2022
<b>Union Bank of India (BOI) :</b>		
Excise Loan	11.90%	Monthly Repayment of Rs. 8.92 Lakhs from April, 2018 to March, 2019
Bihar Soft Loan	12.45%	Quarterly Repayment of Rs. 21.00 Lakhs from June, 2018 to June, 2021
Term Loan	13.65%	Quarterly Repayment of Rs. 11.55 Lakhs from June, 2018 to June, 2022
<b>Sugar Development Fund :</b>	<p><b>Normal Interest :</b> 6% per annum from the date of release of amount to Industrial Finance Corporation of India, New Delhi which was reduced to 4% w.e.f. 20.10.2014.</p> <p><b>Penal Interest in case of Default:</b> Additional @ 2.5% per annum over and above normal rate of 6% per annum.</p>	Repayment of Principal and payment of interest thereon to commence after the expiry of one year of the repayment of ICICI loan and interest thereon or on the expiry of a period of five years reckoned from the date of disbursement of term Loan to ICICI whichever is earlier, in accordance with the provisions of Rule 16(9)(iv) of the Sugar Development Fund Rules as amended from time to time, in annual installments not exceeding five in number.

## Notes to Financial Statements for the Year ended 31st March, 2019

Security	Particulars
Working Capital from Bank of India and Union Bank of India for Sugar & Distillery Division	1st pari-passu charge on current assets of the company including Book Debts.
Term Loans under consortium from Bank of India & Union Bank Of India	1st pari-passu charge on fixed assets of the company.
Collateral for Working Capital (Sugar Division)	1st pari-passu charge on block of assets of Sugar to the extent of Rs. 5.44 crores for part of Working Capital Limit sanctioned for Sugar Division. 3rd pari passu charge on fixed assets (Property, Plant & Equipment) of Sugar Division for balance amount.
Collateral for Working Capital (Distillery Division)	2nd pari-passu charge on fixed assets of Distillery division.
Sugar Development Fund	2nd Charge on Fixed Assets of Sugar Division.

**b) Details of Guarantors :**

**Personal guarantee of :**

- Mr. Om Prakash Dhanuka (Director of the Company)
- Smt. Meera Dhanuka (Wife of Director)- restricted to the valuation of residential property at New Delhi offered as collateral security for the Distillery Term Loan and Bihar Soft Loan.

**Corporate guarantee of :**

- The Belsund Sugar & Industries Ltd
  - DG Vitta Vinimay and Properties Limited
- c) The Government of India Sugar Development Fund Loan is secured against Second charge on its Fixed Assets (Property, Plant & Equipment) and movable assets and the said loan is irregular in repayment.
- d) The Term Loans & Working Capital Loans from Bank of India & Union Bank of India became Non Performing assets (NPA) w.e.f 30.09.2018, accordingly Banks recalled their credit facility and called back their loans for repayment. Subsequently also served notices u/s 13(2) of SARFAESI Act, 2002 . However after negotiation the Banks have allowed "Holding on Operation" for the time being.
- e) Due to the NPA of the loans, the Banks have not confirmed the interest charged on Working Capital Loans w.e.f 30.09.2018 for that the Company has provided interest for relevant period , so that balance of Working Capital Loans are subject to confirmation & reconciliation there of.

Rs. in Lakhs

Note 12 : FINANCIAL LIABILITIES	As at 31.03.2019	As at 31.03.2018
<b>(B) TRADE PAYABLES</b>		
<b>Current</b>		
<b>Trade Payables</b>		
Total Outstanding Dues to Micro and Small Enterprises *		
Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises* "Refer Note 25(7) "	16,192.75	15,653.89
<b>Total</b>	<b>16,192.75</b>	<b>15,653.89</b>
Non-Current	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* There are no Micro, Small and Medium Enterprises to which the company owes dues as no parties claim to be registered as a Micro, Small and Medium Enterprises and above Trade Payable is net off Rs.2425 Laks(P.Y. Rs.2425 Lakhs ) assigned to The Belsund Sugar & Industries Ltd.

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year (but within due date as per the MSMED Act, 2006).	NIL	NIL
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (where the principal has been paid beyond the appointed day during the year but interest under the MSMED Act, 2006 not paid);	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year.	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	NIL	NIL

Note 15 : (a) OTHER NON CURRENT LIABILITIES	As at 31.03.2019		As at 31.03.2018	
Deferred Income* (Refer Note 25(2))	52.49	-	-	-
Less : Transferred to Other Current Liability	(2.57)	-	-	-
		<b>49.92</b>	-	-
<b>Total</b>		<b>49.92</b>	-	-

\*Subsidy against Property Plant &amp; Equipment.

Note 13 : LONG TERM PROVISIONS	As at 31.03.2019		As at 31.03.2018	
Provision for Employee Benefit				
- Provision for Gratuity	<b>472.28</b>		514.70	
- Provision for Leave Encashment	<b>30.09</b>	<b>502.37</b>	62.28	576.98
<b>Total</b>		<b>502.37</b>		<b>576.98</b>

Note 14 : FINANCIAL LIABILITIES	As at 31.03.2019		As at 31.03.2018	
<b>(A) BORROWINGS</b>				
Carried at amortised cost "Holding on Operation"				
<b>From Banks</b>				
<b>Rupee Loan (Secured) (Refer Note 12(d))</b>				
Bank of India (BOI)	1,066.57			
Union Bank of India (UBI)	369.19	1,435.75		
<b>Working Capital Loan (Secured) (Refer Note 12 ( e))</b>				
Bank of India (BOI)	5,722.03		5,889.84	
Union Bank of India (UBI)	1,999.40	7,721.43	2,023.30	7,913.14
<b>From Other Parties ( Payable on Demand )</b>				
Loan From Related Parties (Unsecured) *	1,715.00		1,699.00	
Inter Corporate Deposits (Unsecured)	960.00	2,675.00	960.00	2,659.00
<b>Total</b>		<b>11,832.18</b>		<b>10,572.14</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

*Details of Loan from Related Parties	As at 31.03.2019	As at 31.03.2018
The Belsund Sugar & Industries Ltd *	1,692.25	1,676.25
Du Point Impex Limited	22.75	22.75

\*The above unsecured loan is net off Rs.732.75 lakhs as loan given (Net of Provision for credit impaired Rs.773.33 lakhs) { P.Y. Rs.749.75 Lakhs as loan given.)

Note 14 : FINANCIAL LIABILITIES	As at 31.03.2019		As at 31.03.2018	
<b>OTHER FINANCIAL LIABILITIES</b>				
<b>Carried at amortised cost</b>				
Current Maturities of Long-Term Debt*	2.98		1,103.11	
Interest Payable**	457.11		112.79	
Security Deposit	83.82		82.26	
Liability for Expenses	77.46		95.47	
Commission Payable	154.07		134.86	
Payable to Employees	245.61	1,021.04	313.43	1,841.92
<b>Total</b>		<b>1,021.04</b>		<b>1,841.92</b>

\*The above Borrowings includes Rs.NIL (P.Y. Rs 188.13 Lakhs) is overdue for repayment as on 31.03.2019. Refer Note 12(a) for nature of securities and terms of repayment.

Note 15(b) : OTHER CURRENT LIABILITIES	As at 31.03.2019		As at 31.03.2018	
Advance from Customers	19.47		87.64	
Current Maturity of Deferred Income	2.57		-	
Statutory Dues	64.51		144.64	
Others Payable	78.62	165.17	97.12	329.39
<b>Total</b>		<b>165.17</b>		<b>329.39</b>

Note 16 : SHORT TERM PROVISIONS	As at 31.03.2019		As at 31.03.2018	
Provision for Employee Benefits (Refer Note 25(5))				
– Provision for Gratuity	97.05		83.84	
– Provision for Leave Encashment	12.45	109.50	15.36	99.20
<b>Total</b>		<b>109.50</b>		<b>99.20</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note 17 : REVENUE FROM OPERATIONS	For the Year Ended 31.03.2019		For the Year Ended 31.03.2018	
<b>A) Sale of goods</b>				
Sugar	11,871.45		7,443.46	
Molasses	683.11		573.37	
Ethanol	3,418.31		2,116.10	
Fertilisers	57.31		51.75	
Power	140.24		187.73	
Less: Inter unit sale of Molasses	(683.11)	15,487.31	(573.37)	9,799.04
<b>Total</b>		<b>15,487.31</b>		<b>9,799.04</b>

Note 18 : OTHER INCOME	For the Year Ended 31.03.2019		For the Year Ended 31.03.2018	
<b>(a) Interest Income</b>				
-Deposit with banks and others	5.92		3.65	
-On Cane Advance given to Cane Growers	-		1.23	
-On Inter Corporate deposits	1.69		2.19	
-On Income Tax Refund	-	7.61	0.03	7.10
<b>(b) Other Non Operating Income</b>				
- Insurance claims	255.95		6.68	
- Sundry Balances Written Back	4.46		49.08	
- Refund of License Fees* -	-		219.57	
- Deferred Income (Refer Note 15(b))	2.57		-	
- Rent Received	9.11		9.88	
- Buffer Stock Claim	186.62		-	
- Miscellaneous Receipt	36.90	495.61	15.56	300.77
<b>Total</b>		<b>503.22</b>		<b>307.87</b>

\*Refund of License fees of Distillery unit earlier paid to Government of Bihar from the year 1995-96 to 2015-16 along with interest thereon claimed and shown as Income as Refund of License Fees and also included in Other Advances (Refer Note No. 10).

Note 19 : COST OF MATERIALS CONSUMED	For the Year Ended 31.03.2019		For the Year Ended 31.03.2018	
Sugarcane	9,672.99		12,399.17	
Molasses	861.79		743.53	
Less : Inter unit Purchase of Molasses	(683.11)	9,851.67	(573.37)	12,569.33
<b>Total</b>		<b>9,851.67</b>		<b>12,569.33</b>



## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS BY PRODUCTS & WORK IN PROGRESS	For the Year Ended 31.03.2019		For the Year Ended 31.03.2018	
<b>Stock at the Beginning of the Year</b>				
Finished Goods*	14,803.48		9,349.87	
Stock-in-Process**	291.80		162.40	
By Product***	1,378.84	16,474.12	853.90	10,366.17
<b>Total (A)</b>		<b>16,474.12</b>		<b>10,366.17</b>
<b>Stock at the End of the year</b>				
Finished Goods*	10,438.35		14,803.48	
Stock-in-Process**	252.71		291.80	
By Product***	497.97	11,189.03	1,378.84	16,474.12
<b>Total (B)</b>		<b>11,189.03</b>		<b>16,474.12</b>
<b>Changes in inventories of finished goods, by-products and work-in-progress (A-B)</b>				
Less: Excise Duty on Stock		5,285.08		(6,107.95)
Increase/ (Decrease)		-		404.44
		5,285.08		(6,512.39)
<b>*Details of Finished Goods</b>				
Opening Stock				
Sugar	13,991.86		8,287.86	
Ethanol	614.70		825.43	
Fertiliser	196.93	14,803.48	236.57	9,349.87
<b>Closing Stock</b>				
Sugar	10,149.10		13,991.86	
Ethanol	213.90		614.70	
Fertiliser	75.36	10,438.35	196.93	14,803.48
<b>**Details of Stock-in-Process</b>				
Opening Stock				
Sugar	291.80		145.96	
Ethanol	-	291.80	16.44	162.40
<b>Closing Stock</b>				
Sugar	252.71		291.80	
Ethanol	-	252.71	-	291.80
<b>***Details of By Products</b>				
Opening Stock				
Molasses	313.52		244.19	
Bagassee	1,065.32	1,378.84	609.71	853.90
<b>Closing Stock</b>				
Molasses	177.99		313.52	
Bagassee	319.98	497.97	1,065.32	1,378.84

## Notes to Financial Statements for the Year ended 31st March, 2019

Rs. in Lakhs

<b>Note 21 : EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year Ended 31.03.2019</b>		<b>For the Year Ended 31.03.2018</b>	
Salary, Wages, Bonus & Allowances	1,390.64		1,646.64	
Contribution to Provident Fund & Other Fund	102.82		129.70	
Gratuity	75.24		72.44	
Staff Welfare Expenses	32.21	1,600.91	34.97	1,883.75
<b>Total</b>		<b>1,600.91</b>		<b>1,883.75</b>
<b>Note 22 : FINANCE COSTS</b>	<b>For the Year Ended 31.03.2019</b>		<b>For the Year Ended 31.03.2018</b>	
Interest	1,957.16		1,520.25	
Exchange differences regarded as an adjustment to borrowing costs	5.20		245.06	
Bank Commission	1.08	1,963.44	0.04	1,765.35
<b>Total</b>		<b>1,963.44</b>		<b>1,765.35</b>
<b>Note 23 : DEPRECIATION &amp; AMORTISATION EXPENSE</b>	<b>For the Year Ended 31.03.2019</b>		<b>For the Year Ended 31.03.2018</b>	
Depreciation on Property, Plant & Equipment	485.33		466.60	
Amortisation of Intangible Assets	5.22	490.55	5.14	471.74
<b>Total</b>		<b>490.55</b>		<b>471.74</b>
<b>Note 24 : OTHER EXPENSES</b>	<b>For the Year Ended 31.03.2019</b>		<b>For the Year Ended 31.03.2018</b>	
<b>Manufacturing expenses</b>				
Store, Chemicals and Packing Materials- Indigenous	262.13		285.08	
Power, Fuel and Water	142.59		143.82	
Repairs to buildings	12.48		43.98	
Repairs to machinery	464.19		552.87	
Processing Expenses & Ferti- irrigation expenses	57.37		48.27	
Pollution Control Expenses	17.37	956.13	22.99	1,097.01
<b>Selling &amp; Distribution Expenses</b>				
Commission & Discount	30.10		15.32	
Selling Expenses	108.66	138.76	87.56	102.88
<b>Establishment Expenses</b>				
Rent	40.77		17.64	
Insurance	54.91		50.00	
Cost Audit Fee	0.90		0.95	
Director's Fee	0.80		0.80	
Sundry Balance Written Off	5.27		274.24	
Rates and taxes, excluding taxes on income	13.17		8.33	
Loss on Disposal of Property Plant & Equipment	4.61		-	
Miscellaneous expenses	219.06	339.49	233.43	585.39
<b>Payments to auditor</b>				
As auditor for statutory audit	2.00		2.00	
For Tax Audit	0.60		0.60	
For Limited reviews	0.75		-	
For other services	4.27		0.65	
For Reimbursement of expenses	-	7.62	0.65	3.90
<b>Total</b>		<b>1,442.00</b>		<b>1,789.18</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

### 25. OTHERNOTES

#### 1) Contingent liabilities and commitments (to the extent not provided for) :

Rs. in Lakhs

##### a) Contingent Liabilities :

Particulars	As at 31.03.2019	As at 31.03.2018
Sugar Development Fund Loan not acknowledged	934.12	785.71
Employees State Insurance Demand under Appeal	2.30	-
<b>Claims against the Company not acknowledged as debt</b>	-	-
Central Government Demand - Under LSPEF Act	223.40	47.67
Bank Guarantee	231.76	494.30
Central Excise Duty Demand - Under Appeal	106.62	68.83
Sales Tax Demand - Under Appeal	488.02	718.94
Others - Under Appeal / Litigation	480.55	528.24

##### b) Capital Commitments :

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Commitments to be excetuted	63.13	-

c) The Company has not recognised under protest certain Interest charged in respect of SDF Loan as per its calculation in respect of Penal Interest, Compound Interest etc. amounting to Rs. 934.12 Lakhs (P.Y. 785.71 Lakhs).

2) The Company is eligible to receive government grants by way of cane price subsidy and interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:

Sl. No.	Particulars	Treatment in Accounts	2018-19	2017-18
<b>Revenue related to Government Grants:-</b>				
i)	Cane Price Subsidy (Refer Note (a) below)	Deducted from cost of materials consumed	413.66	246.12*
ii)	Interest on term loans	Deducted from interest expenses on long term borrowings	104.54	204.80
iii)	Capital Subsidy against Fixed assets	Received Capital Subsidy Rs.55.06 Lakhs out of which Rs. 2.57 Lakhs has been charged to Statement of Profit & Loss as Deferred Income and Rs.52.49 Lakhs has been shown in Non-Current & Current Liability as Deferred Income. (Refer Note 15(b))	55.06	-

#### Notes:

(a) Cane price subsidy of Rs. 12.50 per quintal of cane paid by the State Government for the sugar season 2018-19.

\* Cane Price subsidy of Rs.246.12 Lac has been reversed back during the year and charged to the cost of material consumed due to non fulfillment of certain conditions.

## Notes to Financial Statements for the Year ended 31st March, 2019

### 3. Earning per Share :

Rs. in Lakhs except (c), (d) and (e)

Particulars	2018-19	2017-18
(a) Net Profit/(Loss) after tax available for equity shareholders	(4,643.12)	(2,085.57)
(b) Weighted Average number of Equity shares for calculating EPS	144.43	144.43
(c) Nominal Value of Equity Shares	10.00	10.00
(d) Basic Earning per share	(32.15)	(14.44)
(e) Diluted Earning per share	(32.15)	(14.44)

### 4) Employee Benefits :

As per Indian Accounting Standard - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

#### Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Gratuity, Pension Scheme, and Labour Welfare Fund are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expenses in Statement of Profit and Loss are as under:

Rs. in Lakhs

Defined contribution plan	2018-19	2017-18
Employer's Contribution to Provident Fund	44.38	54.25
Employer's Contribution to Pension Scheme	58.45	75.45
<b>Total:</b>	<b>102.82</b>	<b>129.70</b>

### a) Gratuity :

The following table summarise the components of net benefit expense recognised in the Statement of Profit and Loss:

Details of funded post retirement plans are as follows :

Rs. in Lakhs

Sl. No.	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
<b>I.</b>	<b>Expenses recognised in the Statement of Profit and Loss:</b>				
1	Current service cost	33.29	27.41	19.16	13.98
2	Past service cost	-	10.30	-	-
3	Curtailment	-	-	-	-
4	Settlement	-	-	-	-
5	Service Cost	33.29	37.71	19.16	13.98
6	Net interest on the net defined benefit liability/asset	40.95	34.73	4.97	4.16
7	Immediate recognition of (gains)/losses/other long term employee benefit plans	-	-	(33.75)	7.14
8	<b>Cost recognised in P/L</b>	<b>74.24</b>	<b>72.44</b>	<b>(9.62)</b>	<b>25.28</b>
<b>II.</b>	<b>Other comprehensive income :</b>				
1	Actuarial (gain) / loss arising from:				
	- change in experience	(7.49)	70.95	(34.57)	10.31
	- change in financial assumptions	9.15	(17.83)	0.82	(3.17)
2	Actuarial (gain)/ loss arising during the period	1.66	53.12	(33.75)	7.14
3	Returns on Plan Assets (greater)/less than discount rate	-	(0.01)	-	-
4	<b>Actuarials (gains)/ losses recognised in OCI</b>	<b>1.66</b>	<b>53.11</b>	<b>-</b>	<b>-</b>
5	Adjustment for limit on Net Assets	-	-	-	-

## Notes to Financial Statements for the Year ended 31st March, 2019

(Rs. in Lacs)

Sl. No.	Particulars	Gratuity		Leave Encashment	
		2018-19	2017-18	2018-19	2017-18
<b>III.</b>	<b>Defined Benefit Cost</b>				
1	Service cost	33.29	37.71	19.16	13.98
2	Net interest on the net defined benefit liability/asset	40.95	34.73	4.87	4.16
3	Actuarials (gains)/ losses recognised in OCI	1.68	53.11	-	-
4	Immediate recognition of (gains)/ losses/ other long term employee benefit plans	-	-	(33.75)	7.14
5	<b>Defined Benefit Cost</b>	<b>75.92</b>	<b>125.55</b>	<b>(9.72)</b>	<b>25.28</b>
<b>IV.</b>	<b>Change in present value of defined benefit obligation :</b>				
1	Present value of defined benefit obligation at the beginning of the year	600.12	520.54	(77.64)	(66.37)
2	Acquisition adjustment	-	-	-	-
3	Interest expense	41.07	34.83	(4.97)	(4.16)
4	Past service cost	-	10.30	-	-
5	Current service cost	33.29	27.41	(19.16)	(13.98)
6	Employees' contributions	-	-	-	-
7	Benefits paid directly by the company	(105.13)	(46.08)	22.83	14.01
8	Actuarial (gain) / loss arising from:				
	- change in experience	(7.47)	70.95	37.22	(10.31)
	- change in financial assumptions	9.15	(17.83)	(0.82)	3.17
9	<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>571.03</b>	<b>600.12</b>	<b>(42.54)</b>	<b>(77.64)</b>
<b>V.</b>	<b>Change in fair value of plan assets during the year :</b>				
1	Fair value of Plan assets at the beginning of the year	1.58	1.47	-	-
2	Interest income	0.12	0.10	-	-
3	Employee's Contribution	-	-	-	-
4	Employers's Contribution	-	-	-	-
5	Benefits Paid	-	-	-	-
6	Settlement	-	-	-	-
7	Return on plan assets greater / (lesser) than discount rates	-	0.01	-	-
8	Administration expenses	-	-	-	-
9	<b>Fair Value of Plan Assets at the end of the year</b>	<b>1.70</b>	<b>1.58</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>Net Asset/ (Liability) recognised in the Balance Sheet as at the year end:</b>				
1	Present Value of Defined benefit obligation	(571.03)	(600.12)	(42.54)	(77.64)
2	Fair value of Plan assets	1.70	1.58	-	-
3	Funded Status [Surplus/(Deficit)]	(569.33)	(598.54)	(42.54)	(77.64)
4	Effects of Asset ceiling	-	-	-	-
5	<b>Net defined benefit asset/ (liability) at the end of current period</b>	<b>(569.33)</b>	<b>(598.54)</b>	<b>(42.54)</b>	<b>(77.64)</b>
<b>VII.</b>	<b>Actuarial Assumptions :</b>				
1	Discount Rate (per annum) %	7.20%	7.50%	7.20%	7.50%
2	Expected Return on Plan Assets (per annum) %	7.50%	7.50%	-	-
3	Expected Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%
4	Retirement / Superannuation Age (Years)	60	60	60	60
5	<b>Mortality Rates</b>				
<b>VIII.</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :</b>				
1	Administered by Insurance Companies	-	-	-	-
2	Public Financial Institutions / Public Sector Companies bonds	-	-	-	-
3	Central / State Government Securities	-	-	-	-
4	Private sector bonds	-	-	-	-
5	<b>Others</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>Maturity Profile of Defined Benefit Obligation</b>				
	<b>Expected cash flows (valued on undiscounted basis):</b>				
	Within the next 12 months	102.24	88.57	12.89	15.93
	Between 2 and 5 years	257.85	243.73	20.16	16.12
	Between 5 and 10 years	317.58	333.31	43.54	33.93
	<b>Total expected payments</b>	<b>677.67</b>	<b>665.61</b>	<b>76.59</b>	<b>65.98</b>
	The weighted average duration of the defined plan obligation at the end of the Balance Sheet date(in years)	7.00	8.00	6.00	8.00

## Notes to Financial Statements for the Year ended 31st March, 2019

### b) Risks related to defined benefit plans:

The main risks to which the Company is exposed in relation to operating defined benefit plans are :

- i) **Interest Rate Risk** : The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.
  - ii) **Salary Inflation Risk** : Higher than expected increases in salary will increase the defined benefit obligation.
  - iii) **Demographic Risk** : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
- c) The Gratuity and Provident Fund expenses have been recognised in Employee Benefits Expense under “Contribution to Provident and Other Funds” and Leave Encashment (Refer Note No. 21).

### 5) Segment information

- a) The Managing Director has been identified as the Company’s chief operating decision-maker (CODM) as defined by Ind AS 108–Operating Segments.

The CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by Business segments.

The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed.

### b) The following is an analysis of revenue and results from operations by reportable segments:

The Sugar segment includes the production of Sugar, Molasses, Power and Fertilisers, whereas the Distillery segment includes production of Ethanol.

Rs. in Lakhs

Particulars	Sugar	Distillery	Unallocable	Elimination	Total
<b>i) Revenue</b>					
Gross Sales	12,752.12	3,418.31		-	16,170.43
	8,256.31	2,116.10		-	10,372.41
Less: Inter Segment Revenue	683.11	-		-	683.11
	573.37	-		-	573.37
<b>Revenue from operations (Gross)</b>	<b>12,069.01</b>	<b>3,418.31</b>		-	<b>15,487.31</b>
	<b>7,682.94</b>	<b>2,116.10</b>		-	<b>9,799.04</b>
<b>ii) Segment Results :</b>					
Profit/(Loss) before tax and finance Cost	(3,685.99)	1,006.31			(2,679.68)
	(606.56)	290.57			(315.99)
Less: Unallocable expenditure	-	-	-	-	1.66
	-	-	-	-	57.34
Finance costs	-	-		-	1,963.44
	-	-		-	1,765.35
<b>Profit/(Loss) before tax</b>	-	-		-	<b>(4,644.78)</b>
	-	-		-	(2,137.68)

Figures below current year pertain to previous year, negative figures in bracket indicate loss pertaining to previous year

## Notes to Financial Statements for the Year ended 31st March, 2019

### Segment Assets and Liabilities:

Rs. in Lakhs

Particulars		Sugar	Distillery	Unallocable	Elimination	Total
Segment Assets	31st March, 2019	16,995.22	13,206.42	935.52	-	31,137.16
	31st March, 2018	22,674.35	12,747.08	935.52	-	36,356.95
Segment Liabilities*	31st March, 2019	27,455.67	978.53	-	-	28,434.20
	31st March, 2018	27,940.21	1,133.31	-	-	29,073.52
<b>Other Information :</b>						
Capital Expenditure	31st March, 2019	162.84	187.95	-	-	350.80
	31st March, 2018	491.71	641.77	-	-	1,133.48
Depreciation	31st March, 2019	394.72	95.83	-	-	490.55
	31st March, 2018	375.94	95.80	-	-	471.74

\* Excluding Long Term and Short Term Borrowings

- 6) Deferred Tax Assets is not recognised for the current financial year on the basis of uncertainty.
- 7) The Company has given a Guarantee to Bank of India and Union Bank of India for repayment of Loan along with interest towards KCC Loan availed by Cane Growers. The Trade Payables includes outstanding liability of KCC payable to Bank of Rs. 5915.93 lakhs and Rs. 5,714.58 Lakhs as at 31st March, 2019 and 31st March, 2018 respectively including interest. The interest is @7% p.a. as per Interest Subvention Scheme declared by Reserve Bank of India/ Government of India. The repayment of Kishan Credit Loans which is repayable by the Company is irregular in nature.

The Company has assigned its Trade Payable of Rs.2,425 Lakh (P.Y.2,425 lakh) to The Belsund Sugar & Industries Ltd as per the agreement of the company which is treated and shown under the head Unsecured Loan.

- 8) Due to continuous losses, the Net worth of the company is fully eroded which may have an effect on the entity's ability to continue as a going concern. However the Management is still hopeful that with financial restructuring by the banks and financial assistance from the State and Central Government the company can still revive.

## Notes to Financial Statements for the Year ended 31st March, 2019

### Note 25 : NOTES ON ACCOUNTS

#### 9) Related Party Disclosures :

##### a) Name of related parties and description of relationship:

##### i) Enterprise over which KMP and relatives has significant influence

1. The Belsund Sugar & Industries Limited
2. Garima Investment & Trading Co. Limited
3. Dupoint Impex Limited

##### ii) Company having Substantial Interest

1. DG Vitta Vinimay & Properties Limited

##### iii) Key Management Personnel :

1. O. P. Dhanuka

##### iv) Relative of Key Management Personnel :

1. Srivrat Dhanuka

##### b) Transactions with Related Parties:

Sl. No.	Note of Related Party	Nature of Transaction	Year ended 31.03.2019	Year ended 31.03.2018
1	Dupoint Impex Limited	Opening Balance Loan taken during the year Loan refunded during the year Interest Provided (Including TDS) Outstanding Balance incl. interest	24.83 - - 2.08 27.28	22.75 - - 2.73 24.83
2	DG Vitta Vinimay & Properties Limited	Opening Balance Loan given during the year Loan repaid during the year Interest Provided Outstanding Balance incl. interest	15.03 - 15.03 - -	4.56 18.50 10.00 2.19 15.03
3	Garima Investment and Trading Co. Ltd.	Opening Balance Loan given during the year Loan repaid during the year Interest Received Outstanding Balance incl. interest	- - - - -	0.39 - - 0.39 -
4	Directors	Sitting Fees	0.80	0.80
5	O.P. Dhanuka	Salary	36.62	38.44
6	Srivrat Dhanuka	Salary	-	29.19
7	The Belsund Sugar & Industries Ltd	Loan Assignment of Trade Payable* Less: Loan Given* Less: Loan Refunded Allowance for bad & doubtful debts Outstanding Balance Receivable (Net) included in Other Advances/Other Payable Purchase of Sugarcane	2,425.00 1,522.08 16.00 773.33 1,692.25 8.35 14.57	2,425.00 1,522.08 - 773.33 1,676.25 (2.43) 6.17

\* The Company has not charged interest on unsecured loan and neither provided assignment charges on assignment of trade payable as per mutual consent.



## Notes to Financial Statements for the Year ended 31st March, 2019

### Note 25 : NOTES ON ACCOUNTS

#### 10) Financial instruments - Accounting, Classification and Fair value measurements

##### A. Financial instruments by category

As at 31st March, 2019

Rs. in Lakhs

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying Value			Total
				Amortized Cost	FVTOCI	FVTOPL	
<b>Financial assets</b>							
a)	Investments		-	-	-	-	
b)	Trade and other receivables	8(a)	658.56	658.56	-	-	658.56
c)	Cash and cash equivalents	8(b)	184.75	184.75	-	-	184.75
d)	Bank balances other than cash and cash equivalents	8(c)	141.46	141.46	-	-	141.46
e)	Loans	4(a)	-	-	-	-	-
f)	Other financial assets	4(b)	691.48	691.48	-	-	691.48
	<b>Total</b>		<b>1,676.26</b>	<b>1,676.26</b>	-	-	<b>1,676.26</b>
<b>Financial liabilities</b>							
a)	Borrowings	12(a) & 14(a)	12,785.05	12,785.05	-	-	12,785.05
b)	Trade and other payables	12(b)	16,192.75	16,192.75	-	-	16,192.75
c)	Other financial liabilities	14(b)	1,021.04	1,021.04	-	-	1,021.04
	<b>Total</b>		<b>29,998.84</b>	<b>29,998.84</b>	-	-	<b>29,998.84</b>

As at 31st March, 2018

Rs. in Lakhs

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying Value			Total
				Amortized Cost	FVTOCI	FVTOPL	
<b>Financial assets</b>							
a)	Investments	5(a)	-	-	-	-	
b)	Trade and other receivables	8(a)	875.39	875.39	-	-	875.39
c)	Cash and cash equivalents	8(b)	31.40	31.40	-	-	31.40
d)	Bank balances other than cash and cash equivalents	8(c)	38.57	38.57	-	-	38.57
e)	Loans	4(a)	12.50	12.50	-	-	12.50
f)	Other financial assets	4(b)	504.94	504.94	-	-	504.94
	<b>Total</b>		<b>1,462.80</b>	<b>1,462.80</b>	-	-	<b>1,462.80</b>
<b>Financial liabilities</b>							
a)	Borrowings	12(a) & 14(a)	12,899.44	12,899.44	-	-	12,899.44
b)	Trade and other payables	12(b)	15,653.89	15,653.89	-	-	15,653.89
c)	Other financial liabilities	14(b)	1,841.92	1,841.92	-	-	1,841.92
	<b>Total</b>		<b>30,395.25</b>	<b>30,395.25</b>	-	-	<b>30,395.25</b>

## Notes to Financial Statements for the Year ended 31st March, 2019

### B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

i) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

ii) The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

**Level 1** : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### 11) Financial Risk Management objectives and policies

#### i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings as per forward rate.

**Foreign Currency Exposure :**

Rs. in Lakhs

Particulars	Currency	As at 31.03.2019 Rs.	As at 01.04.2018 Rs.
Borrowings	USD	-	60.00
	INR	-	3,913.20

#### ii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and State Governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the State Government. However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risk are moderated.

#### iii) Commodity price risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

#### iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's sugar sales are mostly on cash. Power and ethanol are sold to government entities, thereby the credit default risk is significantly mitigated.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

## Notes to Financial Statements for the Year ended 31st March, 2019

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

### v) Trade Receivables

Trade receivables of the Company are non-interest bearing and are generally on credit terms of 0 to 60 days.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 8(a).

### vi) Balances with banks

Credit risk from balances with banks is managed in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2019 & 31st March, 2018 is the carrying amounts as stated under Note No. 4(b) and 8(c).

### vii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and short term loans.

**BOOK POST**

If undelivered please return to :  
**RIGA SUGAR COMPANY LIMITED**  
14, Netaji Subhas Road, 2nd Floor  
Kolkata-700 001