



**ANNUAL
REPORT
2017 -2018**



RIGA SUGAR COMPANY LIMITED

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CIN : L15421WB1980PLC032970

Annual Report : 2018

Board of Directors	:	Shri O. P. Dhanuka - Chairman & Managing Director Shri Dilip Datta Shri S.Borar Shri Sarad Jha Smt. Sulekha Dutta Sri N. K. Parasramka
Company Secretary	:	Shri S. Prasad
Auditors	:	Salarpuria & Partners Chartered Accountants Kolkata
Bankers	:	Bank of India Union Bank of India
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	:	S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street Kolkata - 700 001 E-mail : skcdilip@gmail.com
Shares Listed at	:	The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata - 700 001 Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
Legal Advisor and Solicitor	:	Khaitan & Co. 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, 2018.

FINANCIAL & OPERATIONAL RESULTS

(Rs. in Lacs)

	Financial Year 31st March, 2018	Financial Year 31st March, 2017
FINANCIAL RESULTS		
(a) Gross Turnover	10,372.41	19,321.05
(b) Operating Profit Before Finance Cost & Depreciation	155.75	1525.82
(c) Finance Cost	1,765.35	1,502.85
(d) Cash Accruals	(1,609.60)	22.97
(e) Depreciation & Amortization	471.74	432.29
(f) Profit (Loss) before extraordinary items	(2,081.34)	(409.32)
(g) Extraordinary Item of Exp./Income	-	-
(h) Profit (Loss) Before Tax	(2,081.34)	(409.32)
(i) Provision for Tax		
- Deferred Tax	-	64.39
- Income Tax of earlier year	4.23	-
(j) Profit (Loss) After Tax	(2,085.57)	(473.70)
(k) Other comprehensive Income (net of tax)	(53.11)	(7.87)
(l) Total Comprehensive Income for the year	(2138.68)	(481.57)

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, 2018 vis-a-vis previous financial year ended 31st March, 2017 in respect of the Sugar Factory of your Company are given below:-

	Financial Year 31st March, 2018	Financial Year 31st March, 2017
1. Duration of crushing (gross days)	114	92
2. Cane crushed (Lac Qtls.)	44.72	32.70
3. Recovery (%)	8.79	8.72
4. Production (Lac Qtls.) -	3.93	2.85

The sales of sugar unit decreased by 48% from Rs. 160.18 Cr. to Rs 82.56 Cr. due to lower production & demand in last season, the sales were lower.

Due to flood in August, 2017 the recovery of sugarcane retarded. Due to adverse Agro-climatic conditions the yield and quality of sugarcane affected severally, resulting into marked fall of recovery. These increased the cost of production of sugar substantially.

On the interference of Bihar State government the cane price for the season 2017-18 were increased on the presumption of sale price of Rs.3,800- Rs. 3,900 per qtl. with an assurance from the state that if sugar price falls the government will extend cane price subsidy. However inspite of drastic fall in sugar prices the state government has not so far announced any subsidy to state sugar factories. BSMA has been demanding cane price subsidy of at least Rs. 50 per qtl. which has not so far been extended. Your company has also sent many letter and representation for special consideration because of flood and lower recovery.

Suffering of Company during last 7 years & State Government Apathy and discriminating approach toward our company

During last 7 years company has incurred Loss of Rs. 56 Cr. but still made repayment of Term Loan of Rs. 68 Cr. and interest of Rs. 107 Cr.

	Rs. in Lacs							
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>Total</u>
Net Profit (Loss)	(524)	(350)	(272)	(1,442)	(506)	(409)	(2081)	5,584
Term Loan Repayment	1,432	492	477	1,066	786	1,205	1,310	6,768
Payment of Interest	1,571	1,559	1,318	1,607	1,435	1,502	1,765	10,757
Fixed Assets Investment	702	209	546	412	195	1,325	1,114	4,503

Due to adverse sugar scenario and non-cooperative attitude of the State Government and various regulatory authorities like CPCB, BSPCB, Commercial Tax Dept., State Excise Dept. and so on the company is finding it extremely difficult to run the plant in such hostile condition. The vested Political intervention is also playing spoilsports.

Due to continuous losses for last 7 years there are cane price arrears to farmers. However the company has totally repaid the sugar cane price till last season 2016-17 except about Rs.6 crores.

Since last 3 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 2016-17.

Since the company's networth is eroded and financials are in extreme peril, company in last 2 years is requesting the State Government for soft loan to the company of Rs. 30 crores which is equivalent to 2-3 years taxes which State Government has not considered.

Since the cane price was increased by Rs.25 per quintal last year, inspite of lower sugar price realisation, the promised cane price subsidy was not announced by the state government. There is no relation between cane price and sugar price.

For the year 2017-18 also the State Government advised higher cane price on the assumption of sugar price of Rs.3,800-Rs. 3,900 per quintal. But the sugar price during 2016-17 crashed below Rs. 2,800 per quintal at one point of time and average so far is only at Rs.3,100 per qtl which is causing loss of Rs. 900- Rs. 1,200 per qtl from its cost of production. The State Government had promised the cane price subsidy to offset the losses due to excessive remunerative cane price. But the said promises are also not fulfilled. Bihar Sugar Mills Association has made number of representation and met senior official as well as your company wrote numerous letters for cane price subsidy of Rs. 50 per qtl to Hon'ble Chief Minister of Bihar and other senior officer but nothing has happened.

Not only indifferent attitude but also the State authority also indulged arm twisting measure. Some of the example as follows:-

- (a) In regard to cane price delay payment for 2014-15 and 2015-16, for both year cane price is totally cleared, the certificate officer on the instances of cane Dept. has issued arrest warrant against the 2 directors of the company including CMD. The high court on writ petition filed quashed the warrant.
- (b) The subsidy on Co-gen, which has started production in January, 2016, has not yet been released of Rs. 156 Lacs and RS. 42 Lacs.
- (c) District Magistrate delayed giving NOC for explosive license of Ethanol for almost 2 years although other distilleries got NOC immediately after applying.
- (d) In regard to country liquor matter the state excise department make illegal arrest of our General Manager on 25.05.16 and were kept for jail for 3 months. The High Court ultimately gave him bail and commented heavily on state excise department.
- (e) In spite of Revenue board decision dated 22-07-16 in striking down huge illegal demand of excise department of Rs. 3.82 crores and remand the matter, the excise department refused to hear the matter for long period and tried to encash the BG and the company gone to High Court against any coercive action. The Hon'ble High Court granted stay..
- (f) Excise department illegally tried to encash the Bank guarantee of Rs. 1 crore which was ultimately stayed by Hon'ble High Court.
- (g) The state pollution control department during the last 3-4 years continue to harass the distillery on one ground or another and kept the distillery close frequently. The company is zero discharge compliant company, NGT has also cleared us from all charges and we have made huge investment in environment management in distillery. Last year itself in spite of losses company made investment of Rs. 12 cr. in setting up of new Digester and MEE. But during last three years only due to Pollution Control Dictum Distillery Plant remained closed on 4 occasion, from 16.09.2015 to 29.10.2015 for 43 days, from 16.09.2016 to 23.10.2016 for 38 days from 12.11.2016 to 14.01.2017 for 64 days and from 01.05.17 to 15.06.2017 for 46 days. Altogether 191 days stoppage.
- (h) Distillery remained closed for 21 days in 2016-17, 3 days in 2017-18 and 45 days in 2018-19 due to delay renewal of annual license without any reason. Thus state authority is indulged in discriminative attitude toward us.

There are numerous instances that State Government has tried to harassing the smooth operation of plant which is unparallel in history of any state which is going against their own Industry, disregarding interest of lacs of farmers.

The Company has requested the state government the following relief to survive:-

- (a) Cane price subsidy of Rs.80 per qtl. for the season 2017-18 and Rs. 50 per qtl. for the season 2016-17.
- (b) Soft term loan of Rs. 30 crores at interest rate of 4% for period of 10 years with moratorium of 4 years, so that we can pay cane price for current season.
- (c) Deferment of existing Bihar Soft Loan Repayment for 2 years with continued interest subvention.
- (d) Release of pending subsidy & other claims.
- (e) Financial support for procurement of High Yield variety of cane seed of CO 238 for 2 years.
- (f) Withdrawal of frivolous Civil and Criminal cases filed by State Excise, VAT and BSPCB against company.

Central Government action during the year

FRP: The FRP for 2017-18 was fixed at Rs. 255 per quintal against last year Rs. 230 per qtl. linked to a basic recovery of 9.5% subject to a premium of Rs. 2.68 per quintal for every 0.1 percentage point increase above that level.

In Bihar the cane Price for the season 2017-18 were increased to Rs.290 per qtl. for normal varieties (last year Rs. 280), Rs. 265 per qtl. for lower varieties (last year Rs.260) and Rs.310 for premium variety (last year Rs. 300). Transport rebate on out center cane at Rs.20 per qtl.

Import duty: The Central Government doubled the import duty on sugar to 100% to protect the domestic market from cheap imports.

Stockholding limit: The Government imposed a reverse stock holding limit on producers of sugar for February and March 2018.

Export incentive: The Government fully withdrew the customs duty on export of sugar to encourage the country's sugar industry to start explore export possibilities.

MIEQ Scheme: In view of the inventory with the sugar industry and to facilitate the achievement of financial liquidity, announced a mill-wise Minimum Indicative Export Quotas (MIEQ) totaling 2 million tonnes, for the sugar season 2017-18.

DFIA Scheme: To facilitate and incentivize export of surplus sugar by India's sugar mills, the government allowed a Duty Free Import Authorisation (DFIA) Scheme with respect to sugar.

Financial assistance: In order to help sugar mills clear farmer cane dues, the Government has decided to provide financial assistance @ Rs.5.50 per quintal of cane crushed in sugar season 2017-18 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 many conditions are prescribed which acted as deterrent to achieve the target.

Floor Price of Sugar: The Government set floor price of sugar at Rs. 29 per kg below which sugar factory cannot sell sugar. 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 imposed monthly stock holding limits on sugar mills to restrict 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.

However, these steps have not managed to revive sugar prices, thus far, making a more proactive governmental interventions necessary to save the industry, which represents the lifeline of the Indian agronomic ecosystem.

The following steps need to be taken:-

- (a) The Central Government needs to announce substantial export quota for raw and white sugar so that mills can start producing from October 2018 assisted by the production subsidy.
- (b) The State Governments need to provide subsidies with respect to cane price arrears.
- (c) The cane pricing policy needs to be scientifically restructured taking into account a long-term perspective.
- (d) Staggered cane price payment to farmers need to be provided.
- (e) A buffer stock of 50 Lac MT of sugar needs to be maintained over the next two years.
- (f) An aggressive export policy needs to be framed and implemented with India's neighbouring countries under preferential arrangements.

Sugar Scenario

Sugar production for the season 2017-18 surpassed all previous record. The market anticipated the higher production well in advance and price began to decline from beginning of season 2017-18 and continued unabated following every upward production revision. Consequently the ex-factory price dropped by about 30% from November, 2017 to March, 2018. 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.

Moreover, as per field reports, it is expected that the next year cane crop production will be higher than current year and thus again higher sugar production. The higher price of sugarcane with respect to other cash crops has always induced farmers to plant more cane.

Realizing the gravity of the situation, the Government of India announced a Rs. 55 per tonne cane crushing subsidy in order to partly offset the steep rise in cane cost. However, this is not sufficient to overcome the current crisis. Serious efforts need to be undertaken by the Central and State Governments to address the crisis of oversupply along with the mismatch between cane price and sugar sale price.

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 (so far)	3,136	255.00

The sugar price during last 9 years increased by 6%, whereas the sugarcane price increased by 97%.

<u>Distillery Unit</u>	<u>Financial Year 31st March, 2018</u>	<u>Financial Year 31st March, 2017</u>
1. Production of Ethanol from Molasses (Lac BL)	47.46	60.60
2. Supply of Ethanol (Lac BL)	49.90	73.64

Due to Frequent Closure of Distillery because of Pollution Control Board order and flood, the Production was lower and also sale.

Ethanol

The state government of Bihar from 1st April 2016 ban the production, consumption and supply of Alcohol in all forms i.e country liquor and IMFL in the state. The Distillery of the company is producing and supplying Ethanol as per tender of OMC. Thus the company applied for full quantity of expected production in distillery as Ethanol to be supplied to all marketing companies. The admixing of Ethanol with Petrol were increased from 5% to 10%.

Due to stricture of the pollution control authority, the working days of Distillery unit of the company affected during the reporting financial year, although the company installed MEE and new Digester during the year for treatment of effluent of distillery.

Distillery remained closed on many occasion due to adverse direction of CPCB inspite of due compliance by the company. Flood in August, 2017 caused huge damages so the Distillery company has to carry out repairs and maintenance and thus Distillery production affected. Distillery made huge Losses for last 2-3 years due to illegal interference of Pollution Control Dept. and State Excise Dept.

Co-Gen of Power

The Company is supplying surplus power upto 3 MW 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. The company got Registration of Bio-compost under Fertiliser Control Order, 1985 with Ministry of Agriculture as per requirement of CPCB.

SEGMENT-WISE PERFORMANCE:

During the reporting period sugar segment contributed 80 percent of net sales of the company whereas Distillery accounted for 20 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. 6,000 crore to the Central Government Exchequer by way of central excise duty every year beside state taxes on sugarcane and hefty taxes collected by state as excise and VAT (none GST) 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, MEERO, 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 norms of CPCB, Distillery of the company has installed Multi Effect Evaporator (MEE), which reduces effluent generation substantially and thus the achieving of Zero Discharge as per new norms of CPCB has been strengthen. The Distillery during the year is also installed new Digester so as to achieve better treatment of effluent and generation of Gas.

The total project cost of MEE and Digester is Rs. 12 Cr. Thus the company is totally committed toward achievement of zero discharge and compliance of Pollution Control norms.

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 fertilizers 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 2017-18 estimated at 323 Lacs MT and consumption of 255 Lac MT. With opening balance of 38 Lac MT and estimated export under MIEQ of hardly 6 Lac MT, the closing balance in the current season is estimated to be around 100 Lac MT, which indicates enough availability to meet domestic demand until end of March, 2019.

Again plantation for the season 2018-19 is better than 2017-18 and estimated production of sugar is 350 Lac MT and consumption of 260 Lac MT and unless export happens the closing closing stock as on 30th September, 2019 would be 190 Lac MT. The reason for such higher production is relentless disproportionate increase of cane price by the government in comparison to other crops and high yield cane variety of sugarcane coupled with higher recovery.

The international sugar price is much lower than domestic cost of production and thus there is no scope of export.

Thus price of sugar will remain under constant pressure unless the government takes drastic steps to increase

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.

Committee of the Board

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

Audit Committee

As all 31.03.2016 The Audit Committee comprise of Mr. Sarad Jha as its Chairman with Mr. Suyesh Borar and Mr. S.K.Goenka as members. All recommendations of the Audit Committee were accepted by the Board w.e.f. 06.04.2018 Mr. S. K. Goenka left and Mr. N. K. Parasramka joined the committee.

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. Five meetings of the Board of Directors of the Company were held during the year on 29.05.2017, 03.08.2017, 14.09.2017, 14.12.2017 and 14.02.2018
- 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 mentioned below:-
- 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). 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 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

Inconsistent policy of the government in the implementation of the Ethanol Blending Programme is matter of concern.

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

CARE decreased credit rating of the company's Long-term Bank facilities from CARE B+ Stable to CARE D and Short Term Bank facilities from CARE A4 to CARE D due to delay in repayment of Loan.

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. 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, 2018 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The Notes on Account are self explanatory. 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 2018-19. 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 2017-18. Their report is annexed to this report as Annexure-IV.

DIRECTORS:

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.

DIRECTORS' RESPONSIBILITY STATEMENT:**Your Directors state that:-**

- (i) in preparation of the annual accounts for the year ended 31st March, 2018, 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, 2018;
- (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 company secretary is Practice M/s. H. M. Choraria 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
- (iii) Mr. R.N. Sharma, CFO, who resigned on 24.04.2018

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.

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.

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 2017-18.

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.

Material changes and commitments affecting the financial position of the company after 31st March, 2018

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:-

Annexure	Particulars
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 : 8th June, 2018

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 31.03.2018

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	80%
2	Ethanol	1101	20%

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 17]				No. of Shares held at the end of the year [As on 31st March 2018]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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	98,89,701	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	99,93,378	69.19	0
B. Public Shareholding									
1. Institutions	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.	
Sub-total (B)(1):-	0	2,600	2,600	0.02	NIL	2600	2600	0.02	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	17,85,136	6,700	17,91,836	12.40	12,00,579	6,700	12,07,279	8.36	-4.05
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	12,61,930	2,36,817	14,98,747	10.38	18,81,505	2,32,417	21,13,922	14.64	4.26
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10,76,765	NIL	10,76,765	7.46	10,43,918	NIL	10,43,918	7.23	-0.23
c) Others (specify)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(i) Non Resident Indians	80,079	NIL	80,079	0.55	82,308	NIL	82,308	0.57	0.02
(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
Sub-total (B)(2):-	42,03,910	2,43,517	44,47,427	30.79	42,08,310	2,39,117	44,47,427	30.79	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	42,03,910	2,46,117	44,50,027	30.81	42,08,310	2,41,717	44,50,027	30.81	0
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
Grand Total (A+B+C)	14197288	2,46,117	14443405	100.00	1,42,01,688	2,41,717	1,44,43,405	100.00	0

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	1,40,993	0.98	0	0
7	The Belsund Sugar & Industries Ltd.	26,16,165	18.11	0	26,16,165	18.11	0	0
8	Garima Investment & Trading Co. Ltd.	34,059	0.24	0	34,059	0.24	0	0
	Total	99,93,378	69.19	0	99,93,378	69.19	0	0

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.):				99,93,378 69.19
	At the end of the year				99,93,378 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
1	Chitravali Barter Pvt.Ltd.				
	At the beginning of the year	3,00,000	2.08		
	As at 31.03.2018			3,00,000	2.08
2.	Sunima Steel Marketing Pvt. Ltd.				
	At the beginning of the year	0			
	07.07.2017	37,500	0.26	37,500	0.26
	14.07.2017	1,29,167	0.89	1,66,667	1.15
	28.07.2017	(12,234)	0.08	1,54,433	1.07
	08.04.2017	65,699	0.45	2,20,132	1.52
	15.09.2017	(72,667)	0.50	1,47,465	1.02
	03.11.2017	(20,600)	0.14	1,26,865	0.87
	22.12.2017	(28,864)	0.19	98,001	0.68
	29.12.2017	(68,416)	0.47	29,585	0.20
	05.01.2018	(29,585)	0.20	0	0
	02.02.2018	1,98,998	1.38	1,98,998	1.38
	09.02.2018	(9,311)	0.06	1,89,687	1.31
	16.02.2018	(17,536)	0.12	1,72,151	1.19
	23.02.2018	(12,458)	0.09	1,59,693	1.10
	02.03.2018	(2,467)	0.01	1,57,226	1.09
	09.03.2018	(1,861)	0.01	1,55,365	1.08
	09.03.2018	(3,048)	0.02	1,52,317	1.05
	09.03.2018	(2,000)	0.01	1,50,317	1.04
	As at 31.03.2018			1,50,317	1.04
3	Baldeep Singh				
	At the beginning of the year	1,83,550	1.27	1,83,550	1.27
	28.04.2017	(39,036)	0.27	1,44,514	1.00
	As at 31.03.2018			1,44,514	1.00
4	Harchand Singh Sidana				
	At the beginning of the year				
	02.09.2018	1,20,000	0.84	1,20,000	0.84
	As at 31.03.2018			1,20,000	0.84

5.	Gayatri Dealtrade Private Ltd.				
	At the beginning of the year	1,01,853	0.70		
	As at 31.03.2018			1,01,853	0.70
6	Universal Cine Trade Pvt. Ltd.				
	At the beginning of the year	101,000	0.70	101,000	0.70
	03.09.2018	(5,000)	0.03	96,000	0.68
	As at 31.03.2018			96,000	0.68
7	Raj Kumar Kudilal Seksaria				
	At the beginning of the year	90,000	0.62	90,000	0.62
	As at 31.03.2018			90,000	0.62
8	Black Rose Industries Ltd.				
	At the beginning of the year	91,000	0.63	91,000	0.63
	28.04.2017	(25,207)	0.17	65,793	0.45
	05.05.2017	6,075	0.04	71,868	0.49
	27.10.2017	(6,085)	0.04	65,783	0.46
	11.03.2017	(1,120)	0.01	64,663	0.45
	As at 31.03.2018			64,663	0.45
9	Famous Developers Pvt.Ltd.				
	At the beginning of the year	51,000	0.36	51,000	0.36
	As at 31.03.2018			51,000	0.36
10	Abhinna Vyapaar Pvt. Ltd.				
	At the beginning of the year	50,000	0.35	50,000	0.35
	As at 31.03.2018			51,000	0.36
11	Amandeep Singh				
	At the beginning of the year	50,366	0.35	50,366	0.35
	28.04.2017	(500)	0	49,866	0.35
	As at 31.03.2018			49,866	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,15,33,60,120	26,58,75,000	-	1,41,92,35,120
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	16,91,577	2,89,279	-	19,80,856
Total (i+ii+iii)	1,15,50,51,697	26,61,64,279	-	1,42,12,15,976
Change in Indebtedness during the financial year				
*Addition	7,30,31,543	3,93,838	-	7,34,25,381
*Reduction	8,39,53,566	-	-	8,39,53,566
Net Change	(1,09,22,023)	3,93,838	-	(1,05,28,185)
Indebtedness at the end of the financial year				
i) Principal Amount	1,13,43,54,657	26,59,00,258	-	1,40,02,54,915
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	97,75,017	6,57,859	-	1,04,32,876
Total (i+ii+iii)	1,14,41,29,674	26,65,58,117	-	1,41,06,87,791

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	2,13,851/-	2,13,851/-
	(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)	38,13,851/-	38,13,851/-
	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. K. Goenka	Mr. S. Borar	Mr. N. C. Manumdar	Mr. Sarad Jha	Mrs. Sulekha Dutta	Mr. N. K. Parasramka	
1	Independent Directors								
	Fee for attending Board meetings	17,000/-	10,500/-	Nil	14,500/-	13,000/-	10,500/-		65,500/-
	Commission	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
	Total (1)	17,000/-	10,500/-	Nil	14,500/-	13,000/-	10,500/-	-	65,500/-
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-	-	-	-	14,500	14,500
	Commission								
	Others, please specify								
	Total (2)	-	-	-	-	-	-	14,500/-	14,500/-
	Total (B)=(1+2)	17,000/-	10,500/-	Nil	14,500/-	13,000/-	10,500/-	14,500/-	80,000/-
	Total Managerial Remuneration	17,000/-	10,500/-	Nil	14,500/-	13,000/-	10,500/-	14,500/-	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	11,41,920/-	5,28,240/-	16,70,160/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	25,549/-	17,716/-	43,265/-
	(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	11,67,469/-	5,45,956/-	17,13,425/-

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.
- (f) Installation of new Digester in Distillery.

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 2017-18 was Rs NIL

B. TECHNOLOGY ABSORPTION:

The company carried out the following technology absorption activities during the financial year 2017-18 :

(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 by using Pressmud and Distillery of fluents.
b) Co-gen of power from bagasse.

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. 9.00 Lacs.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

	Financial Year 31st March, 2018	Financial Year 31st March, 2017
i) Total Foreign Exchange Earnings	Nil	Nil
ii) Used (Rs. in Lacs)	259.65	280.44

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

(For the financial year ended 31st March, 2018)

[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, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Riga Sugar Company Limited ("The Company") for the financial year ended on 31st March, 2018 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. that we were informed by the management that renewal of the existing limits by banks & availing of the temporary foreign currency loan taken from Bank against earmarking of existing Rupee loan does not requires filing of E form pursuant to the provisions of section 179(3) of the Act, as there was no fresh exposure or the increase of the overall loan amount.
2. In some cases the Company was irregular in depositing the statutory dues, within the period allowed by the respective statutes

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.

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

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

Place: Kolkata
Date : 8th June, 2018

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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial Year 2017-18 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 2017-18 (Rs. in Lac)	% increase in Remuneration in the Financial Year 2017-18	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	38.14	22%	18.88	Net sales Decreased by 46% during 2017-18. Net loss was Rs. 2085.57 lacs in 2017-18 as against net loss of Rs. 473.70 lacs in 2016-17
2.	Mr. Suyash Borar-Independent Director *	Nil	-	-	
3.	Mr. N.C.Majumdar -Independent Director	0.15	50%	0.07	
4.	Mr. Dilip Datta-Independent and Director	0.17	70%	0.08	
5.	Mr. Sarad Jha-Independent Director	0.13	-	0.06	
6.	Mr.S.K.Goenka-Independent Director	0.11	-13%	0.05	
7.	Mrs.Sulekha Dutta *** Independent Director	0.11	-13%	0.05	
8.	Mr. Nirmal K. Parasramka Non Executive Director	0.14	180%	0.07	
9.	Mr.S.Prasad-Company Secretary	11.82	1%	5.85	
10.	Mr.R.N.Sharma - CFO	5.46	4%	2.70	

Note:

(i) Remuneration to the Independent Directors and non-executive Directors consisting of only sitting fee in 2016-17 and 2017-18.

* 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. 2.02 lacs.

(iii) In the financial year, there was an increase of 20 % in the median remuneration of the employees.

(iv) Number of permanent employees on the rolls of the Company as on 31.03.18 were 626.

(v) Sales during the year 2017-18 was Rs. 10372.41 lacs as compared to Rs 19321.05 lacs during 2016-17. Net loss was Rs. 2085.57 lacs in 2017-18 as against net loss of Rs. 473.70 lacs in 2016-17. Increase in median remuneration of employees during the year was 20%. The average increase in remuneration was not in line with the sales performance of the Company. The remuneration increased due to revised Wage Board Implement.

(vi) The total remuneration of Key Managerial Personnel's increased by 15 % from Rs.48.13 lacs in 2016-17 to Rs. 55.42 lacs in 2017-18. Net loss during 2017-18 was Rs 2085.57 lacs as against net loss of Rs. 473.70 lacs in 2016-17. In view of lower existing remuneration and market challenges for retaining talent and experienced KMP remuneration has to be commensurate with market trend.

- (vi) a) Variations in the Market capitalization of the Company: The Market capitalization as on 31.03.2018 was Rs. 1337.46Lacs and as on 31.03.2017 was Rs. 3264.21 Lacs.
- b) Price earnings ratio of the Company as at 31.03.2018 and 31.03.2017 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 31.03.2018, the closing market price of one Equity share was Rs. 9.26. Therefore, an amount of Rs. 100 invested in the said IPO would be worth Rs. 18.52 as on 31.03.2017. This excludes the dividend payout.
- (viii) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year 2017-18 was 20%, whereas the total managerial remuneration was increased during the financial year 2017-18 was 18.73 %.
- (ix) The Non-executive Directors were paid sitting fee of Rs. 2,500/- for attending the Board Meeting dated 29.05.2017 and 03.08.2017 thereafter amount of sitting fee was increased to Rs.4,000/-. 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

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	38,13,851	M .B.A, (38 Yrs.)	68	01st April 1981	Nil
2	Srivrat Dhanuka (Relative of Managing Director)	Chief Operating Officer	29,19,020	B.Sc. (Business Studies), U.K. (6 Yrs.)	29	1st Oct'2014	DG Vitta Vinimay & Properties Ltd.
3	Sukbir Singh Malick	CGM	18,39,101	M.Sc , PhD	63	06th May 2017	Bajaj Hindustan Ltd. (Sr. V.P.)
4	Udaya Shankar Dwivedy	Senior General Manager (Distillery)	15,05,001	M.Sc. , P.G.(Dip.) in Industrial fermentation (31 Yrs.)	55	4th Oct'2010	B.S.D.L -Bhagauli as G.M. (Distillery)
5	Narendra Singh	Senior General Manager	14,70,389	M.Sc. , A.N.S.I.(Sugar Technology) (26 Yrs.)	51	30th July' 2011	Agronectafresh Ltd., Vice President
6	Devendra Pal Singh	Addl. G.M. Engineering	11,94,451	Diploma in Mechanical Eng.	63	1st October' 2016	Chaddha Sugar & Industries Pvt. Ltd. (G.M. Engg.)
7	Shailendra Prasad	Chief Executive Officer & Company Secretary	11,82,469	M.Com, ACMA, ACS. (25 Yrs.)	49	1st July 1995	Chemcrown (India) Ltd- Company Secretary .
8	Vinay Kumar Dwivedi	General Manager (Cane)	11,11,980	Msc. Botany Ph.D.	54	12th October, 2016	Vishnu Sugar Mills Ltd. (Chief Cane Manager)
9	Mrinal Kanti Ghosh	DGM (Electrical)	10,40,895	Diploma in Electrical Engineering	49	04th Feb'2017	Yadu Sugar Mill (HOD Electrical GM)
10	Ram Kumar Pandey	G.M. (Commercial)	9,87,392	B.Com , MBA (Finance),CA (Inter)	50	05th June 2017	M/s Mectech Process Engineers Pvt. Ltd. GM - A/c. & Finance

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, 2018 comprises of an Executive Chairman cum Managing Director (CMD) and seven 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, 2018, five 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	29.05.2017	8	6	4
2	03.08.2017	8	5	4
3	14.09.2017	8	6	4
4	14.12.2017	8	4	3
5	14.02.2018	8	7	5

The composition of the Board of Directors as at 31st March, 2018, 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 18.09.2017	Shareholding in the Company
Mr. O. P. Dhanuka Chairman & Managing Director	Promoter & Executive	4	Nil	4	No	Nil
Mr. Suyash Borar	Independent & Non-executive	Nil	1	1	No	Nil
Mr. S. K. Goenka	-do-	3	2	3	No	Nil
Mr. N. C. Majumdar	-do-	Nil	-	4	Yes	Nil
Mr. Sarad Jha	-do-	3	2	4	No	Nil
Mrs. Sulekha Dutta	-do-	2	1	3	Yes	Nil
Mr. Dilip Datta	-do-	3	1	5	No.	Nil
Mr. N. K. Parasramka Appointed w.e.f 10.11.2016	Non-Executive Director	1	Nil	4	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.

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 15.02.2018 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 Directors 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.

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, all 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 2017-18 on 27.05.2017, 03.08.2017, 14.09.2017, 14.12.2017 and 14.02.2018.

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

<u>Name of Members</u>	<u>Status</u>	<u>No. of Meetings attended</u>
Mr. Sarad Jha (Chairman)	Independent & Non-Executive	4
Mr. Suyash Borar	-do-	4
Mr.S.K.Goenka	-do-	5

Mr. Sarad Jha, Chairman did not attended the AGM held on 18.09.2017 due to death of his mother.

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, Independent Directors. The members of the Committee are Mr. S.K.Goenka, Mr. S.Borar and Mr.N.C.Majumdar.

During the Financial Year 2017 -18 no Nomination and Remuneration Committee Meeting was held . The composition and attendance of the members of the Nomination and remuneration Committee are as follow:-

<u>Name of Members</u>	<u>Status</u>	
Mr.S.K.Goenka (Chairman)	Independent & Non-Executive	w.e.f. 06.04.2018 Mr. S. K. Goenka left and
Mr.Suyash Borar	-do-	Mr. N. K. Parasramka joined as Chairman
Mr.N.C.Majumdar	-do-	of the Committee.

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 2017-18

<u>Name of the Director</u>	<u>Sitting Fee</u>	<u>Salaries</u>	<u>Perquisites/ Benefits</u>	<u>Total</u>
Mr. O.P.Dhanuka, Chairman - Managing Director	–	36,00,000/-	2,13,851/-	38,13,851/-
Mr. S. Borar	Nil			
Mr. S.K.Goenka	10,500/-			10,500/-
Mr.N.C.Majumdar	14,500/-			14,500/-
Mr.Sarad Jha	13,000/-			13,000/-
Mrs. Sulekha Dutta	10,500/-			10,500/-
Dr. Dilip Datta	17,000/-			17,000/-
Mr.N.K.Parasramka	14,500/-			14,500/-

(Amount in Rs.)

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

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. S.K. Goenka. and Mrs.Sulekha Dutta. Mr. S.Prasad, Company Secretary is Ex-officio Secretary of the Share Transfer Committee. During financial year 2017-18, 5 No. of share transfer committee meetings were held on 21.06.2017, 10.07.2017, 31.08.2017, 10.01.2018 and 11.01.2018 w.e.f. 06.04.2018 Mr. S. K. Goenka left and Mr. N. K. Parasramka joined the Committee.

(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 2017-18, the Committee met on 07.04.2017, 07.07.2017, 07.10.2017 and 08.01.2018 (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>
Mr. S.K.Goenka	Independent & Non-Executive	3
Mr.Sarad Jha	-do-	4
Mrs. Sulekha Dutta	Independent & Non-Executive	4

With effect from 06.04.2018 Mr. S. K. Goenka left and Mr. N. K. Parasramka joined the Committee as Chairman.

Shareholder complaints received and redressed during the Financial Year 2017-18

Nature of Grievances	Complaints received from				Total Complaints received during 2017-18	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	1	Nil	1	1	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, is the Compliance Officer.

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>
31.03.2017	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
31.03.2015	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	29th September, 2015 at 10.00 a.m.	None

One Extra-Ordinary General Body Meeting was held during last 3 years on 29th September, 2015. During last three years one deemed Extra-Ordinary General Meeting was also held on 29.03.2016 for declaration of result of resolution put through postal ballot.

In aforesaid Extra Ordinary General Meeting the following Resolutions were passed:

<u>Date of Extra Ordinary General Meeting/Postal Ballot</u>	<u>Resolution Description</u>	<u>Voting pattern</u>
EGM : 29.09.2015	Ordinary Resolution in terms of section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) for Report of the Board of Directors of the Company to the Shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial Year ended 31st March,2015 in relation to its peak net worth during the immediately preceding four financial years and authorization to the Board of Directors to take necessary steps including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance to the provisions of section 23(1)(a)(i) of SICA and to do all connected works.	By Postal Ballot / E-voting

- i) In Postal Ballot resolutions passed on 29th March, 2016 the following resolutions were passed as Special Resolution:-
- Enhancement of Authorised Share Capital of the Company pursuant to the provisions of section 13 and 61 of the Companies Act, 2013 and rules framed thereunder.
 - Preferential issue of Convertible Equity Share Warrants pursuant to section 62, 23(1)(b) and 42 of the Companies Act,2013, as per provisions of the Memorandum and Articles of the Company and as per Listing Agreement with the Stock Exchanges and in accordance with the existing guidelines, rules and regulations of the SEBI.
 - Approval for Loan/Guarantees/Investment under section 186 of the Companies Act, 2013 and rules framed thereunder.
 - Adoption of new set of Articles of Association of the Company under section 14 of the Companies Act,2013 read with the rules framed thereunder.

DISCLOSURES

- 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.
- 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.
- None of the Non-Executive Directors hold equity shares or convertible instruments of the Company as on 31.03.2018.
- 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. 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 certificate for the year 2017-18 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) 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, 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

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

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 as well the email-id sprasad@rigasugar.in

GENERAL SHAREHOLDERS INFORMATION

- (i) Annual General Meeting

Date and Time : Tuesday, 25th September, 2018 at. 11.00 a.m.

Venue : Sitaram Seksaria Sabhagar(Auditorium)
Bhartiya Bhasa Parishad,
36A, Shakespeare Sarani,
Kolkata- 700 017

- (ii) Financial Year Calendar for 2018-2019

Results for quarter ending, June, 2018	second week of August, 2018
Results for quarter ending, September, 2018	second week of November, 2018
Results for quarter ending, December, 2018	second week of February, 2019
Results for quarter ending March, 2019	second week of May, 2019 (Unaudited) OR last week of May, 2019 (if audited)

- (iii) Date of Book Closure

20.09.2018 to 25.09.2018

- (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 2018-19 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-400 023

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 . 2017	-	-	-	39.90	22.05	1289691
May. 2017	-	-	-	36.55	21.40	537160
June. 2017	-	-	-	23.80	15.60	483139
July. 2017	-	-	-	20.00	16.00	509209
Aug. 2017	-	-	-	20.90	16.30	221900
Sept. 2017	-	-	-	20.40	14.80	268484
Oct. 2017	-	-	-	18.95	15.10	154489
Nov. 2017	-	-	-	18.95	15.20	200277
Dec. 2017	-	-	-	16.95	13.70	280105
Jan. 2017	-	-	-	17.50	12.20	404381
Feb. 2018	-	-	-	15.00	11.60	104189
Mar. 2018	-	-	-	12.48	8.80	167478

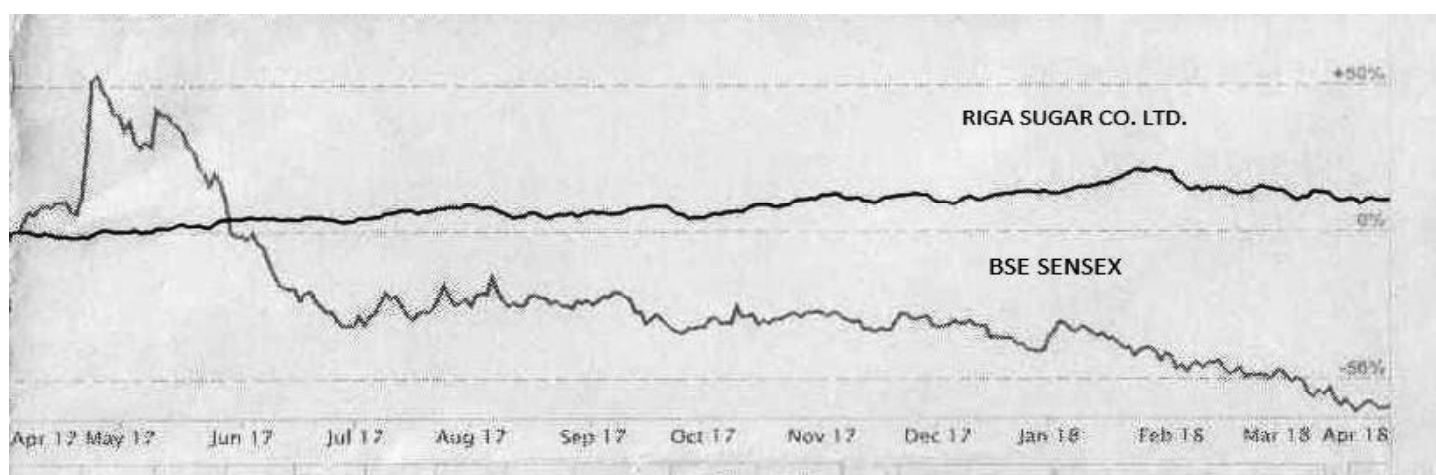
Note: There was no trading in Calcutta Stock Exchange during the year.

Share Price Performance in comparison to BSE Sensex.

BSE Sensex	
% change in RSCL share price	% change in Sensex
(-) 59%	(+) 11%

Financial Year ended 31st March,2018

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, 2018

Category	Number of Shares	Percent of total shares
Promoters	99,93,378	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)	12,07,279	8.36
Non-Resident Indian(NRI) and Overseas Corporate Bodies(OCB)	82,308	0.57
Indian Public	31,57,840	21.86
TOTAL	1,44,43,405	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

<u>Shareholding Range</u>	<u>Number of shareholders</u>	<u>% of Shareholders</u>	<u>No. of Shares</u>	<u>% of Shareholding</u>
1-500	5,253	86.03	6,40,190	4.43
501-1000	352	5.76	2,91,871	2.02
1001-2000	199	3.26	3,12,750	2.17
2001-3000	91	1.49	2,33,133	1.61
3001-4000	41	0.67	1,49,146	1.03
4001-5000	36	0.59	1,73,548	1.20
5001-10000	69	1.13	5,00,964	3.47
10001-50000	51	0.84	10,51,282	7.28
50001-100000	6	0.10	4,18,195	2.90
100001 and above	8	0.13	1,06,72,326	73.89
TOTAL	6106	100.00	1,44,43,405	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

	<u>No.</u>	<u>%</u>
Demat in CDSL	18,04,862	12.50
Demat in NSDL	1,23,96,826	85.83
Physical	2,41,717	1.67
Total	1,44,43,405	100.00

98.33% Equity Shares of the Company have been dematerialized as on 31st March, 2018.

PLANT LOCATION

i) SUGAR UNIT Dhanuka Gram, P.O.Riga Dist. Sitamarhi Bihar - 843 327	(ii) DISTILLERY UNIT Dhanuka Gram, P.O.Riga Dist. Sitamarhi Bihar - 843 327
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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.S.Prasad (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 2017-18.

Kolkata
08.06.2018

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

CMD Certification

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015

The Board of Directors

Riga Sugar Co.Ltd.

Kolkata.

Re: Financial Statements for the Financial Year 2017-18 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,2018 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,2018 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
08.06.2018

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, 2018 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 Listing Agreement.

We state that in respect of investor grievances received during the financial year ended 31st March, 2018 no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance 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
08.06.2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Riga Sugar Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its Loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

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

Note- 11(A) and (B) to the financial statements indicates that the company has accumulated losses and its net worth has been fully eroded, the Company has incurred a Net Loss during current and previous years and also the Company's current liabilities exceeded its current assets as at the Balance Sheet date. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about that Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of these matters.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 29th May 2017 and 30th May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) 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 Cash Flow Statement and the Statement of Changes in Equity 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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 2018 [Refer Note No. 25(1)].
 - (ii) The Company did not have any long term contracts including derivative contract as at 31st March, 2018.
 - (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 2018.

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

Nihar Ranjan Nayak
Partner
(Membership No. : 57076)

Place : Kolkata
Date : 08.06.2018

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, 2018, 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 loan is repayable on demand and the payment of interest has been stipulated and the receipts are regular;
 - (c) No amount is overdue.
 - 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 including provident fund, employees' state insurance, goods and services tax, income tax service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. Some delay noticed in depositing the above, 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 dispute 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
VAT	Agriculture Implements	10.09	9.80	2009-10 & 2010-11	Commercial Taxes Tribunal, Patna
VAT	VAT	26.87	-	2004-05	Hon'ble Patna High Court
VAT	VAT on SDS @ 12.5% instead of 4%	95.72	35.62	2009-10 & 2010-11	Commercial Taxes Tribunal, Patna
VAT	VAT on SDS @ 12.5% instead of 4%	230.65	41.73	2011-12	Commercial Taxes Tribunal, Patna
VAT	VAT on Stock Transfer of RS for CL	61.84	12.99	2012-13	Commercial Taxes Tribunal, Patna
VAT	VAT on Stock Transfer of RS for CL	200.15	10.00	2013-14	Commercial Taxes Tribunal, Patna
VAT	VAT on Stock Transfer of RS for CL	230.64	-	2014-15	Commercial Taxes Tribunal, Patna
VAT	ITC Disallowance on RS	2.23	-	2013-14	Joint Commissioner of Commercial Taxes, Patna
Central Excise	Demand under rule 6(3) against sale of Bagasee, pressmud and bio-compost	4.78	-	July 15 to Dec. 15	Excise Commissioner (Appeal), Patna
Central Excise	Cenvat Credit taken on Service Tax on transportation	64.05	-	2012-13 to 2015-16 (upto Feb 16)	Excise Commissioner (Appeal), Patna
State Excise Dept.	Inferior Quality of Country Liquor supplied at Araria	382.49	-	2015-16	Hon'ble Patna High Court
State Excise Dept.	Inferior Quality of Country Liquor supplied at Seohar	98.07	-	2016-17	Hon'ble Patna High Court

- viii) The loans from Bank of India (BOI) amounting to `177.76 lacs and Union Bank of India (UBI) amounting to `10.37 lacs (including interest thereon), are delayed in repayment which was due to repay on 31.03.18. The Company has also defaulted in repayment of Sugar Development Fund (SDF) amounting to `928.13 lacs and of `785.71 Lakhs still not acknowledged as debt [Refer Note 25(1)(c)].
- 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 him.
- 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)

Nihar Ranjan Nayak
Partner
(Membership No. : 57076)

Place : Kolkata
Date : 08.06.2018

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 Company Limited ("the Company") as on 31st March, 2018 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nihar Ranjan Nayak
Partner
(Membership No. : 57076)

Place : Kolkata
Date : 08.06.2018

Balance Sheet as at 31st March, 2018

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

ASSETS	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(1) NONCURRENT ASSETS				
(a) Property, Plant and Equipment	2	15,789.64	15,141.73	14,841.27
(b) Capital Work in Progress	2	-	595.47	-
(c) Other Intangible Assets	3	35.10	21.41	24.70
(d) Financial Assets				
(i) Loans	4(a)	-	-	-
(ii) Other Financial Assets	4(b)	22.67	14.26	11.75
(e) Deferred Tax Assets (Net)	5	935.52	935.52	999.91
(f) Other Non- Current Assets	6	279.37	1,444.51	1,807.00
Total (a)		17,062.31	18,152.91	17,684.63
(2) CURRENT ASSETS				
(a) Inventories	7	17,318.41	11,225.92	15,521.07
(b) Financial Assets				
(i) Trade Receivables	8(a)	875.39	564.31	270.52
(ii) Cash & Cash Equivalents	8(b)	31.40	54.68	80.57
(iii) Bank Balances other than (ii) above	8(c)	38.57	38.91	3.82
(iv) Loans	4(a)	12.50	4.00	2.00
(c) Current Tax Asset (Net)	9	12.42	16.71	25.42
(d) Other Current Assets	10	1,005.96	814.14	1,026.85
Total (b)		19,294.64	12,718.67	16,930.25
Total Assets		36,356.95	30,871.58	34,614.88
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	11(A)	1,444.34	1,444.34	1,244.34
(b) Other Equity	11(B)	3,511.79	5,650.47	6,162.78
		4,956.13	7,094.81	7,407.12
(2) LIABILITIES				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12(a)	2,327.30	3,149.48	3,704.12
(b) Provisions	13	576.98	526.41	518.43
		2,904.28	3,675.89	4,222.55
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14(a)	10,572.14	10,112.42	9,756.74
(ii) Trade Payables	12(b)	15,653.89	7,232.15	10,026.15
(iii) Other Financial Liabilities	14(b)	1,841.92	1,981.16	2,059.63
(b) Other Current Liabilities	15	329.39	716.12	1,109.16
(c) Provisions	16	99.20	59.03	33.51
		28,496.54	20,100.88	22,985.20
Total Equity and Liabilities		36,356.95	30,871.58	34,614.88
Significant Accounting Policies & Other Notes	1 & 25			

The accompanying notes are an integral part of the Financial Statements

For and behalf of the Board of Directors

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. Prasad
Company Secretary

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

Nirmal K. Parsarmka
(DIN : 00086584)
Directors

Place : Kolkata
Date : 08.06.2018

Statement of Profit and Loss for the year ended 31st March, 2018

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

PARTICULARS	Notes	For the Year ended 31.03.2018	For the Year ended 31.03.2017
I. Revenue from Operations	17	10,372.41	19,321.05
II. Other Income	18	307.87	351.08
III. Total Revenue (I +II)		10,680.28	19,672.13
IV. Expenses:			
Cost of Materials Consumed	19	13,142.70	10,121.65
Excise duty on sale of goods		221.29	1,121.60
"Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	20	(6,512.39)	3,985.35
Employee Benefit Expenses	21	1,883.75	1,453.21
Finance Costs	22	1,765.35	1,502.85
Depreciation and Amortization Expenses	23	471.74	432.29
Other Expenses	24	1,789.18	1,464.51
IV. Total Expenses		12,761.63	20,081.45
V. Profit/(Loss) before Exceptional Items and Tax (III - IV)		(2,081.34)	(409.32)
VI. Exceptional Item		-	-
VII. Profit/(Loss) before Tax (V -VI)		(2,081.34)	(409.32)
VIII. Tax Expenses:			
1 Current Tax			
2 Tax for earlier years (Net)		4.23	-
3 Deferred Tax		-	64.39
Net Current Tax (VIII)		4.23	64.39
IX. Profit/(Loss) for the Period (VII- VIII)		(2,085.57)	(473.70)
X. Other Comprehensive Income for the period			
(i) Item that will not be reclassified to Profit or Loss		(53.11)	(7.87)
(ii) Items that will be reclassified to Profit or Loss		-	-
XI. Total Comprehensive Income for the period (IX +X)		(2,138.68)	(481.57)
Earnings per Equity Share (for Continuing Operation):	25(3)		
(1) Basic		(14.44)	(3.76)
(2) Diluted		(14.44)	(3.76)

Significant Accounting Policies & Other Notes

1 & 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. Prasad
Company Secretary

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(DIN : 00049947)
Chairman &
Managing Director

Nirmal K. Parsarmka
(DIN : 00086584)
Directors

Place : Kolkata
Date : 08.06.2018

Cash Flow Statement for the Year ended 31st March, 2018

CIN : L15421WB1980PLC032970

(Rs. in Lacs)

PARTICULARS	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	(2,081.34)	(409.32)
Add/Less: Prior Period Items	-	(2.18)
Adjustment for :		
Depreciation	466.60	428.99
Net Gain/Loss on Fair Valuation	(53.11)	(7.87)
Amortisation	5.14	3.29
Interest Expenses	1,765.35	1,502.85
Interest Income	(7.10)	(7.66)
Operating Profit before Working Capital Changes	95.54	1,508.10
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	7,648.41	(2,794.01)
Increase/(Decrease) in Other Current Liabilities	(386.73)	(393.04)
(Increase)/ Decrease in Inventories	(6,092.48)	4,295.15
(Increase)/ Decrease in Trade Receivables	(311.08)	(293.79)
(Increase)/ Decrease in Loans	(8.50)	(2.00)
Increase/ (Decrease) in Provisions	90.74	33.50
(Increase)/ Decrease in Other Financial Liabilities	255.53	34.68
(Increase)/Decrease in Other Non Current Assets	1,165.14	362.49
(Increase)/Decrease in Other Current Assets	(191.82)	212.71
Cash generated from/(used in) Operations	2,264.75	2,963.80
Direct Taxes Paid (Net)	0.06	8.70
Net Cash from Operating Activities (A)	2,264.81	2,972.51
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Investment in Bank Deposits	(9.82)	(37.61)
Addition to CWIP	595.47	(595.47)
Sale of Property, Plant & Equipment and Intangible Assets	0.14	-
Interest Received	7.10	7.66
Purchase of Property, Plant & Equipment and Intangible Assets	(1,133.48)	(729.46)
Net Cash from Investing Activities (B)	(540.59)	(1,354.88)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share Capital	-	180.00
Interest Paid	(1,649.40)	(1,724.76)
Repayment of Long Term Borrowings	(1,410.25)	(1,230.45)
Proceed from Long Term Borrowing	77.35	776.00
Proceeds/(Repayment) of Short Term Borrowings	1,233.04	355.68
Net Cash from Financing Activities (C)	(1,749.26)	(1,643.53)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(25.03)	(25.90)
Cash and Cash Equivalents at the beginning of the year	56.43	82.33
Cash and Cash Equivalents at end of the year	31.40	56.43
Cash & Cash Equivalents :		
Balances with Bank		
Current Account	29.72	54.13
Cash-on-Hand	1.68	0.55
Unpaid Dividend	-	1.75
Total	31.40	56.43

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 (Ind AS) 7 notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For **SALARPURIA & PARTNERS**

Chartered Accountants

Firm ICAI Reg. No. 302113E

Nihar Ranjan Nayak

Partner

(Membership No. : 57076)

Place : Kolkata

Date : 08.06.2018

S. Prasad
Company Secretary

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

Nirmal K. Parsarmka
(DIN : 00086584)
Directors

Notes to Financial Statements as at 31st March, 2018

NOTE 1(A) CORPORATE INFORMATION

Riga Sugar Company Limited ("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 factory 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 Lacs

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 with restatement of previous year figures presented in this financial statements. 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.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016. Reconciliations and descriptions of the effect of the transition have been summarized in Note No 25(12).

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 Lacs as per the requirement of Schedule III to the Act, unless stated otherwise.

Notes on Financial Statements for the Year ended 31st March, 2018

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

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 income 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. Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

b. 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.

c. Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated.

Notes on Financial Statements for the Year ended 31st March, 2018

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 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

* The Management believes that the useful life of Furniture & Fixtures best represent 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.

d. 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. Transition to Ind AS

The Company has elected to continue with carrying value of Intangible Assets under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, Intangible Assets were stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

b. 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.

c. 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

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

Notes on Financial Statements for the Year ended 31st March, 2018

Cost of inventory comprises of 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".

ix) Borrowing 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.

Notes on Financial Statements for the Year ended 31st March, 2018

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 function currency").

The financial statements are presented in Indian 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.

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:

- i) The date of the plan amendment or curtailment, and
- ii) 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:

Notes on Financial Statements for the Year ended 31st March, 2018

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- ii) 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.

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.

Notes on Financial Statements for the Year ended 31st March, 2018

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.

xvii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker (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.

Notes on Financial Statements for the Year ended 31st March, 2018

- 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.

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 on Financial Statements for the Year ended 31st March, 2018

NOTE2: PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Rs. in Lakhs

Particulars	PROPERTY, PLANT & EQUIPMENT						Capital Work-in Progress
	Freehold Land	Building	Plant & Machinery	Furniture, Fixtures & Equipments	Vehicles	Total	
Gross block							
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
Gross carrying amount as at 31st March, 2018	8,069.60	971.56	7,531.69	34.61	77.70	16,685.17	-
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	-
Accumulated depreciation as at 31st March, 2018	-	80.51	763.82	19.38	31.82	895.53	-
Net carrying amount as at 31st March, 2018	8,069.60	891.05	6,767.88	15.23	45.88	15,789.64	-
Gross block							
Gross Block as at 1st April, 2016	8,069.60	872.05	5,795.73	27.48	76.40	14,841.27	-
Additions during the year	-	5.80	720.58	3.08	-	729.46	595.47
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-
Gross carrying amount as at 31st March, 2017	8,069.60	877.85	6,516.31	30.56	76.40	15,570.73	595.47
Depreciation/Amortisation							
Opening accumulated depreciation/amortisation as at 1st April, 2016	-	-	-	-	-	-	-
Depreciation/Amortisation for the year	-	39.10	363.58	10.70	15.61	428.99	-
Reclassification made during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2017	-	39.10	363.58	10.70	15.61	428.99	-
Net carrying amount as at 31st March, 2017	8,069.60	838.75	6,152.73	19.86	60.79	15,141.73	595.47
Net carrying amount as at 1st April, 2016	8,069.60	872.05	5,795.73	27.48	76.40	14,841.27	-

NOTES: The finance costs on specific borrowings capitalised during the year amounted to Rs. 42.71 Lakhs (31st March, 2017 : Rs. 44.63 Lakhs).

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note : 3 OTHER INTANGIBLE ASSETS	Software Development	Total
Gross block		
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	-	-
Gross carrying amount as at 31st March, 2018	43.53	43.53
<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	-	-
Accumulated amortisation as at 31st March, 2018	8.43	8.43
Net carrying amount as at 31st March, 2018	35.10	35.10
<u>Gross block</u>		
Gross carrying amount as at 1st April, 2016	24.70	24.70
Additions during the year	-	-
Disposals/deductions during the year	-	-
Gross carrying amount as at 31st March, 2017	24.70	24.70
<u>Amortisation</u>		
Accumulated amortisation as at 1st April, 2016	-	-
Amortisation for the year	3.29	3.29
Disposals/deductions during the year	-	-
Accumulated amortisation as at 31st March, 2017	3.29	3.29
Net carrying amount as at 31st March, 2017	21.41	21.41
Net carrying amount as at 1st April, 2016	24.70	24.70

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note : 4(a) LOANS (Carried at amortised cost)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current			
Unsecured, Considered Good			
Loan to Related Party			
DG Vitta Vinimay & Properties Limited	12.50	4.00	2.00
Total	12.50	4.00	2.00

Note : 4(b) OTHER FINANCIAL ASSETS (Unsecured, Considered good)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Bank Deposits with Maturity more than 12 months (Margin money against Bank Guarantee)	22.67	14.26	11.75
Total Non Current Other Non Financial Assets	22.67	14.26	11.75

Note : 5 DEFERRED TAXASSET (NET)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred Tax	935.52	935.52	999.91
Total	935.52	935.52	999.91

Note : 6 OTHER NON CURRENT ASSETS (Unsecured, Considered good unless otherwise stated)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with Government Authorities	278.17	1,443.31	1,806.22
Security Deposit	1.21	1.21	0.79
Total	279.37	1,444.51	1,807.00

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note : 7 INVENTORIES (Valued at Cost or NRV whichever is lower)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Material	195.48	63.26	435.27
Stock-in-Process*	291.80	162.40	-
Finished Goods**	14,803.48	9,349.87	13,692.14
By- Products***	1,378.84	853.90	900.36
Stores & Spares	648.81	796.49	493.30
Total	17,318.41	11,225.92	15,521.07

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

Sugar	291.80	145.96	-
Ethanol	-	16.44	-
	291.80	162.40	-

****Details of Finished Goods:**

Sugar	13,991.86	8,287.86	12,066.28
Ethanol	614.70	825.43	1,430.05
Fertiliser	196.93	236.57	195.81
	14,803.48	9,349.87	13,692.14

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

Molasses	313.52	244.19	370.01
Bagassee	1,065.32	609.71	530.35
	1,378.84	853.90	900.36

Note : 8(a) TRADE RECEIVABLES (Carried at Amortised cost)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(I) Current			
Unsecured , Considered good	875.39	545.51	259.67
Doubtful	-	18.80	10.85
	875.39	564.31	270.52
Less : Allowance for bad and doubtful trade receivables	-	-	-
Total	875.39	564.31	270.52

Note : 8(b) CASH AND CASHEQUIVALENT	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with Bank			
- In Current Account	29.72	54.13	68.40
Cash on Hand	1.68	0.55	12.18
Total	31.40	54.68	80.57

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note : 8(c) BANK BALANCES OTHER THAN 8(b) ABOVE	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unpaid Dividend	-	1.75	1.75
- Bank Deposits with maturity less than 12 months“ (Margin money against Bank Guarantee)”	38.57	37.16	2.07
Total	38.57	38.91	3.82

Note : 9 CURRENT TAX ASSET (NET)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, Considered good			
Advance payment of Income Tax (Net)	12.42	16.71	25.42
Total	12.42	16.71	25.42

Note : 10 OTHER CURRENT ASSETS (Unsecured, considered good)	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances other than Capital Advances			
Prepaid Expenses	16.96	22.81	30.56
Advance to Cane Growers	19.76	14.04	29.26
Government Grant	482.26	397.46	282.82
Advance to staff	16.38	28.13	26.60
Advance to Suppliers	132.36	213.28	542.45
Other Advances	338.24	138.43	115.16
Total	1,005.96	814.14	1,026.85

Note : 11(A) STATEMENT OF CHANGES IN EQUITY	Nos.	As at 01.04.2018	Nos.	As at 01.04.2017	Nos.	As at 01.04.2016
(A) Equity Share Capital						
Authorised Shares						
Equity Shares of Rs. 10/- each	199.00	1,990.00	199.00	1,990.00	149.00	1,490.00
12% Cumulative Redeemable Preference shares of Rs. 10/- each	1.00	10.00	1.00	10.00	1.00	10.00
(B) Issued, Subscribed Shares & Paid-up						
Issued and Subscribed :						
Equity Shares of Rs. 10/- each	144.77	1,447.71	144.77	1,447.71	124.77	1,247.71
Paid- Up :						
Equity Shares of Rs. 10/- each	144.43	1,444.34	144.43	1,444.34	124.43	1,244.34
Total		1,444.34		1,444.34		1,244.34

Notes on Financial Statements for the Year ended 31st March, 2018

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

Rs. in Lakhs

Equity Shares	Nos.	As at 01.04.2018	Nos.	As at 01.04.2017	Nos.	As at 01.04.2016
At the beginning of the period	144.43	1,444.34	124.43	1,244.34	106.43	1,064.34
Issued during the period	-	-	20.00	200.00	18.00	180.00
Outstanding at the end of the period	144.43	1,444.34	144.43	1,444.34	124.43	1,244.34

b. Terms/Rights attached to Equity Shares

The Company has one Class of Shares issued, Equity Shares having a par value of ` 10/- each and no special right and/preference are attached to such shares. Each Equity Shareholder is eligible for one vote per share held. The dividend proposed 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 01.04.2018 % Holding in the Class	Nos.	As at 01.04.2017 % Holding in the Class	Nos.	As at 01.04.2016 % Holding in the Class
D G Vitta Vinimay & Properties Limited	70.98	49.15	70.98	49.15	50.98	40.97
The Belsund Sugar and Industries Limited	26.16	18.11	26.16	18.11	26.16	21.02

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. 20,00,000 Equity Share Warrants were allotted during previous year to promoters on preferential allotment basis at Rs. 12/- per warrants at face value of Rs. 10/- and premium of Rs. 2/- per Equity Share Warrant converted into 20,00,000 Equity Shares.

h. There is no unpaid call.

i. Amount of forfeited equity shares :

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(33,700 shares of Rs. 10 each on which Rs. 5 was paid up)	1.69	1.69	1.69

Notes on Financial Statements for the Year ended 31st March, 2018

Note : 11(B) STATEMENT OF CHANGES IN EQUITY

Rs. in Lakhs

OTHER EQUITY	Reserves & Surplus					Other Comprehensive Income	Total Equity
	Capital Reserve	Securities Premium Reserve	Revaluation Surplus	Money received against Share Warrant	Retained Earnings		
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							
Other comprehensive income/(loss) for the year							
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-	-
Balance as at 31st March, 2018	8.43	1,703.05	7,991.98	-	(6,112.41)	(79.26)	3,511.79
Balance as at 1st April, 2016	8.43	1,663.05	7,991.98	60.00	(2,147.63)	-	7,575.83
Change in Accounting Policy or Prior Period errors					(1,394.76)	(18.28)	(1,413.04)
Restated Balance as at 1st April, 2016	8.43	1,663.05	7,991.98	60.00	(3,542.39)	(18.28)	6,162.78
Changes in equity during the year ended 31st March, 2017							
Profit/(Loss) for the year					-		
Change in Accounting Policy or Prior Period errors					(473.70)		(473.70)
Transfer from/to revaluation surplus/retained earnings		40.00			(10.74)		(10.74)
Other comprehensive income/(loss) for the year						(7.87)	(7.87)
Transfer to Share Capital				(60.00)			(60.00)
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-	-
Balance as at 31st March, 2017	8.43	1,703.05	7,991.98	-	(4,026.84)	(26.15)	5,650.47

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note 12 : FINANCIAL LIABILITIES	Asat 31.03.2018		Asat 31.03.2017		Asat 01.04.2016	
(A) BORROWINGS						
(i) Non-Current						
Carried at amortised cost						
Term Loans						
From Banks						
Secured						
Rupee Loans						
Bank of India (BOI)	1,049.59		1,663.13		2,185.12	
Union Bank of India (UBI)	343.03	1,392.62	561.77	2,224.90	643.98	2,829.10
Car Loan						
HDFC Bank	0.80		12.97		23.96	
Tractor Loan						
Central Bank of India	5.76		6.46		7.75	
From entities other than banks						
Secured						
Rupee Loans						
Government of India, Sugar Development Fund (SDF)		928.13		905.15		843.30
Total		2,327.30		3,149.48		3,704.12

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

Rs. in Lakhs

Term Loans from Bank	Rate of Interest	Repayment Terms
Bank of India (BOI) :		
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
Union Bank of India (BOI) :		
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
Sugar Development Fund :	<p>Normal Interest : 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>Penal Interest in case of Default: 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 on Financial Statements for the Year ended 31st March, 2018

Security	Particulars
Principal for Working Capital	1st pari-passu charge on current assets of company.
Principal for Term Loans under consortium	1st pari-passu charge on fixed assets (Property, Plant & Equipment) of the company.
Collateral for Working Capital (Sugar Division)	1st pari-passu charge on block of assets to the extent of Rs. 5.44 crores of Company for part of Working Capital Limit sanctioned for Sugar Division. 3rd pari passu charge on fixed assets (Property, Plant & Equipment of Super Division).
Collateral for Working Capital (Distillery Division)	2nd pari-passu charge on fixed assets (Property, Plant & Equipment) of Distillery division.

b) Details of Guarantor :

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 Limited
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.

Rs. in Lakhs

Note 12 : FINANCIAL LIABILITIES	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(B) TRADEPAYABLES			
Current			
Trade Payables			
Total Outstanding Dues to Micro and Small Enterprises *			
Total Outstanding dues of Creditors other than Micro Enterprise & Small Enterprises* "Refer Note 25(7) "	15,653.89	7,232.15	10,026.15
Total	15,653.89	7,232.15	10,026.15
Non-Current	-	-	-
Total	-	-	-

* 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.

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
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).	NIL	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	NIL
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of accounting year.	NIL	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.	NIL	NIL	NIL

Note 13 : LONG TERM PROVISIONS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Employee Benefits			
– Provision for Gratuity	514.70	471.31	460.94
– Provision for Leave Encashment	62.28	55.10	57.49
Total	576.98	526.41	518.43

Note 14 : FINANCIAL LIABILITIES	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
(A) BORROWINGS						
Carried at amortised cost						
Loans Repayable on demand						
From Banks						
– Working Capital Loan (Secured)						
Bank of India (BOI)	5,889.84		5,588.46		5,183.71	
Union Bank of India (UBI)	2,023.30	7,913.14	1,865.21	7,453.67	1,838.28	7,021.99
From Other Parties						
Loan From Related Parties (Unsecured)		1,699.00		1,628.75		1,613.75
Inter Corporate Deposits (Unsecured)		960.00		1,030.00		1,121.00
Total		10,572.14		10,112.42		9,756.74

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Details of Loan from Related Parties	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
The Belsund Sugar & Industries Ltd	1,676.25	1,606.00	1,594.00
Du-Point Impex Limited	22.75	22.75	19.75

Note 14 : FINANCIAL LIABILITIES	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(B) OTHER FINANCIAL LIABILITIES			
Carried at amortised cost			
Current Maturities of Long-Term Debt*	1,103.11	1,590.86	1,467.69
Interest Accrued on Debt but not Due	112.79	19.81	256.14
Unpaid/Unclaimed Dividends	-	1.75	1.75
Security Deposit	82.26	82.17	38.58
Liability for Expenses	95.47	71.81	57.02
Commission Payable	134.86	110.48	93.12
Payable to Employees	313.43	104.28	145.34
Total	1,841.92	1,981.16	2,059.63

*The above Borrowings includes Rs. 188.13 Lakhs is overdue for repayment as on 31.03.2018. Refer Note 12(a) for nature of securities and terms of repayment.

Note 15 : SHORT TERM PROVISIONS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance from Customers	87.64	187.70	169.36
Statutory Dues (PF ESI GST TDS PTAX) *	89.30	429.14	796.79
Others Payable	152.46	99.28	143.00
Total	329.39	716.12	1,109.16
* Includes Excise duty on closing stock	-	404.44	709.61

Note 16 : SHORT TERM PROVISIONS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Employee Benefits (Refer Note 25(5))			
– Provision for Gratuity	83.84	47.76	29.82
– Provision for Leave Encashment	15.36	11.27	3.69
Total	99.20	59.03	33.51

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note 17 : REVENUE FROM OPERATIONS	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
A) Sale of goods				
Sugar	7,443.46		15,106.27	
Molasses	573.37		766.70	
Ethanol	2,116.10		3,302.43	
Fertilisers	51.75		41.24	
Power	187.73	10,372.41	104.41	19,321.05
B) Other operating revenue	-		-	
Revenue from operations		10,372.41		19,321.05

Note 18 : OTHER INCOME	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
(a) Interest Income				
-Deposit with banks and others	3.65		5.83	
-On Cane Advance given to Cane Growers	1.23		0.77	
-On Inter Corporate deposits	2.19		0.62	
-On Income Tax Refund	0.03	7.10	0.43	7.66
(b) Other Non Operating Income				
- Insurance claims	6.68		105.43	
- Sundry Balances Written Back	49.08		215.76	
- Refund of License Fees*	219.57		-	
- Rent Received	9.88		5.96	
- Miscellaneous Receipt	15.56	300.77	16.26	343.42
Total		307.87		351.08

* Refund of License fees of Distillery unit earlier paid to Government Of Bihar from the year 1995-1996 to 2015-2016 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 31.03.2018		For the Year Ended 31.03.2017	
Sugarcane	12,399.17		8,972.23	
Molasses	743.53	13,142.70	1,149.42	10,121.65
Total		13,142.70		10,121.65

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS BY PRODUCTS & WORK IN PROGRESS	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
Stock at the Beginning of the Year				
Finished Goods*		9,349.87		13,692.14
Stock-in-Process**		162.40		-
By Product***		853.90		900.36
Total (A)		10,366.17		14,592.50
Stock at the End of the year				
Finished Goods*		14,803.48		9,349.87
Stock-in-Process**		291.80		162.40
By Product***		1,378.84		853.90
Total (B)		16,474.12		10,366.17
Changes in inventories of finished goods, by-products and work-in-progress (B-A)		6,107.95		(4,226.33)
Less: Excise Duty on Stock		404.44		240.98
Increase/ (Decrease)		6,512.39		(3,985.35)
*Details of Finished Goods				
Opening Stock				
Sugar		8,287.86		12,066.28
Ethanol		825.43		1,430.05
Fertiliser	236.57	9,349.87	195.81	13,692.14
Closing Stock				
Sugar	13,991.86		8,287.86	
Ethanol	614.70		825.43	
Fertiliser	196.93	14,803.48	236.57	9,349.87
*** Details of Stock-in-Process				
Opening Stock				
Sugar	145.96		-	
Ethanol	16.44	162.40	-	-
Closing Stock				
Sugar	291.80		145.96	
Ethanol	-	291.80	16.44	162.40
***Details of By Products				
Opening Stock				
Molasses	244.19		370.01	
Bagasse	609.71	853.90	530.35	900.36
Closing Stock				
Molasses	313.52		244.19	
Bagasse	1,065.32	1,378.84	609.71	853.90

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

Note 21 : EMPLOYEE BENEFITS EXPENSE	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
Salary, Wages, Bonus & Allowances		1,646.64		1,265.15
Contribution to Provident Fund & Other Fund		129.70		92.24
Gratuity		72.44		62.77
Staff Welfare Expenses		34.97		33.05
Total		1,883.75		1,453.21
Note 22 : FINANCE COSTS	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
Interest	1,520.25		1,117.84	
Exchange differences regarded as an adjustment to borrowing costs	245.06		367.08	
Bank Commission	0.04	1,765.35	17.93	1,502.85
Total		1,765.35		1,502.85
Note 23 : DEPRECIATION & AMORTISATION EXPENSE	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
Depreciation on Property, Plant & Equipment		466.60		428.99
Amortisation of Intangible Assets	\	5.14		3.29
Total		471.74		432.29
Note 24 : OTHER EXPENSES	For the Year Ended 31.03.2018		For the Year Ended 31.03.2017	
Manufacturing expenses				
Store, Chemicals and Packing Materials- Indigenous	285.08		263.02	
Power, Fuel and Water	143.82		357.57	
Repairs to buildings.	43.98		29.42	
Repairs to machinery.	552.87		341.43	
Processing Expenses & Ferti- irrigation exp	48.27		30.67	
Pollution Control Expenses	22.99	1,097.01	16.90	1,039.00
Selling & Distribution Expenses				
Commission & Discount	15.32		36.86	
Selling Expenses	87.56	102.88	26.78	63.64
Establishment Expenses				
Rent.	17.64		17.65	
Insurance.	50.00		71.31	
Cost Audit Fee	0.95		0.85	
Director's Fee	0.80		0.63	
Sundry Balance Written Off	274.24		0.27	
Rates and taxes, excluding taxes on income.	8.33		18.79	
Miscellaneous expenses.	233.43	585.39	249.16	358.65
Payments to auditor				
As auditor for statutory audit	2.00		0.95	
For Tax Audit	0.60		0.40	
For other services (Limited reviews and certifications)	0.65		1.13	
For Reimbursement of expenses	0.65	3.90	0.74	3.22
Total		1,789.18		1,464.51

Notes on Financial Statements for the Year ended 31st March, 2018

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

a) Contingent Liabilities :

Rs. in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Claims against the Company not acknowledged as debt			
Central Government Demand - Under LSPEF Act	47.67	47.67	47.67
Bank Guarantee	494.30	338.10	136.65
Central Excise Duty Demand - Under Appeal	68.83	-	-
Sales Tax Demand - Under Appeal	718.94	-	-
Others - Under Appeal / Litigation	1,313.95	-	-

b) Commitments :

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Amount to be paid for purchase of fixed assets [Net of advance of Rs. Nil /-]	-	-	529.20

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. 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	2017-18	2016-17
Revenue related to Government Grants:-				
i)	Cane Price Subsidy (Refer Note (a) below)	Deducted from cost of materials consumed	246.12	-
ii)	Interest on term loans	Deducted from interest expenses on long term borrowings	204.80	287.98

Notes:

(a) Cane price subsidy of Rs. 5.50 per quintal of cane paid by the Central Government for the sugar season 2017-18.

3) Earning Per Share :

Particulars	2017-18	2016-17
(a) Net Profit/(Loss) after tax available for equity shareholders (Rs. in Lac)	(2,085.57)	(473.70)
(b) Weighted Average number of Equity shares for calculating EPS * (Lac)	144	126
(c) Nominal Value of Equity Shares (Rs.)	10	10
(d) Basic Earning per share (Rs.)	(14.44)	(3.76)
(e) Diluted Earning per share (Rs.)	(14.44)	(3.76)

*The weighted average number of shares during the previous year takes into account weighted average effect of changes in number of shares due to conversion of Equity Share Warrant into 20,00,000 Equity shares in two lots i.e.

i) 5,50,000 shares on 30/12/2016

ii) 14,50,000 shares on 30/03/2017

Notes on Financial Statements for the Year ended 31st March, 2018

4) Employee Benefits :

Rs. in Lakhs

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

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	54.25	38.33
Employer's Contribution to Pension Scheme	75.45	53.92
Total:	129.70	92.24

Gratuity :

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

a) Details of funded post retirement plans are as follows :

Sl. No.	Particulars	Gratuity		Leave Encashment	
		2017-18	2016-17	2017-18	2016-17
I.	Expenses recognised in the Statement of Profit and Loss :				
1	Current service cost	27.41	26.15	13.98	29.25
2	Past service cost	10.30	-	-	-
3	Curtailement	-	-	-	-
4	Settlement	-	-	-	-
5	Service Cost	37.71	26.15	13.98	29.25
6	Net interest on the net defined benefit liability/asset	34.73	36.62	4.16	4.32
7	Immediate recognition of (gains)/losses/other long term employee benefit plans	-	-	7.14	(16.74)
8	Cost recognised in P/L	72.44	62.77	25.28	16.83
II.	Other comprehensive income :				
1	Actuarial (gain) / loss arising from:				
	- change in experience	70.95	(16.06)	10.31	(21.04)
	- change in financial assumptions	(17.83)	23.94	(3.17)	4.30
2	Actuarial (gain)/ loss arising during period	53.12	7.88	7.14	(16.74)
3	Returns on Plan Assets (greater)/less than discount rate	(0.01)	(0.01)	-	-
4	Actuarials (gains)/ losses recognised in OCI	53.11	7.87	-	-
5	Adjustment for limit on Net Assets	-	-	-	-

Notes on Financial Statements for the Year ended 31st March, 2018

(Rs. in Lacs)

Sl. No.	Particulars	Gratuity		Leave Encashment	
		2017-18	2016-17	2017-18	2016-17
III.	Change in present value of defined benefit obligation :				
1	Present value of defined benefit obligation at the beginning of the year	520.54	492.11	66.37	61.18
2	Acquisition adjustment	-	-	-	-
3	Interest expense	34.83	36.73	4.16	4.32
4	Past service cost	10.30	-	-	-
5	Current service cost	27.41	26.15	13.98	29.25
6	Employees' contributions	-	-	-	-
7	Benefits paid directly by the company	(46.08)	(42.33)	(14.01)	(11.64)
8	Actuarial (gain) / loss arising from:	-	-	-	-
	- change in experience	70.95	(16.06)	10.31	(21.04)
	- change in financial assumptions	(17.83)	23.94	(3.17)	4.30
9	Present value of Defined Benefit Obligation at the end of the year	600.12	520.54	77.64	66.37
IV.	Change in fair value of plan assets during the year :				
1	Fair value of Plan assets at the beginning of the year	1.47	1.35	-	-
2	Interest income	0.10	0.11	-	-
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	0.01	-	-
8	Administration expenses	-	-	-	-
9	Fair Value of Plan Assets at the end of the year	1.58	1.47	-	-
V.	Net Asset/ (Liability) recognised in the Balance Sheet as at the year end:				
1	Present Value of Defined benefit obligation	(600.12)	(520.54)	(77.64)	(66.37)
2	Fair value of Plan assets	1.58	1.47	-	-
3	Funded Status [Surplus/(Deficit)]	(598.54)	(519.07)	(77.64)	(66.37)
4	Effects of Asset ceiling	-	-	-	-
5	Net defined benefit asset/ (liability) at the end of current period	(598.54)	(519.07)	(77.64)	(66.37)
VI.	Actuarial Assumptions :				
1	Discount Rate (per annum) %	7.50%	7.00%	7.50%	7.00%
2	Expected Return on Plan Assets (per annum) %	7.50%	7.00%	-	-
3	Expected Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%
4	Retirement / Superannuation Age (Year)	60	60	60	60
5	Mortality Rates	IALM(2006-2008) modified Ultimate	IALM(2006-2008) modified Ultimate	IALM(2006-2008) modified Ultimate	IALM(2006-2008) modified Ultimate
VII.	Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :				
1	Administered by Insurance Companies	-	-	-	-
2	Public Financial Institutions / Public Sector Companies bonds	-	-	-	-
3	Central / State Government Securities	-	-	-	-
4	Private sector bonds	-	-	-	-
5	Others	100.00%	100.00%	-	-
VIII.	Maturity Profile of Defined Benefit Obligation				
	Expected cash flows (valued on undiscounted basis):				
	Within the next 12 months	88.57	50.92	15.93	11.66
	Between 2 and 5 years	243.73	265.63	16.12	14.78
	Between 5 and 10 years	333.31	267.74	33.93	20.22
	Total expected payments	665.61	584.29	65.98	46.66
	The weighted average duration of the defined plan obligation at the end of the Balance Sheet date(in year)	8	8	8	8

Notes on Financial Statements for the Year ended 31st March, 2018

c) 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 yield 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.
- II. 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
1) Revenue					
Gross Sales	8,256.31	2,116.10	-	-	10,372.41
	(16,018.61)	(3,302.44)	-	-	(19,321.05)
Less: Inter Segment Revenue	-	-	-	-	-
	-	-	-	-	-
Revenue from operations (Gross)	8,256.31	2,116.10	-	-	10,372.41
	(16,018.61)	(3,302.44)	-	-	(19,321.05)
2) Segment Results :					
Profit/(Loss) before tax and interest	(606.56)	290.57	-	-	(315.99)
	(498.62)	(594.90)	-	-	(1,093.52)
Less: Unallocable expenditure	-	-	-	-	-
	-	-	-	-	-
Finance costs	-	-	-	-	1,765.35
	-	-	-	-	(1,502.85)
Profit/(Loss) before tax	-	-	-	-	(2,081.34)
	-	-	-	-	(409.32)

Figures in bracket pertain to previous year.

Notes on Financial Statements for the Year ended 31st March, 2018

Segment Assets and Liabilities:

Rs. in Lakhs

Particulars		Sugar	Distillery	Unallocable	Elimination	Total
Segment Assets	31st March, 2018	29,800.49	12,747.08	935.52	(7,126.14)	36,356.95
	31st March, 2017	24,431.28	12,387.30	935.52	(6,882.52)	30,871.58
	1st April, 2016	27,723.80	10,935.23	999.91	(5,044.07)	34,614.87
Segment Liabilities*	31st March, 2018	23,391.11	1,133.31	-	(7,126.14)	17,398.28
	31st March, 2017	14,853.76	952.77	-	(6,882.52)	8,924.01
	1st April, 2016	16,518.56	804.71	-	(5,044.07)	12,279.20
Capital Employed	31st March, 2018	6,409.38	11,613.77	935.52	-	18,958.67
	31st March, 2017	9,577.52	11,434.53	935.52	-	21,947.57
	1st April, 2016	11,205.24	10,130.52	999.91	-	22,335.67
Other Information :						
Capital Expenditure	31st March, 2018	478.12	641.77	-	-	1,119.89
	31st March, 2017	(114.06)	(615.40)	-	-	(729.46)
Depreciation	31st March, 2018	375.94	92.54	-	-	468.48
	31st March, 2017	(365.01)	(67.28)	-	-	(432.29)

* Excluding Long Term and Short Term Borrowings

- 6) Deferred Tax Assets is not recognised for the current financial year on the basis of prudence.
- 7) "The Company has given a Corporate Guarantee to Bank of India and Union Bank of India for the Loan taken by Cane Growers which is repayable by the Company. The Trade Payables includes outstanding liability of loan payable to Bank of Rs. 5,714.58 Lakhs, Rs. 5,243.05 Lakhs and Rs. 69,33.05 Lakhs as at 31st March, 2018, 31st March, 2017, and 1st April, 2016 respectively. The interest is @7% p.a. as per Interest Subvention Scheme declared by Reserve Bank of India/Government of India."
- 8) Due to continuous losses, the Net Worth is being eroded which may have an effect on the entity's ability to continue as a Going Concern. The management expects that cyclical downtrend of sugar industry will reverse in near future. The various policy measures taken by the Government to boost sugar price at economical level viz. increasing the import duty on sugar to 100% , removal of export duty on sugar, announcement of export quota to all sugar factories, imposing quantity restriction on sale of sugar in domestic market and prescribing minimum floor price of sugar. The Central Government has also provided cane price subsidy to farmer for the season 2017-18 to offset increased cost and creation of buffer stock to some extent. The Central Government has announced Bailout package for Sugar industry including creation of buffer stock to boost Ethanol production in the country by way of giving subsidy for setting up of Ethanol Plant. All these measures will surely help the sugar industry and thus Company may see positive result in period ahead. The Government of Bihar is also considering for cane price subsidy. Considering the above fact , the accounts have been prepared on going concern basis.

Notes on Financial Statements for the Year ended 31st March, 2018

Note 25 : NOTES ON ACCOUNTS

9) Related Party Disclosures :

a) Name of related parties and description of relationship:

i) Enterprise in 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.	Particulars	Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 01.04.2016
1	Dupoint Impex Limited	Opening Balance	22.75	21.00	21.00
		Loan taken during the year	-	3.00	
		Loan refunded during the year	-	-	-
		Interest Paid (Including TDS)	2.73	2.37	
		Outstanding Balance incl. interest	24.83	22.75	21.00
2	DG Vitta Vinimay & Properties Limited	Opening Balance	4.56	8.26	8.26
		Loan given during the year	18.50	6.00	
		Loan repaid during the year	10.00	4.00	
		Interest Received	2.19	0.62	
		Outstanding Balance incl. interest	15.03	4.56	8.26
3	Garima Investment and Trading Co. Ltd.	Opening Balance	0.39	0.39	0.39
		Loan given during the year	-	-	-
		Loan repaid during the year	-	-	-
		Interest Receivable	-	-	-
		Outstanding Balance incl. interest	-	0.39	0.39
4	Directors	Sitting Fees	0.80	0.63	0.63
5	O.P. Dhanuka	Salary	38.44	31.33	23.25
6	Srivrat Dhanuka	Salary	29.19	29.26	20.59
7	The Belsund Sugar & Industries Limited*	Assignment of Trade Payable	2,425	2,651.67	2,526.67
		Less: Loan Given	1,522.08	1,819.00	1,706.00
		Allowance for bad & doubtful debts	773.33	773.33	773.33
		Outstanding Balance	1,676.25	1,606.00	1,594.00

Notes on Financial Statements for the Year ended 31st March, 2018

Note 25 : NOTES ON ACCOUNTS

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

A. Financial instruments by category

As at 31st March, 2018

Rs. in Lakhs

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying Value			Total
				Amortized Cost	FVTOCI	FVTOPL	
Financial assets							
a)	Investments		-	-	-	-	
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)	22.67	22.67	-	-	22.67
	Total		980.54	980.54	-	-	980.54
Financial liabilities							
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
	Total		30,395.25	30,395.25	-	-	30,395.25

As at 31st March, 2017

Rs. in Lakhs

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying Value			Total
				Amortized Cost	FVTOCI	FVTOPL	
Financial assets							
a)	Investments	-	-	-	-	-	-
b)	Trade and other receivables	8(a)	564.31	564.31	-	-	564.31
c)	Cash and cash equivalents	8(b)	54.68	54.68	-	-	54.68
d)	Bank balances other than cash and cash equivalents	8(c)	38.91	38.91	-	-	38.91
e)	Loans	4(a)	4.00	4.00	-	-	4.00
f)	Other financial assets	4(b)	14.26	14.26	-	-	14.26
	Total		676.16	676.16	-	-	676.16
Financial liabilities							
a)	Borrowings	12(a) & 14(a)	13,261.90	13,261.90	-	-	13,261.90
b)	Trade and other payables	12(b)	7,232.15	7,232.15	-	-	7,232.15
c)	Other financial liabilities	14(b)	1,981.16	1,981.16	-	-	1,981.16
	Total		22,475.21	22,475.21	-	-	22,475.21

Notes on Financial Statements for the Year ended 31st March, 2018

As at 1st April, 2016

Rs. in Lakhs

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying Value			Total
				Amortized Cost	FVTOCI	FVTOPL	
	Financial assets						
a)	Investments						
b)	Trade and other receivables	8(a)	270.52	270.52	-	-	270.52
c)	Cash and cash equivalents	8(b)	80.57	80.57	-	-	80.57
d)	Bank balances other than cash and cash equivalents	8(c)	3.82	3.82	-	-	3.82
e)	Loans	4(a)	2.00	2.00	-	-	2.00
f)	Other financial assets	4(b)	11.75	11.75	-	-	11.75
	Total		368.66	368.66	-	-	368.66
	Financial liabilities						
a)	Borrowings	12(a) & 14(a)	13,460.86	13,460.86	-	-	13,460.86
b)	Trade and other payables	12(b)	10,026.15	10,026.15	-	-	10,026.15
c)	Other financial liabilities	14(b)	2,059.63	2,059.63	-	-	2,059.63
	Total		25,546.65	25,546.65	-	-	25,546.65

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:

- 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.
- 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		As at	As at	As at
		31.03.2018	31.03.2017	01.04.2016
		Rs.	Rs.	Rs.
Borrowings	USD	60.00	20.36	110.05
	INR	3,913.20	1,367.52	7,337.10

Notes on Financial Statements for the Year ended 31st March, 2018

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.

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.

i) Trade Receivables

Trade receivables of the Company are non-interest bearing and are generally on credit terms of 3 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).

ii) 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, 2018, 31st March, 2017 and 1st April, 2016 is the carrying amounts as stated under Note No. 4(b) and 8(c).

iii) 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.

12) Explanation of transition to Ind AS :

These financial statements, for the year ended on 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies [Refer Note No.1]. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, i.e. the date of transition to Ind AS. This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS.

Notes on Financial Statements for the Year ended 31st March, 2018

Note 25 : NOTES ON ACCOUNTS

13) Disclosures as required by Ind AS - 101 - First Time Adoption of Indian Accounting Standards - Reconciliation between Previous GAAP and Ind AS :

(a) Reconciliation of equity as at 1st April, 2016 (date of transition to Ind AS) :

Rs. in Lakhs

ASSETS	Notes	IGAAP	INDAS ADJUSTMENT	As at 01.04.2016
(1) NONCURRENT ASSETS				
(a) Property, Plant and Equipment	A	14,841.27	-	14,841.27
(b) Capital Work in Progress	A	-	-	-
(c) Other Intangible Assets	A	24.70	-	24.70
(d) Financial Assets			-	
(i) Investments			-	-
(ii) Trade Receivables		-	-	-
(iii) Loans		-	-	-
(iv) Other Financial Assets		11.75	-	11.75
(e) Deferred Tax Assets (Net)		999.91	-	999.91
(f) Other Non- Current Assets		1,807.00	-	1,807.00
Total (a)		17,684.63	-	17,684.63
(2) CURRENT ASSETS				
(a) Inventories		15,521.07	-	15,521.07
(b) Financial Assets			-	
(i) Investments		-	-	-
(ii) Trade Receivables		270.52	-	270.52
(iii) Cash & Cash Equivalents		80.57	-	80.57
(iv) Bank Balances other than (iii) above		3.82	-	3.82
(v) Loans		2.00	-	2.00
(vi) Others(to be specified)		-	-	-
(c) Current Tax Asset (Net)		25.42	-	25.42
(d) Other Current Assets		1,026.85	-	1,026.85
Total (b)		16,930.25	-	16,930.25
Total Assets		34,614.87	-	34,614.87

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

EQUITY AND LIABILITIES	Notes	IGAAP	INDAS ADJUSTMENT	As at 01.04.2016
(1) EQUITY				
(a) Equity Share Capital		1,244.34	-	1,244.34
(b) Other Equity	B	7,497.55	(1,334.76)	6,162.78
(c) Money received against share warrants	D	60.00	(60.00)	-
		8,801.89	(1,394.76)	7,407.12
(2) LIABILITIES				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	B	3,082.69	621.44	3,704.12
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions		518.43	-	518.43
(c) Deferred Tax Liabilities (Net)		-	-	-
(d) Other Non Current Liabilities		-	-	-
		3,601.12	621.44	4,222.55
Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		9,756.74	-	9,756.74
(ii) Trade Payables	C	9,252.83	773.33	10,026.15
(iii) Other Financial Liabilities		2,059.63	-	2,059.63
(b) Other Current Liabilities		1,109.16	-	1,109.16
(c) Provisions		33.51	-	33.51
(d) Current Tax Liabilities (Net)		-	-	-
		22,211.87	773.33	22,985.20
Total Equity and Liabilities		34,614.87	-	34,614.87

Notes on Financial Statements for the Year ended 31st March, 2018

(b) Reconciliation of equity as at 31st March, 2017 :

Rs. in Lakhs

ASSETS	Notes	IGAAP	INDAS ADJUSTMENT	As at 31.03.2017
(1) NONCURRENTASSETS				
(a) Property, Plant and Equipment	A	15,141.73	-	15,141.73
(b) Capital Work in Progress	A	595.47	-	595.47
(c) Other Intangible Assets	A	21.41	-	21.41
(d) Financial Assets			-	
(i) Trade Receivables		-	-	-
(ii) Loans		-	-	-
(iii) Other Financial Assets		14.26	-	14.26
(e) Deferred Tax Assets (Net)		935.52	-	935.52
(f) Other Non- Current Assets		1,444.51	-	1,444.51
Total (a)		18,152.91	-	18,152.91
(2) CURRENTASSETS				
(a) Inventories		11,225.92	-	11,225.92
(b) Financial Assets			-	
(i) Investments		-	-	-
(ii) Trade Receivables		564.31	-	564.31
(iii) Cash & Cash Equivalentents		54.68	-	54.68
(iv) Bank Balances other than (iii) above		38.91	-	38.91
(v) Loans		4.00	-	4.00
(vi) Others(to be specified)		-	-	-
(c) Current Tax Asset (Net)		16.71	-	16.71
(d) Other Current Assets		814.14	-	814.14
Total (b)		12,718.67	-	12,718.67
Total Assets		30,871.58	-	30,871.58

Notes on Financial Statements for the Year ended 31st March, 2018

Rs. in Lakhs

EQUITY AND LIABILITIES	Notes	IGAAP	INDAS ADJUSTMENT	As at 31.03.2017
(1) EQUITY				
(a) Equity Share Capital		1,444.34	-	1,444.34
(b) Other Equity	B	7,053.79	(1,403.32)	5,650.47
		8,498.13	(1,403.32)	7,094.81
(2) LIABILITIES				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	B	2,519.48	629.99	3,149.48
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions		526.41	-	526.41
(c) Deferred Tax Liabilities (Net)		-	-	-
(d) Other Non Current Liabilities		-	-	-
		3,045.89	629.99	3,675.89
Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		10,112.42	-	10,112.42
(ii) Trade Payables	C	6,458.82	773.33	7,232.15
(iii) Other Financial Liabilities		1,981.16	-	1,981.16
(b) Other Current Liabilities		716.12	-	716.12
(c) Provisions		59.03	-	59.03
(d) Current Tax Liabilities (Net)		-	-	-
		19,327.56	773.33	20,100.88
Total Equity and Liabilities		30,871.58	-	30,871.58

Notes on Financial Statements for the Year ended 31st March, 2018

(c) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 :

Rs. in Lakhs

PARTICULARS	Notes	IGAAP	INDAS ADJUSTMENT	As at 31.03.2017
I. Revenue from Operations	F	18,199.45	1,121.60	19,321.05
II. Other Income		351.08	-	351.08
III. Total Revenue (I+II)		18,550.53	1,121.60	19,672.13
IV. Expenses:				
Cost of Materials Consumed		10,121.65	-	10,121.65
Excise duty on sale of goods	F	-	1,121.60	1,121.60
" Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress "		3,985.35	-	3,985.35
Employee Benefit Expenses	E	1,461.08	(7.87)	1,453.21
Finance Costs		1,502.85	-	1,502.85
Depreciation and Amortization Expenses		432.29	-	432.29
Other Expenses	G	1,466.70	(2.18)	1,464.51
IV. Total Expenses		18,969.90	1,111.54	20,081.45
V. Profit/(Loss) before Exceptional Items and Tax (III - IV)		(419.37)	10.05	(409.32)
VI. Exceptional Item			-	-
VII. Profit/(Loss) before Tax (V -VI)		(419.37)	10.05	(409.32)
VIII. Tax Expenses:				
a) Current Tax			-	-
b) Tax for earlier years (Net)			-	-
c) Deferred Tax		64.39	-	64.39
Net Current Tax (VIII)		64.39	-	64.39
IX. Profit/(Loss) for the Period (VII- VIII)		(483.76)	10.05	(473.70)
X. Other Comprehensive Income for the period				
(i) Item that will not be reclassified to Profit or Loss	E	-	(7.87)	(7.87)
(ii) Items that will be reclassified to Profit or Loss		-	-	-
XI. Total Comprehensive Income for the period (IX +X)		(483.76)	2.18	(481.57)

Notes on Financial Statements for the Year ended 31st March, 2018

- (d) Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and Statement of Profit and Loss for the year ended 31st March, 2017

A) Property, Plant and Equipment

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments, capital work in progress, software development and trademark

B) Borrowings

The interest on Sugar Development Loan is provided on transitional period and for the year 2016-17 on account of prior period the effect of which is given in financial statements under Other Equity in Retained Earnings as per Ind AS. As a result, the Borrowings is increased by the said amount.

C) Trade Payables

The differential amount relates to Allowance for Doubtful Debts which has been created as on transition date due to credit risk which was determined at the rate of 50% of the value of debt from The Belsund Sugar & Industries Limited i.e. 50% of the total Debt as on 01.04.16 of Rs. 1,546.66 Lakhs i.e. Rs. 773.33 Lakhs accordingly Assignment of Creditors to The Belsund Sugar & Industries Ltd adjusted.

- D) Under IndAS, Money received against Share Warrants has been shown as part of Other Equity.

E) Defined Benefit Liabilities

As under the previous GAAP, under Ind AS also, the Company continues to recognize costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, was charged to the Statement of Profit and Loss. Under Ind AS, re-measurements of defined benefit plan are recognized in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 7.87 Lakhs and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date.

F) Revenue from sale of goods

Excise duty:

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by ` 1,121.60 Lakhs with a corresponding increase in "Total expense".

G) Prior Period Items

Prior Period Items of ` 2.18 Lakhs recognised in Indian GAAP in 2016-17 is adjusted under the head Other equity in Retained Earnings.

- 14) The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.