# 21st ANNUAL REPORT-2016



# VISHWARAJ SUGAR INDUSTRIES LIMITED

CIN: U85110KA1995PLC017730

Regd. Off.: BELLAD-BAGEWADI, TALUKA-HUKKERI

BELGAUM, KARNATAKA-591 305.

# AUDITOR'S:

M/s. P. G. GHALI & Co.,

# Chartered Accountants

102, Hari Apartments, College Road,

Belgaum - 590 001

E-mail: pgghalico@gmail.com

Ph: 0831-2430920

# **PROFILE**

# BOARD OF DIRECTORS:

Mr. Umesh V. Katti : Chairman

Mr. Nikhil U. Katti : Managing Director

Mr. Mukesh Kumar : Executive Director

Mr. Mallikarjun K. Pujar : Whole Time Director

Mr. Lava R. Katti : Director

Mr. Kush R. Katti : Director

Mr. Jibu Cherian : Director

Mr. Shrinivas R. Koujalgi : Director

Mr. Surendra S. Khot : Director

Miss. Sneha P. Patil : Company Secretary

# STATUTORY AUDITORS:

M/s. P. G. Ghali & Co.,

Chartered Accountants,

102, Hari Apartments,

College Road,

Belgaum,

# • BANKERS & FINANCIAL INSTITUTIONS:

State Bank of India SME Branch, Belgaum.

Bank of India, Shahapur Branch, Belgaum.

State Bank of India, Sankeshwar Branch.

B. D. C. C. Bank, Belgaum.

B. B. U. S. S. Bank, Bellad-Bagewadi.

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# NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of VISHWARAJ SUGAR INDUSTRIES LIMITED will be held on Tuesday, the 27<sup>th</sup> September, 2016 at the Registered Office of the Company at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka State, at 11.00 a.m. to transact the following business.

# AGENDA

#### · Ordinary Business:

- To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2016 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
- To consider and if thought fit, approve the appointment of Mr. Lava R Katti (DIN: 02777164), Director of the Company who retires by rotation and offers himself for re-appointment.
- To consider and if thought fit, approve the appointment of Mr. Kush R Katti (DIN: 02777189), Director of the Company who retires by rotation and offers himself for re-appointment.
- 4. To consider and if thought fit, approve the appointment of Auditors and to fix their remuneration and to pass with or without modification(s), the following resolution:
  - "RESOLVED THAT, pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. P. G. GHALI & Co, Chartered Accountants, Belgaum be and hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors".



#### Special Business:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Re-appointment of Mr. Nikhil U. Katti (DIN No: 02505734) as Managing Director of the Company.

"RESOLVED THAT, pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 175 of Articles of Association of the Company, approval of the board of directors of the Company be and hereby accorded subject to the approval of members of the Company in the next general meeting to the re-appointment of Mr. Nikhil U Katti, as Managing Director of the Company with effect from April 01, 2016 to March 31, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the employment agreement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Nikhil U. Katti.

FURTHER RESOLVED THAT, the remuneration payable to Mr. Nikhil U. Katti, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

FURTHER RESOLVED THAT, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

Re-appointment of Mr. Mallikarjun Pujar (DIN No: 00598939) as Wholetime Director of the Company.

"RESOLVED THAT, pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read



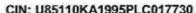
with Schedule- V of the Companies Act, 2013 and Article 175 of Articles of Association of the Company, approval of the board of directors of the Company be and hereby accorded subject to the approval of members of the Company in the next general meeting to the re-appointment of Mr. Mallikarjun Pujar, as Wholetime Director of the Company with effect from April 01, 2016 to March 31, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the employment agreement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Mallikarjun Pujar.

FURTHER RESOLVED THAT, the remuneration payable to Mr. Mallikarjun Pujar, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

FURTHER RESOLVED THAT, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesafd resolution."

 To consider to appoint Mrs. Sheela U. Katti (DIN No: 07570810) as Director of the Company.

RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mrs. Sheela U. Katti (DIN 07570810) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on August 20, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from her proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".





 To consider to appoint Mr. Rajaram Shiralkar (DIN No: 07570811) as Independent Director of the Company for a term of 5years.

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajaram Shiralkar (DIN: 07570811), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on August 20, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 20<sup>th</sup> July, 2016 up to 19<sup>th</sup> July, 2021.."

#### 9. Ratification of Cost Auditors' remuneration

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs.1.25 lakhs plus out-of-pocket expenses payable to M/s. Sanjay Tikare & Co., who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending 31st March, 2017."

By and on behalf of the Board of Directors,

Place: Bellad-Bagewadi.

Date: 28.08.2016.

DIN No :(01461050)

\*



#### Note:

- 1. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- In case the mailing address mentioned on this Notice is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
- 3. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 23/09/2016 at 11 am and ends on 26/09/2016 at 5 pm During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 15/09/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

|     | For Members holding shares in Demat Form and Physical Form  |
|-----|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  • In case the sequence number is less than 8 digits enter the applicable |
|     | number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with  |



| -                           | sequence number 1 then enter RA00000001 in the PAN field.  |
|-----------------------------|--|
| DOB                         | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend<br>Bank<br>Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.   |
|                             | <ul> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul> |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant < Company Name > on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.





- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.cvotingindia.com and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk evoting accdslindia.com.
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they
    have issued in favour of the Custodian, if any, should be uploaded in PDF format in
    the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



# EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013.

The following statement sets out all material facts relating to all the Special Businesses mentioned in the accompanying Notice:

#### Item no.5:

The Board considers it desirable that the Company should continue to avail itself of the services of Mr. Nikhil U Katti as Managing Director Hence The Board of Directors have reappointed Mr. Nikhil U Katti as the Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2016 subject to the approval of the shareholders.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on 1st April, 2016 approved the terms and conditions of Mr. Nikhil U Katti 's re-appointment, subject to the approval of the shareholders.

The main terms and conditions relating to the appointment of Mr. Nikhil U Katti as the Managing Director, (MD) are as follows:

Period: From 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2021.

#### 2. Nature of Duties:

The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. This includes performing duties as assigned by the Board from time to time by serving on the boards of any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board subject to compliance with the applicable provisions of the prevailing laws and regulations.

#### 3. Remuneration:

- Salary: Rs.3,00,000/- per month
- Bonus/performance linked incentive, and/or commission based on certain performance criteria laid down by the Board;
- Benefits, perquisites and allowances as will be determined by the Board from time to time.

4.

- The MD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule to the Act, or any amendments made hereinafter in this regard in such manner as





may be agreed to between the Board and him, subject to such approvals as may be required.

- iii. The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the MD may be terminated by the Company without notice or payment in lieu of notice:
  - a. If the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture company or associated company to which he is required by the Agreement to render services; or
  - In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement to be executed between the Company and him; or
  - c. In the event the Board expresses its loss of confidence in him.
- v. The MD is being appointed by virtue of his employment in the Company He shall not be liable to retire by rotation.

Except Mr. Nikhil U Katti, Umesh V Katti, Sheela Katti, Lava Katti and Kush Katti, none other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 5 of the Notice.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Members is sought for the reappointment and terms of remuneration of Mr. Nikhil U Katti as MD as set out above.

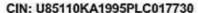
The Resolution regarding the re- appointment of the MD at Item No. 5 is recommended for approval by the Members.

#### Item No. 6:

The Board considers it desirable that the Company should continue to avail itself of the services of Mr. Mallikarjun Pujar as Wholetime Director .Hence The Board of Directors have re-appointed Mr. Mallikarjun Pujar as the Wholetime Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2016 subject to the approval of the shareholders.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on 1st April, 2016 approved the terms and conditions of Mr. Mallikarjun Pujar 's re-appointment, subject to the approval of the shareholders.

The main terms and conditions relating to the appointment of Mr. Mallikarjun Pujar as the Wholetime Director, (WTD) are as follows:





1. Period: From 1st April, 2016 to 31st March, 2021.

#### 2. Nature of Duties:

The WTD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company .This includes performing duties as assigned by the Board from time to time by serving on the boards of any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board subject to compliance with the applicable provisions of the prevailing laws and regulations.

#### 3. Remuneration:

a. Salary: Rs.75,000/- per month

4.

- The WTD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule to the Act, or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and him, subject to such approvals as may be required.
- iii. The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the WTD may be terminated by the Company without notice or payment in lieu of notice:
  - a) If the WID is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture company or associated company to which he is required by the Agreement to render services; or
  - b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement to be executed between the Company and him; or
  - c) In the event the Board expresses its loss of confidence in him.
- The WID is being appointed by virtue of his employment in the Company .He shall not be liable to retire by rotation.



Except Mr. Mallikarjun Pujar, none other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 6 of the Notice.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Members is sought for the reappointment and terms of remuneration of Mr. Mallikarjun Pujar as WTD as set out above.

The Resolution regarding the re- appointment of the WID at Item No. 6 is recommended for approval by the Members.

#### Item no. 7:

Mrs. Sheela U. Katti (DIN 07570810) was appointed as an Additional Director of the Company with effect from August 19, 2016 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Sheela U. Katti holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from her in writing along with requisite deposit under Section 160 of the Act, proposing her candidature for the office of Director.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 7 of the Notice for the appointment of Mrs. Sheela U. Katti as a Director, liable to retire by rotation.

A statement containing her profile is given as per Annexure 1.

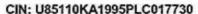
Except Mrs. Sheela U. Katti being an appointee, Umesh Katti, Nikhil Katti, Lava Katti and Kush Katti none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

#### Item no. 8:

Mr. Rajaram Shiralkar (DIN 07570811) was appointed as an Additional (Independent) Director of the Company with effect from August 19, 2016 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Khaitan holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Rajaram Shiralkar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 8 of the Notice for appointment of Mr. Rajaram Shiralkar as an Independent Director, not liable to retire by rotation.





A statement containing his profile is given as per Annexure 1.

Except Mr. Rajaram Shiralkar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

#### Item No.9:

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Sanjay Tikare & Co. as the Cost Auditors of the Company to conduct Cost Audits relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder for the year ending 31st March, 2017, at a remuneration of Rs.1.25 lakhs plus out-of-pocket expenses.

M/s. Sanjay Tikare & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. M/s. Sanjay Tikare & Co. have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

The Board has approved the remuneration of Rs.1.25 lakhs plus out-of-pocket expenses to M/s. Sanjay Tikare & Co. as the Cost Auditors and the ratification of the shareholders is sought for the same by an Ordinary Resolution at Item No. 9.

The Resolution at Item No. 9 is commended for approval by the Members.

\*\*\*\*\*\*

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

For and on behalf of the Board

Place: Bellad-Bagewadi.

Date: 28-08-2016.

Chairman

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# DIRECTOR'S REPORT

To, The Members, Vishwaraj Sugar Industries Limited., Belgaum.

The Directors hereby present the Twenty First Annual Report together with audited Statements of Account for the year ended 31st March 2016.

#### **Financial Results**

(Sugar unit, Co-gen unit and Distillery) (Rs. In Lakhs)

| Particulars  | Current<br>Year<br>2015-16 | Previous Year<br>2014-15 |
|--|----------------------------|--------------------------|
| Net Sales  | 33,564.66                  | 27,624.85                |
| Other Income   | 897.43                     | 926.96                   |
| Total  | 34,462.09                  | 28,551.82                |
| Profit/(Loss ) before financial charges & Depreciation | 3953.74                    | 2,847.08                 |
| Financial Charges                                      | 2,118.45                   | 1,814.09                 |
| Depreciation -   | 1,133.96                   | 1,011.33                 |
| Profit/Loss before tax                                 | 701.33                     | 21.66                    |
| Less: Provision for Current tax                        | 142.99                     | 4.13                     |
| Provision for Deferred Tax (Liability/Asset)           | 259.88                     | 343.31                   |
| Provision for MAT Credit Entitlement                   | (142.99)                   | (4.13)                   |
| Net Profit after tax                                   | 441.45                     | (321.65)                 |
| Profit/Loss brought forward                            | 18,592.11                  | 18,913.76                |
| Profit/Loss Carried forward to the Balance Sheet       |                            |                          |
| - Reserve & Surplus                                    | 18,628.21                  | 18,592.11                |
| - MAT Credit Entitlement                               | (142.99)                   | 4.13                     |

#### Deposits:

There were no Deposits in the company outstanding as on 31st march 2016 nor the company has accepted any deposits during the financial year 2015-16.



#### Directors and Company Secretary:

| 1.  | Mr. Umesh V. Katti        | Chairman            |
|-----|---------------------------|---------------------|
| 2.  | Mr. Nikhil U. Katti       | Managing Director   |
| 3.  | Mr. Mallikarjun K. Pujar  | Whole-Time-Director |
| 4.  | Mr. Lava R. Katti         | Director            |
| 5.  | Mr. Kush R. Katti         | Director            |
| 6.  | Mrs. Sheela U. Katti      | Director            |
| 7.  | Mr. Rajaram Shiralkar     | Director            |
| 8.  | Mr. Shrinivas R. Koujalgi | Director            |
| 9.  | Mr. Surendra S. Khot      | Director            |
| 10. | Miss. Sneha P. Patil      | Company Secretary   |

- Mr. Lava Katti and Mr. Kush Katti Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
- Mr. Mukesh Kumar Executive Director (Independent) resigned from the post due to his personal reasons with effect from 15<sup>th</sup> June, 2016. The Board would like to place on record their sincere appreciation for his ability, unstinting commitment and outstanding contribution to the Company during his tenure on the Board since 2011.
- Mr. Jibu Cherian, Director (Independent) resigned from the post due to his personal reasons with effect from 15<sup>th</sup> June, 2016. The Board would like to place on record their sincere appreciation for his ability, unstinting commitment and outstanding contribution to the Company during his tenure on the Board since 2011

#### Dividend:

The Company has declared Interim Dividend of 10% on the Paid-up Capital for the year ending 31/03/2016 during the financial year 2015-16.

#### Annual Return:

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure-A and is attached to this Report.

#### Number Board Meetings:

The company has held Twelve (12) Board meetings during the year 2015-16.



#### Directors Responsibility Statement:

In compliance with the requirements of Section 134(3)(c) of the Companies Act, 2013 the Directors confirm that

- In preparation of the annual accounts for the year ended 31<sup>st</sup> March 2016 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 fair view of the state of affairs of the company at the end of the financial year and of profit and loss of the company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts ongoing concern basis.
- v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# Details in respect of fraud reported by auditors under sub section (12) of section 143 other than those which are reportable to the Central government:

No such frauds have been detected by auditors during the year under review.

# Compliance of Sec 149(6) of Companies Act, 2013 (A Statement on declaration given by Independent Directors)

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.



#### ♦ Comment on Declaration of Independent Directors :

The Company has obtained declarations given by the Directors in due compliance of law.

#### Audit Committee:

The Board of Directors has constituted the Audit Committee consisting of the following Directors to exercise powers and discharge functions as stipulated in Section 177 of the Companies Act, 2013.

- 1. Mr. Shrinivas R. Koujalgi, Chairperson.
- 2. Mr. Nikhil U. Katti, Member
- 3. Mr. Jibu Cherian, Member.

However the committee held meeting during the year on the following dates:

- a. 08th May, 2015
- b. 3rd September, 2015
- c. 19th November, 2015
- d. 19<sup>th</sup> February, 2016.

#### Nomination and Remuneration Committee:

The Board of Directors has constituted the Audit Committee consisting of the following Directors to exercise powers and discharge functions as stipulated in Section 178 of the Companies Act, 2013.

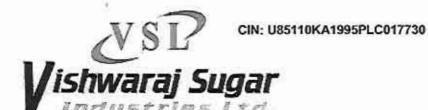
- 1. Mr. Kush R. Katti
- 2. Mr. Mallikarjun Pujar
- 3. Mr. Surendra R. Khot

However the committee held meeting during the year on the following dates:

- a. 08th May, 2015
- b. 3rd September, 2015
- c. 19th November, 2015
- d. 19th February, 2016.

#### Stakeholders Relationship Committee:

The Board of Directors has constituted the Audit Committee consisting of the following Directors to exercise powers and discharge functions as stipulated in Section 178 of the Companies Act, 2013.



- 1. Mr. Lava R. Katti
- 2. Mr. Mukesh Kumar
- 3. Mr. Jibu Cherian

However the committee held meeting during the year on the following dates:

- a. 08<sup>th</sup> May, 2015
- b. 3<sup>rd</sup> September, 2015
- c. 19th November, 2015
- d. 19<sup>th</sup> February, 2016.

#### Auditors:

M/s. P. G. Ghali & Co., Chartered Accountants, Belgaum Auditors of the Company retires at the conclusion of the ensuring Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 139 (2) of the Companies Act, 2013 for the Re-appointment as statutory Auditor of the Company.

Explanation Or Comments On Qualifications, Reservations Or Adverse Remarks
 Or Disclaimers Made by the Auditors and the Company Secretary in Practice in
 their respective Reports:

There were no qualifications, reservations or adverse remarks made by either by the Auditors or by the Practicing Company Secretary in their respective reports.

 Particulars Of Loans, Guarantees Or Investments Made Under Section 186 Of The Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### Contracts with Related Parties 188 (1) of Companies Act, 2013

The related party transaction for the year under review as per AS-18 is annexed a to this report as ANNEXURE-B





#### Operations / State of Affairs of the Company during year:

During the year under review the company has continued commercial production in all the three units namely Sugar unit, Co-generation unit and Distillery unit. The company has crushed 8,00,234,239 MT of Sugar Cane and produced 8,79,400 Qts Sugar and 10,89,317 Qts sold and earned an income of Rs. 24,967.16 Lakhs.

The company also runs Co-Generation Unit in its optimum Capacity and there is export of power to TATA Power Trading Company Ltd & HESCOM earning income of Rs.2873.58 Lakhs.

During the year company manufactured Compost and sold to the extent of Rs.247.69 Lakhs. Company manufactured liquor and sold to the extent of Rs. 9157.97 Lakhs, out of which Export of Rs.118.18 Lakhs & Yalahanka Unit IML sold Nil.

#### The performance of the Five Units during the year 2015-16 is as under:

Manufacturing/Production details of Sugar Unit, Distillery Unit, IML Units and Co. generation unit are as under

| SI. No. | Particulars                           | Units    | FY-2015-16   | FY-2014-15   |
|---------|---------------------------------------|----------|--------------|--------------|
| I.      | Distillery Unit:                      |          |              |              |
|         | Rectified Spirit                      | (Liters) | 95,76,036.80 | 88,41,238.80 |
|         | M G Spirit                            | (Liters) | 90,312.50    | 98,616.30    |
|         | Extra Natural Spirit                  | (Liters) | 21,11,293.40 | 22,00,853.40 |
| II.     | IML Unit:                             |          |              |              |
|         | Our Choice Super Whisky               | (CB)     | _            | 1,35,200     |
|         | Our Choice XXX Rum                    | (CB)     | _            | 350          |
|         | Yours Choice Super Whisky             | (CB)     | 4,91,675     | 3,10,200     |
|         | Yours Choice Super Whisky<br>(Export) | (CB)     | 16,855       | 1,100        |
|         | Yours Choice XXX Rum                  | (CB)     | 1,525        | E-11         |
| III.    | Co- Generation Unit:                  |          |              |              |
|         | Electricity Generated                 | (KWh)    | 10,22,30,400 | 10,03,69,100 |
|         | Electricity Exported                  | (KWh)    | 6,83,93,500  | 6,86,40,000  |
| IV.     | Sugar Unit:                           |          |              |              |
|         | Sugar Cane Crushed                    | (MT)     | 8,00,234.239 | 7,98,353.644 |
|         | Sugar Production                      | (Qtls)   | 8,79,400     | 8,83,300     |
| V.      | IML Unit Yalahanka:                   | 0        |              |              |



|    | Our Choice Super Whisky   | (CB) |              | 54,531     |
|----|---------------------------|------|--------------|------------|
|    | Our Choice XXX Rum        | (CB) |              | 2,278      |
| VI | Vinegar Unit:             |      |              | 10000-1100 |
|    | Natural Alcoholic Vinegar | Ltrs | 24,62,000.00 |            |

| SI, No. | Particulars                          | Season-2015-16 | Season-2014-15 |
|---------|--------------------------------------|----------------|----------------|
| 1.      | Date of beginning of Crushing Season | 04.11.2015     | 12,11,2014     |
| 2,      | Date of ending of Crushing Season    | 06.03.2016     | 10,04.2015     |
| 3.      | No. of Working days                  | 124            | 147            |
| 4.      | Sugar Cane Crushed (MT)              | 758592.152     | 8,35,399.087   |
| 5.      | Recovery Percentage                  | 11,00          | 11.00          |
| 6.      | Sugar Production (QTL)               | 8,34,350       | 9,18,950       |
| 7.      | Molasses Production (QTL)            | 3,77,000       | 4,12,000       |
| 8.      | Recovery Percentage                  | 4,969          | 4,932          |

# Amount Proposed to be carried to any Reserves:

No amount has been transferred to any Reserves during the year 2015-16.

# Material changes from the end of financial year till the date of Preparation of Director Report;

The Sugar prices are fluctuating the effect of the same on the financial accounts cannot be estimated.

Further there is no change in the Business activities carried on by the company.

# The Conservation of energy, technology absorption, foreign exchange earnings and outgo:

As per ANNEXURE -C

# Statement indicating development and implementation of risk management policy:

The company has adequate risk management policy.



# The Company On Its Corporate Social Responsibility Initiatives:

As the company has incurred a net profit of Rs. 4,41,45,793.37/- by which it does not meet the criteria specified under the provisions of Sec 135 Corporate Social Responsibility under the Companies Act,2013.

#### Formal annual evaluation by Board of Directors of its own performance and that of its committees and individuals:

The Board of Directors of the Company have devised a proper and effective internal performance evaluation which analysis and reports any deviations in the performance of the Directors individually and performance of the respective Committees.

#### Industrial Relations:

Your company continues to enjoy cordial relations with employees at all levels.

#### Acknowledgement:

Your Director commends the continuing commitment and dedication of employees at all levels. The Directors would also like to thank all other stakeholders, including banker's financial institutions and other business associates, who have extended their valuable sustained support and encouragement. The Directors look forwards to their continued support and understanding in the years to come.

By order of the Board of Directors

Place:Bellad-Bagewadi

Date: 28,08,2016.

Chairman

DIN No (01461050)



#### ANNEXURE TO DIRECTOR'S REPORT

#### 1. Annexure -A

ANNUAL RETURN EXTRACT-MGT-9 (Attached at the end of the Annual Report)

#### 2. Annexure - B

#### FORM NO. AOC -2

#### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | - Particulars   |   | Details |
|---------|---|---|---------|
|         | Name (s) of the related parelationship  | arty & nature of Nil                      |         |
|         | Nature of contracts/arrangement   | ts/transaction Nil                        |         |
|         | Duration of the contracts/arrang  | ements/transaction Nil                    |         |
|         | Salient terms of the contracts of<br>transaction including the value,           |   |         |
|         | Justification for entering into arrangements or transactions'                   | such contracts or Nil                     |         |
|         | Date of approval by the Board   | Nil                                       |         |
|         | Amount paid as advances, if any   | Nil                                       |         |
|         | Date on which the special resolution General meeting as required un section 188 | Stranger Commencer and Stranger Commencer |         |



## 2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars  | Details  |
|---------|--|--|
| 1       | Name (s) of the related party & nature of relationship                                       | Nikhil U. Katti<br>Managing Director   |
| 2       | Nature of contracts/arrangements/transaction   | Cane Purchase     Remuneration   |
| 3       | Duration of the contracts/arrangements/transaction   | NA   |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | <ol> <li>Cane Purchase of Rs. 15,66,000/</li> <li>Rs. 18,00,000/- p.a</li> </ol> |
| 5       | Date of approval by the Board  | 08/05/2015   |
| 6       | Amount paid as advances, if any  | NIL  |

| SL. No. | Particulars  | Details   |
|---------|--|---|
| 1       | Name (s) of the related party & nature of relationship                                       | Mallikarjun K. Pujar<br>Whole-time Director   |
| 2       | Nature of contracts/arrangements/transaction   | Cane Purchase     Remuneration     Compost transportation     Charge.     Advance             |
| 3       | Duration of the contracts/arrangements/transaction   | NA  |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | 1. Cane Purchase of Rs. 3,15,000/-, 2. Rs. 6,00,000/- p.a 3. Rs. 3,00,000/- 4. Rs. 2,00,000/- |
| 5       | Date of approval by the Board  | 08/05/2015  |
| 6       | Amount paid as advances, if any  | NII.  |

| SL. No. | Particulars  | Details                        |
|---------|--|--------------------------------|
| 1       | Name (s) of the related party & nature of relationship | Lava R. Katti<br>Director      |
| 2       | Nature of contracts/arrangements/transaction           | Cane Purchase     Remuneration |
| 3       | Duration of the contracts/arrangements/transaction     | NA                             |
| 4       | Salient terms of the contracts or arrangements or      | 1. Cane Purchase of Rs.        |



|   | transaction including the value, if any | 36,000/<br>2. Rs.12,00,000/- p.a |
|---|---|----------------------------------|
| 5 | Date of approval by the Board           | 08/05/2015                       |
| 6 | Amount paid as advances, if any         | NIL                              |

| SL. No. | Particulars  | Details  |
|---------|--|--|
| 1       | Name (s) of the related party & nature of relationship                                       | Kush R. Katti<br>Director                                  |
| 2       | Nature of contracts/arrangements/transaction   | Cane Purchase     Remuneration                             |
| 3       | Duration of the contracts/arrangements/transaction   | NA   |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | 1. Cane Purchase of Rs. 27,000/-<br>2. Rs. 12,00,000/- p.a |
| 5       | Date of approval by the Board  | 08/05/2015   |
| 6       | Amount paid as advances, if any  | NIL  |

| SL. No. | Particulars  | Details                            |
|---------|--|------------------------------------|
| 1       | Name (s) of the related party & nature of relationship                                       | Mukesh Kumar<br>Executive Director |
| 2       | Nature of contracts/arrangements/transaction   | Remuneration                       |
| 3       | Duration of the contracts/arrangements/transaction   | NA .                               |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | . Rs. 15,00,000/- p.a              |
| 5       | Date of approval by the Board  | 08/05/2015                         |
| 6       | Amount paid as advances, if any  | NIL.                               |

## 3. Annexure -C

Information as per Section 134(3)(m) of the companies Act, 2013 Read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report:

#### A. CONSERVATION OF ENERGY:

 Energy conservation is an ongoing process in our organization continuous monitoring planning. Development and modifications for energy conservation are done at the plant.



Total energy consumption and energy consumption per unit of production as per Form "A" as per annexure to the Rules.

#### FORM-A

{See Rule 2}

Form for disclosure of particulars with respect to conservation of Energy
Power and Fuel Consumption
(As per details given by board)

| SI. No. | Power and Fuel Consumption          | Current Year<br>2015-16 | Previous Year<br>2014-15 |
|---------|-------------------------------------|-------------------------|--------------------------|
|         | Electricity                         |                         |                          |
| A       | Purchased Unit (in lakhs KWh)       | 23.855                  | 25.15                    |
|         | Total amount ('.In Lakhs)           | 108.54                  | 113.18                   |
|         | Rate/unit '.                        | 4.55                    | 4,50                     |
| В       | Own Generation                      |                         |                          |
|         | i) Through Diesel Generator         |                         | •                        |
|         | - Units in lakhs                    | 0.67                    | 0.75                     |
|         | Units per Ltr. Of Diesel Oil        | 4 KWh/Ltrs              | 4 KWh/Ltrs               |
|         | Unit per SCM of Gas Consumption     |                         |                          |
|         | Cost/Unit `.                        | 16.70/- Per<br>Kwh      | 16.20/- Per<br>Kwh       |
|         | ii) Through Steam turbine/generator |                         |                          |
|         | Units lakh KWh                      | 937.16                  | 1003.691                 |
|         | Units per Kg of Bagasse             | 2.20                    | 2.32                     |
|         | Cost/unit `.                        |                         | +:                       |

The unit per Kg of Bagasse and the cost per unit are not defined as the Total Steam generation is from of Coal & Bagasse mixed.



#### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### Research and Development:

#### 1. Specific areas in which R & D carried out by the Company:

The Company has no specific Research & Development Department however, the Company has quality control department to check the quality of different products manufactured.

#### 2. Benefits derived as a result of the above efforts:

The Company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.

#### 3. Achievements and Future Plan of Action:

The company has completed the installation of Vinegar Plant and has started its Commercial production. Further the Management is committed to strengthen their quality control department, to improve its competitiveness in times to come.

#### 4. Expenditure on R & D:

The Company from time to time incurs capital expenditure, exposes itself to better technology and keeps itself abreast of technological improvements.

#### Technology Absorption, Adaptation and Innovation:

#### Efforts in brief, made towards Absorption, Adaptation and Innovation:

Modifications of process and products are carried out from time to time to suit market requirements and to improve operational efficiency.

#### 2. Benefits derived as a result of the above efforts:

Better quality of Sugar & Rectified Spirit will be produced at low costs and continued quantity production of power assured.



#### 3. Particulars of Technology Imported:

The Technology used by the Company is indigenously developed and no technology has been imported.

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

\*\*\*\*\*\*\*\*\*\*\*\*\*\*

During the year the foreign exchange earnings of the Company were USD 1,77,7427.50 from export sales of IML and USD 8000.00 from Vinegar export sales. However during the year the Company has incurred certain foreign Exchange outgo for making payments of vinegar machinery maintenance charges to the extent of 13,636.83 EURO, Vinegar Chemical charges of 69,097.15 EURO and Kasurth Certificate Plant Fees of USD 5000.00.

For and on behalf of the Board

Place: Bellad-Bagewadi.

Date: 28-08-2016.

Chairman



|   | transaction including the value, if any | 36,000/<br>2. Rs.12,00,000/- p.a |
|---|---|----------------------------------|
| 5 | Date of approval by the Board           | 08/05/2015                       |
| 6 | Amount paid as advances, if any         | NIL                              |

| SL. No. | Particulars  | Details  |
|---------|--|--|
| 1       | Name (s) of the related party & nature of relationship                                       | Kush R. Katti<br>Director                                  |
| 2       | Nature of contracts/arrangements/transaction   | Cane Purchase     Remuneration                             |
| 3       | Duration of the contracts/arrangements/transaction   | NA   |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | 1. Cane Purchase of Rs. 27,000/-<br>2. Rs. 12,00,000/- p.a |
| 5       | Date of approval by the Board  | 08/05/2015   |
| 6       | Amount paid as advances, if any  | NIL  |

| SL. No. | Particulars  | Details                            |
|---------|--|------------------------------------|
| 1       | Name (s) of the related party & nature of relationship                                       | Mukesh Kumar<br>Executive Director |
| 2       | Nature of contracts/arrangements/transaction   | Remuneration                       |
| 3       | Duration of the contracts/arrangements/transaction   | NA .                               |
| 4       | Salient terms of the contracts or arrangements or<br>transaction including the value, if any | . Rs. 15,00,000/- p.a              |
| 5       | Date of approval by the Board  | 08/05/2015                         |
| 6       | Amount paid as advances, if any  | NIL.                               |

## 3. Annexure -C

Information as per Section 134(3)(m) of the companies Act, 2013 Read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report:

#### A. CONSERVATION OF ENERGY:

 Energy conservation is an ongoing process in our organization continuous monitoring planning. Development and modifications for energy conservation are done at the plant.



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(As per details given by board)

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|---------|-------------------------------------|-------------------------|--------------------------|
|         | Electricity                         |                         |                          |
| A       | Purchased Unit (in lakhs KWh)       | 23.855                  | 25.15                    |
|         | Total amount ('.In Lakhs)           | 108.54                  | 113.18                   |
|         | Rate/unit '.                        | 4.55                    | 4,50                     |
| В       | Own Generation                      |                         |                          |
|         | i) Through Diesel Generator         |                         | •                        |
|         | - Units in lakhs                    | 0.67                    | 0.75                     |
|         | Units per Ltr. Of Diesel Oil        | 4 KWh/Ltrs              | 4 KWh/Ltrs               |
|         | Unit per SCM of Gas Consumption     |                         |                          |
|         | Cost/Unit `.                        | 16.70/- Per<br>Kwh      | 16.20/- Per<br>Kwh       |
|         | ii) Through Steam turbine/generator |                         |                          |
|         | Units lakh KWh                      | 937.16                  | 1003.691                 |
|         | Units per Kg of Bagasse             | 2.20                    | 2.32                     |
|         | Cost/unit `.                        |                         | +:                       |

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#### Research and Development:

#### 1. Specific areas in which R & D carried out by the Company:

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#### 2. Benefits derived as a result of the above efforts:

The Company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.

#### 3. Achievements and Future Plan of Action:

The company has completed the installation of Vinegar Plant and has started its Commercial production. Further the Management is committed to strengthen their quality control department, to improve its competitiveness in times to come.

#### 4. Expenditure on R & D:

The Company from time to time incurs capital expenditure, exposes itself to better technology and keeps itself abreast of technological improvements.

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#### Efforts in brief, made towards Absorption, Adaptation and Innovation:

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#### 2. Benefits derived as a result of the above efforts:

Better quality of Sugar & Rectified Spirit will be produced at low costs and continued quantity production of power assured.



#### 3. Particulars of Technology Imported:

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For and on behalf of the Board

Place: Bellad-Bagewadi.

Date: 28-08-2016.

Chairman



# M/s. P. G. GHALI & CO.

Chartered Accountants

"Harl-Apartment" Flat No. 102, 1st Floor, Behind Riddhi's Mega Mall, College Road, BELGAUM - 590 001. E mail: praveenghali@gmail.com, pgghalico@gmail.com ☎: Off : +91 831 2430920 Fax : +91 831 2430920

Mob: +91 94487 65797

Web Site: www.pgghalico.com

# INDEPENDENT AUDITOR'S REPORT

TO, THE MEMBERS OF VISHWARAJ SUGAR INDUSTRIES LIMITED,

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of VISHWARAJ SUGAR INDUSTRIES LIMITED which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the



# M/s. P. G. GHALI & CO.

Chartered Accountants .

"Hari-Apartment" Flat No. 102, 1st Floor, Behind Riddhi's Mega Mall, College Road, BELGAUM - 590 001. E mail : praveenghali@gmail.com, pgghalico@gmail.com Tex : +91 831 2430920 Fax : +91 831 2430920 Mob : +91 94487 65797

Web Site: www.pgghalico.com

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

#### **Emphasis of Matters**

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

a) The pending litigations that describes the uncertainty that may affect the financial statements are stated in the schedule below and the same has been disclosed in the Note-30 of notes to accounts to the Balance sheet:-

| Sl.No | Particulars                                    | Rs. In Lakhs |
|-------|--|--------------|
| 1     | High Court, Karnataka, Appeal for Purchase Tax | 290.05       |
| 2     | Central Excise, Belgaum Show Cause Notice      | 1,118.02     |
| 3     | Central Excise, Bangalore (Appeals)            | 653.92       |

b) The financial statements of the Company have been prepared on a going concern basis.

## Report on Other Legal and Regulatory Requirements

- As required by Companies (Auditor's Report) order, 2016, issued by Company Law Board in terms of Section 143 (11) of the companies Act 2013, we give in the "Annexure A" statement on matters specified in paragraph (3) and (4) of said order.
- As required by section 143(3) of the act we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



# M/s. P. G. GHALI & CO.

Chartered Accountants

"Hari-Apartment" Flat No. 102, 1st Floor, Behind Riddhi's Mega Mall, College Road, BELGAUM - 590 001. E mail : praveenghali@gmail.com, pgghalico@gmail.com Tax: +91 831 2430920 Fax: +91 831 2430920 Mob: +91 94487 65797

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f) With respect to the adequacy of internal financial control over the financial reporting of the company and the operating effectiveness of such control ,refer to our separate report in "Annexure B" and

- 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:
  - The company has disclosed the impact of pending litigations on its financial position in its financial statements Refer note (a) under 'emphasis of matters' under Audit report.
  - The Company did not have any long term contracts including Derivative contracts for which there were any material foreseeable losses to the financial statements;
  - There are no any instances during the audit period wherein the amount is required to be transferred to the 'Investor Education and Protection Fund' by the Company.

"As per our report of even date" For M/s. P. G. GHALI & Co CHARTERED ACCOUNTANTS

(CA. PRAKASH .G. GHALI)

Partner
M. No. 013132
P.R.C.No. 008636
FRN.011092S

PLACE: BELGAUM.

DATE: 28-08-2016



Chartered Accountants

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#### ANNEXURE A TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2016.

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to information and explanation given to us the fixed assets have been physically verified by the Management during the year in a phased programme which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company and are deposited with Bank of India.
- (a) According to the information and explanation given to us the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
  - In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (b) Company is maintaining proper records of inventory and there is no material discrepancies noticed on physical verification.
- The Company has not granted any advances during the year to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4. In our opinion and according to the information and explanations given to us, the company has not granted any loans and not made any investments, security & guarantees covered under section 185 and 186 of the Companies Act, 2013
- 5. In our opinion and according to the information and explanation given to us, the company has not accepted Deposits from public hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that Prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the same. And the same have been audited by independent cost auditor.





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- 7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable
  - (b) According to the information and explanations given to us, the following amounts payable in respect of statutory dues were in arrears as at 31-03-2016 for a period of more than six months from the date they became payable:
  - i. Purchase Tax of Rs. 21,58,12,091.59 is outstanding for the period more than six months and Rs.3,26,26,111.00 is outstanding for the period less than six months, all together Rs. 24,84,38,202.59 but the Management has claimed interest free loan from the State Government and the same is eligible for conversion into interest free loan.and the same is pending with Govt.
- In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institutions.
- 9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11. According to information and explanations given to us and on the basis of our examination of the books of account, records, and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.





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- 14. According to information and explanations given to us and on the basis of our examination of the books of account, records, and the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

"As per our report of even date" For, M/s. P. G. GHALI & Co CHARTERED ACCOUNTANTS

(CA.PRAKASH .G. GHALI)

Partner M. No. 013132 P.R.C.No. 008636 FRN.011092S

Place: Belagavi. Date:28-08-2016.



Chartered Accountants

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# ANNEXURE B TO THE AUDITOR'S REPORT OF EVEN DATE ON STANDALONE FINANCIAL STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE YEAR ENDING 31st MARCH, 2016.

REPORT ON INTERNAL FINANACIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF COMPANIES ACT ,2013.

We have audited the internal financial controls over financial reporting of "VISHWARAJ SUGAR INDUSTRIES LIMITED" as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

# Management's Responsibility for Internal Financial Controls:

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



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

# Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

# Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 ICAI.

"As per our report of even date" For, M/s. P. G. GHALI & Co CHARTERED ACCOUNTANTS

Place: Belagavi. Date:28-08-2016. (CA.PRAKASH .G. GHALI)

Partner M. No. 013132 P.R.C.No. 008636 FRN.011092S

#### BALANCE SHEET AS ON 31st MARCH, 2016.

|     | Particulars  | Notes<br>No. | As at 31st N                          | March, 2016                       | As at 31st N                         | darch, 2015      |
|-----|--|--------------|---------------------------------------|-----------------------------------|--------------------------------------|------------------|
| 1   | Shareholder's Funds: Share Capital Reserves & Surplus Money Received against Share Warrants      | 1 2          | 34,55,60,000.00<br>2,00,94,60,335.40  | 2,35,50,20,335.40                 | 34,55,60,000.00<br>2,00,58,50,112.03 | 2,35,14,10,112.0 |
|     | Share Application Money<br>Pending Allotment<br>Non-Current Liabilities:<br>Long-term Borrowings | 3            | 20,85,76,611.00                       |                                   | 34,06,15,624.00                      |                  |
|     | Deferred Tax Liabilities (Net)   | 4            | 28,32,33,383.00                       |                                   | 24,64,59,019.00                      |                  |
|     | Other Long-term Liabilities  | 5            | 5,79,92,610.65                        |                                   | 5,79,92,610.65                       |                  |
|     | Long-term Provisions   | 6            | 2,17,29,772.00                        | 57,15,32,376.65                   | 1,13,11,026.00                       | 65,63,78,279.6   |
|     | Current Liabilities:   | 5000         | SCHNSCOT DEST                         | NEW YORK STOCK STOCK STOCK STOCK  | 12                                   |                  |
|     | Short-term Borrowings  | 7            | 1,30,85,81,988.25                     | ľ.                                | 1,14,33,79,052.74                    |                  |
|     | Trade Payables   | 8            | 4,13,96,224.45                        | l'                                | 3,21,64,896.63                       |                  |
|     | Other Current Liabilities  | 9            | 1,87,60,37,780.75                     | STORTON AND DAY BY THE WAY WAY OF | 2,12,92,20,598.10                    |                  |
|     | Short-term Provisions  | 10           | 2.34,00,410.00                        | 3,24,94,16,403,45                 | 4,12,820.00                          | 3,30,51,77,367.4 |
| II. | Total ₹.   |              |                                       | 6,17,59,69,115.50                 |                                      | 6,31,29,65,759.1 |
| 11. | Non-Current Assets:  | 0 0          |                                       |                                   |                                      |                  |
|     | Fixed Assets   | 11           |                                       |                                   |                                      |                  |
|     | Tangible Assets  | 11           | 2,44,13,22,382.70                     |                                   | 2,45,98,78,606.99                    |                  |
|     | Intangible Assets  | 12           |                                       |                                   | 2,10,70,70,000.77                    |                  |
|     | Capital Work-in-Progress   | 11           | 1,28,82,218.00                        |                                   | 5,08,20,975.00                       |                  |
|     | Intangible Assets under  | 12           | .,,,                                  |                                   |                                      |                  |
|     | Development  | 650          | 1132                                  |                                   |                                      |                  |
|     | Non-Current Investments  | 13 A         | 37,65,000.00                          |                                   | 37,65,000.00                         |                  |
|     | Deferred Tax Assets (Net)  | 4            | 7,10,51,634.00                        |                                   | 6,02,65,442.00                       |                  |
|     | Long-term Loans & Advances   | 14           |                                       | 0.000.000.000.0000                | ASTRONOS ESTENDINOS (                |                  |
|     | Other Non-current Assets   | 15           | 63,17,818.25                          | 2,53,53,39,052.95                 | 1,22,15,954.77                       | 2,58,69,45,978.7 |
|     | Current Assets:  |              |                                       | W. B. D. Britanian                |                                      |                  |
|     | Current Investments  | 13 B         | · · · · · · · · · · · · · · · · · · · |                                   |                                      |                  |
|     | Inventories  | 16           | 2,39,97,51,032.84                     |                                   | 2,64,75,61,924.48                    |                  |
|     | Trade Receivables  | 17           | 17,80,46,326.61                       |                                   | 11,98,89,986.82                      |                  |
|     | Cash & Cash Equivalents  | 18           | 51,03,58,581.06                       |                                   | 19,92,42,944.48                      |                  |
|     | Short-term Loans & Advances  | 19           | 26,28,28,313.46                       |                                   | 27,50,15,622.16                      | •                |
|     | Other Current Assets   | 20           | 28,96,45,808.58                       | 3,64,06,30,062.55                 | 48,43,09,302.45                      | 3,72,60,19,780.3 |
|     | Total 7.   |              |                                       | 6,17,59,69,115.50                 |                                      | 6,31,29,65,759.1 |

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"As per our report of even date" M/s. P. G. GHALI & Co., CHARTERED ACCOUNTANTS

Piace: Belgaum. Date: 28-08-2016

RED ACCO

(CA. PRAKASII G. GHALI)

PARTNER M. No. 013132 P.R.C.No. 008636

FRNO:011092S

Director

#### STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING 31st MARCH, 2016.

|    | Particulars  | Notes<br>No. | As at 31st March,<br>2016  | As at 31st March,<br>2015               |
|----|--|--------------|--|---|
| I. | INCOME   |              |  |   |
|    | Revenue from Operations  | 21           | 3,35,64,65,658.22  | 2,76,24,85,125.03                       |
|    | Other Income   | 22           | 8,97,42,917.48   | 9,26,96,817.77                          |
|    | Total Revenue :  |              | 3,44,62,08,575.70  | 2,85,51,81,942.80                       |
| u. | EXPENDITURE  |              | Ballow Toron Charles Control   |   |
|    | Cost of Materials Consumed   | 23           | 2,34,87,87,542.44  | 2,38,48,09,607.86                       |
|    | Purchase of Stock-in-trade   |              | WAREHAM AMERIKANA AMARAN   | TOMO EL CACTO DEPUEDO CONTROLO DE CACTO |
|    | Change in Inventories of Finished goods,   | 24           | 25,04,67,570.73  | (22,66,25,111.94                        |
|    | Work-in-progress   | 0.00000      | A CONTRACTOR OF  |   |
|    | Other Manufacturing Expenses   | 25           | 22,64,61,538.72  | 19,54,48,645.30                         |
|    | Employee Benefit Expenses  | 26           | 12,74,07,748.00  | 11,82,89,119.00                         |
|    | Finance Costs  | 27           | 21,18,45,151.49  | 18,14,09,285.94                         |
|    | Depreciation & Amortisation Expenses   | 11 & 12      | 11,33,96,092.43  | 10,11,33,091.77                         |
|    | Other Expenses   | 28           | 9,77,08,966.52   | 9,85,50,839.69                          |
|    | Total Expenses :   |              | 3,37,60,74,610.33  | 2,85,30,15,477.62                       |
|    | Profit Before exceptional and  |              |  |   |
|    | extraordinary items and tax  |              | 7,01,33,965.37   | 21,66,465.18                            |
|    | Exceptional Items  |              | 1/5/67/1/4/02/1/1/1/   | material and the second                 |
|    | Profit Before extraordinary items & tax  |              | 7,01,33,965.37   | 21,66,465.18                            |
|    | Extraordinary Items  |              | SARC-TARTESTANDO   |   |
|    | Profit Before Tax  | 1 1          | 7,01,33,965.37   | 21,66,465.18                            |
|    | Tax Expenses:  |              | THE STATE STATE OF THE STATE OF |   |
|    | -Current Tax (including Wealth Tax)  |              | 1,42,99,510.00   | 4,12,820.00                             |
|    | -Deferred Tax Charge/(Credit)  | 1            | 2,59,88,172.00   | 3,43,31,243.00                          |
|    | -MAT Credit Entitlement  |              | (1,42,99,510.00)   | (4,12,820.00                            |
|    |  |              | 2,59,88,172.00   | 3,43,31,243.00                          |
|    | W  | in a         | 44 45 502 25   | /2 h / / ### 05                         |
|    | Profit for the period from continuing operations   |              | 4,41,45,793.37   | (3,21,64,777.82                         |
|    | Profit/(Loss) from discontinuing operations  |              | ·  |   |
|    | Tax expenses of discontinuing operations<br>Profit/(Loss) from discontinuing operations (After |              | 3.   | 2                                       |
|    | Tax)   |              |  |   |
|    | Profit for the period  |              | 4,41,45,793.37   | (3,21,64,777.82                         |
|    | Basic Earnings Per Share of ₹.10each   | 31           | 1.28   | (0.93                                   |
|    | (In Rupees)<br>Diluted Earnings Per Share of ₹.10 each   | 31           | 1.28   | (0.93                                   |
|    | (In Rupees)  | >-5.5        | 750F0E-3   | 74/300/0                                |

"As per our report of even date"

M/s. P. G. GHALI & Co., CHARTERED ACCOUNTANTS

Place: Belgaum. Date: 28-08-2016 (CA. PRAKASH G. CHALI)

PARTNER M. No. 013132 P.R.C.No. 008636 F R NO:011092S Director

# NOTES TO ACCOUNTS

| Particulars   | 31st March,<br>2016                              | 31st March,<br>2015                                   |
|---|--|---|
| 1 SHARE CAPITAL Authorised: 6,00,00,000 Equity Shares of ₹.10 cach  | 60,00,00,000.00                                  | 60,00,00,000.00                                       |
| (Previous year 6,00,00,000 Equity Shares of ₹.10each)  Issued & Subscribed:   |  |   |
| 3,45,56,000 Equity Shares of ₹. 10 each<br>(Previous year 3,45,56,000 Equity Shares of ₹.10each)  | 34,55,60,000.00                                  | 34,55,60,000.00                                       |
| Paid up:<br>3,45,56,000 Equity Shares of ₹. 10 each<br>(Previous year 3,45,56,000 Equity Shares of ₹.10each)                                    | 34,55,60,000.00                                  | 34,55,60,000.00                                       |
| Add: Equity Shares Forfeited (paid up)  |  |   |
| Shareholders having more than 5% of total share holding Nikhil Umesh Katti (36,56,125 shares of Rs 10 each )                                    | 3,65,61,250.00                                   | 3,65,61,250.00  |
| Total 7.  | 34,55,60,000.00                                  | 34,55,60,000.00                                       |
| 2 RESERVES & SURPLUS Capital Reserve Capital Redemption Reserve   |  |   |
| Securities Premium Reserve<br>General Reserve   | 14,66,39,000.00                                  | 14,66,39,000.00                                       |
| Profit & Loss Account (Note-1)  | 1,86,28,21,335,40                                | 1,85,92,11,112.0                                      |
| Total ₹.  | 2,00,94,60,335.40                                | 2,00,58,50,112.03                                     |
| Profit for the Period     Less: -Dividend on Equity Shares @ 10% on Paid up Capital     -Tax on Distributed Profits on Equity Shares @ 16.2225% | 4,41,45,793.37<br>3,45,56,000.00<br>59,79,570.00 | (3,21,64,777.82                                       |
| -Transfer to General Reserve  | 36,10,223.37                                     | (3,21,64,777.82                                       |
|   |  |   |
| NON-CURRENT LIABILITIES  LONG TERM BORROWINGS Secured   |  |   |
| A Loans From Banks -Term Loans;   |  |   |
| Bank of India Excise Duty Loan (SEFASU)  B D C C Bank Excise Duty Loan (SEFASU)  B D C C Bank Bgm Term Loan (Co-Gen)                            | 7,16,00,000.00<br>10,03,33,600.00                | 10,76,00,000.00<br>12,90,00,000.00<br>10,00,00,000.00 |
| Bank of India Excise Duty Loan (SOFT)  Hypothecation Loans for Vehicles:  | 3,49,58,504.00                                   | ALTERNATION OF THE                                    |
| Hypothecation Loan For Bolero SLX   | was such by                                      | 1,00,000.00   |
| Hypothecation Loan For INDO Farm Tractor  | 68,600.00  | 1,37,200.00   |
| Hypothecation Loan For L & T Komatassu Hypothecation Loan For Case 770 EX Loader  | 4,62,000.00<br>8,32,000.00                       | 10,78,000.00  |
| Hypothecation Loan For Audi Car (BOI)   | -  | 4,75,284.00   |
| State Bank of India Hyp Loan on Vehicle(Bolero) (SBI)   | 3,21,907.00                                      | 8,00,173.00   |
| Hypothecation Loan For Hero Honda (BOI)  B Loans From Others  |  | 2,80,967.00   |
| -Term Loans   |  |   |
| Total 7.  | 20,85,76,611.00                                  | 34,06,15,624.00                                       |
| Unsecured   | Contract Catherine Co.                           |   |
| Non Convertible Debentures  | 23   | -   |
| Zero Coupon Foreign Currency Convertible Bonds Deferred Sales Tax Loans   |  |   |
| Total 7.  | -  |   |
| Total V.  |  |   |



| 4   | DEFERRED TAX LIABILITY                      |          |                     |                       |
|-----|---|----------|---------------------|-----------------------|
| NG. | Deferred Tax Liabilities                    |          | 28,32,33,383.00     | 24,64,59,019.00       |
|     | Deferred Tax Assets                         | 1        | 7,10,51,634.00      | 6,02,65,442.00        |
|     | Deferred Tax Liabilities (Net)              |          | 21,21,81,749.00     | 18,61,93,577.00       |
| 5   | OTHER LONG-TERM LIABILITIES                 |          |                     | 1010/1901/1100        |
|     | Other Liabilities                           |          |                     |                       |
|     | Purchase Tax Payable                        | 1        | 5,79,92,610.65      | 5,79,92,610.65        |
|     | 200   | Total 7. | 5,79,92,610.65      | 5,79,92,610.65        |
| 6   | LONG-TERM PROVISIONS                        |          |                     | 01.702000             |
|     | Employee Benefits                           |          |                     |                       |
|     | Gratuty                                     |          | 2,17,29,772.00      | 1.13,11,026.00        |
|     |   | Total 7. | 2,17,29,772.00      | 1,13,11,026.00        |
|     | CURRENT LIABILITIES                         |          |                     |                       |
| 7   | SHORT TERM BORROWINGS                       |          |                     |                       |
|     | Secured                                     |          |                     |                       |
|     | Term Loans from Banks                       |          |                     |                       |
|     | Working Capital - Loans repayable on Demand |          |                     |                       |
|     | Bank of India Cash Credit A/c               |          | 58,17,60,982.22     | 52,98,14,808.74       |
|     | S.B.I Cash Credit WHR A/c                   |          | 63,28,99,116.52     | 21,04,43,014.00       |
|     | Cash Credit (Bank of India) A/c             | 1        | (61,34,548.49)      | 5,00,00,000.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | -                   | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | 723                 | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | 0.40                | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | 5 <b>-</b> 01       | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | \$ <b>*</b> .5      | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | S <del>*</del> 2    | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | 0.57                | 5,04,45,890.00        |
|     | Cash Credit (SBI) Demand Loan A/c           |          | 5,00,28,219.00      | •                     |
|     | Cash Credit (SBI) Demand Loan A/c           | 1        | 5,00,28,219.00      | 15%                   |
|     | Unsecured                                   | Total ₹. | 1 20 05 01 000 25   | 1 11 21 70 050 71     |
| 8   | TRADE PAYABLES                              | Total C. | 1,30,85,81,988.25   | 1,14,33,79,052.74     |
| 0   | Trade Payables                              | 1        |                     |                       |
|     | VSIL  |          | 4,13,96,224.45      | 3,14,27,765.59        |
|     | Yalahanka Unit                              |          | 4,13,70,224.43      | 7,37,131.04           |
|     | I statistica Citi                           | Total ₹. | 4,13,96,224,45      | 3,21,64,896.63        |
| 9   | OTHER CURRENT LIABILITIES                   | Total C  | 4,15,50,224,45      | 2,21,01,000           |
|     | Current Maturities of Long-term Debt        |          | 20,52,72,816.00     | 10,89,95,896.00       |
|     | Other Payable-employees                     | -        | 20102112101010      | 101031331030100       |
| n   | VSIL  |          | 80,20,602.94        | 79,91,619.94          |
|     | Yalahanka Unit                              |          | *                   | 14,764.00             |
|     | Providend Fund Payble                       |          | 5,55,138.00         | 5,81,734.00           |
|     | Trade Deposits & Advances                   |          | *E\$20243030331     |                       |
|     | H & T Security Deposits                     |          | 8,48,57,718.71      | 7,94,88,763.65        |
|     | Other Security Deposits                     | 1        | 83,28,941.50        | 95,56,293.50          |
|     | Scrap Sales Security Deposits               |          | 4,92,257.50         | 6,08,533.39           |
|     | Sugar Sales Security Deposits               |          | 6,16,73,891.00      | 13,07,34,683.44       |
|     | Sales Tax & Withholding taxes payable       |          |                     | 111671040048118190404 |
|     | Sugar Duty Payable                          |          |                     |                       |
|     | Sugar Cess Payable                          |          | (72,94,176.00)      | 24,000.00             |
|     | Vat Payable:                                |          | A52 -52 - 100 i 75  |                       |
|     | VAT 5.5%                                    |          | 7,655.60            | 11,902.66             |
|     | VAT on Carbon Di Oxide                      |          | 1,22,617.80         | 1,37,506.89           |
|     | VAT 14.5% on Boiler Ash                     |          | 47,326.82           | 12,602.25             |
|     | VAT 14.3% On Botter Ash                     |          | 4 / 40 / 01 / 0 / 0 | Canal or commenters.  |



|   | Others:  |          |  |                          |
|---|--|----------|--|--------------------------|
|   | TDS Payable  |          | 9,52,151.00  | 4,61,111.00              |
|   | TCS Payable  |          | 796.56   | 188.64                   |
|   | Purchase Tax Payable   | - 1      | 19,04,45,591.94  | 15,78,19,480.94          |
|   | Income Tax of Cane Contractors   | 1.       | 145000000000000000000000000000000000000  | 2,09,840.00              |
|   | Proffessional Tax (Staff) Payable  |          | 7,000.00   | 20,600.00                |
|   | CST 2%   | - 1      | 20 34  | 1,68,630.38              |
|   | Excise Duty on ENA Payable   | - 1      | :-   | 2,26,908.00              |
|   | Excise Duty on Molasses Payable  |          |  | 28,15,500.00             |
|   | Excise Duty on RS Payable  |          | 8.   | 12,67,200.00             |
|   | Carbon Di Oxide Duty Payable   |          | 24   | 1,05,370.00              |
|   | Compost Duty Payable   |          |  | 1,01,042.50              |
|   | Road Cess Payable  |          | 67,737.00  | 8,15,227.00              |
|   | Service Tax on Construction Work   |          | 15,037.00  | 3,12,427.00              |
|   | Service Tax Payable  |          | 4.   | 7,20,179.00              |
|   | Entry Tax Payable  |          | 15,836.00  | 15,148.00                |
|   | Interest Accrued but not due (H & T)   |          | 6,09,04,876.00   | 5,74,99,316.00           |
|   | Other Payables   |          | 14514440450618065  | 2.00%(0.00%(0.00%(0.00%) |
|   | Harvesting & Transport Loan (BOI) (Adv)  |          | 50,00,00,000.00  | 50,00,00,000.00          |
|   | Harvesting & Transport Loan (SBI) (Adv)  | - 1      | 45,00,00,000.00  | 30,00,00,000.00          |
|   | Yalahanka Unit:  |          |  |                          |
|   | Sri. Venkateshwar Distillery   |          | 9  | 2,08,983.85              |
|   | Halting Charges  |          | - 4  | 51,100.00                |
|   | Other Payable:   |          | ~0.00 CO.00 (0.00  |                          |
|   | Audit Fees Payable   |          | 5,00,000.00  | 4,00,000.00              |
|   | Tax Consultation Fees Payable  | - 1      | 2,00,000.00  | 1,00,000.00              |
|   | Cane Payable   |          | 20,12,71,634.37  | 48,21,80,873.85          |
|   | H & T Payabe   | 1        | 1,60,39,872.74   | 3,75,01,203.43           |
|   | H & T Contractors Insentive Payable  |          | 1,07,16,822.40   | 43,40,890.94             |
|   | Company Secretory Salary Payable   |          | 25,000.00  | 25,000.00                |
|   | EST Advance (1)  |          | 2,43,983.19  |                          |
|   | Sinking Fund   | -        | 91,951.67  | 91,951.67                |
|   | Company Secretory Fees Payables  |          | 3,00,000.00  | 2,00,000.00              |
|   | VSL Shareholders Welfare Trust   |          | 25,42,690.00   | 25,42,690.00             |
|   | VSIL Yalahanka Unit  |          | -  | 17,97,26,301.18          |
|   | Director Remunuration Payable  |          | 4,63,800.00  | 4,70,620.00              |
|   | Share Capital Hidakal Dam  | i i      | (8,100.00)   | (8,100.00                |
|   | General Account Payable  |          | 0.0000000000000000000000000000000000000  | 4,97,697.00              |
|   | Water Transpotation Charges Payable  | 1        | 14   | 12,74,552.00             |
|   | Cane Suspence (PT) A/c   |          | 19,08,881.00   | 5,72,000.00              |
|   | Harvesting Suspense A/c  |          | 6,48,71,311.00   | 4,76,23,016.00           |
|   | Harvesting Suspense(Magadum) A/c   |          | 1,30,74,428.11   | 95,24,679.00             |
|   | H & T Suspense A/c   | 1        | 13,96,257.90   | 33,47,520.00             |
|   | Transpotation Suspense   | . 1      | 5,40,439.00  | 4,68,157.00              |
|   |  | Total ₹. | 1,87,60,37,780.75  | 2,12,92,20,598.10        |
| 0 | SHORT-TERM PROVISIONS  |          | Control of the contro |                          |
|   | Dividends on Equity Shares   |          | 91,00,900.00   |                          |
|   | (Including Dividend Distribution Tax)  |          | A) A)  |                          |
|   | Income Tax & Wealth Tax  |          | 1,42,99,510.00   | 4,12,820.00              |
|   | A STATE OF THE PROPERTY OF STATE OF STA | Total-₹. | 2,34,00,410.00   | 4,12,820.00              |

Place: Belgaum. Date: 28-08-2016



| 2 2 3 2 2 3 2 5 2 5 5 5 5 5 5 5 5 5 5 5  |     |                     |                                    | GROSS BLOC                                     | GROSS BLOCK-COST/BOOK VALUE                      | CVALUE  |                                    |                                    | DEPRECIATION/AMORTISATION      | MORTISATION                                      |                                    | NET BLOCK                    | LOCK                                    |
|--|-----|---------------------|------------------------------------|--|--|---|------------------------------------|------------------------------------|--------------------------------|--|------------------------------------|------------------------------|---|
| Land         Freehold         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         4.46.65.862.00         -         -         4.46.65.862.00         -         -         4.46.65.862.00         -         -         4.46.65.862.00         -         -         4.46.65.862.00         -         -         4.46.65.862.00         -         -         4.46.65.862.00         - <th>- 6</th> <th>Description</th> <th>Total as at<br/>31st March,<br/>2015</th> <th>Additions/<br/>Adjustment<br/>during the<br/>year</th> <th>Deductions/<br/>adjustments<br/>during the<br/>year</th> <th>Impairment/<br/>(reversal)<br/>during the<br/>year</th> <th>Total as at<br/>31st March,<br/>2016</th> <th>Total as at<br/>31st March,<br/>2015</th> <th>Provided<br/>during the<br/>year</th> <th>Deductions:<br/>adjustments<br/>during the<br/>year</th> <th>Total as at<br/>31st March,<br/>2016</th> <th>As at 31st<br/>March,<br/>2016</th> <th>As at 31st<br/>March,<br/>2015</th>   | - 6 | Description         | Total as at<br>31st March,<br>2015 | Additions/<br>Adjustment<br>during the<br>year | Deductions/<br>adjustments<br>during the<br>year | Impairment/<br>(reversal)<br>during the<br>year | Total as at<br>31st March,<br>2016 | Total as at<br>31st March,<br>2015 | Provided<br>during the<br>year | Deductions:<br>adjustments<br>during the<br>year | Total as at<br>31st March,<br>2016 | As at 31st<br>March,<br>2016 | As at 31st<br>March,<br>2015            |
| Leasebold Buildings 45,00,33,229.97 \$9,10,614,00 45,99,43,843.97 \$10,39,22,523.49 \$1,42,83,454.89 \$1,182,05,978.38 \$34,1737,865.59 \$34,077,29,978.38 \$34,1737,865.59 \$34,077,29,978.38 \$34,1737,865.59 \$34,077,29,978.38 \$34,1737,865.59 \$34,077,29,978.38 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,978.39 \$34,077,29,40,400 \$34,077,2 | 100 | Land                | 00 670 57 77 8                     |  |  |   | 04 05 05 05 05                     | 70                                 |                                |  |                                    | 2000000                      | 200000000000000000000000000000000000000 |
| Buildings         45,99,43,843.97         10,39,22,523.49         1,42,83,454.89         1,182,05,978.38         34,17,37,865.59           Partory         21,94,21,909.02         6,15,51,539.00         2,69,912.00         2,69,60,049.64         39,40,931.69         1,36,00,981.33         26,73,244.89           Others         21,94,21,909.02         6,15,51,539.00         12,79,225.00         2,49,67,18,999.42         66,36,07,443.74         8,70,70,003.96         1,74,60,61,783.83         1,74,60,61,783.71         2,58,41,754.14         2,44,13,22,332.70         2,58,41,754.14         2,44,13,   |     | Leasehold           | 00,000,000,00                      |  |  |   | 4.40,00,00,00,00                   |                                    |                                |  | 6                                  | 4,40,05,052,00               | 4,40,65,802.00                          |
| Fractory 45.09,33,229.97 99,10,614.00 - 45,99,43,813.97 10,39,22.53.49 142.83,454.89 11,82,05,978.38 34,1737,865.59 Others 21,94,21,909.02 6,15,51,539.00 12,79,225.00 - 2,49,67,18,999.42 66,36,07,443.74 8,70,10,039.6 13,372,466.69 17,72,99.07.42 20,30,000.09 12,79,225.00 - 2,49,67,18,999.42 66,36,07,437.4 8,70,10,039.6 10,07,558.00 - 2,03,00,000.09   |     | Buildings           | 9.                                 |  |  | 2   |                                    |                                    |                                |  |                                    |                              |   |
| Others 21,94,21,999.02 6,15,51,539.00  |     | Factory             | 45,00,33,229.97                    | 99,10,614,00                                   |  | *   | 45,99,43,843,97                    | 10,39,22,523,49                    | 1,42,83,454,89                 |  | 11,82,05,978,38                    | 34,17,37,865,59              | 34,61,10,706,48                         |
| 247,72,99,074,42 2,06,99,150,00 12,79,225.00   |     | Others              | 21,94,21,909,02                    | 6,15,51,539.00                                 |  | (18)  | 28,09,73,448,02                    | 96,60,049,64                       | 39,40,931.69                   |  | 1,36,00,981,33                     | 26,73,72,466,69              | 20.97,61,859.38                         |
| 6.59,40,151.12 20,30,000.00 6,79,70,151.12 2,71,25,418.19 66,53,017.57 - 3,37,78,435.76 3,41,91,715.36 61,718,43.00 19,07,558.00 6,79,70,151.12 2,71,25,418.19 66,53,017.57 - 58,34,913.03 2,244,488.37 88,14,430.91   |     | Plant & Machinery   | 2,47,72,99,674,42                  | 2,06,99,150,00                                 | 12,79,225.00                                     | 2   | 2,49,67,18,999,42                  | 66,36,07,443,74                    | 8,70,70,003.96                 | 20,232,14  | 75,06,57,215.56                    | 1,74,60,61,783,86            | 1.81.36.91.630.68                       |
| 61,71,843,40 19,07,558.00  |     | Vehicles            | 6,59,40,151.12                     | 20,30,000,00                                   | 1.0  | 9   | 6,79,70,151,12                     | 2,71,25,418.19                     | 66,53,017.57                   |  | 3,37,78,435,76                     | 3,41,91,715.36               | 3.88.14,732.93                          |
| 88,14,430.91   |     | Office Equipments   | 61,71,843,40                       | 19,07,558.00                                   |  | le!   | 80,79,401,40                       | 56,65,962,89                       | 1,68,950.14                    |  | 58,34,913.03                       | 22,44,488,37                 | 5.05,880.51                             |
| 3,27,23,46,500,84 9,60,58,861,00 12,79,215.00 - 3,36,71,66,136.84 81,24,67,893.85 11,33,96,092.43 20,232.14 92,58,43,754.14 2,44,13,22,382.70 Capital Work-in-Progress 1,28,82,218,00  |     | Furnitue & Fixtures | 88,14,430,91                       | VO   | *:   | 26  | 88,14,430.91                       | 24,86,495.90                       | 12,79,734.18                   |  | 37,66,230.08                       | 50,48,200.83                 | 63,27,935,01                            |
| 1,28,82,218,00   |     | Tetal               | 3,27,23,46,500.84                  | 9,60,98,861,00                                 | 12,79,225.00                                     | 3   | 3,36,71,66,136.84                  | 81,24,67,893.85                    | 11,33,96,092.43                |  |                                    | 2,44,13,22,382.70            | 2,45,98,78,606.99                       |
| 2,45,42,04,600,70  |     |                     |                                    |  |  |   |                                    |                                    |                                | Capital  | Work-in-Progress                   | 1,28,82,218.00               | 5,08,20,975.00                          |
|  | Ι.  |                     |                                    |  |  |   |                                    |                                    |                                |  | Net Total                          | 2,45,42,04,600,70            | 2,51,06,99,581,99                       |

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|   |  |                                    | CROSS BLO                                      | GROSS BLOCK-COST/BOOK VALUE                      | KVALUE   |                                    |                                    | DEPRECIATION.                  | AMORTISATION                                     |                                    | NET                          | NET BLOCK                    | _ |
|---|--|------------------------------------|--|--|--|------------------------------------|------------------------------------|--------------------------------|--|------------------------------------|------------------------------|------------------------------|---|
| z | Description                                | Tetal as at<br>31st March,<br>2015 | Additions/<br>Adjustment<br>during the<br>year | Deductions/<br>adjustments<br>during the<br>year | Impairment<br>(reversal)<br>during the<br>year | Total as at<br>31st March,<br>2016 | Total as at<br>31st March,<br>2015 | Provided<br>during the<br>year | Deductions/<br>adjustments<br>during the<br>year | Total as at<br>31st March,<br>2016 | As at 31st<br>March,<br>2016 | As at 31st<br>March,<br>2015 |   |
| 1 | Internally Generated<br>- Patents / Market |                                    |  |  |  |                                    |                                    |                                |  |                                    |                              |                              | _ |
|   | Total                                      |                                    |  |  |  |                                    |                                    |                                |  |                                    |                              |                              | - |
|   |  |                                    |  |  |  |                                    |                                    |                                | Canal  | al Work-in-Progress                |                              |                              | - |
|   |  |                                    |  |  |  |                                    |                                    |                                |  | Net Total                          |                              |                              | - |



"As per our report of even date" For, M/s. P. G. GHALI & Co., CHARTERED ACCOUNTANTS

For and on behalf of the Beard

(CA. PRAKASH G. GHALI)
PARTNER
M.No. 013133
P.R.C.No. 005298



Place: Belgsum. Date: 28-08-2016

#### NOTES TO ACCOUNTS

|      | Particulars  | 31st March,<br>2016  | 31st March,<br>2015    |
|------|--|--|------------------------|
| 13   | A. NON-CURRENT INVESTMENTS Trade Investments (Long-term) in Subsidiary Companies A) Fully Prid Equity Shares Non Trade Investments |  | 2018                   |
|      | Investments in Equity Shares of,<br>B B U S S Bank Shares  | 10,000.00  | 10,000.00              |
|      | BDCC Bank Shares<br>Equity Shares Fully Paid-up (quoted)   | 37,55,000.00   | 37,55,000.00           |
|      | Total Non-Current Investments  | 37,65,000.00   | 37,65,000.00           |
| 13   | B. CURRENT INVESTMENTS Investment in Mutual Funds  |  |                        |
|      | Short-term Plan- Institutional Daily Dividend Total Current Investments  | (4)  |                        |
|      | Aggregate NAV of Current Investments   |  |                        |
|      | Aggregate Amount quoted Investments  | 32   | 1.53                   |
|      | -Cost<br>-Market Value   |  | -                      |
| 14   | NON-CURRENT ASSETS  LONG-TERM LOANS & ADVANCES  Loans to Subsidiaries  |  | (4)                    |
|      | Employee Leans & Advances  | 2.1  |                        |
| 15   | OTHER NON-CURRENT ASSETS   | -  | -                      |
| 5.77 | Security Deposits  | + 40 024 02  | 1 50 000 0             |
|      | Electric Deposit Telephone Deposit   | 1,50,930.00  | 1,50,930.0<br>66,891.0 |
|      | VSL Deposit With TPTCL   | 49,44,597.25   | 49,44,597 2            |
|      | HPCL Deposit   | 2,000.00   | 2,000.0                |
|      | Indian Gas Deposit   | 3,400.00   | 3,400.0                |
|      | Security Deposit of Hindustan Petrolium Corporation Ltd  | 5,00,000.00  | 5,00,000.0             |
|      | Security Deposit of Indian Oil Corporation Ltd   | 5,00,000.00  | 5,00,000 0             |
|      | Security Deposit of Bharat Petrolium Corp Ltd  | 7725.00  | 2,00,000.0             |
|      | Valahunka Unit (Building Deposit)  | 1,50,000.00  | 1,50,000 0             |
|      | Mis. Expenses<br>Vinegar in Process  |  | 56,98,136 5            |
|      | Total ₹.   | 63,17,818.25   | 1,22,15,954.7          |
| 16   | CURRENT ASSETS<br>INVENTORIES  |  |                        |
|      | -Raw Materials   |  |                        |
|      | Coal   | 1,52,74,524 98   | 2,32,44,372.8          |
|      | Mollasses (F)  | 12,61,67,355.00  | 18,48,30,700.0         |
|      | Molasses (D)   | 13,87,125.00   |                        |
|      | Bagassee   | 2,55,51,000.00   | 3,74,81,508 0          |
|      | Coal in Transit -Process Stocks  | 1,06,26,526.96   |                        |
|      | Sugar  | 8  | 1,57,14,550.0          |
|      | -Finished Goods  | 8.   | also de also de        |
|      | Sugar  | 2,14,81,93,044.00  | 2,33,56,42,125.0       |
|      | Rectified Spirit   | 2,49,35,094.40   | 2,31,59,257.6          |
|      | M.G Spirit   | 3,44,436.00  | 3,43,075.5             |
|      | N. Spirit  | 1,09,48,680.00   | 77,23,062.0            |
|      | Liquor   | 22,12,830.00   | 9,93,600.0             |
|      | Vishwas Compost  | 11,95,000.00   | 1,78,98,497.1          |
|      | Denature Spirit Vinegar  | 5,28,916.50<br>3,23,86,500.00  | 5,31,176,4             |
|      | Total ₹.   | The second secon | 2,64,75,61,924.4       |
| 17   | TRADE RECEIVABLES Secured  |  |                        |
|      | -Over Six Months -Good   | 1,33,05,298.52   | 4,05,27,386.8          |
|      | -Other Debts -Good   | 16,47,41,028.09  | 7,93,62,599.9          |
|      | Unsecured  |  |                        |
|      | -Over Six Months -Good   | (40  | +3                     |
|      | -Doubtful  | i A  |                        |
|      | -Other Debts -Good   | 17,80,46,326.61  | 11,98,89,986 8         |
|      | Less Provision for Doubtful Debts  |  | - SOMMONES             |
|      | Total ₹,   | 17,80,46,326.61  | 11,98,89,986.8         |



| 18  | CASH & CASH EQUIVALENTS -Cash in hand and as Imprest  |  |  |
|-----|---|--|--|
|     | VSIL.   | 13,66,939 66                           | 14,14,044.5  |
|     | 20 TO 10 TO | 13,00,939.00                           | 4 4 4 4 4 4 5 5 6 7 5 6 7 5 7 5 7 5 7 5 7 5 7 5 7 5  |
|     | Yalahanka Unit  |  | 1,153.0  |
|     | -Cheques/Orafts in hand   |  |  |
|     | -On Current Accounts  | 23332VSE0476X                          | 10000000000000000000000000000000000000   |
|     | VSIL.   | 50,60,79,141,40                        | 19,58,57,043.9   |
|     | Yalahanka Unit (State Bank of India)  |  | 4,83,203 0   |
|     | -On Dividend Account  |  | 26600000 9   |
|     | -On Deposit Accounts  | 29,12,500.00                           | 14,87,500.0  |
|     | -As Margin Money  | S 72                                   | 12. Mil.   |
|     | Tota  | 17. 51,03,58,581,06                    | 19,92,42,944,4   |
| 19  | SHORT TERM LOANS & ADVANCES   |  |  |
|     | -Loans & Advances to related parties  |  |  |
|     | -Loans & Advances to Employees  |  |  |
|     | Salary Advance (VSII.)  | 6,22,297.00                            | 10,45,239.0  |
|     | Salary Advance (Yalahanka)  | 37,000.00                              | 37,000.0   |
|     | -Deposits   | 301100000                              |  |
|     | -Deposits/Balances with Excise/Sales Tax Authorities  | 1/4                                    | rich (   |
|     | Deposits on Capital Goods Cenvat:   |  |  |
|     |   | 7077744                                | to describe a construction of the construction |
|     | Cenvat on Capital Goods   | 19,66,073.00                           | 1,78,89,788.0  |
|     | E Cess on Capital goods Cenvat  | 3,55,845.44                            | 3,55,783.4   |
|     | SH E Cess on Capital Goods Cenvat   | 1,77,881.72                            | 1,77,851.7   |
|     | Cenvat on Addl Duty   | 10,860.00                              | 1200010420   |
|     | Deposit on Input Goods Cenvat:  | 1.25-34034.5533                        |  |
|     | Cenvat on Input Goods   | 1,11,14,582.00                         | 2,07,22,125.0  |
|     | E Cess on Input goods Cenvat  | 2,25,729.00                            | 2,25,729.0   |
|     | SH E Cess on Input Goods Cenvat   | 1,12,860.00                            | EF1997.171700  |
|     |   | 1,12,800.00                            | 1,12,860.0   |
|     | Deposit on Cenyat on Service Tax:   | 902002230                              | 550000000  |
|     | Cenvat On Service Tax   | 15,00,392.30                           | 35,46,427.0  |
|     | E.Cess on ServiceTax on Cenvat  | 74,734.00                              | 70,907.0   |
|     | SH E Cess on ServiceTax on Cenvat   | 37,388.00                              | 35,475.0   |
|     | Litre Fees  | 11-1                                   | 40,000 0   |
|     | E Cess on ServiceTax on Cenvat  | 85,622.00                              | 93,552.0   |
|     | -Advance Payment of Income Tax/Wealth Tax (including TDS)   | 0.535553.55                            | 1.000000   |
|     | BED Advance   | 19,40,600.00                           | -  |
|     | TDS   | 10/04/04/04/04/04/04/04                | 1.00.100.0   |
|     | 1777777   | 16,874.00                              | 1,00,165.00  |
|     | Income Tax Refundable   | 3,43,41,590.00                         | 1,96,54,245.00   |
|     | Advance Income Tax (MAT)  | 5.430                                  | 1,50,00,000 0  |
|     | -MAT Credit Entitlement   | 21,02,07,985.00                        | 19,59,08,475.0   |
| _   | Tota  | 26,28,28,313.46                        | 27,50,15,622.1   |
| 0.5 | OTHER CURRENT ASSETS  |  |  |
|     | -Other Current Assets   | III)                                   |  |
|     | Stores & Spare Parts  | 4,49,05,467.29                         | 4,21,37,002.7  |
|     | Compost Sales Receivables   | 1,86,63,637.90                         | 1,17,62,103.7  |
|     | Yalahanka Unit VSIL   | 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 17,87,00,588.1   |
|     | Cane Purchase Advance   | 11,06,11,193.71                        | 12,72,88,080.1   |
|     | Advances to Suppliers & Services  | 3,78,12,465.99                         | 2,09,44,793.1  |
|     | H & T Advance Recoverable   | 3,95,86,584.35                         | The DESCRIPTION OF COMMENTS  |
|     |   |  | 6,17,00,548.7  |
|     | Store (Cane Account) Diesel   | (37,02,921.69)                         | U. 05 (BOTT-805) T155  |
|     | EST Advance 4 (Bood Gnng)   | (1,56,405.12)                          | 1 - X - X - X - X - X - X - X - X - X -  |
|     | Refundable Deposit N U K  | 2,00,00,000.00                         | 2,00,00,000.0  |
|     | Govi Subsidy SEFASU Loan Interest Receivable  | 1,68,50,650.00                         | 1,95,32,186.0  |
|     | Advance to Director   | 2,00,000.00                            | 2,00,000 0   |
|     | Accrued Interest  | 1,73,616.00                            | 21,755.0   |
|     | Govt Subsidy SOFT Loan Interest Receivable  | 42,42,763.00                           |  |
|     | Sri Venkateshwar Distillery, Yalahanka Bengalorwe   | 4,10,657.15                            | 180  |
|     | Puduchery Distillery (EMD)  | 48,100,00                              | 122  |
|     | Total   |  | 48,43,09,302,4   |
| i   | REVENUE FROM OPERATIONS   | 2042 45 45 25 55 55 55                 | 32/10/07/2014  |
|     | Sales of Products:  |  |  |
|     | Sale of Sugar   | 2,49,67,15,855.00                      | 1.99 75 64 700 0   |
|     | Sale of Power   | MACCHINE TO CONTROL OF THE             | 1,88,75,64,399.9   |
|     |   | 78,50,36,600.64                        | 86,21,01,911.1   |
|     | Sale of Ethanol, Spirit and allied Products   | 33,73,78,388.80                        | 34,55,85,433,6   |
|     | Sale of IMFL  | 91,57,98,050.10                        | 89,65,93,754.10  |
|     | Sale of Vinegar   | 47,01,780.00                           | 3 + 3  |
|     | Sale of Traded Goods  | proportion of Carlo                    | Programma A.   |
|     | Sale of by-products   | 61,57,42,001.01                        | 51,86,44,211.7   |
|     | Sale of others  | 38,60,722.19                           | 2,86,673.0   |
|     | Sales of Services   | 50,00,122.15                           | 2,00,073.0   |
|     | MARIE SE MAI LAND   | 5,15,92,33,397,74                      | 4 51 07 76 393 6   |
|     | Less:   | 3,13,92,33,397.74                      | 4,51,07,76,383.5   |
|     | CONTRACTOR OF STREET  | 20121212121                            | 50 05 T. T.  |
|     | Excise Duty   | 70,11,17,184.00                        | 68,83,51,250.88  |
|     | Intersegment Transfer   | 1,10,16,50,555,52                      | 1,05,99,40,007.66  |
|     |   |  |  |
|     |   | # 1 3 32 C4 CE CEC 44                  | ****   |
|     | Net Sales   | 7. 3,35,64,65,658.22                   | 2,76,24,85,125,0   |



| 22 | OTHER INCOME   |          | 1 500 00   | 2.000.00                      |
|----|--|----------|--|-------------------------------|
|    | Dividend   |          | 1,500.00   | 3,000.00                      |
|    | Bullack Cart Insurance   | - 1      | 11,78,951.00   | 11,15,484 00                  |
|    | Bullack Carts Hire Charges   | 1        | 29,51,550.00   | 14,13,870.00                  |
|    | Vehicle Hire Charges   |          |  | 3,300.00                      |
|    | Cenvat Income  | - 1      | 3,21,43,525.00   | 2,86,33,923.50                |
|    | Cenvat on Service Tax Income   |          | 16,70,856.30   | 34,95,667 00                  |
|    | Boiler Ash Transport Charges   | - 1      | 1,12,243.00  |                               |
|    | Electricity Income   |          | 93,353 00  | 78,643 00                     |
|    | Fine Received  |          | 8,36,850.00  | 13,88,340 00                  |
|    | Insurance Claims   | - 74     | 7,21,903.00  | 16,90,722.00                  |
|    | Misce Income   |          | 7,60,357.99  | 4,47,616.25                   |
|    | Other Income (Write Off)   | - 01     | (54,67,944.92)   | 3,56,57,679.65                |
|    | Rent on Buildings  | - 1      | 12,120.00  | 12,120 00                     |
|    | Govt Subsidy SOFT Loan Interest  | - 1      | 42,42,763.00   | 10 MONTH 4 P. C.              |
|    | Repairs to Tools& Tackles  | - 1      | 3,69,930.00  | 4,59,727.30                   |
|    | Round Off  |          | 111.00   | 101 64                        |
|    | Govt Subsidy SEFASU Loan Interest  |          | 2,83,92,000.00   | 2,00,98,086.00                |
|    | Input VAT Credit   |          |  | (23,69,584.95                 |
|    | Other Income   | - 4      | 1,87,63,436.00   | 500 WARRISTON                 |
|    | Depreciation Written Back  |          | N. 100 M   | 5,03,919.17                   |
|    | Profit on Sale of Bolero SLX   | - 0      |  | 36,749.67                     |
|    | Write off Other Income (Valahanka Unit)  |          | 29,59,248.36   | 27,453.54                     |
|    | Round off (Yalahanka Unit)   | - 1      | 164.75   |                               |
|    | THE STATE OF THE S | Total C. | 8,97,42,917.48   | 9,26,96,817,77                |
| 23 | COST OF MATERIAL CONSUMED  |          | The state of the s |                               |
|    | Raw Materials Consumed   |          |  |                               |
|    | Sugar Cane:  | - 1      |  |                               |
|    | Cane Purchase  |          | 1,61,88,17,991.00  | 1,65,65,11,382.00             |
|    | Cane Purchase Tax & Road Cess  |          | 3,65,70,730.00   | 3,86,33,722.00                |
|    | Harvesting & Transportation Charges  | 1        | 47,66,11,214.00  | 44,72,91,863.00               |
|    | Extre Natural Spirit   | -        | 3,66,30,000.00   | 3,33,90,000 00                |
|    | Extra-Natural Spirit Purchase (Yalahanka Unit)   | - 1      | and the state of the state of  | 28,72,500 00                  |
|    | Spirit Consumption for Vinegar Plant   | - 1      | 77,40,000.00   |                               |
|    | Power & Fuel   | - 1      | A CONTRACTOR OF A CONTRACTOR   |                               |
|    | Coal   |          | 129000777  | 7,33,20,327.00                |
|    | Opening Stock  |          | 2,32,44,372.85   |                               |
|    | Add Purchase   | - 1      | 3,91,87,441.00   |                               |
|    | Total:   | 1        | 6,24,31,813.85   |                               |
|    | Less   | - 1      |  |                               |
|    | Closing Stock  | - 1      | 1,52,74,524.98   |                               |
|    | Stock in Process   |          | 1,06,26,526,96   |                               |
|    | Coal Consumption   | 1        | 3,65,30,761.91   |                               |
|    | Stores, Spares, Chemicals & Packing Materials Consumed   | - 1      | 50,000 A 50,000 A 50,000 A 50,000 A  |                               |
|    | IML Packing & Raw Materials  | - 1      | 7,84,30,912.00   | 6,53,80,825,20                |
|    | IML Material Purchase (Yalahanka Unit)   |          | 89,329 93  | 76,30,980 0                   |
|    | Supar Bag Expenses   | - 1      | 2,97,54,102.00   | 4,18,02,100 17                |
|    | Chemicals:   | - 1      | 745.16.15.25.94  |                               |
|    | Distillery Unit  | - 1      | 25,49,850.00   | 24,51,865.47                  |
|    | IML Unit   |          | 12,60,002.00   | 6,50,773.50                   |
|    | Sugar Unit   |          | 1,53,58,927.60   | 1,17,64,714.31                |
|    | Lab -  | - 1      | 1,44,789.00  | 2,25,757.68                   |
|    | Co-Gen Unit  | - 1      | 29,82,065.00   | 28,82,797.51                  |
|    | Vinegar Chemicals  | - 1)     | 53,16,868.00   |                               |
|    | 7 III CHAIRCES   | Total C  | 2,34,87,87,542,44  | 2,38,48,09,607.86             |
| 24 | CHANGES IN INVENTORIES OF FINISHED GOODS   | 10.00    | ale de la laction  | ale of refer for the          |
|    | WORK-IN-PROCESS & STOCK-IN-TRADE   |          |  |                               |
|    | Stock at Close -Raw  |          |  |                               |
|    | Coal   | - 4      | 3. (1  | 2,32,44,372.85                |
|    | Mollasses (F)  |          | 12,61,67,355.00  | 18,48,30,700.00               |
|    | Molasses (D)   |          | 13,87,125.00   | 10,40,70,700.00               |
|    | Bagassee   |          | 2,55,51,000.00   | 3,74,81,508 00                |
|    | ar all modes   |          |  | A11.470.17.40.00              |
|    | Stock at Close -Process  |          |  |                               |
|    | Sugar  |          | 72   | 1,57,14,550.00                |
|    | Stock at Close -Finished   |          |  | 1,51,14,550.00                |
|    |  |          | 2,14,81,93,044,00  | 2 22 66 42 126 00             |
|    | Sugar<br>Booking of Solida   | 1        |  | 2,33,56,42,125 00             |
|    | Rectified Spirit   |          | 2,49,35,094.40   | 2,31,59,257.60                |
|    | M.G Spirit   |          | 3,44,436.00  | 3,43,075.50                   |
|    | 25   |          | 1,09,48,680.00   | 77,23,062.00                  |
|    | Extra Neutral Spirit   |          | and the latest terms   |                               |
|    | Liquor   |          | 22,12,830.00   |                               |
|    | Liquor<br>Compost  |          | 11,95,000.00   | 9,93,600.00<br>1,78,98,497.13 |
|    | Liquor<br>Compost<br>Denature Spirit   |          | 11,95,000 00<br>5,28,916 50  |                               |
|    | Liquor<br>Compost  |          | 11,95,000.00   | 1,78,98,497 13                |



|    | Stock at Commencement - Raw                         |   | Collegener                              |
|----|---|---|---|
|    | Coal  | **  | 2,19,90,368 19                          |
|    | Mollasses (S)                                       | 18,48,30,700.00   | 15,68,25,700.00                         |
|    | Molassos (D)  | * *** *** ***   | 5,14,500.00                             |
|    | Bagassee  | 3,74,81,508.00  | 4,76,83,146.00                          |
|    | Stock at Commencement - Process Sugar               | 1,57,14,550.00  | 1,37,73,223.00                          |
|    | Stock at Commencement - Finished Sugar              | 2,33,56,42,125.00   | 2,09,79,50,703.00                       |
|    | Rectified Spirit                                    | 2,31,59,257.60  | 3,73,89,677.50                          |
|    | M.G Rectified Spirit                                | 3,43,075.50   | 9,67,213.50                             |
|    | Extra Neutral Spirit                                | 77,23,062.00  | 98,00,966.00                            |
|    | Liquor  | 9,93,600 00   | 7,65,900.00                             |
|    | Liquor Yalahanka Unit                               | (P)   | 6,62,814 00                             |
|    | N S Yalahanka Unit                                  | 1474-000 VICE 1145  | 13,66,400.00                            |
|    | Vishwas Compost                                     | 1,78,98,497 13  | 3,07,11,636.45                          |
|    | Denature Spirit                                     | 5,31,176,40<br>2,62,43,17,551.63  | 5,34,564.90<br>2,42,09,36,812.54        |
|    | Increase / Decrease in Stocks ₹                     | 25,04,67,570,73   | (22,66,25,111,94                        |
| 25 | OTHER MANUFACTURING EXPENSES                        |   |   |
|    | Processing Charges Compost Charges                  | 37,95,187.00  | 30,68,355.70                            |
|    | Compost Charges Compost Baging Charges              | 3,05,605.00   | 5 K C C C C C C C C C C C C C C C C C C |
|    | Stevedoring Handling & Other Charges of Coal        | 12.77.387.00  | 2,60,542.00                             |
|    | Coal Transpotation Charges                          | 80,36,203.00  | 2,17,74,194.00                          |
|    | Customs Duty on Coal                                | 5,18,818.00   | 17,27,626.00                            |
|    | Bagasse & Cane Feeding Charges                      | 7,75,180.00   | 9,12,702.00                             |
|    | Cane Yard Cleaning Charges                          | 1,76,330.00   | 81,105.00                               |
|    | Incentive to H & T Contractor                       | 27,20,502.00  | 41,55,657.44                            |
|    | Transport & Other Charges of H & T Contractors      | 1,30,57,373.00  | 98,26,261.74                            |
|    | Sugar Bagging Charges                               | 19,93,875.00  | 19,99,536.00                            |
|    | Hamali Charges                                      | 15,85,553.00  | 13,96,083.00                            |
|    | Fuel & Oil For D G Set                              | 22,98,805.00  | 8,74,588 50                             |
|    | Oil & Lubricants                                    | 33,20,604.88  | 40,11,181.16                            |
|    | Excise duty on Mollasses                            | 2,75,98,500.00  | 2,49,20,588 50                          |
|    | JML Transpotation Charges                           | 1,16,36,639.00  | 95,79,640.00                            |
|    | Open Access Charges & Fees                          | 45,14,728.35  | 32,19,302 18                            |
|    | IEX Registration Charges                            | 0.0000000000000000000000000000000000000   | 1,12,360.00                             |
|    | KPTCL UI Charges                                    | 70,52,198.00  | 46,40,854.00                            |
|    | IML Lable Expenses                                  | 100000000000000000000000000000000000000   | 17,500.00                               |
|    | Beed Gang Compensation                              | 7,76,993.00   | 3,19,155.00                             |
|    | Water Transpotation Charges                         | 1,90,82,199.00  | 1,23,51,754.00                          |
|    | Cane Celing Charges                                 | 10,56,735.00  | 12,85,825 00                            |
|    | Store-Overhead Charges                              | 45,615.01   | 1,14,33,089.04                          |
|    | Compost Transport Charges                           | (9,500.00)  | 37,375.00                               |
|    | IML Export Charges                                  | 20,92,446 00<br>72,51,961.52  | 77,146.00                               |
|    | Vinegar Charges                                     | 42.136.00   | -                                       |
|    | Vinegar Export Charges<br>Vinegar Transport Charges | 31,600,00   |   |
|    | Custom Duty Vinegar Chemical                        | 12,23,139.00  |   |
|    | Spirit Transporation                                | 1.72.000.00   |   |
|    | Sulphar & Lime Lifting Charges                      | 4,19,100.00   | 1                                       |
|    | Sulphar Transpotation Charges                       | 5,69,049.00   | 3                                       |
|    | Bagasses Bailing Charges                            | 24,70,796.00  | 2                                       |
|    | Electricity Charges                                 | 26,82,378.00  |   |
|    | Yalahanka Unit:                                     |   |   |
|    | Lable Renewal Fees                                  |   | 50,000.0                                |
|    | Production Charges                                  | €   | 21,87,436.8                             |
|    | Transpotation Charges                               | 51  | 10,23,435.0                             |
|    | Repairs - Plant & Machinery                         | 555 1556 TO 100 |   |
|    | Computers & Printers                                | 6,38,631.00   | 8,75,630,46                             |
|    | Distillery P & M                                    | 41,22,473.00  | 81,56,560.40                            |
|    | Sugar P & M   | 1,74,96,429,51  | 31,38,208.79                            |
|    | General Machinery                                   | 1,43,379.00   | 35,434 7                                |
|    | Electrical Machinery                                | 4,59,352.00   | 14,50,148.8                             |
|    | Co-Gen P & M  | 2,48,67,017,00  | 1,56,17,428.0                           |
|    | Bullack Carts                                       | 36,89,353.00  | 36,37,193.85                            |
|    | Sugar House<br>IML P & M                            | 24,17,144.00  | 29,87,200,19                            |
|    | Jack Well   | 6,28,273.00   | 7,61,336.8                              |
|    | Weight Bridge                                       | 34,60,146.00<br>20,36,334.00  | 16,13,876.2                             |
|    | Sugar Boiling House Machinery                       | 2,18,41,422.00  |   |
|    | Mill House  | 1,27,55,901 00  | 1,55,17,053.32                          |
|    | Work Shop Maintanance                               | 2,77,378.00   | 2,08,901.8                              |
|    | Godown  | 1,76,522.00   | 1,40,276.62                             |
|    | Temporary Sheds                                     | 10,81,533.00  | 7,89,557.66                             |
|    | Staff Quarters                                      | 57,813.00   | 70,595.6                                |
|    | Diesel Pump   | 8,327.00  | 13,724.2                                |
|    | Mollasses Tank                                      | 36,601.00   | 2,33,946.34                             |
|    | Vinegar P & M                                       | 12,18,958.45  | and the second                          |
|    | CO2   | 1,313.00  | 40,786.65                               |
|    | Factory Building                                    | 2,50,689.00   | 1,96,558.05                             |
|    | AMC Service Charges of Spray Pond                   | 2,05,642.00   | -47.507.50.00                           |
|    | CPU Plant & Machinery                               | 20,772,00   |   |
|    | Total 7.  | 22,64,61,538.72   | 19,54,48,645,36                         |



| 26 | EMPLOYEE BENEFIT'S EXPENSES Splaries, Wages, Bonus, Gratuity & Allowances  |  |                              |
|----|--|--|------------------------------|
|    | Co-Gen Unit  | 1.45.72.078.00   | 1,42,16,969 00               |
|    | 7.6 (0.71) (0.71)  | Control of the Contro |                              |
|    | Distillery & IML Unit<br>Sugar Unit  | 1,29,07,979 00   | 1,37,32,714 00               |
|    | Vinegar Unit   | 6,04,93,784.00<br>5,39,308.00  | 6,04,01,582.00               |
|    | Control Part (State 1994), property to the control of the control  |  | 1 21 (8 042 00               |
|    | Incentive to Employees Director Remunuration   | 1,28,53,921.00   | 1,21,68,042 00               |
|    | Staff Dress  | 63,00,000.00   | 63,00,000.00                 |
|    | Gratuity Provision   | 3,04,498.00  | 1,400.00                     |
|    | TO SECURITY OF THE SECURITY OF | 1,04,18,746.00   | 24,69,276 00                 |
|    | Company Secretory Salary Contribution to Provident & Superannuation Fund   | 3,00,000 00  | 3,00,000.00                  |
|    | Medicle Expenses   | 76,73,310.00   | 72,58,802.00                 |
|    | Stipend Expenditure  | 4,000,00   | 13,83,334 00<br>57,000.00    |
|    | Total ₹  | 12,74,07,748.00  | 11,82,89,119,00              |
| 27 | FINANCE COST   |  |                              |
|    | Interest Expense on Term Loans Bank of India (Housing Loan)  | 2.02.626.00  | 10.11.241.00                 |
|    |  | 3,03,526.00  | 19,11,341 00                 |
|    | State Bank of India (Co-Gen) Bank of India SEFASU Loan   | 1.22.52.000.00   | 1,24,03,890.00               |
|    | BDCC Bank SEFASU Loan  | 1,33,52,009.00   | 1,18,29,763.00               |
|    |  | 1,68,15,942.00   | 1,06,59,286.00               |
|    | BDCC Bank Birn Loan (Co Gen)   | 1,81,54,728.00   | 1,98,70,892.00               |
|    | Bank of India SOFT Loan  | 51,45,492.00<br>12,380.00  | 11.003.00                    |
|    | Bolero Champer DI<br>Bolero SLX  | 12,380.00  | 11,092.00                    |
|    | Tractor  | 22.766.00  | 986.00                       |
|    | Tata Pick up   | 22,766 00  | 35,509.00                    |
|    | Audi Car   | 660.00   | 11,092.00                    |
|    | 100000000000000000000000000000000000000  | 1,41,288 00  | 2,97,174 00                  |
|    | Duster   |  | 25,494 00                    |
|    | Innova<br>BMW 5 Series   |  | 30,720.00                    |
|    | BMW X 1 Series   |  | 92,189 00                    |
|    | 707000000000000000000000000000000000000  | 1,84,295.00  | 38,880 00                    |
|    | L & T Komatsu  | 1 P. C. O. S. C.   | 2,70,347.00                  |
|    | Bolero SLX   | 21,104.00  | 67,993.00                    |
|    | Bolero   | 98,604 00  | 91,473.00                    |
|    | Hero Bikes   | 95,026.00  | 2,01,341.00                  |
|    | CASE 770 EX LOADER A/C NO: 953 Interest Expense on Ovedrafts & Other Borrowings S.B.I Cash Credit A/c  | 1,81,922.00  | 63,450.00                    |
|    | Bank of India Cash Credit A/e  | 2.40.26.466.00   | 21,182.00                    |
|    | Interest on Cash Credit Demand Loan (SBI)  | 2,49,26,456.00   | 1,86,61,839.00               |
|    | S B I Cash Credit WHR A/c  | 1,19,65,841.00   | 52,35,614.00<br>93,92,894.00 |
|    | Interest on Unsecured Loans (Fixed Deposits)   | 1,07,31,433.00   | 11,910.00                    |
|    | Interest on H & T Loan   | 9.02.20.684.25   | 8,35,89,580.24               |
|    | Bank Charges & Interest on Bank Guarantee  | 6,43,326.25  | (4,51,760.00                 |
|    | Other Borrowings Cost  | 0,43,320.23  | (4,21,700.00                 |
|    | Bank Commission & Charges  | 1,21,024.75  | 6,44,016 17                  |
|    | Loan Process Charges   | 1.24.45.178.00   | 71,58,541 33                 |
|    | Letter of Credit (LC) Charges  | 1,29,43,170.00   | 64,484.00                    |
|    | Bank Rating Charges  | 4,21,350.00  | 4,20,932.00                  |
|    | Net Gain/Loss on Foreign Currency Transactions   | (11,214.76)  | 1,335.96                     |
|    | Net Gain Coss on Poteign Currency Transactions   | 21,20,13,886.49  | 18,26,63,480.70              |
|    | Less: Interest Income  | 1,68,735.00  | 12,54,194,76                 |
|    | Total ₹.   | 21,18,45,151,49  | 18,14,09,285,94              |
| 28 | OTHER EXPENSES   | 90/8555/65   | 723                          |
|    | Rent (Cane Office )  | 4,00,542.00  | 3,69,225 00                  |
|    | Rent on Building (Yulahanka)   | 1,35,203.00  | 1,61,587.0                   |
|    | Rent on Building   | 96,643.00  |                              |
|    | Rates & Taxes  | West(0.000 to 0.000 t |                              |
|    | Insurance  | 78,20,886 00   | 80,74,326 00                 |
|    | Advertisement, Publicity & Sales Promotion   | 1,63,105.00  | 2,17,402.00                  |
|    | Travelling & Other Incidental Expenses   | 38,28,908 56   | 31,09,560.75                 |
|    | Vehicle Running & Maintenance  |  |                              |
|    | Vehicle Repairs & Maintainance   | 54,30,643.00   | 1,17,25,735.04               |
|    | Petrol & Diesel For Vehicles   | 87,78,703.00   | 18,12,248.55                 |
|    | Vehicle Tax  | 4,04,032 00  | 2,09,439.00                  |
|    | Vehicle Insurance  | 7,65,980.00  | 7,14,296 00                  |
|    | Tol Naka Charges   | \$1,572.00   | 94,196.00                    |
|    | Two Wheeler Repair & Maintenance   | 5,31,256.00  | 650425560                    |
|    | Printing & Stationery  | 8,89,463.00  | 12,09,700.51                 |
|    | Communication Expenses   | 5/3/2017/17/02/5   | 647571175546742              |
|    | Telephone & Mobile Charges   | 11,82,311.51   | 11,54,483.00                 |
|    | Interent Charges   | 1,80,383.00  | 3,46,529 00                  |
|    | Postage & Courier  | 1,64,540.00  | 1,00,060.00                  |
|    | Postage & Country  |  |                              |
|    | Staff Recruitment & Training   | 375756566  | 120,404,000,000              |



| Auditors Remuneration - As Auditors<br>- For Tax Audit  | 5,72,500.00  | 4,61,800 0                                     |
|---|--|--|
| <ul> <li>For Certification / Limited Review</li> <li>Out of Pocket Expenses</li> </ul>  |  |  |
| Legal, Professional & Consultancy Charges   |  |  |
| Tax Consultation Fees   | 2,00,000.00  | 1,00,000.0                                     |
| Company Secretory Fees  | 3,29,000.00  | 2,51,820 0                                     |
| Consultancy & Proffessional Fees  | 5,54,565.00  | 2,37,680.0                                     |
| Legal Fees  | 48,37,750.00   | 9,28,500.0                                     |
| Freight & Forwarding (including ocean freight)  | 9,15,691.00  | 18,94,248 0                                    |
| Miscellaneous Expenses  | 3,59,254 00  | 4,22,749.0                                     |
| Discounts & Claims to Customer & Other Selling Expenses   | ***************************************                |  |
| Discount on Power Sales   | 43,14,335.57   | 61,50,545.1                                    |
| Loss/(Gain) on Sale / Disposal of Fixed Assets / Intangibles  |  |  |
| Loss on Sale of Bolero  | 1  | 42,923 3                                       |
| Loss on Sale of Tractor   | 1  | 5,10,041.8                                     |
| Loss on Sale of Machinery   | 8,33,417.86  |  |
| Others  | B00000 110001  |  |
| Guest House Mnintenance   | 8,63,843.00  | 8,66,323.4                                     |
| Chemical Fees   | 48,750.00  | 16,000.0                                       |
| Civil Expenses  | 20,39,147.00   | 14,75,445.8                                    |
| Coal Testing Charges  | 20,35,147,00   | 3,652.0  |
| Delegation Fees   | 16,750 00  | 7,750.0  |
| Lease Rent Paid   | 10,750.00  | 6.000.0  |
| Lease Kent Paid<br>Lab Testing Exp  | 11.250.00  | 22,809.0                                       |
| 2010 D. W. H.   | 24,89,909.55   | 13,23,253.0                                    |
| NCMSL Godown Security Charges   | - TOO DO NOT TO DO |  |
| NBHCL Godown Security Charges   | 2,64,091 00  | 1,09,726.0                                     |
| Pooja Expenses  | 2,18,784 00  | 1,17,955.0                                     |
| Cane Management Software Service Charges  | 6,93,750.00  | 56,250.0                                       |
| Painting Expenses   | 1,79,393.00  | 4,04,639.0                                     |
| Garden Expenses   | 1,26,613.00  | 1,20,477.6                                     |
| Website Charges   | ACCOSTAN AUDIO   | 13,753.0                                       |
| News Paper  | 4,772.00   | 8,540.0  |
| Stamp Duty & Papers   | 9,12,388.00  | 1,76,256.0                                     |
| Subscription  | Statute Control  | 8,01,436.0                                     |
| Photo Expenses  | 76,240.00  | 51,547.0                                       |
| Farmer Meeting Expenses   | 5.898.25.88  | 1,00,000.0                                     |
| Consultancy Fee (Electric Sale)   | 1  | 1,48,214                                       |
| 47 T 177 T 177 T 177 T 187 T 18 T 17 T 17   | 1,25,400.00  | 1,23,596.0                                     |
| Cost Audit Fees   |  |  |
| H & T Contractors SB Account Charges  | 5,27,000.00  | 10,00,000.0                                    |
| Retainership Fees   | 12,50,580.00   | 13,48,320.0                                    |
| Annual Genaral Meeting Expenses   | 34,480.72  | 1,03,077.0                                     |
| Bangalore House Expenses  | 0.0000000000000000000000000000000000000                | 33,570 (                                       |
| Belgaum Corporate House Expenses  | 15,99,970.00   | 9,19,644.0                                     |
| Enterprise Valvuation Charges   |  | 5,61,800.0                                     |
| SLDC Application Fees   | 12,000.00  | -  |
| TPTCL UI Charges  | 15,24,207.00   | -  |
| Distillery Lagoon Cleaning Charges  | 82,500.00  |  |
| ADM Office Expenses   | 5,20,296.00  | 1.5  |
| BRC Food Audit Fees   | 92,340.00  | -  |
| BSNL Internet Charges   | 4,89,655.00  | 120  |
| Spirit Testing Fees   | 1,00,000.00  | -  |
| Stamping Charges of Storage Tanks   | 34,200.00  |  |
| Tender Fees   | 4,000.00   |  |
| Yalahanka Unit.   |  | 12   |
| Miscellaneous Expenses  | 1,13,722.00  | 1,51,821                                       |
| Salary  | 6,38,281.00  | 10,68,900                                      |
| Bank Charges & Commission   | 270.00   | 1,944  |
| Rounded off   | 270,00   | (0.  |
|   | 5,74,112.00  | 22,500   |
| KSBCL Margin Money  | 1,500.00   | 44,500   |
| Freight Charges   |  | 00.370   |
| Guest House Expenses  | 1,31,983.00  | 90,270   |
| Penaly for old Stock  | 18,120.00  |  |
| GTA Serive Tax  | 5,73,970.00  |  |
|   | 2,76,546.00  | -  |
| IML Duty  | (1,00,000.00)  | -  |
| Lable Renewal Fees  | 2791 (12792) A   |  |
| Lable Renewal Fees Licence Fees & Taxes:  |  | 250.0  |
| Lable Renewal Fees  | 1,000.00   | 100000   |
| Lable Renewal Fees Licence Fees & Taxes:  | 1,000.00<br>250.00                                     |  |
| Lable Renewal Fees Licence Fees & Taxes; M1 Licence Fees M2 Licence Fees  |  | 1,000  |
| Lable Renewal Fees Licence Fees & Taxes: M1 Licence Fees M2 Licence Fees DL 2 Licence Fees  | 250.00<br>1,000.00                                     | 1,000  |
| Lable Renewal Fees Licence Fees & Taxes; M1 Licence Fees M2 Licence Fees DL 2 Licence Fees Sugar Crushing Licence Fees                                  | 250.00<br>1,000.00<br>25,000.00                        | 1,000<br>1,000<br>25,000                       |
| Lable Renewal Fees Licence Fees & Taxes: M1 Licence Fees M2 Licence Fees DL 2 Licence Fees Sugar Crushing Licence Fees R.O.C Fees                       | 250.00<br>1,000.00<br>25,000.00                        | 1,000<br>1,000<br>25,000<br>27,100             |
| Lable Renewal Fees Licence Fees & Taxes: M1 Licence Fees M2 Licence Fees DL 2 Licence Fees Sugar Crushing Licence Fees R,O,C Fees Botlling Licence Fees | 250.00<br>1,000.00<br>25,000.00<br>1,00,000.00         | 1,000<br>1,000<br>25,000<br>27,100<br>1,00,000 |
| Lable Renewal Fees Licence Fees & Taxes: M1 Licence Fees M2 Licence Fees DL 2 Licence Fees Sugar Crushing Licence Fees R.O.C. Fees                      | 250.00<br>1,000.00<br>25,000.00                        | 1,000  |

| Entry Tax<br>IMFL Lable Passing Fees   |         | 2,07,793.00    | 3,53,530.00    |
|--|---------|----------------|----------------|
|  |         |                | 2,75,000 00    |
| Service Tax  |         | 65,76,640.00   | \$5,70,677.00  |
| 15% Infractrucutre Fees on IML   |         | 6,75,000.00    | 6,75,038 00    |
| Distillery Licence Renewal Fees  |         | 33,75,000.00   | 33,75,000 00   |
| Factory Boiler Inspector Fees  |         | 2,18,730.00    | 2,15,080 00    |
| IML License Fees   |         | 45,00,000.00   | 45,00,000 00   |
| 15% Infractrucure Development Charges of Dist.   | 1       | 5,06,250.00    | 5,06,250.00    |
| Denature Spirit Licence Fees   |         | 5,000.00       | 5,000.00       |
| Gram Panchayati Tax  |         | 1,71,372.00    | 1,71,372.00    |
| Int on Excise Duty   |         |                | 30,355.00      |
| Water Cess Fees  | - 16    | 17,059.00      | 19,645.00      |
| Income Tax   | 10      | ELAND ATTOO    | 52,61,824.00   |
| Monitoring Fees  |         | 30,000.00      | 29,500.00      |
| Land Registration Fees   |         | 10000000000    | 60,405.00      |
| Excise Duty on Ash Sales   |         |                | 247.2          |
| RS II Licence Fees   |         | 11,25,250.00   | 12,25,250.00   |
| Legal Metrology Fees   |         | 85,850.00      | 68,100.0       |
| Excise Duty on ENA   | - 1     | 24,17,580.00   | 33,22,440.00   |
| Excise Duty on RS  |         | 1,46,85,462.00 | 1,44,60,600.00 |
| KSBCL Godown Charges   | - 1     | 503 00 40      | 3,16,800 0     |
| Margin Money of KSBCL  |         | 3,90,737.59    | 1,35,098 2     |
| Food Licence Fees  | 10      | 7              | 12,790.0       |
| Electrical Inspection Fees   |         |                | 1,75,700 0     |
| Interest on VAT & Entry Tax  |         | 7,126.16       | 3,860 0        |
| Membership Fees  | 11      | 7,656.00       | 7,022.0        |
| Custom Appeal Fees   | 11.     |                | 3,25,682.0     |
| Distillery Stamp Duty  |         | 19,437.00      | 6,12,976.0     |
| IML Stamp Duty   | 100     | 27,502.00      | 4,83,250.0     |
| Renewal of Petroleum Lincence Fee  |         |                | 3,000 0        |
| Land Revenu Fees   |         |                | 2,548 0        |
| Kashruth Certificate Fees  |         | 3,19,470.00    | 4444000        |
| Excise Duty (Penality)   | - 10    | 6,742.00       | ž.             |
| Interest on Road Cess  | 3.10    | 1,26,827.00    | 41             |
| Interest on TDS & TCS  |         | 19,120.00      | 25             |
| Int on Excise Duty   |         | 44,227.00      |                |
| FSSAI Licence Fees   |         | 37,860.00      | - 3            |
| Infrastructure Development of R S 2 Licence  |         | 38.00          |                |
| minustration of the property of the party of | Total Z | 9,77,08,966,52 | 9,85,50,839,69 |

#### 29 CAPITAL COMMITMENTS

Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances)
₹. 172.75 Lakhs (Previous year ₹.231.35 Lakhs) [Advances ₹. 67.13 Lakhs (Previous year ₹.14.19)]

#### 30 CONTINGENT LIABILITIES

Claims/Demands for the following matters in respect of which proceedings or appeals are pending & are not -Central Excise - ₹.1771.94 Lakhs (Previous Year ₹.1557.79 Lakhs)
-Purchase Tux Tax - ₹.290.05 Lakhs (Previous Year ₹.290.05 Lakhs)

Outstanding guarantees furnished by Banks on behalf of the Company/by the Company including in respect of Letters of Credits is ₹.115.50 Lakhs (Previous Year ₹.58.50 Lakhs)

| 31 | EARNINGS PER SHARE (EPS) Net Profit as per Profit & Loss Account available for Equity Shareholders   | 4,41,45,793.37 | (3,21,64,777 82) |
|----|--|----------------|------------------|
| 11 | Weighted Average Number of Equity Shares for Earnings Per<br>Share Computation   |                |                  |
| A  | For Basic Earnings Per Share of ₹10 each   | 3,45,56,000.00 | 3,45,56,000.00   |
| В  | For Diluted Earnings Per Share of ₹.10 each: No. of Shares for Basic EPS as per II A Add: Weighted Average outstanding option/Shares related to FCCB | 3,45,56,000 00 | 3,45,56,000.00   |
|    | No. of Shares for Diluted EPS of ₹ 10 each   | 3,45,56,000.00 | 3,45,56,000.00   |
| m  | Earnings Per Share (Weighted Average) -Basic -Diluted  | 1.28<br>1.28   | (0.93)           |

Place: Belgaum. Date: 28-08-2016



| Notes : |   |                                |  |
|---------|---|--------------------------------|--|
|         | Revenue Accounts                            |                                |  |
| 1       | Sale of Sugar                               |                                |  |
|         | Sugar Sales                                 | 2,49,67,15,855.00              | 1,88,75,64,399,93  |
|         | Total                                       | 2,49,67,15,855,00              | 1.88,75,64,399.92  |
| 2       | Sale of Power                               | - The first of the fall of     | AND THE PERSON NAMED IN  |
|         | Sales                                       | 28,73,58,428.92                | 36,09,06,439.11  |
|         | Intersegment Transfer                       | 15,23,25,180,00                | 18,01,23,966.00  |
|         | Steam Transfer                              | 34,53,52,991.72                | 32,10,71,506.06  |
|         | Total                                       | 78,50,36,600.64                | 86,21,01,911.1   |
|         |   |                                |  |
| 3       | Sale of Ethanol, Spirit and allied Products | 22 42 25 250 56                | 21 57 66 600 0   |
|         | Rectified Spirit                            | 22,49,37,000.00                | 21,57,00,000.0   |
|         | Extra Natural Spirit<br>M G Spirit Sales    | 3,66,30,000.00<br>26,10,000.00 | 5,03,40,000.00<br>34,00,000.00   |
|         | Intersegment Transfer (Recified Spirit)     | 7,32,01,388.80                 | 7,61,45,433.60   |
|         | Total                                       | 33,73,78,388,80                | 34,55,85,433.6   |
| 4 8     | Sale of IMFL                                | 33,/3,/0,300,60                | 34,33,63,433.0   |
| ~       | VSIL.                                       | 90,39,79,440.00                | 79,20,64,224.00  |
|         | Yalahanka Unit                              | 30,33,73,440.00                | 10,39,18,399.20  |
|         | VSIL (Export )                              | 1,18,18,610.10                 | 6,11,130.9   |
|         | Total                                       | 91,57,98,050,10                | 89,65,93,754.1   |
|         |   |                                | And the second s |
| 5       | Sale of Vinegur                             |                                |  |
|         | Natural Alcohol Vinegar                     | 41,70,000.00                   |  |
|         | Natural Alcohol Vinegar Export              | 5,31,780.00                    |  |
|         | Total                                       | 47,01,780.00                   |  |
| 6       | Sale of Traded Goods                        | 77 00 00 00 00                 |  |
|         | Coal  |                                |  |
|         | Total                                       |                                |  |
|         |   |                                |  |
| 7       | Sale of by-products                         | 27/24/2027 22 22 20            | ********   |
|         | Compost                                     | 2,47,69,471.01                 | 1,47,28,995.3  |
|         | Boiler Ash                                  | 13,80,975.00                   | 9,73,610.8   |
|         | Bagasses                                    |                                | 1,35,87,642.0  |
|         | Coal Ash                                    | *****                          | 12,741.6   |
|         | Liquid Carbon Di-Oxide                      | 65,70,560.00                   | 67,42,120.0  |
|         | Molasses                                    | 5,22,50,000 00                 | -  |
|         | Inter segment transfer                      | 16,42,03,875.00                | 16,23,59,500.0   |
|         | Molasses                                    | 36,65,67,120,00                | 32,02,39,602.0   |
|         | Bagasses                                    | 61,57,42,001.01                | 51,86,44,211.7   |
|         | 7 944                                       | astr. Lazzaneros               | Total And Andreas  |
| 8       | Sale of Others                              |                                |  |
|         | Scrap Materials                             | 35,19,400.10                   | 80,238.0   |
|         | Gunny & PP Bags                             | 3,41,322 09                    | 2,06,435.0   |
|         | 724   | 28 (0.733.10                   | 2,86,673,0   |
|         | Total                                       | 38,60,722.19                   | 2,00,073,0   |
|         | Gross Revenue (1 to 8)                      | 5,15,92,33,397.74              | 4,51,07,76,383.5   |
| Less:   | Excise Duty                                 |                                | C22574   |
|         | IML (VSIL)                                  | 70,10,60,642.00                | 60,77,55,384.0   |
|         | IML (VSIL) Export                           | 56,542.00                      | 222.222.22   |
|         | IML Yalahanka Unit                          | 2071 12 12 12                  | 8,05,95,866.   |
|         | Total Excise Dury                           | 70,11,17,184.00                | 68,83,51,250.8   |
| Laure   | Intercoment Sules                           | 4,45,81,16,213.74              | 3,82,24,25,132.6   |
| ress:   | Intesegment Sales                           | 16,42,03,875.00                | 16,23,59,500.0   |
|         | Molasses<br>Partified Spirit                | 7,32,01,388.80                 | 7,61,45,433.6  |
|         | Rectified Spirit                            | 15,23,25,180.00                | 18,01,23,966.0   |
|         | Power (Electricity)                         | 36,65,67,120.00                | 32,02,39,602.0   |
|         | Bagasses<br>Sugar Process Steam             | 34,53,52,991.72                | 32,10,71,506,0   |
|         | Total Intersegment Transfer                 | 1,10,16,50,555,52              | 1,05,99,40,007,6   |
|         |   |                                | -  |
|         | Net Sales                                   | 3,35,64,65,658.22              | 2,76,24,85,125,0   |



#### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2016.

Forming part of Accounts & Balance Sheet as on 31-03-2016

| Sl. No. | PARTICULARS  | 31.03.2016 | 31.03.2015 |
|---------|--|------------|------------|
| A       | CASH FLOW FROM OPERATING ACTIVITIES  Net Profit before Tax and Extraordinary Items                   | 701.34     | 21.66      |
| ī       | Adjustments for  |            |            |
|         | Depreciation   | 1,133.96   | 1,011.33   |
|         | Interest   | 2,118.45   | 1,814.09   |
|         | Dividend   |            | 1120       |
|         | Depreciation Written back  | 3,953.55   | 2,833.65   |
| n       | Adiana Parana Parana in  |            |            |
| 11      | Adjustment for: Increase / Decrease in<br>Trade & Other Receivables                                  | 1,365.07   | 2,198.10   |
|         | Short Term Loans & Advances  | 264.87     | (17.08     |
|         | Inventories  | 2,478.11   | (2,266.25  |
|         | Trade Payable  | (2,439.51) | 1,245.33   |
|         | Non Current Assets   | 58.98      | (59.48     |
|         | Non Current Investment   | 23-2       | (27.50     |
|         | Non Current Liabilities  |            |            |
|         | Long Term Provisions   | 104.19     | 24.69      |
|         | Dividend   | (314.35)   | (401.62    |
|         | Current Tax (MAT)  | (4.13)     | (462.67    |
|         | Net Cash flow from Operating Activities  | 5,466.78   | 3,067.17   |
| В       | CASH FLOW FROM INVESTING ACTIVITIES:<br>Purchase of fixed assets (Including Capital WIP)<br>Dividend | (568.81)   | (4,945.59  |
|         | Net Cash flow from Investing Activities  | (568.81)   | (4,945.59  |
| C       | CASH FLOW FROM FINANCING ACTIVITIES:   |            |            |
|         | Proceeds from Short Term Bank borrowings (Net)   | 1,652.03   | 3,192.69   |
|         | Proceeds from Long Term Bank borrowings (Net)<br>Share Capital                                       | (1,320.39) | 1,411.10   |
|         | Share Capital<br>Share Premium   | 71 25      |            |
|         | Interest paid  | (2,118.45) | (1,814.09  |
|         | Net Cash flow from Financial Activities  | (1,786.81) | 2,789.70   |
|         | Net Increase/ Decrease in Cash   | 9          |            |
|         | & Cash Equivalents (A + B + C)   | 3,111.16   | 911.27     |
|         | Cash & Cash Equivalents as on 31/03/2014   |            | 1,081.15   |
|         | Cash & Cash Equivalents as on 31/03/2015   | 1,992.43   | 1,992.43   |
|         | Cash & Cash Equivalents as on 31/03/2016   | 5,103,59   | -30.000    |

Notes:

1. Figures in brackets represents outflow.

2. Previous figures have been recast/restated wherever necessary.

"As per our Report of even date" For M/s. P. G. Ghali & Co., Chartered Accountants

> (CA. Prakash G. Ghali) Partner

> > M.No. 13132 P.R.C.No. 005298

Place: Belgaum Date: 28-08-2016 For & on behalf of the Board

Director

# SEGMENT INFORMATION AS PER A.S.-17

| REVENUE External Sales Inter-segment Sales Total Revenue 2 RESULTS: Segment Results  |                   | 100000000000000000000000000000000000000 | COCENERATIO |           | DISTILLERY | LERY   | IMI      |          | IMIL VALAHANKA | HANKA   | VINEGARUNI | T C     | OTHERS  | FRS     | O.          | TOTAL      |
|--|-------------------|---|-------------|-----------|------------|--|----------|----------|----------------|---------|------------|---------|---------|---------|-------------|------------|
|  | 2015-16           | 2014-15                                 | 2015-16     | 2014-15   | 2015-16    | 2014-15  | 2015-16  | 2014-15  | 2015-16        | 2014-15 | 2015-16    | 2014-15 | 2015-16 | 2014-15 | 2015-16     | 2014-15    |
|  |                   |   |             |           |            |  |          |          |                |         |            |         |         |         |             |            |
|  |                   |   |             |           |            |  |          |          |                |         |            |         |         |         |             |            |
|  | 25,737.35         | 19,158,81                               | 2,887.39    | 3,618.93  | 2,707.48   | 2,761.82   | 2,146.81 | 1,849.20 |                | 233.23  | 47.02      |         | 38.61   | 2.87    | 33,564.66   | 27,624.85  |
| 1  | 5,307.71          | 4,825.99                                | 4,977,34    | 4,507.61  | 732,01     |  | •        |          |                |         | ,          | Ø.      |         |         | 11,017.07   | 9,333.60   |
| 1  | 31,045,06         | 23,984,80                               | 7,864.74    | 8,126.54  | 3,439,49   | 2,761.82   | 2,146.81 | 1,849,20 |                | 233.23  | 47.02      | *       | 38.61   | 2.87    | 44,581.72   | 36,958,45  |
| Segment Results  | Wasang Co.        |   |             | 7.        |            |  |          |          |                |         |            |         |         |         |             |            |
| Hashbouted correctly avrenges  | 193.01            | (1,788.62)                              | 2,971.83    | 3,830,48  | (175.49)   | (262.47)   | 726.42   | 634,43   |                | 69.59   | 115.16     |         | 38.61   | 2.87    | 3,869,54    | 2,477,27   |
| Challed and corporate coperate   | *                 |   | ٠           | *         | *          | ut.  | 3        |          | 4              | 14      |            |         |         |         | 813.21      | \$17.15    |
| Operating Profit   | 193.01            |   | 2,971.83    | *         | (175.49)   |  | 726.42   |          |                |         | 115.16     |         | 38.61   | •       | 3,056.33    | 1,920.12   |
| Depreciation   | 613.80            | .5                                      | 369.81      |           | 68.73      |  | 8.81     |          |                | -5      | 72.82      |         | 200     |         | 1,133.97    |            |
| Interest Expenses  | 1,791,78          |   | 181.55      |           |            |  |          |          |                |         |            |         |         |         | 2,118.46    | 1,814.09   |
| Interest & other Income  | 379.72            |   |             |           |            |  |          |          |                |         |            |         |         | 72      | 897.43      | 926.97     |
| Profit from Ordinary Activities  | (1,832,85)        |   | 2,420.47    |           | (244.22)   | **   | 717.61   | 9.60     | er.            | 4       | 42.34      | (x)     | 38.61   | **      | 701.34      | 1,033.00   |
| Extra- ordinary items  | The second second |   |             |           | •          |  |          |          |                |         |            |         |         | 4       | 259.88      | 1,354.64   |
| Net profit   | (1,832.85)        | 7.0                                     | 2,420.47    | •         | (244.22)   | 25   | 717.61   | •        | ď.             | ů       | 42.34      | 16      | 38.61   | 4       | 441.46      | (321,64)   |
| The second secon |                   |   |             |           |            |  | 46       |          |                |         |            |         | 1       |         | 00'0        | (0.00)     |
| 3 OTHER INFORMATION  |                   |   |             |           |            |  |          |          |                |         |            |         |         |         | 100 000 000 | 700 CO 100 |
| Segment Assets   | 17,951.60         | 17,245,68                               | 11,339.72   | 11,166,51 | 2,252.70   | 2,206,07   | 205.48   | 205 48   |                |         | 1,922,15   | ٨       |         |         | 33,671.66   | 30,823.75  |
| Unaffocated corporate Assets   |                   |   |             |           |            |  |          |          |                |         |            |         |         |         | 28,658,03   | 32,305.91  |
| Total assets   | 17,951.60         | 17,245.68                               | 11,339.72   | 11,166.51 | 2252.70    | 2,206.07   | 205.48   | 205.48   |                |         |            | 4       | (9)     | ×       | 61,759.69   | 63,129.66  |
| Segment Liabilities  | 32,536.50         | 32,507.76                               | 00:006      | 2,000,00  | Æ          | (3.13)   | - 2      |          |                | 10.12   |            |         |         |         | 27,024.82   | 27,024,82  |
| Unallocated corporate liabilities  |                   |   |             |           |            | *  | Ú        |          |                |         |            | (4)     | 95      | 9:      | 34,734.87   | 36,104,84  |
| Total Liabilities  | 32,536.50         | 32,507.76                               | 900.00      | 2,000.00  |            | (3.13)   |          |          |                | 10.12   |            | •       |         |         | 69,950,19   | 63,129.66  |
| Capital expenditure  | 705.92            | 4,933.15                                | 173,21      | 14.09     | 46.63      | 183.79   |          | 2.01     | ٠              |         | 1,922,15   |         |         |         | 925.76      | 5,133.64   |
| Unallocated Corporate Capital Expenditure  | Socration .       | 100000000000000000000000000000000000000 | 100000      |           | 100        | The state of the s |          |          |                |         |            |         | 9       |         |             |            |
| Total Capital expenditure  | 705.92            | 4,933,15                                | 173.21      | 14.09     | 46.63      | 183.79   | *        | 2.01     | (*)            | œ.      |            | 30      | :8      |         | 925.76      | 5,133,04   |
| Depreciation   | 613.80            | 530.83                                  | 369.81      | 366.68    | 68.73      | 105.36   | 8.81     | 8.77     | 3.0            |         | 72,82      |         |         |         | 1,133.97    | 1,011.64   |
| Unallocated corporate Depreciation   |                   |   |             |           |            |  |          |          |                |         |            | 1       |         |         |             |            |
| Total Depreciation,  | 613.80            | 530.83                                  | 18'69'      | 366.68    | 68.73      | 105.36   | 8.81     | 8.77     | *              | *       | 72.82      | -       | ٠       | Ŧ       | 1,133,97    | 1,011,64   |

2. Previous figures have been recast/restated wherever necessary Notes: 1, Total Revenue includes sales and increase in value of stocks

"As per our Report of even date" For M/s. P. G. Ghall & Co., Charlered Accountants

of a CHI

(CA. Perkash G. Ghali) Partner M.No. 13132 P.R.C.No. 005298

Managing Director

For & on behalf of the Board

Place: Belgaum. Date: 28-08-2016



Chartered Accountants

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#### NOTES FORMING PART OF ACCOUNTS AND BALANCE SHEET AS ON 31.03.2016

#### 1. Disclosure of Accounting Policies (AS-1):

#### (a) Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provision of The Companies Act, 2013. The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. Accounting policies not referred to otherwise are consistent with the generally accepted accounting principles.

#### (b) Use of Estimates:

The preparation of financial statements in country with accepted principle requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period I which the results are known/materialized.

#### (c) Valuation of Inventories (AS-2):

Inventories are valued in accordance with the requirements of accounting standard (AS-2) on Valuation of Inventories.

- i. Raw-materials, Stores, Spare parts & Chemicals are valued at cost.
- ii. Finished goods are valued at cost / Net Realizable Value whichever less is. According to the information provided by management Average sale rate is ₹. 3235.00 and cost of production is ₹.2718.00 Hence lower of the both is taken for valuation of finished good i.e frees Sugar.
- iii. Stock in process is valued at cost or net realizable value whichever is lower.
- iv. Waste is valued at net realizable value.
- v. By product is valued at net realizable value.
- vi. Cost of inventories is ascertained on FIFO basis.

#### 2. Cash Flow Statement (AS-3):

As required under AS-3 of ICAI the cash flow statement has been prepared in indirect method and enclosed to the Balance Sheet.

#### 3. Subsequent Events after Balance Sheet date (AS-4):

The Company has taken steps to expansion of project and the company is in the process of complying with the required compliance under the various statutes.

#### 4. Prior Period Item (AS-5):

Company is following principles of said Standard in presenting profit or loss from ordinary activities, extraordinary items and prior period items in the statement of profit and loss, in accounting for changes in accounting estimates, and in disclosure of changes in accounting policies.

During the year under audit there are no prior period items accounted in current year.





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# 5. Method of Depreciation (AS-6):

Depreciation is provided in the manner prescribed by the Schedule II of the Companies act, 2013. Depreciation is provided on Straight Line method during the year. Depreciation on new assets acquired during the year is provided on pro rata basis of additions during first half and second half during the year respectively at the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal, however there is no sale of any assets during the current year.

#### Revenue Recognition (AS-9):

- Income & Expenditures are recognized and accounted on accrual basis except in case of Income from Fixed Deposit & Investment, which is accounted on the actual receipt.
- ii. Sugarcane 'Fair & Remunerative Price' fixed by the central government is ₹.2663.00 per M.T Ex-factory for the season 2015-16, where as the said factory has paid ₹.2050.00 per M.T Ex field price for sugarcane and Transport & Harvesting amounts to ₹.620.00 average per M.T which is actually paid. Hence the total payment amounts to ₹. 2670.00 per M.T, thus FRP is fully paid.
- iii. Sales have been stated exclusive of Excise Duty.
- iv. The old outstanding balance of the creditor have been written off and taken as income during the year as time limit for the recovery is bared.

#### 7. Accounting for Fixed Assets (AS-10):

Fixed Assets are recorded at cost of acquisition or construction, net of CENVAT and include amounts added/reduced on revaluation, less accumulated depreciation and impairment loss, if any. The cost of fixed assets include interest on borrowing attributes to acquisition of fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Fixed Assets acquired and put to use for project purpose are capitalized Project under commissioning and other Capital Work-in-Progress are carried at cost: comprising direct cost, related incidental expenses and attributable interest.

#### 8. Valuation of Investments (AS-13):

Investments are classified into Current and long-term investments. Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of Long-Term investments is made only if such a decline is other than temporary.

#### 9. Employees Benefits (AS-15):

#### i. Provident fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The Contributions as specified under the law are paid to respective Regional Provident Fund



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Commissioner. The Company is liable for annual contributions and recognizes such contributions as an expense in the year incurred.

#### ii. Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Gratuity payment is accounted for on accrual basis as per actuarial valuation in accordance with AS-15. However such Gratuity amount is not deposited in any Gratuity Fund Account.

#### 10. Borrowing Cost (AS-16):

Interest and other borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. Other interest and borrowing costs are charged to revenue. During the Financial Year 2015-16 the Company has not capitalized any Borrowing Cost.

#### 11. Segment Reporting (AS-17):

The Segment reporting is based on the following Accounting policies adopted by the company which is in line with the regular accounting policy.

- a. Inter Segment revenue has been accounted on the basis of estimated price on the basis of ruling market prices.
- b. Revenue and expenses directly relatable to the segment has been ascertained on the basis of their relationship to the activities of the segment.
- Expenses not relatable to segment and not allocable have been included under unallocated corporate expenses.

As per AS-17 of ICAI, the company has identified products wise and unit wise segments i.e. Sugar, Co-generation, Distillery, Venigar & IML at factory site, of Products & Unit based on return and risk and the required disclosure is enclosed in the format. The segment reporting Information has been enclosed.

#### 12. Related Party Transactions (AS-18):

a) Related party Transaction - Remuneration paid during the year. (₹ in Lakhs)

| Sl. No | Name                | Designation         | Amount |
|--------|---------------------|---------------------|--------|
| 1      | Nikhil U Katti      | Managing Director   | 18.00  |
| 2      | Mukesh Kumar        | Executive Director  | 15.00  |
| 3      | Mallikarjun K Pujar | Whole Time Director | 6.00   |
| 4      | Lava R Katti        | Director            | 12.00  |
| 5      | Kush R Katti        | Director            | 12.00  |





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# b) Related Party Transaction - Cane Purchase during the Year. (₹ in Lakhs)

| Sl. No | Name of related party | Nature of Relationship | Amount |
|--------|-----------------------|------------------------|--------|
| 01     | Nikhil U Katti        | Managing Director      | 15.66  |
| 02     | Mallikarjun K Pujar   | Whole Time Director    | 3.15   |
| 03     | Lava R Katti          | Director               | 0.36   |
| 04     | Kush R Katti          | Director               | 0.27   |

#### c) Related Party Transaction - Other transactions during the Year. (₹ in Lakhs)

| SL No | Name of related party | Nature of<br>Relationship | Nature of transaction                | Amount |
|-------|-----------------------|---------------------------|--------------------------------------|--------|
| 01    | Nikhil U Katti        | Managing Director         | Lease advance                        | 200.00 |
| 02    | Mallikarjun K Pujar   | Whole Time Director       | Compost<br>transportation<br>charges | 3.00   |
| 03    | Mallikarjun K Pujar   | Whole Time Director       | Advance                              | 2.00   |

#### 13. Earnings per Share and Diluted Earnings per Share (AS-20):

- a) Basic Earning per Equity Share is calculated by using outstanding shares at the end of the period and Diluted Earning per Equity Share is calculated by using weighted average number of Equity Shares outstanding during the period.
- b) In case of any fresh allotment or any other corporate action during the year affecting number of outstanding shares, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had accrued at the beginning of the earliest period reported. In case of Bonus issue, the issue is treated as outstanding since the beginning of the year.

| Sl. No. | Particulars  | 2015-16        | 2014-15          |
|---------|--|----------------|------------------|
| 1       | Amount of Profit/Loss  | 4,41,45,793.37 | (3,21,64,777.00) |
| 2       | Weighted average number of Equity Shares                                     | 3,45,56,000    | 3,45,56,000      |
| 3       | Outstanding shares at the period end.  | 3,45,56,000    | 3,45,56,000      |
| 3       | Earnings per share (Prior to Allotment during the year)                      | 1.28           | (0.93)           |
| 4       | Diluted earnings per share (After Dilution of<br>the Equity during the year) | 1.28           | (0.93)           |

#### 14. Accounting for Taxation (Deferred Tax )(AS-22):

Deferred Tax Assets & Liabilities have been disclosed separate heading in the Balance Sheet of the Company, separately from current assets & current liabilities. Deferred Tax has been provided on time difference arising out of excess depreciation as per Income Tax and accumulated disallowances u/s 43B of Income Tax Act, 1961 for the year 2015-16.



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#### The Break-up of Deferred Tax Assets, Deferred Tax Liability & Deferred Tax

| Sl. No. | Particulars                              | Amount          |
|---------|--|-----------------|
| I       | Deferred Tax Liabilities;                |                 |
| 1       | Depreciation as per Income Tax           | 22,46,31,312.00 |
| 2       | Less: Depreciation as per Books          | 11,33,96,092.00 |
|         | Excess Depreciation as per Income Tax(I) | 11,12,35,220.00 |
| II      | Deferred Tax Assets:                     |                 |
| 1       | Disallowed u/s 43B                       | 3,26,26,111.00  |
|         | Total (II)                               | 3,26,26,111.00  |
| m       | Net Deferred Tax Liability (I-II)        | 7,86,09,109.00  |
| IV      | Deferred Tax for accounting (33.06%)     | 2,59,88,172.00  |

The Company has provided current tax provision of ₹. 1,42,99,510.00 as per MAT provision as per Income tax Act, 1961.

# 15. Impairment of Assets (AS-28);

The carrying amounts of assets are reviewed at each balance sheet date in respect of Cash Generating Unit if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount exceeds its recoverable amount. The recoverable amount is the greater of the assets seiling price or value in use.

#### 16. Contingent Liabilities (AS-29)

(₹. In Lakhs)

| Sl.No | Particulars   | Amount  |
|-------|---|---------|
| 1     | High Court, Karnataka, Appeal for Purchase Tax  | 290.05  |
| 2     | Central Excise, Belgaum Show Cause Notice   | 1118.02 |
| 3     | Central Excise, Bangalore (Appeals)   | 653.92  |
| 4     | Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (The Govt of Karnataka, Excise Department) | 4.50    |
| 5     | Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (Puducherry Distillery Ltd)                | 15.00   |
| 6     | Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (Tata Power<br>Trading Company Ltd)        | 39.00   |
| 7     | Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (The Govt of Karnataka, Excise Department) | 45.00   |
| 8     | Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (Karnataka Sate Pollution Control Board )  | 12.00   |
|       | Total   | 2177.49 |





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#### 17. Preliminary Expenses:

During the year under audit company does not have any preliminary expenses which need to be written off to the statement of profit and loss.

#### 18. Minimum Alternative Tax:

Company have MAT Credit of ₹. 1,42,99,510.00 for the year ended 31.03.2016, accumulated up to date MAT Credit as under:

| Sl. No. | Financial Year | MAT Credit<br>Amount |
|---------|----------------|----------------------|
| 1       | 2003-04        | 60,685.00            |
| 2       | 2004-05        | 6,28,965.00          |
| 3       | 2006-07        | 79,39,145.00         |
| 4       | 2008-09        | 2,52,06,166.00       |
| 5       | 2010-11        | 3,24,39,686.00       |
| 6       | 2011-12        | 4,23,14,183.00       |
| 7       | 2012-13        | 4,06,40,140.00       |
| 8       | 2013-14        | 4,62,66,685.00       |
| 9       | 2014-15        | 4,12,820.00          |
| 10      | 2015-16        | 1,42,99,510.00       |
|         | Total          | 21,02,07,985.00      |

#### 19. Accounting for Excise Duty:

- (a) The Excise duty paid on purchase of Raw-material has been treated as cost of stock and cost of Raw-materials.
- (b) The Cenvat benefit attributable to acquisition of fixed Assets is netted against the cost of fixed Assets in accordance with guidance note issued by ICAI and no depreciation is claimed on that part of Assets.
- (c) Cenvat benefit attributable to purchase of inputs has been treated as income and included in Other Income.
- (d) The Cenvat credit on Input is outstanding of ₹. 86,51,211/- in the Books of Accounts as on 01-04-2007 against which Cenvat credit of ₹. 83,56,155/- has been reversed by Excise Authorities during 2004-05 in the books maintained under Excise Rules. However the Company has not adjusted the said reversal of Cenvat Credit in its financial books of accounts as the Company has filed appeal against the reversal by Excise Authority before the Hon'ble High Court of Karnataka. However the said appeal has been allowed by the Hon'ble High Court of Karnataka via order no. C.E.A. No. 201/2010 dated 16<sup>th</sup> Day of April 2012 In favour of the factory by which the Reversal made by the Excise authority shall be reversed. Thus factory gaining an additional benefit of ₹.83, 56,155/-. However since the reversal was not made in the accounting system a mere book entry in the statutory Cenvat Register is sufficient.





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#### During the year the Company has availed the Cenvat and utilized as under.

| SI. No.  | Particulars        | Op. Balance<br>(Dr.) | Credit         | Debit          | Cl. Balance<br>(Dr.) |
|----------|--------------------|----------------------|----------------|----------------|----------------------|
| 1        | Capital Goods      | 1,78,89,788.00       | 1,87,56,467.00 | 28,32,752.00   | 19,66,073.00         |
| 2        | E. Cess on CG      | 3,55,783.44          |                | 62.00          | 3,55,845.44          |
| 3        | SH. Cess on CG     | 1,77,851.72          | equencous,     | 30.00          | 1,77,881.72          |
| 4        | Addl. Duty         | 45777767669          | 1700/00/00/00  | 1,000          | 10,860.00            |
| Tota     | l Capital Goods    | 1,84,23,423.16       | 1,87,56,467.00 | 28,43,704.00   | 25,10,660.16         |
| 5        | Input Goods        | 2.07.22,125.00       | 4,17,51,068.00 | 3,21,43,525.00 | 1,11,14,582.00       |
| 6        | E. Cess on IG      | 2,25,729.00          |                |                | 2,25,729.00          |
| 7        | SH. Cess on IG     | 1,12,860.00          |                | ***********    | 1,12,860.00          |
| Tota     | al Input Goods     | 2,10,60.714.00       | 4,17,51,068.00 | 3,21,43,525.00 | 1,14,53,171.00       |
| 8        | Service Tax Cenvat | 35,46,427.00         | 37,13,553.00   | 16,67,518.30   | 15,00,392.30         |
| 9        | E. Cess on ST      | 70,907.00            |                | 3,827.00       | 74,734.00            |
| 10       | SH. Cess on ST     | 35,475.00            |                | 1,913.00       | 37,388.00            |
| Total Se | ervice Tax Cenvat  | 36,52,809.00         | 37,13,553.00   | 16,73,258.30   | 16,12,514.30         |

(Shown in the Balance Sheet under Schedule No. 19)

#### 20. Secured Loans:

As on 31-03-2016, the Term Loan of ₹.900.00 Lakhs is outstanding from The B D C C Bank Ltd, Belagavi the loan are secured by equitable mortgage of Land & Building of Co-generation Project and Hypothecation of Plant & Machinery of Co-generation Project on Paripasu basis.

As on 31.03.2016, the Term Loan under SEFASU Scheme -2014 outstanding as under

1. Bank of India, Shahapur Branch, Belagavi

₹.1076.00 Lakhs

2. The B D C C Bank Ltd, Main Branch Belagavi

₹.1290.00 Lakhs

As on 31.03.2016, the Term Loan under SOFT Loan Scheme -2015 outstanding as under

1. Bank of India, Shahapur Branch, Belagavi

₹.832.58 Lakhs

The Working Capital Loan in the form of Cash Credit from Bank of India & State Bank of India Cash Credit was secured by pledge of Sugar. The Loan outstanding as on 31.03.2016 is as under.

- Bank of India, Shahapur Branch, Belagavi ₹.5817.61 Lakhs
- State Bank of India, SME Branch, Belagavi ₹.7329.55 Lakhs





Chartered Accountants .

"Hari-Apartment" Flat No. 102, 1st Floor, Behind Riddhi's Mega Mall, College Road, BELGAUM - 590 001.

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#### The Term Hypothecation Loan Details:

| SI.NO | PARTICULARS        | ₹ in Lakhs                    | LENDING BANKS                       |
|-------|--------------------|-------------------------------|-------------------------------------|
| 1     | Audi Car           | 4.68                          | Bank of India, Shahapur Br, Belgaum |
| 2     | Hero Bikes         | 2.79 B.B Ur Sou S Bank Ltd.BB |                                     |
| 4     | Bolero SLX         | 1.00                          | B.B Ur Sou S Bank Ltd.BB            |
| 5     | Case 770 Ex Loader | 11.44                         | B.B Ur Sou S Bank Ltd.BB            |
| 6     | Indo Farm Tractor  | 1.37                          | B.B Ur Sou S Bank Ltd.BB            |
| 7     | L & T Komatsu      | 10.78                         | B.B Ur Sou S Bank Ltd.BB            |
| 9     | Bolero             | 7.85                          | SBI SME branch Belgaum              |

The Term Hypothecation Loan is secured by respective Hypothecation of Vehicles.

The Term Loan Installments due during next 12 months amounts to Rs.20,52,72,816.00 have been included under short Other Current Liabilities.

#### 21. Directors Remuneration:

The Company has paid to the following directors as Remuneration in their Individual / Professional. (₹. in Lakhs)

| Sl. No. | Name                | Designation         | 2015-16 | 2014-15 |
|---------|---------------------|---------------------|---------|---------|
| 1       | Nikhil U Katti      | Managing Director   | 18.00   | 18.00   |
| 2       | Mukesh Kumar        | Executive Director  | 15.00   | 15.00   |
| 3       | Mallikarjun K Pujar | Whole Time Director | 6.00    | 6.00    |
| 4       | Lava R Katti        | Director            | 12.00   | 12.00   |
| 5       | Kush R Katti        | Director            | 12.00   | 12.00   |

#### 22. Auditors Remuneration:

| Sl. No. | Particulars          | 2015-16     | 2014-15     |
|---------|----------------------|-------------|-------------|
| 1       | Statutory Audit Fees | 5,00,000.00 | 4,00,000.00 |
| 2       | For Other Matters    | 2,00,000.00 | 1,00,000.00 |

The above Remuneration is exclusive of service tax.

#### 23. i) Distillery Unit:

| No. | Particulars                         | Unit | 2015-16 | 2014-15 |
|-----|-------------------------------------|------|---------|---------|
| a)  | Licensed Capacity Rectified Spirit  | Ltrs | 35,000  | 35,000  |
| b)  | Installed Capacity Rectified Spirit | Ltrs | 35,000  | 35,000  |
| c)  | Licensed Capacity Neutral Spirit    | Ltrs | 30,000  | 30,000  |
| d)  | Installed Capacity Neutral Spirit   | Ltrs | 30,000  | 30,000  |
| e)  | IEM (Part-A) Capacity               | Ltrs | 35,000  | 35,000  |

#### ii) Co-generation Unit:

| No. | Particulars                    | Unit | 2015-16 | 2014-15 |
|-----|--------------------------------|------|---------|---------|
| a)  | Licensed Capacity Electricity  | MW   | 36.4    | 36.4    |
| b)  | Installed Capacity Electricity | MW   | 36.4    | 36.4    |
| e)  | IEM (Part-A) Capacity          | MW   | 66.4    | 66.4    |



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#### iii) Sugar Unit:

| No. | Particulars                   | Unit | 2015-16 | 2014-15 |
|-----|-------------------------------|------|---------|---------|
| a)  | Licensed Capacity Sugar Cane  | MT   | 5,500   | 5,500   |
| b)  | Installed Capacity Sugar Cane | MT   | 5,500   | 5,500   |
| c)  | IEM (Part-A) Capacity         | TCD  | 11,000  | 11,000  |

#### iv) IML Unit:

| No. | Particulars            | Unit | 2015-16 | 2014-15 |
|-----|------------------------|------|---------|---------|
| a)  | Licensed IML Bottling  | СВ   | 5,800   | 5,800   |
| b)  | Installed IML Bottling | CB   | 5,800   | 5,800   |

#### v) Natural Alcoholic Vinegar:

| No. | Particulars | Unit | 2015-16 | 2014-15 |
|-----|-------------|------|---------|---------|
| a)  | Licensed    | Ltrs | 75,000  | 75,000  |
| b)  | Installed   | Ltrs | 75,000  | 75,000  |

Note: The Installed capacity is certified by a Director and being a technical matter same is accepted by the Auditors without verification.

#### 24. Production:

|                                | . USAS 700% | 2015-16      | 2014-15      |  |
|--------------------------------|-------------|--------------|--------------|--|
| Particulars                    | Unit        | Qty          | Qty          |  |
| Distillery Unit                |             |              |              |  |
| Rectified Spirit               | KL          | 9576.03      | 8841.23      |  |
| Neutral Spirit                 | KL          | 2111.29      | 2200.85      |  |
| M. G. Spirit                   | KL          | 90.31        | 98.61        |  |
| Compost                        | Bags        | 74,336.00    |              |  |
| Compost                        | MT          | 5975.00      | 9565.00      |  |
| Co-generation Unit             |             |              |              |  |
| Electricity                    | KWh         | 10,22,30,400 | 10,03,69,100 |  |
| Sugar Unit                     |             |              |              |  |
| Sugar                          | Qtls        | 8,79,400     | 8,83,300     |  |
| Molasses                       | MT          | 41,460.00    | 37,970.00    |  |
| Bagasse                        | MT          | 233,648.00   | 2,29,631.00  |  |
| IML Unit                       |             |              |              |  |
| IML (Liquor) VSIL              | CB          | 510,055.00   | 4,46,850     |  |
| IML (Liquor) Yalahanka         | CB          | 1/24         | 56,809       |  |
| Natural Alcoholic Vinegar Unit |             |              |              |  |
| Vinegar                        | Ltrs        | 24,62,000.00 | ***********  |  |





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# 25. Turnover

|                           |      | 2015-        | 16                | 2014-1       | 5                 |  |
|---------------------------|------|--------------|-------------------|--------------|-------------------|--|
| Particulars               | Unit | Qty          | Value<br>in Lakhs | Qty          | Value<br>in Lakhs |  |
| Distillery Unit           |      |              |                   |              |                   |  |
| Rectified Spirit          | KL   | 7,225.5      | 2,249.37          | 6800.00      | 2157.00           |  |
| Extra Natural Spirit      | KL   | 2,035.00     | 366.30            | 2005.00      | 503.40            |  |
| M G Spirit                | KL   | 90.00        | 26.10             | 140.00       | 34.00             |  |
| Liquid Carbon Di Oxide    | KG   | 32,85,280.00 | 65.71             | 33,71,060.00 | 67.42             |  |
| Co-Gen Unit               | -A   | ,            | -                 | *            |                   |  |
| Electricity               | KWh  | 6,83,93,500  | 2873.58           | 6,86,40,000  | 3609.06           |  |
| Boiler Ash                | MT   | 1366.00      | 13.81             | 772.00       | 9.74              |  |
| Sugar Unit                |      |              |                   |              |                   |  |
| Sugar                     | QTLS | 10,89,317    | 24,967.16         | 6,79,816     | 18,875.64         |  |
| Scrap                     | -    |              | 35.19             | , mai        | 0.81              |  |
| Compost                   | Bags | 2,10,117.00  | 247.69            | 1,25,084     | 147.29            |  |
| Sugar Bag                 |      |              | 3.41              |              | 2.07              |  |
| Bagasses                  | MT   |              | ***               | 10,064.920   | 135.88            |  |
| Mollases                  | MT   | 10,000.00    | 522.50            |              | 320               |  |
| IML Unit                  |      |              |                   |              |                   |  |
| IML (VSIL)                | CB   | 4,91,400     | 9,039.79          | 4,45,200     | 7920.64           |  |
| IML (VSIL) Export         | CB   | 15,710       | 118.18            | 1100         | 6.11              |  |
| IML (Yalahanka)           | CB   |              |                   | 58,410       | 1039.18           |  |
| Natural Alcoholic Vinegar |      |              |                   |              |                   |  |
| Vinegar                   | Ltrs | 2,78,000.00  | 41.70             |              |                   |  |
| Vinegar export            | Ltrs | 20,000.00    | 5.32              |              | 423               |  |
| Total                     | -    |              | 40,575.83         |              | 34,508.36         |  |

# 26. Consumption of Raw Materials:

|                    |      | 2015-1      | 16                | 2014-15     |                   |  |
|--------------------|------|-------------|-------------------|-------------|-------------------|--|
| Particulars        | Unit | Qty         | Value<br>in Lakhs | Qty         | Value<br>in Lakhs |  |
| Distillery Unit    |      |             |                   |             |                   |  |
| Molasses           | MT   | 36,489.75   | 1,824.49          | 32,471.190  | 1,623.60          |  |
| Chemicals          |      |             | 25.49             | TT.         | 24.52             |  |
| R.S. (Captive)     | KL   | 2,287.54    | 732.01            | 2,379.54    | 761.45            |  |
| N.S. (Captive)     | KL   | 2,035.00    | 366.30            | 1,855.00    | 333.90            |  |
| Co-generation Unit |      |             | <del>-</del>      |             |                   |  |
| Bagasse            | MT   | 2,44,378.08 | 3,665.67          | 2,37,214.52 | 3202.40           |  |
| Coal               | MT   | 2341.20     | 111.67            | 11,284.11   | 565.20            |  |





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| Chemicals                    | 180  | <del>10100-11</del> 6 | 29.82  | <del></del> | 28.82  |
|------------------------------|------|-----------------------|--------|-------------|--------|
| Sugar Unit                   |      |                       |        |             |        |
| Chemicals                    | •    |                       | 153.59 | -           | 117.65 |
| IML Unit                     |      |                       |        |             |        |
| Chemicals                    |      |                       | 12.60  | -           | 6.51   |
| Yalahanka Unit               |      |                       |        |             |        |
| N.S. (Captive)               | KL   | -                     |        | 150.00      | 28.50  |
| Natural Alcoholic<br>Vinegar |      |                       |        |             |        |
| Chemicals                    | 190  |                       | 53.16  |             |        |
| R S Consumption              | Ltrs | 4,30,000.00           | 77.40  |             |        |

27. Opening Stock:

|  |      | 2015-      | 16                | 2014      | -15               |
|--|------|------------|-------------------|-----------|-------------------|
| Particulars                              | Unit | Qty        | Value<br>in Lakhs | Qty       | Value<br>in Lakhs |
| Distillery Unit                          |      |            | -                 |           |                   |
| Molasses                                 | MT   |            |                   | 102.90    | 5.14              |
| Rectified Spirit                         | KL   | 723.72     | 231.59            | 1,068.27  | 373.90            |
| Extra Neutral Spirit                     | KL   | 171.62     | 77.23             | 280.03    | 98.00             |
| M. G. Spirit                             | KL   | 22.87      | 3.43              | 64.48     | 9.67              |
| Extra Neutral Spirit<br>(Yalahanka Unit) | KL   | 09550%     | -                 | 39.04     | 13.66             |
| Denature Spirit                          | KL   | 19.67      | 5.31              | 19.79     | 5.34              |
| Co-generation Unit                       |      |            | 1                 |           |                   |
| Coal                                     | MT   | 4,603.87   | 232.44            | 4,783.26  | 219.90            |
| Bagasse                                  | MT   | 27,764.08  | 374.82            | 45,412.52 | 613.07            |
| Sugar Unit                               |      |            |                   |           |                   |
| Sugar                                    | Qtls | 10,00,275  | 23,356.42         | 7,96,791  | 21,513.35         |
| Sugar in Process                         | Qtls | 6730       | 157.15            | 5,231     | 141.23            |
| Molasses                                 | MT   | 36,966.140 | 1,848.30          | 31,365.14 | 1,568.26          |
| Compost                                  | Bags | 1,35,781   | 159.85            | 2,60,865  | 307.12            |
| Compost MT                               | MT   | 9565.00    | 19.13             |           |                   |
| IML Unit                                 |      |            |                   |           |                   |
| Liquor VSL                               | CB   | 2400       | 9.94              | 1,850     | 7.66              |
| Liquor Yalahanka CB                      |      |            |                   | 1,601     | 6.62              |
| Total                                    |      |            | 26,475.62         |           | 24,882.96         |





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28. Closing Stock:

| 011.70               |      | 2015-       | -16               | 2014-15    |                   |  |
|----------------------|------|-------------|-------------------|------------|-------------------|--|
| Particulars          | Unit | Qty         | Value<br>in Lakhs | Qty        | Value<br>in Lakhs |  |
| Distillery Unit      |      |             |                   |            |                   |  |
| Rectified Spirit     | KL   | 779.22      | 249.35            | 723.72     | 231.59            |  |
| Extra Neutral Spirit | KL   | 243.30      | 109.49            | 171.62     | 77.23             |  |
| M. G. Spirit         | KL   | 22.96       | 3.44              | 22.87      | 3.43              |  |
| Denature Spirit      | KL   | 19.59       | 5.29              | 19.67      | 5.31              |  |
| Molasses (D)         | MT   | 308.25      | 13.87             | 1000       |                   |  |
| Co-generation Unit   |      |             |                   |            |                   |  |
| Coal                 | MT   | 3,539.54    | 152.75            | 4,603.87   | 232.44            |  |
| Coal in transit      | MT   | 3,110.81    | 106.26            | 2000       | (2000)            |  |
| Bagasse              | MT   | 17,034.00   | 255.51            | 27,764.08  | 374.82            |  |
| Sugar Unit           |      |             |                   |            |                   |  |
| Sugar                | Qtls | 7,90,358.00 | 21,466.12         | 10,00,275  | 23,356.42         |  |
| Sugar in Process     | Qtls | 1           |                   | 6,730      | 157.15            |  |
| Molasses (S)         | MT   | 28,037.190  | 1261.67           | 36,966.140 | 1848.30           |  |
| Compost              | Bags |             |                   | 1,35,781   | 159.85            |  |
| Compost              | MT   | 5,975.00    | 11.95             | 9,565.00   | 19.13             |  |
| IML Unit             |      |             |                   |            |                   |  |
| Liquor VSIL          | CB   | 5,345       | 22.12             | 2,400      | 9.94              |  |
| Vinegar Unit         |      |             |                   |            | A                 |  |
| Vinegar              | Ltrs | 21,59,100   | 323.87            |            | 2000              |  |
| Total                |      |             | 24,076.00         |            | 26,475.62         |  |

#### 29. CIF Value of Imports and Export in Foreign Currencies Paid:

| CIF Value of Import                      |      | 2015-16   | 2014-15   |
|--|------|-----------|-----------|
| Vinegar Machinery Maintenance<br>Charges | EURO | 13,636.83 | 16,713.24 |
| Vinegar Chemical Charges                 | EURO | 69,097.15 | 12,093.26 |
| Vinegar Chemical Charges                 | USD  |           | 27865.80  |
| Kasurth Certification Plant Fees         | USD  | 5000.00   |           |
|  |      |           |           |

| CIF Value of Export |     | 2015-16        | 2014-15     |
|---------------------|-----|----------------|-------------|
| IML Export          | INR | 1,17,20,733.27 | 6,09,795.00 |
| IML Export          | USD | 1,77,427.50    | 9,900.00    |
| Vinegar export      | USD | 8,000.00       |             |
| Vinegar export      | INR | 5,27,995.17    | 2222        |



Place: Belgaum. Date: 28-08-2016

M/s. P. G. GHALI & CO.

Chartered Accountants

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30. Balance Sheet abstract is prepared for the year ending and enclosed.

- 31. Balance appearing under the head Sundry Debtors, Creditors, Loans and Advances, Secured & Unsecured Loans is subject to confirmation; adjustments if any on receipts and reconciliation of such accounts.
- Previous year's figures have been regrouped wherever necessary to confirm current year's classification.

"As per our report of even date" For M/s. P. G. GHALI & Co., CHARTERED ACCOUNTANTS

(CA. PRAKASH .G. GHALI)

Partner

M. No.013132

FRN.011092S

#### BALANCE SHEET ABSTRACT & COMPANY'S GENERAL MEETING BUSINESS PROFIT.

| I   | Registration Details  |                    |                    |                    |                 |                           |  |  |
|-----|---|--------------------|--------------------|--------------------|-----------------|---------------------------|--|--|
|     | Registration No.  | U851101            | KA1995PLC017730    |                    | S               | State Code; 08            |  |  |
|     | Balance Sheet Dated   | 31-03-20           | )16                |                    |                 |                           |  |  |
| 1   | Capital Raised during   | the Year (A        | mount in ₹.)       |                    |                 |                           |  |  |
|     |   |                    | Public Issue       | 9                  |                 | Right Issue               |  |  |
|     |   |                    | Nil                |                    |                 | Nil                       |  |  |
|     |   |                    | Bonus Issue        |                    |                 | Private Placement         |  |  |
|     |   |                    | Nil                |                    |                 | Nil                       |  |  |
| II  | Position of Mobilisatio   | n and Deplo        | yment of Funds (An | nount in ₹.)       |                 |                           |  |  |
|     | Tot   |                    | Total Liabi        | lities             |                 | Total Assets              |  |  |
|     |   |                    | 6,17,59,69,        | 115.50             |                 | 6,17,59,69,115.50         |  |  |
|     | Sources of Funds:-  |                    |                    |                    |                 |                           |  |  |
|     | Pai   |                    | Paid up Ca         |                    |                 | Reserves & Surplus        |  |  |
|     |   |                    | 34,55,60,00        | 00.00              |                 | 2,00,94,60,335.40         |  |  |
|     | Secured   |                    |                    | pans               | Unsecured Loans |                           |  |  |
|     |   |                    | 20,85,76,6         | 11.00              |                 |                           |  |  |
|     | Application of Funds:-  |                    | - 4800             | · ampli            |                 |                           |  |  |
|     |   | SYC                |                    | Net Fixed Assets   |                 | Investments               |  |  |
|     |   | 2,44,13,22,382.70  |                    |                    |                 | 37,65,000.00              |  |  |
|     |   | Net Current Assets |                    |                    | M               | liscellaneous Expenditure |  |  |
|     |   | JP.                | 39,12,13,6         | 12,13,659.1        |                 |                           |  |  |
|     |   | Mr.                | Accumulated        | mulated Losses     |                 |                           |  |  |
|     | White the state of  |                    |                    |                    |                 |                           |  |  |
| v   | Performance of the Co   | mpany (Am          | ount in ₹.)        |                    |                 |                           |  |  |
|     | 100   |                    | Turnover (Gross    | Revenue)           |                 | Total Expenditure         |  |  |
|     | T   |                    | 3,44,62,08,        |                    |                 | 3,37,60,74,610.33         |  |  |
|     |   |                    | Profit/Loss Be     | Particular Control | -               | Profit/Loss After Tax     |  |  |
| -63 |   |                    | 7,01,33,9          | 26 744 HM1         | -               | 4,41,45,793.37            |  |  |
| -   |   |                    |                    |                    |                 |                           |  |  |
|     | Basic & Diluted Earnings per Share in ₹.                          |                    |                    | 1.28               | 3               |                           |  |  |
| V   | Generic Name of Three Principles Products/Services of the Company |                    |                    |                    |                 |                           |  |  |
|     | (as per monetary terms)   |                    |                    |                    |                 |                           |  |  |
|     | Item Code No. (ITC Code)  |                    | -1                 | 70199.02           | 4               |                           |  |  |
|     | Product Description   |                    | -8                 | Sugar              |                 |                           |  |  |
|     | Item Code No.   |                    |                    | 99300.09           |                 |                           |  |  |
|     | Product Description   |                    | -I                 | -Power Generation  |                 |                           |  |  |
|     | Item Code No.   | =:====             | 1257               | -220720.00         |                 |                           |  |  |
|     | Product Description   |                    |                    | -Ethanol           |                 |                           |  |  |

"As per our report of even date" For M/s. P. G. GHALI & Co. CHARTERED ACCOUNTANTS

For & on behalf of the Board

Place: Belgaum Date: 28-08-2016 (P. G. GHALI) Partner M. No. 013132 P.R.C.NO.008636

Director Managing Director



# FormNo.MGT-9

# EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDEDON 31/03/2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

| i.   | CIN   | U851101KA1995PTC017730  |
|------|---|---|
| ü.   | Registration Date   | 02/05/1995  |
| iii. | Name of the Company   | Vishwaraj Sugar Industries Limited  |
| iv.  | Category/Sub-Category of the Company  | Company Limited by Shares/<br>Non Government Company                      |
| v.   | Address of the Registered office and contact details                        | Bellad Bagewad<br>Taluka - Hukkeri<br>District Belgaum<br>Karntaka-591305 |
| vi.  | Whether listed company  | No  |
| vii. | Name, Address and Contact details of<br>Registrar and TransferAgent, if any | NA  |

#### 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:-



| Sr.<br>No. | Name and Description of main | NIC Code of the  | % to total turnover of |
|------------|------------------------------|------------------|------------------------|
|            | products/ services           | Product/ service | the company            |
| 1          | Manufacturing of Sugar       | 10721            | 48.41%                 |
| 2          | Power Generation             | 35102            | 15.19%                 |
| 3          | IMFL                         | 11011            | 17.76%                 |
| 4          | By products                  | 10728            | 11.94%                 |

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

| Sr.<br>No. | NameAnd AddressOf<br>The Company | CIN/GLN | Holding/<br>Subsidiary<br>/Associate | %of<br>shares<br>held | Applicable<br>Section |
|------------|----------------------------------|---------|--------------------------------------|-----------------------|-----------------------|
| 1.         | NA                               | NA      | NA                                   | NA                    | NA                    |

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

#### i. Category-wiseShareHolding

| Categoryof<br>Shareholders     | No.ofSharesheldatthe beginningoftheyear |             |             |                         |       | No.ofSharesheldatthe endoftheyear |               |                      |    |  |
|--------------------------------|---|-------------|-------------|-------------------------|-------|-----------------------------------|---------------|----------------------|----|--|
|                                | Demat                                   | Physical    | Total       | % of<br>Total<br>Shares | Demat | Physical                          | Total         | % of Total<br>Shares |    |  |
| A. Promoter&<br>Promoter Group |   |             | 450         |                         |       | TEXT II                           |               | Est                  |    |  |
| 1) Indian                      |   |             |             |                         |       |                                   |               |                      |    |  |
| a) Individual/HUF              | 2                                       | 1,87,68,800 | 1,87,68,800 | 54.31                   | _     | 1,87,68,800                       | 1,87,68,800   | _                    | No |  |
| b) Central Govt                |   |             | 4           | _                       | _     | -                                 | _             | -                    | -  |  |
| e) State Govt (s)              |   |             | _           | 2                       | _     | _                                 | -             | -                    | _  |  |
| d) Bodies Corp                 | _                                       |             | -           | -                       | _     | -                                 | -             | -                    | -  |  |
| e) Banks / FI                  |   |             |             | -                       | -     | _                                 | -             | -                    | _  |  |
| f) Any Other                   | _                                       |             | _           | -                       | 25    | 102                               |               | -                    | _  |  |
| Sub-total(A)(1):-              | =                                       | 1,87,68,800 | 1,87,68,800 | 54.31                   | -     | 1,87,68,800                       | 1,87,68,800   | -                    | No |  |
| 2) Foreign                     |   |             |             |                         |       |                                   |               |                      |    |  |
| g) NRIs-<br>Individuals        | -                                       | -           | -           | <b>F</b> E              | 100   | -                                 | -             | æ                    | -  |  |
| h) Other-<br>Individuals       | -                                       | -           | -           |                         |       | (24)                              | ( <del></del> | J=1                  | -  |  |
| i) Bodies Corp.                | - 10                                    |             | _           | _                       | _     | -                                 | _             | _                    |    |  |
| j) Banks / FI                  |   |             | -           | -                       |       | -                                 | _             | _                    |    |  |
| k) Any Other                   |   |             | _           |                         |       | -                                 |               | _                    |    |  |

| Sub-total(A)(2):-  | -  | -                      | -                      | 4              | 777 | 22                     | 12                     | -              | -   |
|--|----|------------------------|------------------------|----------------|-----|------------------------|------------------------|----------------|-----|
| B. Public  |    |                        |                        |                |     | -                      |                        |                |     |
| Shareholding   |    |                        |                        |                | Ban | He-                    | Tuesday.               | 1000           | 100 |
| 1. Institutions  | 1  | _                      |                        | -              | -   | _                      | -                      |                | _   |
| a) Mutual Funds  |    | _                      |                        | _              | _   |                        |                        |                |     |
| b) Banks/FI  | _  | _                      | _                      | _              | -   |                        |                        |                |     |
| c) Central Govt  |    |                        |                        | -              | 2   | - 1,65                 |                        |                | 10. |
| d) State Govt(s)   |    |                        |                        | _              |     | 12                     | <u> </u>               |                |     |
| <ul> <li>Venture Capital<br/>Funds</li> </ul>  | -  | -                      |                        | -              | _   | -                      | -2                     | -              |     |
| f) Insurance<br>Companies  | -  | #0                     | -                      |                | -   | -                      | *                      | -              | -   |
| g) FIIs  | _  |                        |                        |                |     | _                      |                        |                |     |
| h) Foreign Venture<br>Capital Funds  | -  | 7                      | A.                     | H              | -   | H                      | -                      | -              | -   |
| i) Others (specify)  |    |                        |                        |                | _   | _                      |                        |                |     |
| Sub-total(B)(1)  | =  |                        | 71                     | -              | -   | -                      | -                      | L              | -   |
| 2. Non Institutions  |    |                        |                        |                |     |                        |                        |                |     |
| a) Bodies Corp.<br>(i) Indian<br>(ii) Overseas   | -  |                        | -                      | et.            | -   | -                      | 1.50                   | -              | т   |
| b) Individuals   | -  |                        |                        |                | 100 |                        |                        |                |     |
| (i) Individual<br>shareholders<br>holding nominal<br>share capital upto<br>Rs. I lakh<br>(ii) Individual<br>shareholders<br>holding nominal<br>share capital in<br>excess of Rs 1 lakh | C4 | 63,02,400<br>94,84,800 | 63,02,400<br>94,84,800 | 18.24<br>27.45 |     | 63,02,400<br>94,84,800 | 63,02,400<br>94,84,800 | 18.24<br>27.45 |     |
| c) Others(Specify)   | _  |                        | -                      | -              | -   | _                      | -                      | -              | _   |
| Sub-total(B)(2)  | -  | 1,57,87,200            | 1,57,87,200            | 45.69          | -   | 1,57,87,200            | 1,57,87,200            | 45.69          | -   |
| TotalPublic<br>Shareholding<br>(B)=(B)(1)+ (B)(2)  | -  | 1,57,87,200            | 1,57,87,200            | 45.69          | =   | 1,57,87,200            | 1,57,87,200            | 45.69          | -   |
| C. Shares held by<br>Custodian for<br>GDRs & ADRs  | 2, | -                      | -                      | =:             | E   | <b>3</b>               | <u>-</u>               | -              |     |
| Grand Total<br>(A+B+C)   | -  | 3,45,56,000            | 3,45,56,000            | 100            | -   | 3,45,56,000            | 3,45,56,000            | 100            | No  |



#### ii.Shareholding of Promoters

| Sr.<br>No | Shareholder's<br>Name  | Shareholding at the beginning of the year |   |  | Shareholding at the end of the year |   |   |   |
|-----------|------------------------|---|---|--|-------------------------------------|---|---|---|
|           |                        | No. of Shares                             | % of total<br>Shares of<br>the<br>company | %of Shares<br>Pledged /<br>encumbe<br>red to total<br>shares | No. of Shares                       | % of total<br>Shares of<br>the<br>company | %of Shares<br>Pledged /<br>encumbe red<br>to total shares | % change in<br>share<br>holding<br>during the<br>year |
| 1.        | Umesh V.<br>Katti      | 14,02,475                                 | 4.05%                                     |  | 14,02,475                           | 4.05%                                     | -   | -   |
| 2.        | Nikhil U.<br>Katti     | 36,56,125                                 | 10.58%                                    |  | 36,56,125                           | 10.58%                                    | -   | -   |
| 3.        | Sheela V.<br>Katti     | 11,41,000                                 | 3.30%                                     | 100  | 11,41,000                           | 3.30%                                     | -   | \ <del></del>   |
| 4.        | Ramesh V.<br>Katti     | 13,28,950                                 | 3.84%                                     |  | 13,28,950                           | 3.84%                                     | 1000  | GZ:   |
| 5.        | Kush R.<br>Katti       | 12,45,075                                 | 3.60%                                     | ent.   | 12,45,075                           | 3.60%                                     | -   | =   |
| 6.        | Lava R.<br>Katti       | 12,00,275                                 | 3.47%                                     | - Tark   | 12,00,275                           | 3.47%                                     | <del></del>   | =   |
| 7.        | Jayashree R.<br>Katti  | 12,58,800 _                               | 3.64%                                     | =  | 12,58,800                           | 3.64%                                     | -   |   |
| 8.        | Ramappa<br>Khemalapure | 5,37,000                                  | 1.55%                                     |  | 5,37,000                            | 1.55%                                     |   | 11  |
|           | Total                  | 1,17,69,700                               | 34.06%                                    |  | 1,17,69,700                         | 34.06%                                    | _   |   |



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

#### There is No Change in Promoters Shareholding

| SP:\<br>no |   |               | t the beginning of<br>e year        | Cumulative Shareholding during the year |                                     |
|------------|---|---------------|-------------------------------------|---|-------------------------------------|
|            |   | No. of shares | % of total shares<br>of the company | No. of shares                           | % of total shares<br>of the company |
|            | At the beginning of the year  |               |                                     |   |                                     |
|            | Date wise Increase / Decrease in<br>Promoters Share holding during<br>the year specifying the reasons for<br>increase<br>/ decrease (e.g. allotment / transfer<br>/ bonus/ sweat equity etc): |               |                                     |   |                                     |
|            | At the End of the year  |               |                                     |   |                                     |

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | SecuredLoans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year  i) Principal Amount  ii) Interest due but not paid  iii) Interest accrued but not | 34,06,15,624.00                    | =                  | _        | 34,06,15,624.00       |
| Total(i+ii+iii)  | 34,06,15,624.00                    | +                  | -        | 34,06,15,624.00       |
| Change in Indebtedness during the<br>financial year<br>- Addition<br>- Reduction   | 13,20,49,013.00                    | -                  | =        | 13,20,49,013.00       |
| Net Change (Addition)  | 13,20,49,013.00                    | -                  | _        | 13,20,49,013.00       |
| Indebtedness at the end of the financial year  i) Principal Amount  ii) Interest due but notpaid iii) Interest accrued but not due     | 20,85,76,661.00                    | 26                 | 1742     | 20,85,76,661.00       |
| Total (i+ii+iii)   | 20,85,76,661.00                    |                    | _        | 20,85,76,661.00       |



#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. RemunerationtoManagingDirector,Whole-timeDirectorsand/orManager: (Amt in Rs.)

| Sl.<br>No. | ParticularsofRemuneration  | MD          | WID         | Total<br>Amount |
|------------|--|-------------|-------------|-----------------|
| 1.         | (a)Salary as per provisions contained<br>in section17(1) of the Income-tax<br>Act,<br>1961 | 18,00,000/- | 6,00,000/-  | 24,00,000/-     |
|            | (b)Value of perquisites u/s<br>17(2)Income-tax Act,<br>1961                                | *:          |             | _               |
|            | (c)Profits in lieu of salary under section<br>17(3)Income- tax Act,1961                    |             |             | =:              |
| 2.         | Stock Option   | -           | - 10        |                 |
| 3.         | Sweat Equity   | -           | -           | -               |
| 4.         | Commission - as% of profit - others, specify   | -           | -           |                 |
| 5.         | Others, please specify   | =/          | H.          | 27              |
| 6.         | Total(A)   | 18,00,000/- | 6,00,000/-  | 24,00,000/-     |
|            | Overall Ceiling as per the Act   | 42,00,000/- | 42,00,000/- | 1200            |



#### B.Remuneration to other directors: (Amt in Rs.)

| SI. No. | Particulars of Remuneration   | Lava Katti  | Kush Katti  | Total<br>Amount |
|---------|---|-------------|-------------|-----------------|
|         | Independent Directors  • Fee for attending board committee meetings  • Commission  • Others, pleases specify  | -           | =           | _               |
|         | Total(1)  | 100         |             |                 |
|         | Other Non-Executive Directors -Fee for attending board committee meetings -Commission -Others, please specify | 12,00,000/- | 12,00,000/- | 24,00,000/-     |
|         | Total(2)  | 12,00,000/- | 12,00,000/- | 24,00,000/-     |
|         | Total(B)=(1+2)  | 12,00,000/- | 12,00,000/- | 24,00,000/-     |
|         | Total Managerial Remuneration   |             |             |                 |
|         | Overall Ceiling as per the Act  | 42,00,000/- | 42,00,000/- |                 |

# C.Remuneration toKeyManagerialPersonnelOtherThan MD/Manager/WTD: (Amt in Rs.)

| Sl.<br>10. | Particularsof Remuneration   | KeyManagerialPersonnel |                      |     |                |  |  |
|------------|--|------------------------|----------------------|-----|----------------|--|--|
|            |  | Executive<br>Director  | Company<br>Secretary | CFO | Total          |  |  |
| 1.         | Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961                                   | 15,00,000/-            | 3,00,000/-           | =   | 18,00,000/-    |  |  |
|            | (b)Value of perquisites u/s<br>17(2)Income-taxAct,1961<br>(c)Profits in lieu of salary under<br>section17(3)Income-taxAct,1961 | -                      | -                    | ē   | l <del>-</del> |  |  |
|            |  | TT.                    | 1 ==                 |     | - T            |  |  |
| 2.         | Stock Option   |                        | _                    | -   |                |  |  |
| 3.         | Sweat Equity   |                        | 702                  |     | 142            |  |  |
| 4.         | Commission - as%of profit -others, specify   | -                      | -                    |     | -              |  |  |
| 5.         | Others, please specify   |                        |                      |     |                |  |  |
| 6.         | Total  | 15,00,000/-            | 3,00,000/-           |     | 18,00,000/-    |  |  |



#### VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

| Type             | Section of<br>the<br>companies | Brief<br>description | Details of Penalty/ Punishment/Compounding fees imposed | Authority[RD /NCLT/Court] | Appeal<br>made. If<br>any(give<br>details) |
|------------------|--------------------------------|----------------------|---|---------------------------|--|
| A.Company        |                                |                      |   |                           | I II JOH LONG LAN                          |
| Penalty          |                                |                      |   |                           |  |
| Punishment       |                                |                      |   |                           |  |
| Compounding      |                                |                      |   |                           |  |
| B.Directors      |                                |                      |   |                           |  |
| Penalty          |                                |                      |   |                           |  |
| Punishment       |                                |                      |   |                           |  |
| Compounding      |                                |                      |   |                           |  |
| C.OtherOfficersI | nDefault                       |                      |   |                           | NI DI                                      |
| Penalty          |                                |                      |   |                           |  |
| Punishment       |                                |                      |   |                           |  |
| Compounding      |                                |                      |   |                           |  |

For & on behalf of the Board

Chairman

Date: 28.08.2016. (01461050) Place: Bellad Bagewadi. \*