

VSL
Vishwaraj Sugar
Industries Ltd.



Bellad - Bagewadi - 591305, Tal. Hukkeri, Dist. :Belagavi
Tel: 91 8333 251251 Fax: 91 8333 267211
E-mail : info@vssil.co.in

COMPANY INFORMATION

• **BOARD OF DIRECTORS:**

Mr. Umesh V. Katti	: Chairman
Mr. Nikhil U. Katti	: Managing Director
Mr. Mukesh Kumar	: Executive(Additional)Director
Mr. Mallikarjun K. Pujar (upto 31 st May,2019)	: Whole Time Director
Mr. Lava R. Katti	: Whole Time Director
Mr. Kush R. Katti	: Whole Time Director
Mr. Basavaraj Hagaragi	: Independent Director
Mr. Shivanand Tubachi	: Independent Director
Mr. Surendra S. Khot	: Independent Director
Mrs. Pratibha Munnolli	: Independent Director
Mr. R V Radhakrishna	: Independent Director
Mr. Sheshagiri Kulkarni	: Chief Financial Officer
Miss. Sneha P. Patil	: Company Secretary

• **REGISTERED & CORPORATE OFFICE:**

Bellad Bagewadi, Taluka: Hukkeri District Belgaum, Karnataka – 591305, India.

• **STATUTORY AUDITORS:**

M/s. Gojanur & Co.,
Chartered Accountants,
No. 2 & 13, Basava Sadana Complex, Nehru Road,
Shivamogga – 577 201, Karnataka

- **COST AUDITOR**

M/s S K Tikare & Co,
Cost Accountants, Belgaum

- **SECRETARIAL AUDITOR**

M/s S P Ghali & Co.
Company Secretaries
Belgaum

- **BANKERS & FINANCIAL INSTITUTIONS:**

State Bank of India Belgaum.
Bank of India, Shahapur Branch, Belgaum.
Belagavi District Central Co-Operative Bank, Belgaum.
Bellad-Bagewadi Urban Souharda Sahakari Bank, Bellad Bagewadi.

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of **Vishwaraj Sugar Industries Limited** will be held on Tuesday, 24th September, 2019 at 4.00 P.M. at the Registered Office of the Company situated at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2019 and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Umesh Vishwanath Katti (DIN: 01461050) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in the place of Mr. Lava Ramesh Katti (DIN: 02777164) who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, and as amended from time to time, and such other permissions as may be necessary, the remuneration Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand Only) plus applicable Taxes and reimbursement of out of pocket expenses at actuals to M/s. S. K. Tikare & Co, Cost Accountant who were appointed by the Board of Directors of the Company, upon the recommendation of Audit Committee, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending 31st March, 2020, be and is hereby ratified and approved."

RESOLVED FURTHER THAT Mr. Nikhil Katti, Managing Director of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Mukesh Kumar (DIN: 02827073), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 01st March, 2019 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and in respect of

whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a *Special Resolution*: -

"RESOLVED THAT pursuant to the provisions of section 196, 197, and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the appointment of Mr. Mukesh Kumar (DIN: 02827073), to the office of Whole Time Director of the Company, designated as the Executive Director for a period of 3 years w.e.f 01.03.2019 at a remuneration not exceeding Rs. 3,00,000/- (Rupees Three Lakhs only) per month inclusive of perquisites, by the Board of Directors, as approved by the Nomination and Remuneration Committee, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to increase or decrease the overall remuneration subject to the maximum limit of Rs.3,00,000/- (Rupees Three Lakhs only) per month inclusive of perquisites or make any variation(s), alteration(s), addition(s), deletion(s), to the aforementioned remuneration structure, as it may deem fit and proper, during the currency of tenure of Mr. Mukesh Kumar (DIN: 02827073), as the Executive Director of the Company.

RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/inadequacy of profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible as per Schedule V of the Act and that no Commission will be paid.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the terms and conditions of his appointment including remuneration, commission and/or perquisites payable or to be provided (including any monetary value thereof) to him in such manner as may be agreed to between the Board of Directors and Mr. Mukesh Kumar (DIN: 02827073).

RESOLVED FURTHER THAT Mr. Nikhil Katti, Managing Director be and is hereby authorised to take all steps necessary for giving effect to this resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended from time to time) read with Schedule IV of the Act as amended from time to time and based on the recommendation of Nomination and Remuneration Committee, Mr. Surendra Khot (DIN: 03504813), who was appointed as an Independent Director of the Company for a term of five years up to 21st September, 2019, by the members at the 19th Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non- Executive Director of the Company to hold

office for second term of five consecutive years with effect from 22nd September upto a period of 5 years and whose period of office shall not be liable to retire by rotation”;

RESOLVED FURTHER THAT any of the Directors of the Company and/or the Company Secretary be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

By Order of the Board of Director
For **Vishwaraj Sugar Industries Limited**

Sd/-
Umesh Vishwanath Katti
Chairman

DIN: 01461050

341, Town/vill: Bellad Bagewadi

Taluk: Hukkeri Belgaum 591305

Karnataka, India

Place: **Bellad Bagewadi**

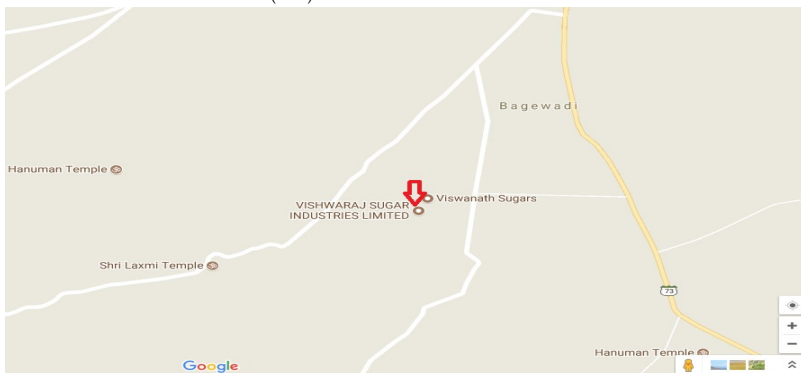
Date: 28.08.2019

NOTES:

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote on a Poll instead of himself/herself and the proxy need not be a member of the Company.
3. Proxies, if any, in order to be effective, must be received at the Company’s Registered Office not later than 48 (Forty-Eight) hours before the time fixed for holding the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of advance notice in writing is given to the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. M/s. Gojanur & Co, Chartered Accountants, (bearing Registration No. 000941S) shall continue to hold the office of Statutory Auditors of the Company till the conclusion of the Twenty Seventh Annual General Meeting.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. Corporate Members are requested to send a duly certified true copy of the Board Resolutions/ authority, authorizing their representative(s) to attend and vote at the Meeting.
8. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed.
9. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility of remote e-voting to all members. Complete instructions on e-voting facility provided by the Company are

provided hereunder. Such remote e-voting facility is in addition to voting that may take place at the Meeting venue on 24th September, 2019.

10. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and Register of contracts and arrangements in which Directors are interested maintained under section 189 of the Act will be available for inspection by the members at the Annual General Meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members may avail the nomination facility as provided under Section 72 of the Companies Act, 2013.
13. Members are requested to notify any change in their address.
14. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
15. Relevant documents referred to in the accompanying Notice, are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
16. Pursuant to Articles of Association of the Company, Mr. Umesh Vishwanath Katti, and Mr. Nikhil Umesh Katti, Directors, retire by rotation and being eligible offer themselves for re-appointment.
17. Route map and prominent land mark for easy location of the venue of the Meeting are attached herewith in terms of Secretarial Standards 2 (SS-2).



**ANNEXURE TO NOTICE
STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES
ACT, 2013**

AGENDA - 4

The Ministry of Corporate Affairs has issued Companies (Cost Records & Audit) Amendment Rules 2014 which *inter alia* warrants the maintenance of cost records in respect of the sugar production, Co-generation and Distillery activity of the Company. In compliance with the said rules and based on the recommendation of Audit Committee, the Board has re-appointed M/s. S K Tikare & Co, Cost Auditors to audit the cost records of the Company at a remuneration of Rs.1,50,000/- for the financial year 2019-20 subject to the approval of members.

Accordingly, the resolution as stated in the Notice is commended for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

AGENDA - 5 and 6

The Board of Directors co-opted Mr. Mukesh Kumar (DIN: 02827073) as an Additional Director, with effect from 01st March 2019. He holds his office as such till the conclusion of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

Mr. Mukesh Kumar is an Engineering Graduate. He has more than decade of experience in various fields covering Business Advisory, Project Consultancies, Administrative Matters etc.,

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Mukesh Kumar as a Director and also that he fulfills the conditions specified in the Companies Act, 2013 for appointment as a Director.

The company has received a notice under section 160 of the Companies Act, 2013, along with the requisite deposit, from a member of the Company signifying his intention to propose the candidature of Mr. Mukesh Kumar to the office of director of the Company.

Further, pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company, at their meeting held on 01st March 2019, have unanimously approved the appointment of Mr. Mukesh Kumar as the Executive Director of the Company w. e. f. 01st March 2019 for a period of 3 (three) years. This is subject to the approval of the shareholders at this Annual General Meeting.

The details of remuneration payable to Mr. Mukesh Kumar and the terms and conditions of the appointment are given below:

Period:

3 years w.e.f 01 March, 2019 subject to a notice period 3 (three) months from either side for termination of services.

Remuneration:

An amount not exceeding Rs. 3,00,000/- (Rupees Three Lakhs only) per month inclusive of perquisites detailed below which would be eligible for revision on a date to be determined by the

Nomination and Remuneration Committee with subsequent approval by the Board from time to time.

➤ **Perquisites**

- Perquisites and allowance will include house maintenance allowance together with reimbursement of expenses or allowances for utilities as electricity, security, maintenance, staff salary etc.
- Reimbursement of expenses pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation.
- Leave and encashment of leave - as per the policy of the Company.
- Gratuity and / or contribution to the Gratuity Fund of Company - as applicable to other officers of the Company and as per the policy of the Company
- Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.
- The following perquisites shall not be included in the computation of remuneration stated above:
 - a. Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of service);
 - b. Earned leave with full pay or encashment as per rules of the Company.
 - c. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme, to the extent not taxable under Income Tax Act, 1961.
 - d. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls but excluding long distance personal calls to be paid by Managing Director) shall not be included in the computation of perquisites.

For the purpose of calculation of remuneration, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

Other Terms & Conditions of Appointment: -

- In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Mukesh Kumar, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.
- Mr. Mukesh Kumar shall be liable to retire by rotation.

The terms as set out in the explanatory statement may be treated as the terms of the appointment of Mr. Mukesh Kumar under Section 190 of the Companies Act 2013.

The Board recommends the resolution set forth in Item No. 5 and 6 for the approval of the Members.

Except Mr. Mukesh Kumar, 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 except and to the extent they are member of the Company.

AGENDA – 7

Shareholders at the 19th Annual general meeting of the Company held on September 22, 2014 approved the appointment of Mr. Surendra Khot as an Independent Director of the Company w.e.f., September 22, 2014 for a period of five years i.e., up to September 21, 2019. As per section 149(10) and (11) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, stature, experience and immense contribution, the continued association of Mr. Surendra Khot would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

The Board has re-appointed Mr. Surendra Khot as an Independent Director on the Board of the Company at its meeting held on August 28, 2019, not liable to retire by rotation, for a second term of five years w.e.f. September 22, 2019, subject to the approval of shareholders of the Company. The Company has received notice under Section 160 of the Act proposing his candidature for Directorship. Company has also received from Mr. Surendra Khot (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Act, (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of Act.

In the opinion of the Board, he fulfils the conditions for appointment as Independent Director, as specified in the Act and is Independent of the Management and the Company. The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for re-appointment of Mr. Surendra Khot as an Independent Director of the Company for a second term of five years commencing w.e.f. September 22, 2019.

Mr. Surendra Khot is not liable to retire by rotation. A copy of the draft letter of appointment setting out the terms and conditions of appointment of an Independent Director is available for inspection, without any fee, by the shareholders at the Company's registered office during normal hours on working days up to the date of the AGM and will also be kept open at the venue of the AGM. Except Mr. Surendra Khot and his relatives, None of Director, Key Managerial Personnel or their respective relatives are interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 7 for approval of the shareholders Information pursuant Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are provided as annexure to this Notice.

Information pursuant to clause 1.2.5 of Secretarial Standard 2 (SS-2) issued by the Institute of Company Secretaries of India

Name of the Director	Mr. Mukesh Kumar
Age	66 years
Qualifications	Bachelor of Science (Chemical Engineering) from Ranchi University
Experience	More than 3 decades of experience in petroleum, distillery and sugar industry including approximately 13 years in our Company from the year 2003 to 2016.
Terms of Conditions of appointment	To be appointed as Executive Director of the Company; liable to retire by rotation.
Details of Remuneration sought to be paid	Not exceeding Rs. 3,00,000/- per month
Last Remuneration drawn	NA

Date of first appointment on the Board	01-03-2019
Shareholding in the Company	Nil
Relationship with other Director / KMPs	None
Number of meetings of the Board attended during the year	1
Other directorships	None
Membership / Chairmanship of committees of other Boards	None

Name of the Director	Mr. Surendra Khot
Age	74 years
Qualifications	Master Degree in Arts from Karnataka University
Experience	More than 35 years of experience with working with Bank as Deputy General (Banking and Accounts) & General Manager of DCC Bank Limited.
Terms of Conditions of appointment	To be Re-appointed as Independent Director of the Company; not liable to retire by rotation.
Details of Remuneration sought to be paid	NA
Last Remuneration drawn	NA
Date of first appointment on the Board	20-03-2011
Shareholding in the Company	Nil
Relationship with other Director / KMPs	None
Number of meetings of the Board attended during the year	9
Other directorships	None
Membership / Chairmanship of committees of other Boards	None

Name of the Director	Mr. Umesh Katti
Age	60 years
Qualifications	Pre- University Course from K. L. E Society
Experience	He has over 16 years of experience in the sugar industry. The expertise of Mr. Umesh Katti in the sugar industry as well as in agriculture helps in the formulation of the policies of our Company.
Terms of Conditions of appointment	Retirement by Rotation
Details of Remuneration sought to be paid	NA
Last Remuneration drawn	NA
Date of first appointment on the Board	02-05-1995
Shareholding in the Company	14,18,575
Relationship with other Director / KMPs	His Son Mr. Nikhil Umesh Katti, is Managing Director His Nephew Mr. Lava Katti and Mr. Kush Katti , whole time Director of the Company
Number of meetings of the Board attended during the year	15
Other directorships	<ul style="list-style-type: none"> • U R Agro Fresh Private Limited • Vishwaraj Infrastructures Private Limited • UK27 Hospitality Services (India) Limited
Membership / Chairmanship of committees of other Boards	None

Name of the Director	Mr. Lava Katti
Age	32 years
Qualifications	Master in Business Administration from Cardiff Metropolitan University.
Experience	He has experience in administrating distillery and co-generation units of the Company and also looking after agriculture.
Terms of Conditions of appointment	Retirement by Rotation
Details of Remuneration sought to be paid	Basic pay is Rs. 24,00,000/-p.a
Last Remuneration drawn	Basic pay is Rs. 24,00,000/-p.a

Date of first appointment on the Board	30, June 2013
Shareholding in the Company	1200275
Relationship with other Director/ KMPs	His brother Mr. Lava Katti is Whole time Director, First cousin Mr. Nikhil Katti Managing Director and Uncle Mr.Umesh Katti Director of the Company
Number of meetings of the Board attended during the year	15
Other directorships	VISHWARAJ ENCIVIL INDIA PRIVATE LIMITED
Membership / Chairmanship of committees of other Boards	None

By Order of the Board of Director
For **Vishwaraj Sugar Industries Limited**

Sd/-
Umesh Vishwanath Katti
Chairman

DIN: 01461050
341, Town/vill: Bellad Bagewadi
Taluk: Hukkeri Belgaum 591305
Karnataka, India

Place: **Bellad Bagewadi**
Date: 28/08/2019

E-VOTING

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members as on 18th September 2019 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Saturday, 21st September, 2019 (09:00 hrs) and will end on Monday, 23rd September, 2019 (17:00 hrs). During this period, shareholders of the Company holding shares as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed Mr. Sudheendra Prakash Ghali, Practising Company Secretary to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

PROCEDURE FOR E-VOTING:

Instructions for members for voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user, follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department <ul style="list-style-type: none">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. <i>(The sequence number for those members who did not update PAN, shall be provided in a separate sheet along with the Annual Report)</i>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 Bank 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 style="list-style-type: none">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 (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members will then directly reach the Company selection screen.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Company, i.e., **Vishwaraj Sugar Industries Limited** on which you choose to vote.

(xi) 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.

(xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) 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.evotingindia.com and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.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.

(xvii) 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.

General:

The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 18th September, 2019.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make not later than 3 days of conclusion of the Meeting a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

Members who do not have access to remote e-voting facility have been additionally provided the facility of voting by way of Ballot Form. The facility for physical voting shall be made available at the Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

Members have the option to request for physical copy of Ballot Form by sending an e-mail to ipo@vsil.co.in by mentioning their Folio / DP ID and Client ID.

The results declared along with the Scrutinizer’s Report will be posted on the Company’s website.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present Twenty Fourth Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2019 and on the state of affairs of the Company.

Summary of financial results:

The Company's Financial Performance for the financial year ended on 31st March, 2019 under review along with previous year figures are given hereunder:

Particulars	(Rs. In Lakhs)	
	2018-2019	2017-2018
Total Income	30787.55	26893.11
Profit before Finance cost and Depreciation	2581.26	3318.81
Depreciation & Amortization expense	1334.28	1319.96
Finance cost	3635.69	2085.05
Profit Before Tax	(2388.72)	(86.20)
Tax Expense	(626.72)	340.47
Net Profit After Tax	(1761.99)	(426.67)
Other comprehensive income	23.74	65.82
Total Comprehensive income	(1738.26)	(360.85)
Basic& diluted Earnings per Share (Rs.)	(5.10)	(1.23)

VSIL's performance during 2018-19:

During the year under review, Your Company had an operational turnover of Rs. **30,330.73** lakhs as against Rs. **25,928.30** lakhs in previous year depicting an increase rate of 16.98%.

Your Company has incurred total expenses of Rs. 33176.27 lakhs as compared to Rs. 26979.30 in the previous year. Further, during the year under review, certain fixed expenses such as finance costs increased from Rs. 2085.05 to Rs. 3635.69 and depreciation & amortisation expense increased from Rs. 1319.96 to Rs. 1334.28 as compared to the previous year.

Further, due to increased price of Sugarcane and decreased sales price of Sugar, your Company has incurred a net loss of Rs. 1738.26 lakhs as compared to Rs. 360.25 lakhs in the previous year.

With the aforesaid performance in the hindsight and reasonable good sugarcane harvest in the ensuing years, your Company is spirited to record better results in the ensuing Financial Years.

Business Operations:

The operational data of the Company for the last two sugar seasons and financial years are as under:

Particulars	Sugar season	
	2018-19	2017-18
Sugarcane crushed (in MT)	8,78,405.91	5,06,125.39
Sugar produced (in quintals)	7,16,154.00	4,89,861.00

Segment-wise performance and outlook:

Sugar:

The sugar season 2018-19 started with a carry-forward stock of 692721 quintals of sugar and perception of lower production due to shortage of cane output in the region. Sugarcane crushed during the year stood at 8,78,405.91MT as compared to 506125.39MT in the previous year. Recovery increased to 11.20 as compared to 11.13 achieved during the previous year owing to weather conditions which were completely conducive. The

Company is providing farmers with necessary agri-inputs for increasing their farm yields and improving clean cane quality. Steps have also been taken to educate cane growers on modern agricultural practices.

During the year under review, your Company sold 716154 quintals of sugar at an average realisation of Rs. 30.59 per kilogram as against 489861 quintals at an average realisation of Rs. 35.11 per kilogram in the FY 2017-18.

Vinegar:

Production of Vinegar during the year stood at 1,07,79,000 ltrs as compared to 84,60,314 ltrs in the previous year. During the year the Company sold 87,63,890 ltrs at an average realization of Rs. 13.72 per litre as against 91,79,160 ltrs at an average realization of Rs. 13.70 per litre in the previous year.

Distillery

- The production of Rectified Spirit during the year was lowered to 3156.59 KL as compared to 5563.50 KL in the previous year. During the year under review, your Company sold 2137 KL at an average realization of Rs. 32.64 per litre as against 1810 KL at an average realization of Rs.44.87 per litre in the previous year.
- The production of Natural Spirit during the year was 969.47 KL as compared to 1192.62 KL in the previous year. During the year the Company sold 1000 KL at an average realization of Rs. 44.75 per litre.
- The production of M.G. Spirit during the year was lowered to 38.18 KL as compared to 47.63KL in the previous year. During the year your Company sold 57.70 KL at an average realization of Rs. 42.70 per litre as against 50 KL at an average realization of Rs. 26.00 per litre in the previous year.
- During the year 2018-19 your company sold Liquid Carbon dioxide of 20,71,840 KG at an average realisation of Rs. 1.00 per Kilogram as against 30,15,080 KG at an average realisation of Rs. 1.00 per kilogram in the previous year.

IML

Due to lower production of sugarcane during this period there was scarcity of raw material, molasses, a byproduct of sugar which is used in production of IML, which resulted in lower production of 1,23,060 CB as compared to 2,35,750 CB in the previous year, which resulted in lower sales of IML of 1,23,000 CB at an average realization of Rs. 2105.35 per CB as against 2,29,800 CB at an average realization of Rs. 2072.93 per CB in the previous year.

Cogeneration

Total power generated during the year stood at 80822900 KW compared to 58837700 KW in the previous year. Power exported to the Electric Supply Companies stood at 48693000 KW as against 32777000 KW in the previous year. The average realisation per unit stood at Rs. 4.46 per unit as against Rs. 4.86 per unit in the previous year. Going forward, the power generation capacities are expected to improve their utilisation levels due to a greater availability of bagasse resulting from higher amounts of cane crushed.

Initial Public Offer (IPO):

As the members are aware, the Company is proposing to conduct an IPO of its equity shares, comprising of fresh issue of shares as well as by way of Offer for Sale. The said Public Offer comprises of fresh issue of upto 30,00,000 equity shares by our company and an offer for sale of upto 70,00,000 equity shares.

In this regard, the Company has filed the Draft Red Herring Prospectus, (DRHP) with Securities Exchange Board of India (SEBI) and other regulators, for their observations / approval as applicable.

Further, the SEBI has provided its Observations on the DRHP.

The Company is in the process of filing the updated DRHP with SEBI and will finalise the issue programme in due course of time subject to approvals from relevant authorities.

Nature of Business:

During the year under review, your Company carried out all its segmental activities and there was no change in its nature of Business.

Material changes and commitment:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

Capital Expenditure:

During the year, the Company has converted capital work in progress to fixed assets amounting to Rs. 790.57 lakhs and there by resulting in addition to fixed assets amounted to Rs. 30,077 lakhs.

Issue and Allotment of Securities/ Changes in Share Capital:

During the FY 2018-19 there was no change in the share capital of the company.

The capital Structure, as on date, stands as follows:

Authorised Capital: Rs 60 Crores

Issues, Subscribed and Paid up Capital: Rs 34.56 Crores

Dividend:

As the company has incurred loss during the FY 2018-19, so, no dividend is being recommended by the directors of your company for the financial year ended 31st March, 2019.

Transfer to reserves:

It is not proposed to transfer any amount to any reserves from the profits of the Company.

Extract of Annual Return:

Extract of Annual Return in Form MGT- 9 is annexed to this Report as “Annexure I”. and the same is uploaded on the website of the Company. (<http://vsil.co.in/>)

Boards Composition and Independence:

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 which stipulates that the Board should have optimum combination of Executive and Non-executive Directors with at least one Woman Director and at least two Independent directors. The Chairman of our Board is a Non-executive Director.

As on 31st March, 2019, the Board comprised of eleven Directors. Out of said, one is Managing Director who is also a Promoter of the Company, two are Whole Time Directors who are also promoters of the company and two are Whole Time Directors who are non-promoters. The Chairman of the company, Mr. Umesh Vishwanath Katti, is a Non-executive promoter director of the company.

Further, out of the remaining directors, five are Independent Directors (including woman Director). All the Directors possess the requisite qualifications, expertise and experience in general corporate management, finance, banking, laws and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Further, Mr. Umesh Katti, Chairman (Non-executive), Mr. Nikhil Katti, Managing Director (MD), Mr. Lava Katti, Whole Time director (WTD) and Mr. Kush Katti, Whole Time director (WTD) are related to each other.

All Independent Directors have given due declarations that they meet the criteria of independence as laid down under section 149(7) of the Companies Act, 2013

Meetings of the Board of Directors:

During the year, fifteen Board Meetings were held, details of which are provided in “**Annexure II**” and in the *Corporate Governance Report* which form part of this Annual Report. The intervening gap between the Meetings was in compliance with the requirements stipulated under the provisions of the Companies Act, 2013 and the Secretarial Standards.

Committees of the Board:

The Board has the following committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility (CSR) Committee
- (e) Further, your company place a Committee under the name and style “Internal Complaints Committee” which looks into various matters concerning harassment, if any, against women at workplace. Details of composition etc., of the said committee are provided in the section on Corporate Governance.

Details such as terms of reference, powers, functions, meetings, membership of committee, attendance of directors etc. are provided in “**Annexure II**” and in the *Corporate Governance Report* forming part of this Annual report.

Board has accepted all recommendations made by the Audit Committee during the year.

Directors & Key Managerial personnel:

(a) Inductions

Pursuant to the recommendation of the Nomination & Remuneration/Compensation Committee, Mr. Mukesh Kumar (DIN: 02827073), has been co-opted as Director, has assumed charge as Executive Director with effect from 01st March, 2019.

Brief resume and other particulars of Mr. Mukesh Kumar, as stipulated under Secretarial Standard-2 on General Meetings, is given in the Notice of Annual General Meeting, which forms part of this Annual Report. The Board recommends the appointment of the Mr. Mukesh Kumar for members’ approval.

(b) Retirement/Re-appointment

Mr. Umesh Vishwanath Katti, non-executive director and Mr. Lava Ramesh Katti, Whole time director, retire by rotation and being eligible, offer themselves for reappointment. The Board recommends their appointment.

Mr. Lava Ramesh Katti and Mr. Kush Ramesh Katti, retired by the rotation in the previous AGM held on 27th September 2018 and were re- appointed thereat.

(c) Resignation

Mr. Mallikarjun Kadayya Pujar resigned as a Whole time Director with effect from 01st June 2019. The Board wishes to place on record his valuable contribution to the company during his tenure as a Director.

Mr. Mallikarjun Kadayya Pujar has been appointed as Chief Administrative Officer (CAO) of the Company.

None of the Directors of your Company is disqualified by virtue of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

Key Managerial Personnel:

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. Nikhil Katti, Managing Director, Mr. Lava Katti, Whole Time Director, Mr. Kush Katti, Whole Time

Director, Mr. Mallikarjun Pujar (resigned w.e.f 01st June 2019), Whole Time Director, and Mr. Mukesh Kumar, Director, Mr. Sheshagiri Kulkarni, Chief Financial Officer and Ms. Sneha Patil, Company Secretary & Compliance Officer.

Directors' Responsibility Statement:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards (IndAS) 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 were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or 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.
- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31st March, 2019.

Policy on Directors' Appointment, Remuneration, Etc.:

The following policies are attached herewith and marked as “Annexure III (a) and III (b)” respectively:

- a. Policy for selection of Directors and determining Directors Independence; and evaluation mechanism.
- b. Remuneration Policy for Directors, Key managerial Personnel and other employees.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing regulations, the Board has carried out the evaluation of its own performance and that of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination and Remuneration Committee also carried out evaluation of every director's performance. The Directors expressed satisfaction with the evaluation process.

Statutory Auditors and their Audit Report:

In accordance with Section 139 of the Companies Act, 2013 and the Rules made thereunder, Members at the 22nd Annual General Meeting of the Company approved the appointment of Statutory Auditors, M/s. Gojanur & Co., Chartered Accountants, for a period of 5 years till the conclusion of 27th Annual General Meeting.

Secretarial Auditors and their Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your company has appointed Mr. Sudheendra P. Ghali, a practising Company Secretary, to undertake the secretarial audit of the company for the financial year 2018-19. The Secretarial Audit Report for the FY 2018-19 is attached as “Annexure IV” and forms part of this Report.

Pursuant to the recommendation of the Audit Committee, the Board of Directors has re-appointed Mr. Sudheendra P. Ghali, Company Secretary in Practice to conduct the Secretarial Audit for FY 2019-20 at its meeting held on 28 August, 2019.

Compliance with Secretarial Standard on Board Meetings and General Meetings:

During the year under review, your company has complied with Secretarial Standard issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings

Auditors Observations:

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year ended March 31, 2019. Pursuant to provisions of section 143 (12) of the Companies Act 2013, the Statutory Auditors have not reported any incident of fraud to the Audit and Risk Management Committee during the year under review.

There are no qualifications made by the Secretarial Auditor in his report for the financial year ended 31st March, 2019. Response to the comment made by the Secretarial Auditor in respect of the Company not fully expending the requisite quantum of CSR spend during the year as required under Section 135 of the Companies Act 2013 is given in Annual Report on CSR activities.

Cost Auditors and their Audit Report:

Section 148(3) of the Companies Act 2013 read with Rules made thereunder mandates every Company belonging to category prescribed in the Rules to undertake a Cost Audit. In compliance with said provision, Company had appointed M/s S.K. Tikare & Co., Cost Accountants, Belgaum to audit the cost records for FY 2018-19. The Cost Auditor has submitted the Cost Audit report for FY 2018-19.

There are no qualifications, reservations or adverse remarks made by the Cost Auditors in their report for the financial year ended 31st March, 2019.

Pursuant to the recommendation of the Audit Committee, the Board of Directors have re-appointed M/s S K Tikare & Co., Cost Accountants, Belgaum as the Cost Auditors for FY 2019-20 at a fixed remuneration of Rs. 1,50,000/-, excluding applicable taxes, subject to approval by the members at the ensuing Annual General Meeting of the Company.

Board recommends the approval of the said remuneration payable to the Cost Auditor in accordance with Section 148 of the Companies Act 2013 and the Rules made thereunder.

Particulars of loans, guarantees or investments:

Your company has invested an amount of Rs. 55 lakhs in the equity shares of BDCC Bank and Rs NIL in the BBUSS Bank and the total investments as on 31st March 2019 stood at Rs. 108.24 lakhs. Further, during the year under review, your company has not given any loans or guarantees to any of the parties.

Related Party Transactions:

All the transactions carried out with Related parties for the year under review were on arm's length basis and are in compliance with the applicable provisions of the Act. There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Details of each of the related party transaction entered into by the Company during the Year together with justification are annexed herewith in Form AOC-2 as "Annexure V".

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure VI".

Corporate Social Responsibility:

Your Company as part of its Corporate Social Responsibility (CSR) initiative, undertook many projects like promotion of education in rural areas, infrastructure and sanitation development, welfare of girl child, facilitating pure drinking water to the identified rural areas in and around the factory at Bellad-Bagewadi

Your management wants to ensure that the fund so earmarked reaches out to the needy and is in the process of outlining a program to benefit the needy local populace. Annual report on CSR activities is enclosed as "Annexure VII" to this report.

Development and implementation of Risk Management policy:

Your company is following the principle of risk minimization vis a vis business needs and the industry norms.

The Role of Risk Management Committee includes the implementation of Risk Management Systems and framework, review of the Company's financial and risk management policies, assessment of Risk and Procedures to minimize the same.

The Committee has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework and (b) overseeing that all the risks that the organization faces such as financial, liquidity, security, property, legal, regulatory, reputational and other risks have been identified and assessed and ensuring that there is an adequate risk management mechanism in place capable of addressing those risks.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Risk Management Policy may be accessed at: <http://vsil.co.in/>

Deposits:

Your company neither accepted nor repaid any deposits during the FY ended 31st March, 2019. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the FY 2019. Hence, there are no details to be provided pursuant to Rule 8 (5) (v) & (vi) of Companies (Accounts) Rules, 2014.

Subsidiary Companies/ Joint Venture * Associate Companies:

Your Company is not having any subsidiaries, joint ventures or associate companies as on 31 March 2019:

Internal Financial Control Systems:

Your company adopted policies and procedures which enables implementation of appropriate internal financial controls across the organisation and also ensures the orderly and efficient conduct of business, including adherence to the Company's Policies, safeguarding of its assets, the prevention and detection of frauds and

errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Internal Financial Controls are an integral part of the Risk Management Process, addressing financial and financial reporting risks. The Internal Financial Controls have been documented, digitized and embedded in the business process.

Assurance on the effectiveness of the Internal Financial Controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the Internal Auditor during the course of audits. It is believed that these systems provide reasonable assurance that your Internal Financial Controls are commensurate with the requirements of your organization.

Internal Auditor:

The Board of Directors based on the recommendation of the Audit Committee have appointed Mr. Sudheendra P. Ghali, Company Secretary, Belgaum, as the Internal Auditor of your Company. The Internal Auditor is submitting their reports on quarterly basis.

Management Discussion and Analysis Report:

In accordance with the provisions of SEBI (LODR) Regulations, 2015, a Report on the Management Discussion and Analysis is set out in “**Annexure VIII**” attached to this Report.

Corporate Governance:

Highest standards of Corporate Governance practices are maintained and followed in every walk of life of your Company. A separate report on Corporate Governance is provided together with a certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 is attached as “**Annexure IX**” to this Report.

A certificate of the MD and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting matters to the Audit Committee is also annexed in the Corporate Governance Report

Particulars of Employees:

Your Company does not have any employee whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Vigil Mechanism/Whistle Blower Policy:

In terms of the provisions of Section 177 of the Companies Act, 2013 your company has formalized the process and institutionalized ‘Whistle Blower Policy’ within the Company, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage/misappropriation of assets to the Company.

The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy may be accessed on Website at: http://vsil.co.in/wp-content/uploads/2017/12/Vigil-Mechanism_Whistle-Blower_vsil.pdf

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The company strongly support the rights of all the employees to work in harassment – free environment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

Your company further confirm that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your company confirm that we have complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Significant and Material Orders:

There are no significant/ material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

Compounding:

The Compounding Application filed by the Company Under Section 441 of The Companies Act, 2013 for Composition Of Offences Under Sections 56,60,60b,64,67,68a(2),72,73 read with Section 629 A Of The Companies Act, 1956 with NCLT, Bengaluru Bench has been rejected as premature, leaving the matter to SEBI to decide the issue in accordance with law at the appropriate time.

Acknowledgements:

The Directors wish to place on record their appreciation to the wholehearted help and co-operation the Company has received from the business associates, partners, vendors, clients, government authorities, and bankers of the Company.

The relations between the management and the staff were cordial during the period under review.

The Company also wishes to put on record its appreciation for the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

**For and on behalf of the Board
Vishwaraj Sugar Industries Limited**

**Umesh V. Katti
Chairman
DIN: 01461050**

**Place: Bellad Bagewadi
Date: 28/08/2019**

ANNEXURE - I
[Annexure to Director's Report – Statutory Disclosures]
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	U85110KA1995PTC017730
ii	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/Non Government Company
v	Address of the Registered office	Bellad Bagewad Taluka - Hukkeri District Belgaum Karnataka-591305
vi	Whether listed company	No
vii	Name, Address & contact details of Registrar & Transfer Agent, if any	No

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

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Sugar	10721	72.61%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: NIL

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NA	NA	NA	NA	NA

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(I) Indian							
a) Individual/HUF	0	11734750	11734750	0	11734750	11734750	0.00%
b) Central Govt. or State Govt.							
c) Bodies Corporates							
d) Bank/FI							
e) Any other							
SUB TOTAL:(A)(I)	0	11734750	11734750	0	11734750	11734750	0.00%

(2) Non Institutions									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	6811300	6811300	19.71%	0	1311600	1311600	3.80%	-15.92%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	9009100	9009100	26.07%	0	14508800	14508800	41.99%	15.92%
c) Others (specify)									
SUB TOTAL:(C)(2)		15820400	15820400	45.78%		15820400	15820400	45.78%	0.00%
Total Public Shareholding (C)= (C)(1)+(C)(2)	0	15820400	15820400	45.78%	0	15820400	15820400	45.78%	0.00%
D. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00%
Grand Total (A+B+C+D)	0	34556000	34556000	100.00%	0	34556000	34556000	100.00%	

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / to total shares	
1	Unesh V. Katti	1418575	4.11%		1418575	4.11%		0.00%
2	Nikhil U. Katti	3692875	10.69%		3692875	10.69%		0.00%
3	Sheela U.Katti	1141000	3.30%		1141000	3.30%		0.00%
4	Ramesh V.Katti	1328950	3.85%		1328950	3.85%		0.00%
5	Kush R.Katti	1245075	3.60%		1245075	3.60%		0.00%
6	Lava R.Katti	1200275	3.47%		1200275	3.47%		0.00%
7	Jayashree R.Katti	1258800	3.64%		1258800	3.64%		0.00%
8	Sneha Nithin Dev	449200	1.30%		449200	1.30%		0.00%
	TOTAL	11734750	33.96%	0.00%	11734750	33.96%	0.00%	0.00%

iii) Shareholding of Promoters Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares Pledged / encumbered to total shares	% of Shares Pledged / encumbered to total shares	
1	Ashok Shekar Urture	1029300	2.98%		1029300	2.98%		0.00
2	Kashinath Shekhar Urture	681000	1.97%		681000	1.97%		0.00
3	Kadaya Siddalingayya Pujar	643550	1.86%		643550	1.86%		0.00
4	Basayya Siddalingayya Pujar	639600	1.85%		639600	1.85%		0.00
5	Ramesh Rajaram Shirnalakar	500650	1.45%		500650	1.45%		0.00
6	Sudhir Mallappa Katti	400700	1.16%		400700	1.16%		0.00
7	Ramappa Siddappa Bani	340850	0.99%		340850	0.99%		0.00
8	Ravindra Srikanth Katti	497900	1.44%		497900	1.44%		0.00
9	Muragesh Basavaraj Katti	321500	0.93%		321500	0.93%		0.00
10	Kallappa Siddappa Bani	297500	0.86%		297500	0.86%		0.00
11	Abhinandan Dhanpal Khemalapure	275500	0.80%		275500	0.80%		0.00
12	Rajaram Tukaram Shiralkar	263400	0.76%		263400	0.76%		0.00
13	Basavaraj Shekhar Urture	211100	0.61%		211100	0.61%		0.00
14	Gurappa Channappa Katti	165850	0.48%		165850	0.48%		0.00
15	Vinod Channabasappa Katti	157550	0.46%		157550	0.46%		0.00
16	Purnima AnnappaPangi	5000	0.01%		5000	0.01%		0.00
17	Padmaja Subhash Katti	10000	0.03%		10000	0.03%		0.00
18	Sudjay Ramappa Khemalapure	4900	0.01%		4900	0.01%		0.00
19	Sudharshan Ramappa Khemalapure	1500	0.00%		1500	0.00%		0.00
20	Satish Mahalingappa Ghuli	2000	0.01%		2000	0.01%		0.00
21	Annapurna Mahalingappa Ghuli	1000	0.00%		0	0.00%		0.00
22	Pallavi Suthas Ghuli	1000	0.00%		1000	0.00%		0.00
23	Tejasvini Yuvaraj Chunanuri	1000	0.00%		1000	0.00%		0.00
24	Yuvaraj J Chunanuri	2000	0.01%		2000	0.01%		0.00
25	Preethi Satish Ghuli	1000	0.00%		1000	0.00%		0.00
26	Suthas Mahalingappa Ghuli	1000	0.00%		2000	0.01%		0.00
27	Channavva Jagannath Chunanuri	1000	0.00%		1000	0.00%		0.00
28	Shannmukappa J Chunanuri	1000	0.00%		1000	0.00%		0.00
29	Ramappa Khemalapure	537000	1.55%		537000	1.55%		0.00
30	Shailaja Shivaprasad Uchale	1000	0.00%		1000	0.00%		0.00
31	Drakashayani Ravi Katti	3500	0.01%		3500	0.01%		0.00
31	Kalavati Dundappa Savadakar	1000	0.00%		1000	0.00%		0.00
	TOTAL	7000850	20.26%		7000850	20.26%		0.00

iv. Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters Shareholding

Sl. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	At the beginning of the year		0.00		0.00
	Changes During the Year		0.00		0.00
	Reason for Changes				
	At the end of the year		0.00		0.00

v. Change in Promoters group Shareholding (please specify, if there is no change):

Sl. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Suhas Mahalingappa Ghuli				
	At the beginning of the year	1000	0.00	1000	0.00
	Changes During the Year	1000		1000	
	Reason for Changes	Transfer		Transfer	
	At the end of the year	2000	0.01	2000	0.01
2	Annapurna Mahalingappa Ghuli				
	At the beginning of the year	1000	0.00	1000	0.00
	Changes During the Year	-1000	0.00	-1000	0.00
	Reason for Changes	Transfer		Transfer	
	At the end of the year	0	0.00	0	0.00

vi. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters , promoter Group and Holders of GDRs and ADRs):

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rivaz Dastageer Bargeer				
	At the beginning of the year	789100	2.28%	789100	2.28%
	Changes During the Year	-	-	-	-
	Reason for Changes	-	-	-	-
	At the end of the year	789100	2.28%	789100	2.28%
2	Basavaraj Channappa Mahabhatti				
	At the beginning of the year	540000	1.56%	540000	1.56%
	Changes During the Year	-	-	-	-
	Reason for Changes	-	-	-	-
	At the end of the year	540000	1.56%	540000	1.56%

3	Appasaheb Alappa Shiragur					
	At the beginning of the year	456000	1.32%	456000	1.32%	1.32%
	Changes During the Year	-	-	-	-	-
4	Reason for Changes	-	-	-	-	-
	At the end of the year	456000	1.32%	456000	1.32%	1.32%
	Siddappa Veerappa Hagaragi					
	At the beginning of the year	403200	1.17%	403200	1.17%	1.17%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
5	At the end of the year	403200	1.17%	403200	1.17%	1.17%
	Ramesh Bandappa Munnoli					
	At the beginning of the year	369500	1.07%	369500	1.07%	1.07%
	Changes During the Year	-	-	-	-	0.00%
	Reason for Changes	-	-	-	-	-
	At the end of the year	369500	1.07%	369500	1.07%	1.07%
6	Laxman Bhimarao Randurgi					
	At the beginning of the year	304500	0.88%	304500	0.88%	0.88%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
	At the end of the year	304500	0.88%	304500	0.88%	0.88%
7	Sidalingayya Babayya Kadabutti					
	At the beginning of the year	260100	0.75%	260100	0.75%	0.75%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
	At the end of the year	260100	0.75%	260100	0.75%	0.75%
8	Mahesh Malagouda Patil					
	At the beginning of the year	250550	0.73%	250550	0.73%	0.73%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
	At the end of the year	250550	0.73%	250550	0.73%	0.73%
9	Murugesh Irappa Honnali					
	At the beginning of the year	167050	0.48%	167050	0.48%	0.48%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
	At the end of the year	167050	0.48%	167050	0.48%	0.48%
10	Mahesh Chandrashekhar Shetti					
	At the beginning of the year	160000	0.46%	160000	0.46%	0.46%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
	At the end of the year	160000	0.46%	160000	0.46%	0.46%

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
1	Umesh Vishwanth Katti				
	At the beginning of the year	1418575	4.05%	1418575	4.05%
	Changes During the Year	-	-	-	-
	Reason for Changes				
2	Nikhil Umesh Katti				
	At the beginning of the year	1418575	4.11%	1418575	4.11%
	Changes During the Year				
	Reason for Changes				
3	Malikarjun Kadayya Pujar				
	At the beginning of the year	3692875	10.58%	3692875	10.58%
	Changes During the Year	-	-	-	-
	Reason for Changes				
4	Lava Ramesh Katti				
	At the beginning of the year	3692875	10.69%	3692875	10.69%
	Changes During the Year	250	0.07%	0	0.00%
	Reason for Changes	-250	-	-250	-
5	Kush Ramesh Katti				
	At the beginning of the year	1200275	3.47%	1200275	3.47%
	Changes During the Year				
	Reason for Changes				
6	Mukesh Kumar				
	At the beginning of the year	1200275	3.47%	1200275	3.47%
	Changes During the Year				
	Reason for Changes				
7	Surendra Khot				
	At the beginning of the year	1245075	3.60%	1245075	3.60%
	Changes During the Year				
	Reason for Changes				
8	Pratibha Munnoli				
	At the beginning of the year	1245075	3.60%	1245075	3.60%
	Changes During the Year				
	Reason for Changes				

9	Shivanand Tubachi					
	At the beginning of the year	0	0.00%	0	0	0.00%
	Changes During the Year	-	-	-	-	-
	Reason for Changes	-	-	-	-	-
10	Venkata Radhakrishna Racharla					
	At the end of the year	0	0.00%	0	0	0.00%
	At the beginning of the year	0	0.00%	0	0	0.00%
	Changes During the Year	-	-	-	-	-
11	Basavaraj Hagargi					
	At the end of the year	0	0.00%	0	0	0.00%
	At the beginning of the year	4900	0.01%	4900	4900	0.01%
	Changes During the Year	50000	-	50000	50000	-
12	Sheshagiri Kulkarni					
	At the end of the year	Transfer	-	Transfer	Transfer	-
	At the beginning of the year	54900	0.16%	54900	54900	0.16%
	Changes During the Year	0	0.00%	0	0	0.00%
13	Sneha Patil					
	At the end of the year	-	-	-	-	-
	At the beginning of the year	0	0.00%	0	0	0.00%
	Changes During the Year	-	-	-	-	-
	At the end of the year	0	0.00%	0	0	0.00%
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-

Indebtedness of the Company including interest outstanding/accrued but not due for payment						
Indebtedness at the beginning of the financial year		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
i) Principal Amount		3146403.391				3146403.391
ii) Interest due but not paid						
iii) Interest accrued but not due						
Total (i+ii+iii)		3146403.391	0	0		3146403.391
Change in Indebtedness during the financial year						
Secured Loans excluding deposits			Unsecured Loans	Deposits	Total Indebtedness	
* Addition		241538947				241538947.1
* Reduction						
Net Change		241538947	0	0		241538947.1
Indebtedness at the end of the financial year						
i) Principal Amount		3387942.338				3387942.338
ii) Interest due but not paid						
iii) Interest accrued but not due						
Total (i+ii+iii)		3387942.338	0	0		3387942.338

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Nikhil Katti	Kush Katti	Malikarjun Pujar	Lava katti	Mukesh Kumar	
1	Gross salary	3600000	2400000	900000	2400000	225000	9525000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						0
2	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						0
3	Stock Option						0
4	Sweat Equity						0
	Commission	---	---	---	---	---	---
	- as % of profit						0
	- others, specify						0
5	Others, please specify						0
	Total (A)	3600000	2400000	900000	2400000	225000	9525000
	Ceiling as per the Act						

B. Remuneration to other Directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)			
	Total (B) = (1+2)			
	Total Managerial Remuneration = (A)+(B)			
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sneha Patil Company Secretary	Sheshagiri Kulkarni CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	420000	471000	891000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	Total	420000	471000	891000

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

By order of the Board

For Vishwaraj Sugar Industries Limited

Umesh V. Katti
Chairman
DIN: 01461050

Annexure II [Annexure to Director's Report]

Number of Board Meetings:

The Board of Directors met Fifteen times during the financial year 2018-19. The meetings were held on 23rd May 2018, 30th May 2018, 29th June 2018, 10th August 2018, 28th August 2018, 20th September 2018, 27th September 2018, 05th October 2018, 20th November 2018, 30th November 2018, 19th December 2018, 28th December 2018, 21st January 2019, 28th February 2019 and 09th March 2019. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days.

Details of the Directors as on 31 March 2019

Name of the Director	Category	Number of Board meetings held	Number of Board meetings attended	Meetings held during tenure as Director	Whether attended last AGM	Number of Directorships of other public companies (a)	Committee Positions #	
							Chairman	Member
Umesh Vishwanath Katti	Chairman	15	15	15	Yes	1	-	-
Nikhil Umesh Katti	Managing Director	15	15	15	Yes	1	-	-
Lava Ramesh Katti	Whole Time Director	15	15	15	Yes	-	-	-
Kush Ramesh Katti	Whole Time Director	15	15	15	Yes	-	-	-
Mallikarjun Kadavya Pujar**	Whole Time Director	15	15	15	Yes	-	-	-
Surendra Shantaveer Khot	Independent	15	9	15	Yes	-	-	-
Pratibha Pramod Munnoli	Independent	15	11	15	Yes	-	-	-
Basavaraj Veerappa Hagaragi	Independent	15	14	15	Yes	-	-	-
Shivanand Basavanneppa Tubachi	Independent	15	13	15	Yes	-	-	-
Venkata Radhakrishna Racharla	Independent	15	9	15	No	1	-	-
Mukesh Kumar*	Whole Time Director	15	1	1	No			

(a) Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

Chairmanship/Membership of Audit committee and Stakeholder's Relationship Committee in other public companies has been considered.

* Appointed as Additional Director at the Board of Directors Meeting of the Company held on 28th February, 2019.

** Resigned from the office of Director w.e.f 01st June, 2019.

Committees of Board:

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its charter and has well defined terms of reference which outline the scope, roles, responsibilities and powers of the Committee. All the decisions and recommendations of the Committee are placed before the Board for its approval. The various board level committees are as under -

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

- Corporate Social Responsibility (CSR) Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

(a) Audit Committee

The Audit and Risk Management Committee met five times during the year 2018-19 on 30th May, 2018, 28th August, 2018, 20th November, 2018, 19th December 2018 and 09th March, 2019. The maximum time gap between two consecutive meetings did not exceed 120 days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are given in Table below.

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended
Mr. Shivanand Tubachi	Independent Director	Chairman	5	5
Mr. R.V. Radhakrishna	Independent Director	Member	5	5
Mr. Umesh Katti	Chairman & Non Executive Director	Member	5	5

(b) Nomination and Remuneration Committee

As on 31st March, 2019, the Committee comprises of three Directors wherein all are Independent Directors.

The Chairman of the Committee was present at the 23rd Annual General Meeting of the Company held on 27th September, 2018 to answer shareholder queries.

This Committee met twice during the financial year i.e. on 29th June, 2018 and 28th February, 2019

Ms. Sneha Patil, Company Secretary is the Secretary to the committee.

The details of the composition of the Committee, meeting held, attendance at the meeting, are given in Table below:

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended
Mr. Basavaraj Hagargi	Independent Director	Chairman	2	2
Mrs. Pratibha Munnoli	Independent Director	Member	2	1
Mr. Surendra R. Khot	Independent Director	Member	2	1

(c) Stakeholders Relationship Committee

This Committee met one time during the financial year i.e, 09th March, 2019. Ms. Sneha Patil, Company Secretary is the secretary to this Committee.

The details of the composition of the Committee, meetings held, attendance at the meetings, are given in Table below:

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended
Mr. Shivanand Tubachi	Independent Director	Chairman	1	1
Mr. Lava. Katti	Whole Time Director	Member	1	1
Mr. Nikhil Katti	Managing Director	Member	1	1

(d) Corporate Social Responsibility (CSR) Committee

CSR Committee comprises of One Non-executive Director, One Executive Director and one Independent Director viz. Mr. Umesh V. Katti (Chairman), Mr. Kush R. Katti and Mrs. Pratibha Munnolli

During 2018-19, the Committee met once i.e. on 09th March, 2019.

The details of the composition of the Committee, meetings held, attendance at the meetings are given in Table below:

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended
Mr. Umesh V. Katti	Chairman & Non Executive Director	Chairman	1	1
Mr. Kush R. Katti	Whole Time Director	Member	1	1
Mrs. Pratibha Munnolli	Independent Director	Member	1	1

More details on CSR spend by the Company is provided in the Annual report in the section on CSR activities, which forms part of Directors' Report.

CSR Policy of the Company can be accessed at the following link: <http://vsil.co.in/wp-content/uploads/2018/01/CSR-Policy.pdf>

For and on behalf of the Board
Vishwaraj Sugar Industries Limited

Umesh V Katti
Chairman
DIN: 01461050

ANNEXURE - III
[Annexure to Director's Report]

Annexure – III(a)

Policy for selection of Directors and determining Directors Independence

1. Introduction:

- 1.1 Vishwaraj Sugar Industries Limited believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, Vishwaraj Sugar Industries Limited ensures constitution of the Board of Directors with required composition, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 Vishwaraj Sugar Industries Limited recognizes the importance of Independent Directors in achieving the effectiveness of the Board.

2. Scope:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a Director appointed to the Board of the Company.
- 3.2 **“Nomination and Remuneration Committee”** means a Committee constituted by Vishwaraj Sugar Industries Limited’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3 **“Independent Director”** means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy:

4.1 Qualifications and Criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee and the Board shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:
- General understanding of the Industry vis a vis Company’s business perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;

- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any Company or Companies or Bodies Corporate, Firms including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives—

- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as a Director in more than 20 companies of which not more than shall be 10 Public Limited Companies.

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction:

Vishwaraj Sugar Industries Limited recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration is based on such parameters reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 “Director” means a director appointed to the Board of the company.

3.2 “Key Managerial Personnel” means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 “Nomination and Remuneration Committee” means the committee constituted by the Board of Directors of Vishwaraj Sugar Industries Limited in accordance with the provisions of Section 178 of the Companies Act, 2013.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

4.2 Remuneration to Non-Executive Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders, if any.

4.3 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

For and on behalf of the Board
Vishwaraj Sugar Industries Limited

Umesh V Katti
Chairman
DIN: 01461050

Annexure IV
[Annexure to Director's Report]

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

To

The Members,

Vishwaraj Sugar Industries Limited

Bellad Bagewadi Taluk: Hukkeri,

Belgaum- 591305

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VISHWARAJ SUGAR INDUSTRIES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. The Company’s Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations. Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder as amended from time to time;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) or by SEBI, to the extent applicable
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the audit period)**
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the audit period)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the audit period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 Regarding the Companies Act and Dealing with Client
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the audit period)**
- i) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulation, 2015

Having regards to the compliance system prevailing, on examination of the relevant documents on a test check basis, explanations provided; I further report that the Company has complied with the following laws applicable specifically to the Company:

1. Sugar Cess Act, 1982 and the Rules made thereunder;
2. Sugar Development Fund Act, 1982 and the Rules made thereunder;
3. Sugar (Control) Order, 1966;
4. Sugarcane (Control) Order, 1966;
5. Levy Sugar Price Equalisation Fund Act, 1976;
6. Food Safety & Standards Act, 2006 and the Rules & Regulations made thereunder;
7. Agricultural and Processed Food Products Export Act, 1986;
8. Export (Quality Control and Inspection) Act, 1963;
9. Essential Commodities Act, 1955;
10. Sugar (Packing and Marketing) Order, 1970;
11. The Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013;
12. The Karnataka Sugar (Regulation of Production) Order, 1975;
13. The Electricity Act, 2003;
14. The Electricity Regulatory Commission Act, 1998;
15. The Electricity Supply Act, 1948
16. The Legal Metrology Act, 2009
17. The Indian Boilers Act, 1923
18. The Petroleum Act, 1934
19. The Prevention of Food Adulteration Act, 1976
20. The Molasses Control Order, 1966
21. The Factories Act, 1948 and Rules made thereunder;
22. Labour laws and other incidental laws related to labour and employees appointed by the Company;
23. Acts and Rules prescribed under prevention and control of pollution;
24. Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
25. Acts and Rules relating to boilers, electricity explosives, fire, etc.,

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, owing to a short time-gap between appointment of an Executive Director and subsequent resignation of another Executive Director, the requisite number (as stipulated under SEBI (LODR)) of Independent Director vis a vis the total Board strength was not met as on 31st March, 2019. The said anomaly stands rectified as on the date of this Report. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that as per the information provided by the management, and based on the review of compliance reports by the respective department/ functional heads, duly taken on records by the Board of Directors of the company, there are adequate system and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with Applicable laws, rules, regulations and guidelines.

During the audit period, apart from that mentioned hereunder, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

1. The Company is proposing to conduct an IPO of its equity shares, comprising of fresh issue of shares as well as by way of Offer for Sale. The said Public Offer comprises of fresh issue of upto 30,00,000 equity shares by our company and an offer for sale of upto 70,00,000 equity shares.
In this regard, the Company has filed the Draft Red Herring Prospectus, (DRHP) with the SEBI and other regulators, for their observations / approval as applicable.
Further, the SEBI has provided its Observations on the DRHP.
2. The Compounding Application filed by the Company, Under Section 441 of The Companies Act, 2013 for Composition Of Offences Under Sections 56,60,60b,64,67,68a(2),72,73 read with Section 629 A Of The Companies Act, 1956 with NCLT, Bengaluru Bench has been disposed off during the year under review.

For S. P. Ghali & Co.,

Sudheendra P. Ghali

Proprietor

M. No. 7037

CP No. 7537

Place: Belgaum

Date: 28/08/2019

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

‘Annexure A’

To,
The Members,
Vishwaraj Sugar Industries Limited
Bellad Bagewadi Taluk: Hukkeri,
Belgaum- 591305

Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. P. Ghali & Co.,

Sudheendra P. Ghali
Proprietor
M. No. 7037
CP No. 7537

Place: Belgaum
Date: 28/08/2019

Annexure – V
[Annexure to Director's Report]

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: **NIL**

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

S L	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name (s) of the related party & nature of relationship	Nikhil U Katti, Director	Lava R Katti, Director	Kush R Katti, Director	Umesh V Katti, Director	Ramesh V Katti, Director	Mallikarjun K Pujar, Director	Basavaraj V Hagaragi
2	Nature of contracts/arrangements/transaction	Cane Purchase and Lease security Deposit	Cane Purchase	Cane Purchase	Cane Purchase	Cane Purchase	Cane Purchase	Cane Purchase
3	Duration of the contracts/arrangements/transaction	NA	NA	NA	NA	NA	NA	NA
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.2,04,52,000/-	Rs.10,71,000/-	Rs.10,91,000/-	Rs.10,19,000/-	Rs.20, 54,000/-	Rs.39,000/-	Rs.40,000/-
5	Date of approval by the Board	23/05/2018	23/05/2018	23/05/2018	23/05/2018	23/05/2018	23/05/2018	23/05/2018
6	Amount paid as advances, if any	Rs.40,78,000/-	Rs.52,47,000/-	Rs.57,24,000/-		-	-	-

For and on behalf of the Board
Vishwaraj Sugar Industries Limited

Umesh V Katti
Chairman
DIN: 01461050

ANNEXURE VI
[Annexure to Director's Report]

A) CONSERVATION OF ENERGY

1) Step taken for conservation of energy

The company has taken various steps towards energy conservation. The company continues to give high priority to the conservation of energy on an ongoing basis. Some of the important measures taken are:

SUGAR DIVISION:

Sl No	Description of Energy conservation implemented	Remarks/Results
1	The plant includes 5 Milling tandem & its auxiliaries 1 st & 5 th mill are advanced technology compact multi roller with TRF system	The 1 st mill increase the primary extraction & 5 th mill decreases the bagasse moisture. Hence bagasse will be saved
2	Our co-generation both boilers are 70 & 80 TPH	Both boilers steam fuel ratio is 2.2, thereby bagasse will be saved
3	For Co-gen Plant	
a)	80 TPH Boiler Feed water pump soft starters to be replaced by 415 V LT drive with VFD	10% saving in power
b)	Cooling Tower main cooling water pumps Auto transformer starters to be replaced by VFD drive	15% Saving of power
c)	Boiling House pump auto transformer starters to be replaced by VFDs drives	15% Saving of power
4	Street Light & Plant lighting	
a)	In co-gen Plant total 300 numbers street light sodium vapour lamps 250 Watt to be replaced by 100 Watt LED	Energy saving /day 12Hours consideration: 54 Kwh
b)	In co-gen plant total 300 numbers plant lighting sodium vapour lamps 70 watt is to be replaced by 26 watt LED	Energy saving /day 12Hours consideration: 160 Kwh
5	For Boiling House	
a)	PHE installed for RJ 3 rd heating by using heat from common condensate at boiling house	Steam Saving, 10 Tonnes /Hr
b)	PHE installed for SJ 1 st heating by using heat from common condensate at boiling house	Steam Saving, 4 Tonnes /Hr
c)	PHE installed for clear juice heating in 3 stages by using PTFE vapour	Steam Saving, 10 Tonnes /Hr
d)	PTFE installed at evaporator station	Steam Saving 6 to 8 % on Cane
e)	All A – massecuite batch pans mechanical circulators fitted & runs on 4 th body of PTFE	Steam Saving 3 % on Cane
f)	For B - massecuite 6 compartments vertical pan with mechanical circulators running on 4 th body of PTFE	Steam Saving 3 % on Cane
g)	C-massecuite continuous pan running on 2 nd body of evaporator	Steam Saving 2 Tonnes /Hr
h)	Spray Pond is working on gravity pressure no pumps	Saving of power 325 HP X 4 No per Hr
i)	PTFE & SCP working on auto mode -DCS system	Steam Saving 2 % on Cane
j)	7 Kg/cm ² steam is not used	Power generation & export increased
k)	Sulphur Burner station vapcon system installed No 7 Kg/cm ² steam is used	Saving Steam 0.5 % on cane
l)	SHWW system PHE installed , 7 Kg/cm ² steam is not used for centrifugal station for maintaining wash water temperature	Saving Steam 0.5 % on cane

2) Steps taken by company to use alternate source of energy, if any: NIL

3) Capital investment on energy conservation equipments: NIL

B) TECHNOLOGY ABSORPTION:

(a) The efforts made towards technology absorption	The following Activities developed in factory area. 1) Vinegar- From Rectified Spirit 2) Compost from Press Mud 3) Bio gas Plant 4) Carbon Dioxide Plant 5) Condensate Polishing Unit (CPU)
(b) The benefits derived like product improvement, cost reduction, product development or import substitution	1) Vinegar is product from rectified Spirit. which is a export quality product. 2) Revenue from CO ₂ selling 3) From Biogas generate methane gas which is used in boiler. Ultimately reduce the steam cost. 4) Compost from Press mud .use as a manual for farmers 5) CPU by treating 20 to 25 % condensate, waterconsumption to be reduce. 6) For Primary extraction & Brix curve mill tests are conducted for sugar mill performances. 7) Addition 02 Nos mills with TRFin milling pant & commissioning of plate type Falling Film Evaporator & Continuous Pan.to improve crushing rate & Production of better quality of Sugar
(c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:	Production of Vinegar from Rectified spirit
(i) The details of technology imported	From German
(ii) The year of import	2015
(iii) Whether the technology been fully absorbed	Yes
(iv) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	-
(d) The expenditure incurred on Research and development.	NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**(Rs.in Lakh)**

Foreign Exchange earned in terms of actual inflow	2018-19	2017-18
	NIL	NIL
Foreign Exchange outgo in terms of actual outflow	2018-19	2017-18
	1,16,75,238.00	462,742,108.00

By order of the Board
Vishwaraj Sugar Industries Limited

Umesh V Katti
Chairman
(DIN:01461050)

ANNEXURE - VII

[Annexure to Director's Report – Statutory Disclosures]

Annual Report on Corporate Social Responsibility (CSR) Activities

- 1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has developed and implemented its Corporate Social Responsibility (CSR) Policy. The Company deeply acknowledges that its business operations have wide impact on the regions where it operates, and therefore it is committed to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

As per the CSR policy of the Company, the Company can undertake any of the programme or activities as mentioned in the Schedule VII of the Companies Act, 2013, and which will include any modification or amendment thereof.

Within the policy parameters, we have been actively supporting Healthcare and Educational projects across the Karnataka State.

The detailed policy is available on the Company's Website at: <http://vsil.co.in/wp-content/uploads/2018/01/CSR-Policy.pdf>

- 2 Composition of the CSR Committee:

1. Mr. Umesh V. Katti	Chairman
2. Mr. Kush R. Katti	Member
3. Mrs. Pratibha Munnolli	Member

- 3 Average net profit of the Company for last three financial years: Rs. 6,48,64,738.00

- 4 Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.12,97,295.00

- 5 Details of CSR spend for the financial year:

Total amount to be spent for the financial year: Rs.12,97,295.00

Amount unspent if any: Rs. 4,17,295.00

Manner in which amount is spent during the financial year, is detailed below

(Rs.)							
Sr No.	CSR Project or activity identified	Sector in which the Activity is covered	Projects or Programs 1. Local or other area 2. Specify the state and district where the Program or project is undertaken	Amount Outlays project	Amount Spent on Project or program 1. Direct expenditure 2. Overhead	Cumulative Expenditure on upto the Reporting period	Amount spent: Direct or through implementing agency
1	Making Available Safe drinking water	Community Healthcare	Local Area- Belgaum, Karnataka	Rs. 8,80,000	Rs. 8,80,000 (Direct expenditure)	Rs. 8,80,000	Rs. 8,80,000 (Direct expenditure)
		TOTAL		Rs. 8,80,000	Rs. 8,80,000	Rs. 8,80,000	Rs. 8,80,000

- 6 Reason for not expending prescribed amount to be specified

Your Company participates / contributes directly to projects on merit basis. The Company has spent moneys on the basis of projects deemed genuine by it and such spend has not been done with a view to exhaust the available eligible CSR budget. In line with our thought process and as guided by the CSR Committee of the Board the unspent amounts would not be carried forward for spends in future years. The Company would undertake projects purely on merits.

- 7 We, the CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
Vishwaraj Sugar Industries Limited

Umesh V. Katti
Chairman
DIN: 01461050

Annexure VIII
[Annexure to Director's Report]

MANAGEMENT DISCUSSION AND ANALYSIS

Industrial Structure and Development:

Currently the sugar industry in India is covered by public, co-operative and private sector companies. Co-operative Sector accounts for nearly 39% in terms of number of factories, installed capacity and production. India is the largest consumer and the second largest producer of sugar in the world. There are over 502 sugar factories of various capacities operated this year. The ownership of sugar industry is a combination of public, private and co-operative sectors. Sugar is produced in almost all the major Indian States. Maharashtra and U.P. contribute 70% of the country's total production. Tamilnadu, Karnataka, Andhra Pradesh, Bihar and Gujarat are the other major sugar producing States. The sugar prices are very sensitive from the common man's point of view.

The sugar production in the country during the year will be around 315 Lakh tonne compared to 203 Lakh tonne in the previous year. The sugar production during the year 2018-19 is likely to remain at par with current year due to expected good monsoons and increase in plantation area. The long term outlook for sugar looks to be bearish on account of excess production and low demand position

BUSINESS OVERVIEW

We are an integrated sugar and other allied products manufacturing company operating from Belgaum District in the State of Karnataka which is designated as one of the "High Recovery zones" for sugar production by Government of India. We operate a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar we also manufacture other allied products like Rectified Spirits, Extra-Neutral Spirits, Indian Made Liquor, Vinegar, Compost, Carbon dioxide (CO₂), etc. and are further engaged in the generation of Power for captive consumption as well as external sale. Our business can hence be broken up into five main segments namely Sugar, Co-Generation, Distillery, Indian Made Liquor (IML) and Vinegar.

In the year 2001, we commenced operations of manufacture of Distillery products such as Ethanol, Rectified Spirit and Extra Neutral Spirit. In the year 2006, our Company implemented backward integration and began commercial operations for Sugar manufacture from sugarcane, along with Co-Generation capabilities. During the year 2008, we began bottling of Indian Made Liquor. Currently our integrated unit processes sugarcane to produce sugar and the by-products are used to generate electricity for captive use and commercial sale, manufacture rectified spirit, ENA, IML, Vinegar, Press-mud and Compost. Over the years, we have expanded the production / manufacturing capacities of all our products.

During the production of sugar; bagasse and molasses are produced which are the basic raw materials for power generation and Distillery (Spirit) manufacturing unit, respectively. The sugar unit of our integrated production facility first crushes sugarcane to extract juice and processes the juice to produce sugar. The sugar manufactured is then graded and packed based on the size of crystals and quality of the sugarcane.

During the last fiscal year we produced 9,84,150 Qtls of sugar. After extracting the juice from sugarcane, the residual fibre leftover called Bagasse is used as a fuel for power generation. The molasses used in the process of sugar production is fermented and distilled to manufacture various spirits (Rectified Spirit and Extra Neutral Spirit) and IML in the distillery unit of our integrated production and manufacturing facility.

Bagasse is the fibrous residual matter used as a bio-fuel to generate steam in high pressure boilers for turning turbines to generate electricity. We obtain enough Bagasse during the crushing seasons, such that the electricity produced is used not just for captive consumption, but also for sale. For electricity generated over and above our captive consumption, we have entered into Power Purchase Agreements with 5 electricity distribution companies in Karnataka to supply a total of 22.4 MW. It is possible that during the year we may produce surplus energy and supply the surplus energy to other Companies / Industries based on demand.

Molasses is the viscous product resultant of refining sugarcane juice. Molasses, which forms the primary raw material for the distillery unit, is fermented, distilled and made to undergo various processes for making rectified spirit and extra neutral spirit. Rectified Spirit is processed to manufacture Industrial Vinegar. Extra- Neutral spirit is further processed for manufacture of IML products. The Extra-Neutral spirit is blended to manufacture Whiskey which is sold by us under our various brands like “Our Choice”, “Your Choice”, District-1 and VSL Black. Further the waste water extracted from Distillery unit is called as spentwash which is further mixed with mud to form Compost / Organic Manure, which is supplied back to farmers for cultivation of their fields which ensures higher yields. Further the company has set up a CO2 plant also. Thus, we believe that nothing is wasted, as every single output whether residue or by-product is utilised.

Opportunities and Threats:

Opportunities:

- Liberalisation and decontrol measures taken by the Government.
- Environmental friendly power generation from co-generation units equipped with high pressure boilers and turbines is getting maximum energy output.
- Bio-composting processes and conversion of organic and in-organic matter into bio-manure to ensure zero discharge from distillery.
- The Government of India is promoting Ethanol blending up to 10% and the oil Companies have issued tenders for Ethanol supply and have also revised the ethanol prices.
- The interest rates have started coming down.
- The Government of India has approved National Bio-fuel Policy recently.

Threats:

The sugar industry presently is coming across the following threats:

- Falling sugar prices and no demand for the sugar due to bumper production of sugar. The Central Government has announced 20 Lakh MT minimum indicative export quotas (MIEQ) to stabilise the Sugar price.
- Shortage in availability of farm labour for harvesting and transportation, loading and unloading of sugarcane.

- Continuous increase in FRP for the last 3 to 4 years has resulted in increase in cane procurement price where as Sugar Price has gone much below of Cost of Production.
- Increase in number of sugar factories in surrounding area and also increase in their crushing capacity.

Segment wise Performance:

Sugar:

During the Current Year the Company has crushed 8.78 Lakh MT of sugar cane (as against 5.06 Lakh MT during previous year) and produced 9.84 lakh Qtls of sugar (as against 7.34 lakh Qtls of sugar during previous year) at the recovery of 11.20%. The crushing during the year has increased substantially almost double as compared to last year. This is mainly because of good rain during October last year which has also resulted in increase in recovery and output per acre.

Industrial and Potable Alcohol:

The Company has sold 4763.59 Lakh of Industrial and Potable Alcohol during the year (against the last year sales of 4854.11 Lakh.) Overall production has remained stable.

Co-generation:

We have generated 808.23 Lakh KW power during the year (as against 588.37 lakh during previous year) and have exported 486.93 Lakh KW of power during the year (as against 327.77 Lakh KW during previous year). The power generation and export of power have improved substantially due to increase in crushing, we have entered into Power Purchase Agreement for supply of power to Electric Supply Companies (ESCOMS) i.e, HESCOM, BESCOM, GESCOM, MESCOM and CESCO.

Adequacy of Internal Control:

The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected. The Internal Auditor submits report covering almost all the areas of operations.

Outlook:

The beleaguered domestic sugar sector, bogged down by mounting sugarcane areas and market glut, is looking at 'sweeter' times next season (2019-20) over projected lower sugarcane crop coupled with higher diversion of the crop for ethanol manufacturing.

According to Indian Sugar Mills Association (ISMA), water in state reservoirs was below normal levels due to lower rainfall in the last monsoon season. This indicates that cane acreage in the states will be 'significantly' lower in the coming season. Even at the pan-India level, there is expectation that sugarcane availability will be much lower compared to the current season, which is still ongoing, thereby reducing sugar production.

The increase in the sales quota would support the mills in clearing dues to an extent, even though the supply pressure continues to put pressure on sugar prices, currently hovering at Rs 31,000/tonnes.

“Although sugar prices have fallen, yet the increased sales quota would provide some relief to the sugar mills in clearing the stock and paying off farmers.

The monthly quota of 2.1 MT also includes additional quantity given as incentive to mills for achieving 75 per cent of their export target and for producing ethanol from B-heavy molasses instead of sugar.

Risks and Concerns:

We have incurred losses in the past i.e. during FY 2018-19, FY 2017-18 and FY 2014-15 for amount of ₹ 1,761.99 lakhs, ₹ 426.67 and ₹ 57.68 lakhs, respectively. In particular, our Sugar Segment, which is the primary manufacturing business of our Company, has incurred significant losses in the past and there is no assurance that it will not incur similar losses in the future. These losses are mainly attributable to the seasonal nature of our business, fluctuating sugar prices, increasing sugarcane prices and / or to period of low overall sugarcane growth and availability. In the event of such loss in the future, our business operations, financial conditions and overall growth will be materially and adversely affected.

Discussion on financial performance with respect to operational performance:

Our revenue from operations increased to ₹ 30679.58 lakhs from ₹ 25928.30 in the previous year, at a growth rate of 19 % approx. Company has posted yet another impressive year of performance with increase on sale of Sugar to ₹20430.37 lakhs from ₹17199.74 lakhs in the previous year. Out of the total revenue approx... 71% has been generated from the sale of sugar.

1. Income

(₹ In Lakhs)		
Particulars	2018-19	2017-18
Sales - Goods	28854.46	25928.30
Sales – Processing Activity	1825.12	0.00
Other Income	107.97	964.81
Total	30787.55	26893.11

2. Expenditure

(₹ In Lakhs)		
Particulars	2018-19	2017-18
Cost of Product and Services	21385.10	14801.31
Employee benefit Expenses	1303.28	1242.97

Financial Charges	3635.69	2085.05
Depreciation amortization expenses	1334.28	1319.96
Other Expenses	5517.91	7530.01
Total	33176.27	26979.30

Cost of products & services mentioned above is net of changes in inventories of finished goods, work in progress and stock-in-trade.

Sources of Funds:

Currently, we have only one class of shares i.e., Equity Shares of nominal value ₹10/- each. Authorized Share Capital is ₹60,00,00,000/- divided into 6,00,00,000 equity shares of ₹10/- each. The Issued, Subscribed and Paid Up capital stood at ₹34,56,00,000 divided into 3,45,60,000 Equity Shares of ₹10/- each as at March 31, 2019.

Human Resources Development:

The Company provides regular training and all round exposure to the employees and staff. The Company has staff Quarters and guest house.

The Company has a dedicated workforce of 950 people.

Internal Control Systems and their adequacy:

Your Company has appropriate internal control systems for business processes, efficiency in its operations, and compliance with all the applicable laws and regulations. Regular internal checks and audits ensure that the responsibilities are being effectively executed. In-depth review of internal controls, accounting procedures and policies of Company is conducted. Your Company has adopted adequate internal control and audit system commensurate with its size and nature of business.

Internal audit is carried on a quarterly basis. Internal auditors work with all levels of management and the report is placed before the audit committee. The audit committee after reviewing the findings and suggestions directs the respective departments to implement the same.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

During the year under review, there was significant changes in the financial ratios which are more than 25% as compared to previous year are summarized below.

SR.No	Financial ratios	2018-19	2017-18	Changes	Explanation
i)	Interest Coverage Ratio	0.32	0.96	-67%	Increase in total debt and decrease in profit
ii)	Operating Profit Margin	3.86	7.18	-46%	Increased Cane Price & Decrease in Selling price of Sugar
iii)	Net Profit Margin	-0.061	-0.016	281%	Increased Cane Price & Decrease in Selling price of sugar. Also in comply with Ind-As completely and making provision for various losses i.e 1st time covergence with Ind-AS.
iv)	Return on Net Worth	-0.075	-0.015	390%	Due to heavy losses during the year

Cautionary Statement

This report contains forward-looking statements extracted from reports of Government Authorities/Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. Company assume no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Annexure IX
[Annexure to Director's Report]

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015('Listing Regulations')]

Company's philosophy on Code of Governance:

Your Company remains committed to the concept of good corporate governance practices in all its activities to ensure the ultimate goal of making the Company a value driven organization.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally in a truthful manner, about how the Company is run internally
- Comply with the laws of the country in which we operate
- Have a simple and transparent corporate structure driven solely by business needs
- Management is the trustee of the shareholders' capital and not the owner.

We have been making conscious efforts to institutionalize Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. We will continuously endeavor to take forward the best practices to enhance stakeholder's value.

We also endeavor to enhance long term shareholders value and respect minority rights in all our business decisions. Over the years, governance processes and systems have been strengthened and institutionalized at Vishwaraj Sugar Industries Ltd. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholder's value.

Our Board of Directors is at the core of our corporate governance practices and oversees how the Management serves and protects the long term interests of all our stakeholders. We believe that an active, well informed and independent Board is necessary to ensure highest standards of corporate governance.

1. BOARD OF DIRECTORS

Composition

Our Board of Directors has an optimum combination of executive and non-executive directors. There are 11 directors on the Board, out of which 3 are Executive (promoter) Directors, 2 Executive Director, 1 Director is Non-executive (Promoter) and 5 directors are Non-Executive Independent Directors which includes one-woman director.

Board Meetings and attendance

The Board meets at least once in a quarter to review the quarterly results and to transact the other items on agenda. Additional meetings are held as and when necessary. It is ensured that the intervening gap between any two consecutive Board Meetings is within the period prescribed under the provisions of the Companies Act, 2013.

- The Company Secretary prepares the agenda for each meeting, along with explanatory notes, in consultation with Managing Director and circulates the same in advance to the Directors.

- Every Board member is free to suggest additional items for inclusion in the agenda. Presentations are made on business operations to the Board by the CAO and other Functional Heads.
- The Minutes of the proceedings of the Meetings are noted and the draft Minutes are circulated amongst the members of the Board for their perusal and feedback. Comments, if any, received from the Directors are recorded in the Minutes, in consultation with the Chairman of the Meeting. Minutes are signed thereafter.
- Senior management personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary.

During the year under review, the Board of Directors met 15 times i.e. on 23rd May, 2018, 30th May, 2018, 29th June, 2018, 10th August, 2018, 28th August, 2018, 20th September, 2018, 27th September, 2018, 05th October, 2018, 20th November, 2018, 30th November, 2018, 19th December 2018, 28th December 2018, 21st January, 2019, 28th February, 2019 and 09th March 2019. The maximum interval between any two board meetings does not exceed 120 days.

The composition of the Board of the Directors, their attendance at Board Meetings during the year and at the last Annual General Meeting and number of directorships held by them in other companies are given below;

Name of the Director	Category	Number of Board meetings attended	Whether attended last AGM	Number of Directorships of other companies (a)	Committee Positions #		Name of other listed entities where he /she is a director and the category of directorship
					Chairman	Member	
Umesh Vishwanath Katti	Chairman	15	Yes	3	-	-	
Nikhil Umesh Katti	Managing Director	15	Yes	3	-	-	
Lava Ramesh Katti	Whole Time Director	15	Yes	1	-	-	
Kush Ramesh Katti	Whole Time Director	15	Yes	1	-	-	
Mallikarjun Kadayya Pujar**	Whole Time Director	15	Yes	-	-	-	
Surendra Shantaveer Khot	Independent	9	Yes	-	-	-	
Pratibha Pramod Munnolli*	Independent	11	Yes	-	-	-	
Basavaraj Veerappa	Independent	14	Yes	-	-	-	

Hagaragi							
Shivanand Basavanneppa Tubachi*	Independent	13	Yes	-	-	-	
Venkata Radhakrishna Racharla	Independent	9	No	1	-	-	
Mukesh Kumar*	Independent	1	No	-	-	-	
				-	-	-	

Notes:

(a) Other Directorships include both private as well as Public Limited Companies.

* Appointed as Additional Director at the Board of Directors Meeting of the Company held on 28th February, 2019.

** Resigned from the office of Director w.e.f 01st June, 2019.

Disclosure of relationships between directors inter-se;

- Mr. Umesh Vishwanath Katti- Father of Mr. Nikhil Katti , Managing Director and Uncle of Mr. Lava Katti and Mr.Kush Katti Whole time Directors of the Company.
- Mr. Nikhil Umesh Katti - Son of Mr. Umesh Vishwanath Katti Non Executive Chairman and first Cousin to Mr. Lava Katti and Mr. Kush Katti Whole time Directors of the Company.
- Mr. Lava Ramesh Katti - Nephew to Mr. Umesh Vishwanath Katti Non Executive Chairman and first Cousin to Mr. Nikhil Umesh Katti Managing Director and brother of Mr.Kush Ramesh Katti Whole time Directors of the Company.
- Mr. Kush Ramesh Katti - Nephew to Mr. Umesh Vishwanath Katti Non Executive Chairman and first Cousin to Mr. Nikhil Umesh Katti Managing Director and brother of Mr.Lava Ramesh Katti Whole time Directors of the Company.

Except mentioned above, none of the Director(s) is related to each other.

Number of shares and convertible instruments held by non- executive directors;

Except below mentioned, none of the non-Executive Directors hold any equity shares in the Company:

S.No	Name and designation of the Director	No. of Shares held
1	Mr. Umesh Katti, Non-Executive Director	14,18,575
2	Mr. Basavaraj Hagargi , Independent Director	54900

Web link where details of familiarisation programmes imparted to Independent directors:

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time to the Board of Directors regularly.
The details of such familiarization programmes for Independent Directors are posted on the website of the Company www.vsil.co.in.

- **List of core skills/expertise/competencies identified by the board of directors:**

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses such as manufacturing of Sugar, knowledge on domestic and international sugar markets, marketing of Sugar.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

- Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

- During the year under review, there was no resignation of an independent director.

- **Board Agenda**

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All significant agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

- **Availability of information to Board members**

The Board of Directors of the Company is apprised of all the relevant information and developments pertaining to the Company's business and this facilitates them to take timely corporate decisions.

The Board of Directors has complete access to all the information that is within the Company. At the meetings of the Board, the senior executives and if required, even functional managers, who can provide in-depth insight into the agenda items, are being invited.

2. AUDIT COMMITTEE

a. Composition

Your Company has a qualified and independent audit committee comprising of two Independent directors and one promoter non-executive director constituted in accordance with the provisions of Section 177 of the Companies Act 2013.

S. No	Name	Designation
1	Mr. Shivanand Tubachi	Chairman
2	Mr. R.V. Radhakrishna	Member
3	Mr. Umesh Katti	Member

The Company secretary is the secretary of the committee.

b. Meetings and attendance during the year

The Audit Committee met 5 times during the financial year 2018-19 on 30th May, 2018, 28th August, 2018, 20th November, 2018, 19th December 2018 and 09th March, 2019.

S. No	Name	No of meetings held during the year	No of meetings attended
1	Mr. Shivanand Tubachi	5	5
2	Mr. R.V. Radhakrishna	5	5
3	Mr. Umesh Katti	5	5

c. Terms of Reference

The terms of reference of the Audit Committee are as per the Section 177 of the Companies Act, 2013 and include such other functions as may be assigned to it by the Board from time to time.

i) Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii) Role of the Audit Committee

a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- ☐ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
- ☐ Changes, if any, in accounting policies and practices and reasons for the same
- ☐ Major accounting entries involving estimates based on the exercise of judgment by management
- ☐ Significant adjustments made in the financial statements arising out of audit findings
- ☐ Compliance with listing and other legal requirements relating to financial statements
- ☐ Disclosure of any related party transactions
- ☐ Qualifications in the draft audit report.

e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval

f) Reviewing, with the management, the statement of uses / application of funds raised through an Offer (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

- j) Valuation of undertakings or assets of the company, wherever it is necessary;
 - k) Evaluation of internal financial controls and risk management systems;
 - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - n) Discussion with internal auditors any significant findings and follow up there on.
 - o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - r) To review the functioning of the whistle blower mechanism.
 - s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

3. NOMINATION AND REMUNERATION COMMITTEE:

a. Composition

S. No	Name	Designation
1	Mr. Basavaraj Hagargi	Chairman
2	Mrs. Pratibha Munnolli	Member
3	Mr. Surendra R. Khot	Member

The Company secretary is the secretary of the committee

b.Meetings and attendance during the year

The said committee met twice during the financial year 2018-19 i.e. on on 29th June, 2018 and 28th February, 2019.

S. No	Name	No of meetings held during the year	No of meetings attended
1	Mr. Basavaraj Hagargi	2	2
2	Mrs. Pratibha Munnolli	2	1
3	Mr. Surendra R. Khot	2	1

c. Terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

d.Remuneration Policy

Remuneration of the Executive Directors is determined periodically by the Nomination and Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by the Board of Directors and shareholders. The remuneration of the Executive Directors is within the ceiling limit laid down under Section 197 of the Act of the Companies Act, 2013.

Our remuneration policy is driven by the success and performance of the managerial person. Our Remuneration Policy for Directors, Key managerial Personnel and other employees forms part of the Annual Report.

While reviewing the remuneration of management personnel, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Opportunities
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

e. Details of remuneration paid during the financial year ended March 31, 2019 to the Directors.

(a) All pecuniary relationship or transactions of the non-executive directors

Non-Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board and Committee meetings attended by them .

(b) Criteria of making payments to non-executive directors

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the non-executive directors in the supervision and control of the Company and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

(c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013:

Remuneration of Directors

- All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2018-19 :

1.Executive Directors

Name	Designation	Remuneration paid for the financial year 2018-19 (in Rs.)
------	-------------	---

		Maximum permissible remuneration	Actual paid / payable
Mr. Nikhil Umesh Katti	Managing Director	Rs.3.00 Lakhs per month	Rs.36.00 Lakhs
Mr. Lava Ramesh Katti	Whole Time Director	Rs.2 Lakhs per month	Rs.24.00 Lakhs
Mr. Kush Ramesh Katti	Whole Time Director	Rs.2 Lakhs per month	Rs.24.00 Lakhs
Mr. Mallikarjun Kadayya Pujar	Whole Time Director	Rs.0.75 Lakhs per month	Rs.9.00 Lakhs
Mr.Mukesh Kumar	Whole Time Director	Rs.2.25 Lakhs per month	Rs.2.25 Lakhs

2.Non-Executive Director

Name of the Director	Sitting fees Rs.	Commission Rs.	Total Rs.
Mr. Umesh Vishwanath Katti	0	0	0
Mr. Surendra Shantaveer Khot	0	0	0
Mrs. Pratibha Pramod Munnolli	0	0	0
Mr. Basavaraj Veerappa Hagaragi	0	0	0
Mr. Shivanand Basavanneppa Tubachi	0	0	0
Mr. Venkata Radhakrishna Racharla	1,00,000	0	1,00,000

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. Composition:

S. No	Name	Designation
1	Mr. Shivanand Tubachi	Chairman
2	Mr. Lava. Katti	Member
3	Mr. Nikhil Katti	Member

Sneha Patil , Company Secretary is appointed as the Compliance Officer of the Company.

b.Roles and Responsibilities of Stakeholders Relationship Committee.

To supervise and ensure:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;

e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

g) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

h) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

c. Details of investor complaints received and redressed during the year.

Nature of complaints	Year 2018-19		
	Received	Resolved	Pending
Total complaints	Nil	Nil	Nil

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a. Composition

The Corporate Social Responsibility Committee has been formed pursuant to Section 135 of the Companies Act, 2013 comprising of One Non-Executive Independent Directors, One Non-Executive Director (Promoter) and One Executive Promoter Director:

S. No	Name	Designation	Category
1.	Mr. Umesh V. Katti	Chairman	Non-Executive and Independent
2.	Mr. Kush R. Katti	Member	Promoter and Executive
3.	Mrs. Pratibha Munnolli	Member	Non-Executive and Independent

The Company Secretary is the secretary of the committee

b. Meetings and attendance during the year

The said committee met one time during the financial year 2018-19 i.e. on 09th March, 2019.

S. No	Name	No of meetings held during the year	No of meetings attended
1	Mr. Umesh V. Katti	1	1
2	Mr. Kush R. Katti	1	1
3	Mrs. Pratibha Munnolli	1	1

c. Terms of reference

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;

b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;

c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and

d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

DISCLOSURES

None of the transactions with the related parties is in conflict with the interest of the Company. The companies' major related party transactions are generally with its Associates. All related party transactions are negotiated at arm's length basis and are intended to further the interests of the Company.

6. General Body Meetings

Last 3 Annual General Meetings (AGMs) were held at Registered Office of the Company at Bellad Bagewadi, Taluka:Hukkeri, Dist:Belagavi, Karnataka as detailed below:

Financial Year Ended	Date	Day	Time	Special Resolutions passed at the AGMs by the Shareholders
31 st March, 2018	27 -09-2018	Thursday	4.00 p.m	Re-appointment of Lava Katti and Kush Katti as whole time Directors for a term of 3 years.
31 st March 2017	30-09-2017	Saturday	10.00a.m	Resolution passed under Sec 180(1)(c) &Sec 180(1)(a) of Companies act 2013
31 st March 2016	27-09-2016	Tuesday	11.00a.m	Re-appointment of Mr. Nikhil Katti as Managing Director Re-appointment of Mr. Mallikarjun Pujar as Whole time Director

Mr. Sudheendra Ghali, PCS, conducted the e-voting process and the Poll.

No Special Resolution has been passed through the exercise of postal ballot last year.

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Date and Time: Thursday, 24th September, 2019 at 4.00 P.M

Venue : Bellad Bagewadi Taluk: Hukkeri
District Belgaum Karnataka 591305,

Address for correspondence: Company Secretary
Vishwaraj Sugar Industries Limited
Bellad Bagewadi Taluk: Hukkeri,
District Belgaum Karnataka 591305
Phone : 08333 - 251251
Fax : 08333 - 251251
Email: cs@vsil.co.in
Website: www.vsil.co.in

Registered Office: Bellad Bagewadi Taluk:: Hukkeri
District Belgaum Karnataka 591305

REGISTRAR & TRANSFER AGENTS: **BIGSHARE SERVICES PVT. LTD.**
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai 400072

LISTING OF STOCK EXCHANGE:

The company is in the process of listing of its securities and has obtained approvals of BSE and NSE in this regards.

PLANT LOCATION:

Bellad Bagewadi Taluk:: Hukkeri
District Belgaum Karnataka 591305.

STOCK ISIN :

INE 430N01014

DISTRIBUTION OF SHAREHOLDINGS:

SHAREHOLDING PATTERN AS ON 31st MARCH 2019

Category of Shareholders	No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares
A. Promoters				
(1) Indian				
a) Individual/HUF	0	11734750	11734750	33.96%
b) Central Govt.or State Govt.				
c) Bodies Corporates				
d) Bank/FI				
e) Any other				
SUB TOTAL: (A)(1)	0	11734750	11734750	33.96%
(2) Foreign				
a) NRI- Individuals				
b) Other Individuals				
c) Bodies Corp.				
d) Banks/FI				
e) Any other...				
SUB TOTAL: (A)(2)	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	11734750	11734750	33.96%
B. Promoter group				
(1) Indian				
a) Individual/HUF	0	7000850	7000850	20.26%
b) Central Govt.or State Govt.				
c) Bodies Corporates				
d) Bank/FI				
e) Any other				
SUB TOTAL: (B)(1)	0	7000850	7000850	20.26%
(2) Foreign				
a) NRI- Individuals				

b) Other Individuals				
c) Bodies Corp.				
d) Banks/FI				
e) Any other...				
SUB TOTAL:(B)(2)	0	0	0	0
Total Shareholding of Promoter (B)= (A)(1)+(A)(2)	0	7000850	7000850	20.26%
C. PUBLIC SHAREHOLDING				
(1) Institutions				
a) Mutual Funds				
b) Banks/FI				
C) Cenntrol govt				
d) State Govt.				
e) Venture Capital Fund				
f) Insurance Companies				
g) FIIS				
h) Foreign Venture Capital Funds				
i) Others (specify)				
SUB TOTAL:(C)(1)				
(2) Non Institutions				
a) Bodies corporates				
i) Indian				
ii) Overseas				
b) Individuals				
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	1311600	1311600	3.80%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	14508800	14508800	41.99%
c) Others (specify)				
SUB TOTAL:(C)(2)		15820400	15820400	45.78%
Total Public Shareholding (C)= (C)(1)+(C)(2)	0	15820400	15820400	45.78%
D. Shares held by Custodian for GDRs & ADRs	0	0	0	0
Grand Total (A+B+C+D)	0	34556000	34556000	100.00%

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company has entered into Tripartite Agreements with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) . Hence, the Company's shares are available for dematerialization in NSDL and CDSL.

♦ Secretarial Audit

M/s S P Ghali & Co, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2018-19. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

8. Other Disclosures

a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the weblink is <http://vsil.co.in/wp-content/uploads/2018/01/Related-Party-Policy.pdf>

b. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company and the web link is http://vsil.co.in/wp-content/uploads/2017/12/Vigil-Mechanism_Whistle-Blower_vsil.pdf

c. The Company does not have any Material Non-Listed Indian Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary.

d. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.

e. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.

f. Total fees for all services paid by the company, on a consolidated basis, to the statutory Auditor is Rs. 7,00,000/-.

g. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year.

9. Non-compliance of any requirement of corporate governance report, with reasons thereof:

All the corporate governance requirements are complied with to the extent applicable to the Company.

10. Disclosures of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	no
25	Obligations with respect to Independent directors (to the extent applicable)	Yes
26	Obligation with respect to Directors and Senior Management (to the extent applicable)	Yes
27	Other Corporate Governance requirements (to the extent applicable)	Yes
46(2) (b) to (i)	Website	Yes

♦ **Code of Conduct**

The Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code covers duties of independent directors also gives guidance and support needed for ethical conduct of business and compliance of law.

Further a policy on obligation of directors and senior management personnel for disclosure of committee positions and commercial transactions pursuant to Regulation 26(2) (5) and (6) of Listing Regulation is in place.

All the Directors and senior management confirmed the compliance of code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website and the weblink is http://vsil.co.in/wp-content/uploads/2017/12/code-of-conduct_vsil.pdf

Declaration on compliance with Code of Conduct is annexed.

♦ **Meeting of Independent Directors**

During the year under review, the Independent Directors met on 09th March, 2019, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Majority of the Independent Directors were present at the Meeting.

Management Discussion and Analysis Report forms part of Annual Report as an annexure to the Directors' Report.

Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges:

As required under Regulation 30 of the Listing Regulations, the Board of directors of the Company approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges effective from December 1, 2015 and has been hosted on the website of the Company at the following link: <http://vsil.co.in/wp-content/uploads/2018/01/Materiality-Policy.pdf>

- ♦ Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Auditors Certificate on Corporate Governance: As required under SEBI Listing Regulations, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.
- ♦ Particulars about Directors proposed for appointment as well as the Directors who retire by rotation and are eligible for re-appointment indicating their shareholding in the Company have been given in the annexure attached to the Notice of the Annual General Meeting.
- ♦ The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2019 and the same is annexed herewith.

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

Your Company has adopted a CODE OF CONDUCT OR ETHICS POLICY FOR DIRECTORS AND SENIOR MANAGEMENT. This code is applicable to all the members of the Board, senior management of the Company i.e all members of management one level below the Executive directors, including all general managers and functional heads.

I, Nikhil Umesh Katti, Managing Director of Vishwaraj Sugar Industries Limited hereby declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year under 31st March,2019.

For and on behalf of the Board

**Nikhil Umesh Katti
Managing Director**

Date: 28.08.2019

Place: Bellad Bagewadi

MD/CFO Certification

We, Nikhil Katti, Managing Director and Sheshagiri Kulkarni, Chief Financial Officer, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2019 and to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

- i. significant changes in the internal control over financial reporting during the year;
- ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Vishwaraj Sugar Industries Limited

Nikhil Katti
Managing Director

Sheshagiri Kulkarni
Chief Financial Officer

Place: Bellad Bagewadi
Date: 28/08/2019.

CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members,
Vishwaraj Sugar Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Vishwaraj Sugar Industries Limited ('the Company') for the year ended 31st March, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

**For S P Ghali & Co
Company Secretaries**

**Sudheendra Ghali
Proprietor
M. No.: 7037
C.P. No.: 7537**

**Place: Belgaum
Date: 28/08/ 2019**

CERTIFICATE
(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of **Vishwaraj Sugar Industries Limited, having** CIN:U85110KA1995PLC017730 we hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on 31st March, 2019, none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S P Ghali & Co
Company Secretaries

Sudheendra Ghali
Proprietor
M. No.: 7037
C.P. No.: 7537

Place: Belgaum
Date: 28/08/ 2019

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF
VISHWARAJ SUGAR INDUSTRIES LIMITED,**

Report on the Ind AS Financial Statements

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Indian Accounting Standards (Ind-AS) 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.

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

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

Auditor's Responsibilities for the Audit of Ind AS Financial Statement

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

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) order, 2016, issued by Central Government in terms of Section 143 (11) of the companies Act 2013, we give in the "Annexure B" statement on matters specified in paragraph (3) and (4) of said order.
2. As required by section 143(3) of the act we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company has disclosed the impact of pending litigations on its financial position in its Notes forming part of Ind AS financial statements Refer “Other notes (13)”.
- ii. The Company did not have any long term contracts including Derivative contracts for which there were any material foreseeable losses;
- iii. 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 Gojanur & Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335

Date: 08/07/2019
Place: Shivamogga

(CA. G. M. Channappa Setty)
Proprietor
M. No: 020227
UDIN:

Annexure A

Responsibilities for Audit of Financial Statement

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

“As per our report of even date”
For, M/s Gojanur & Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335

Date: 08/07/2019
Place: Shivamogga

(CA. G. M. Channappa Setty)
Proprietor
M. No: 020227

ANNEXURE B 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 31st MARCH, 2019.**

1. (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, State Bank of India, and BDCC Bank.
2. (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.
3. 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.

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, 2019 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 31-03-2019 for a period of more than six months from the date they became payable:
 - i. Purchase Tax of Rs. 24,84,38,202.59 is outstanding for the period more than six months and Rs.93,19,199.00 is outstanding for the period less than six months, all together Rs. 25,77,57,401.59 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.
8. 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;
12. 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 Indian Accounting Standards (Ind-AS).
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 Gojanur & Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335**

**Date: 08/07/2019
Place: Shivamogga**

**(CA. G. M. Channappa Setty)
Proprietor
M. No: 020227**

ANNEXURE (C)
TO THE AUDITOR'S REPORT OF EVEN DATE ON STANDALONE FINANCIAL
STATEMENTS OF "VISHWARAJ SUGAR INDUSTRIES LIMITED" FOR THE
YEAR ENDING 31st MARCH, 2019.

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

Management's Responsibility for Internal Financial Controls:

The 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.

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

For, M/s Gojanur & Co.,
Chartered Accountants
FRN: 000941S
P.R.C.No.011335

Date: 08/07/2019
Place: Shivamogga

(CA. G. M. Channappa Setty)
Proprietor
M. No: 020227

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305 (CIN: U85110KA1995PLC017730) BALANCE SHEET AS AT 31st MARCH, 2019				
(Rs.in Lakhs)				
Particulars	Note No.	2019	2018 (Restated)	As at April 1, 2017 (Restated)
ASSETS				
Non-current assets				
Property plant and Equipment	2.1	26440.54	27188.80	24069.44
Capital Work Inprogress	2.1	1126.02	0.00	3834.55
Intangible assets				
Financial assets				
Investments	2.2	108.24	53.24	37.98
Other financial assets	2.3	214.60	213.45	262.89
Other non current assets	2.4	0.00	0.00	0.00
		27889.40	27455.49	28204.86
Current assets				
Inventories	2.5	32434.62	26157.20	18199.84
Financial assets				
Investments	2.2	0.0	0.00	0.00
Trade receivables	2.6	3835.87	3388.06	4435.39
Cash and cash equivalent	2.7	169.35	671.02	1242.07
Other Bank Balances	2.8	15.00	74.70	31.58
Other financial assets	2.3	4.47	4.61	15.51
Other current assets	2.4	7606.26	4667.56	2190.73
		44065.56	34963.14	26115.12
		71954.96	62418.63	54319.98
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.8	3455.60	3455.60	3455.60
Other Equity	2.9	17694.09	19432.35	19793.19
		21149.69	22887.95	23248.79
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.10	6541.43	3700.79	999.46
Long Term Provisions	2.11	182.65	167.96	209.72
Deferred tax liabilities (net)	2.12	765.22	1391.94	1057.55
Other non-current liabilities	2.13	0.00	0.00	0.00
		7489.30	5260.69	2266.73
Current liabilities				
Financial Liabilities				
Borrowings	2.10	25385.68	26467.77	21666.16
Trade payables	2.14	11271.89	2686.39	1434.36
Other financial liabilities	2.15	3716.34	2417.46	2046.84
Liabilities for current tax (net)				
Other current liabilities	2.13	2931.57	2664.44	3412.73
Provisions	2.16	10.49	12.36	12.17
Current Tax Liabilities (Net)	2.17	0.00	21.58	232.18
		43315.97	34269.99	28804.45
		71954.96	62418.63	54319.98
TOTAL				
		71954.96	62418.63	54319.98
The accompanying Significant accounting policies and notes form an integral part of the financial statements				
<p>"As per our report of even date"</p> <p>For M/s. GOJANUR & CO Chartered Accountants FRN.000941S P.R.C.No.011335</p> <p>(CA. G.M.CHANNAPPA SHETTY) PROPRIETOR M.No: 020227 UDIN:19020227AAAABB2026</p> <p>Place: Belgaum. Date:08-07-2019</p>				
<p>For and on behalf of Board</p> <p>(Nikhil U. Katti) Managing Director DIN.02505734</p> <p>(Sheshagiri Kulkarni) Chief Financial officer</p> <p>(Mukesh Kumar) Executive Director DIN.02827073</p> <p>(CS.Sneha Patil) Company Secretary</p>				

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305

(CIN: U85110KA1995PLC017730)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2019

(Rs.in Lakhs)

	Note No.	2019	2018 (Restated)
Income			
Revenue from operations	2.18	30679.58	25928.30
Other income	2.19	107.97	964.80
Total Revenue		30787.55	26893.11
Expenses			
Cost of materials consumed	2.20	27665.37	22695.78
Changes in inventories	2.21	(6280.27)	(7894.47)
Other Manufacturing expenses	2.22	2058.96	2425.34
Excise and Service Tax		2044.29	3746.95
Employee benefits expense	2.23	1303.28	1242.97
Finance costs	2.24	3635.69	2085.05
Depreciation and amortization expense	2.1	1334.28	1319.96
Other expenses	2.25	1414.66	1357.72
Total Expenses		33176.27	26979.30
Profit before tax		(2388.72)	(86.20)
Tax expense			
(1) Current tax		-	6.08
(2) Deferred tax		(626.72)	334.39
Profit for the year		(1761.99)	(426.67)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		23.74	81.32
Tax on items that will not be reclassified to profit or loss		-	(15.50)
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss			
Items that may be reclassified subsequently to profit or loss			
Total other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		(1738.26)	(360.85)
Earnings per share:			
Basic earnings per share of 10/-each		(5.10)	(1.23)
Diluted earnings per share of 10/- each			

The accompanying Significant accounting policies and notes form an integral part of the financial statements.

"As per our report of even date"

For M/s. GOJANUR & CO.

Chartered Accountants

FRN.000941S

P.R.C.No.011335

(CA. G.M.CHANNAPPA SETTY)

PROPRIETOR

M.No: 020227

UDIN:19020227AAAAABB206

Place: Belgaum.

Date:08-07-2019

For and on behalf of Board

(Nikhil U. Katti)
Managing Director
DIN.02505734

(Mukesh Kumar)
Executive Director
DIN.02827073

(Sheshagiri Kulkarni)
Chief Financial officer

(CS.Sneha Patil)
Company Secretary

VISHWARAJ SUGAR INDUSTRIES LIMITED, BELLAD - BAGEWADI Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum - 591 305 (CIN: U85110KA1995PLC017730) CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019			
(Rs.in Lakhs)			
Particulars	2019	2018	(Restated)
Cash Flows from Operating Activities			
Net profit before tax	(2388.72)		(86.20)
Adjustments for :			
Depreciation and amortization expense	1334.28		1319.96
Finance Cost	3635.69		2085.05
Dividend Income	(3.41)		(3.40)
(Profit)/Loss on sale of assets	83.72		5.03
Operating profit before working capital changes	2661.56		3320.43
Movements in Working Capital			
(Increase)/Decrease in Trade Receivable:	(447.81)		1047.34
(Increase)/Decrease in Other financial assets:	(1.01)		60.35
(Increase)/Decrease in Inventories:	(6277.42)		(7957.36)
(Increase)/Decrease in Other Current Assets:	(2938.70)		(2498.40)
(Increase)/Decrease in Other Non Current Assets:			
Increase/(Decrease) in Trade Payable:	8585.51		1252.03
Increase/(Decrease) in Other financial liabilities:	642.04		235.08
Increase/(Decrease) in Other Current liabilities:	267.13		(748.30)
Increase/(Decrease) in Long Term Provision:	14.69		(41.76)
Increase/(Decrease) in Short Term Provision:	21.87		81.51
Changes in Working Capital	(133.71)		(8569.51)
Cash generated from operations	2527.85		(5249.08)
Interest received on Deposits			
Direct Taxes Paid	(21.58)		(210.61)
Net Cash from operating activities (A)	2506.27		(5459.69)
Cash flows from Investing Activities			
Dividends Received	3.41		3.40
Purchase of Fixed Assets (Including CWIP)	(1916.59)		(4532.94)
Sale of Fixed Assets	120.83		3,923.13
Purchase/Sale of Investment	(55.00)		(15.26)
Net Cash used in Investing Activities	(1847.34)		(621.67)
Cash flows from/(used in) Financing Activities			
Proceeds from Long term borrowings	3,497.48		2,836.87
Repayment/(Proceeds) of/from Short-term borrowings	(1082.09)		4801.61
Interest paid	(3635.69)		(2085.05)
Corporate Dividend tax			
Net Cash used in Financing Activities	(1220.30)		5553.43
Net Increase/(Decrease) in cash and cash equivalents	(561.37)		(527.93)
Cash and Cash equivalents at the beginning of the year	745.72		1273.65
Cash and Cash equivalents at the ending of the year	184.35		745.72
Notes :-			
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements". (Ind AS-7)			
2. The accompanying notes are an integral part of the financial statements.			
"As per our report of even date"			
For M/s. GOJANUR & CO.			
Chartered Accountants			
FRN.000941S			
P.R.C.No.011335			
	M.No. 020227		
	FRN No. 000941S		
	SHIVAMOGGA		
(CA. G.M.CHANNAPPA SETTY)			
PROPRIETOR			
M.No: 020227			
UDIN:19020227AAAAABB2026			
Place: Belgaum.			
Date:08-07-2019			
		For and on behalf of Board	
		(Nikhil U. Katti)	(Mufesh Kumar)
		Managing Director	Executive Director
		DIN.02505734	DIN.02827073
		(Sheshagiri Kulkarni)	(CS.Sneha Patil)
		Chief Financial officer	Company Secretary

2.7 Statement of changes in equity

Name of the company
Statement of changes in equity for the period ended 31.03.2018

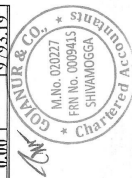
Equity share capital	Opening balance as at 1 Apr 2017	Changes in equity share capital during the year	Closing balance as at 31 Mar 2018
3,45,56,000 Equity Shares of Rs.10 each, fully paid up	3,456	—	3,456
	3,456		3,456
Equity share capital	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
3,45,56,000 Equity Shares of Rs.10 each, fully paid up	3,456	—	3,456
	3,456		3,456

PARTICULARS	RETAINED EARNINGS	GENERAL RESERVE	CAPITAL RESERVE	ACTUARIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2018	17900.13	0.00	1466.39	65.82	19,432.34
Profit for the year	-1761.99				(1,761.99)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax				23.74	23.74
Balance as at 31/03/2019	16138.14	0.00	1466.39	89.56	17694.09

PARTICULARS	RETAINED EARNINGS	GENERAL RESERVE	CAPITAL RESERVE	ACTUARIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2017	18326.80	0.00	1466.39	0.00	19,793.19
Profit for the year	-426.67				(426.67)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax				65.82	65.82
Balance as at 31/03/2018	17900.13	0.00	1466.39	65.82	19,432.34

Refer Note No..... First time Adoption Reconciliation of Equity and Other Comprehensive Income

PARTICULARS	RETAINED EARNINGS	GENERAL RESERVE	SECURITIES PREMIUM RESERVE	ACTUARIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2017	19494.57	0	1466.39		20,960.96
Profit for the year	0.00				—
Change Due to IND AS Adoption	-1167.77				(1,167.77)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax					
Balance as at 01/04/2017	18326.80	0.00	1466.39	0.00	19,793.19



2.1: Property, plant and equipment

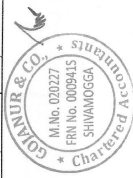
Particulars	Gross carrying value			Accumulated depreciation / impairment			Net carrying value	
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	For the year	As at 31 March 2019	As at 31 March 2018
Land	461.54	127	-	588.88	-	-	588.88	461.54
Factory Buildings	3,825.70	69.51	-	3,895.21	311.63	159.26	3,424.31	3,514.07
Other Building	3,238.56	10.68	-	3,249.24	102.35	53.39	3,093.56	3,136.21
Plant and equipment	21,641.84	504.34	346	21,800.66	1,910.40	1,053.40	18,984.78	19,731.44
Vehicles	386.81	53.91	14	427.07	106.86	51.44	275.42	279.95
Office Equipment	40.87	1.35	-	42.22	10.74	7.05	17.80	30.13
Furniture & Fixtures	50.48	23.43	-	73.92	15.02	9.73	24.75	35.47
Capital Work in Progress	-	1,126.02	-	1,126.02	-	-	1,126.02	-
Total	29,645.81	1,916.59	359	31,203.22	2,457.01	1,334.28	27,566.56	27,188.80

Particulars	Gross carrying value			Accumulated depreciation / impairment (Restated)			Net carrying value (Restated)	
	Deemed cost As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	For the year	As at 31 March 2018	As at 1 April 2017
Land	461.54	-	-	461.54	-	-	461.54	461.54
Factory Buildings	3,738.46	87.24	-	3,825.70	154.57	157.06	3,514.07	3,583.89
Other Building	2,979.70	258.86	-	3,238.56	49.13	53.23	3,136.21	2,930.58
Plant and equipment	17,556.48	4,128.55	43	21,641.84	876.17	1,034.23	19,731.44	16,680.31
Vehicles	394.75	-	8	386.81	46.00	61.09	106.86	348.75
Office Equipment	25.29	15.58	-	40.87	3.90	6.84	10.74	21.39
Furniture & Fixtures	50.48	-	-	50.48	7.51	7.51	15.02	42.97
Capital Work in progress	3,834.55	42.72	3,877	-	-	-	-	3,834.55
Total	25,206.71	4,532.94	3,928.39	29,645.81	1,137.28	1,319.96	27,188.80	24,069.44



F. Y - 2016-17

Particulars	Gross carrying value			(Restated)		Accumulated depreciation / impairment (Restated)				Net carrying value (Restated)	
	Deemed cost As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	For the year	Impairment for the year	Disposals	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Land	446.66	14.88	-	461.54	-	-	-	-	-	461.54	446.66
Factory Buildings	3,417.38	321.09	-	3,738.46	-	154.57	-	-	154.57	3,583.89	3,417.38
Other Building	2,673.72	305.98	-	2,979.70	-	49.13	-	-	49.13	2,930.58	2,673.72
Plant and equipment	17,460.62	95.86	-	17,556.48	-	876.17	-	-	876.17	16,680.31	17,460.62
Vehicles	341.92	95.69	42.86	394.75	-	62.20	-	16.20	46.00	348.75	341.92
Office Equipment	22.44	2.85	-	25.29	-	3.90	-	-	3.90	21.39	22.44
Furniture & Fixtures	50.48	-	-	50.48	-	7.51	-	-	7.51	42.97	50.48
Capital Work in Progress	128.82	4,210.23	505	3,834.55	-	-	-	-	-	3,834.55	128.82
Total	24,413.23	836.35	42.86	25,206.71	-	1,153.47	-	16.20	1,137.28	24,069.44	24,413.23



2.2 Investments

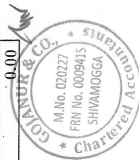
Particulars	2019		2018 (Restated)		1st April 2017 (Restated)	
	Current	Non Current	Current	Non Current	Current	Non Current
Unquoted investments in equity instruments at FVTPL Bellad Bagevadi Urban Souhard Sahakari Shares (100 shares of Rs.10/- each) BDCC Bank Shares (21628 shares of Rs.500/- each) Equity Shares Fully Paid-up (unquoted)		0.10 108.14		0.10 53.14		0.10 37.88
	0.00	108.24	0.00	53.24	0.00	37.98
Aggregate amount of unquoted investments	0.00	108.24	0.00	53.24	0.00	37.98
Total Investments	0.00	108.24	0.00	53.24	0.00	37.98

2.3 Other Financial Assets

Particulars	2019		2018 (Restated)		1st April 2017 (Restated)	
	Current	Non Current	Current	Non Current	Current	Non Current
Security Deposits	4.47	214.60	4.61	213.45	15.51	262.89
Other Financial Assets						
TOTAL	4.47	214.60	4.61	213.45	15.51	262.89

2.4 Other Non Current Assets and Current Assets

Particulars	2019		2018 (Restated)		1st April 2017 (Restated)	
	Current	Non Current	Current	Non Current	Current	Non Current
Deposits/Balances with Statutory Authorities	348		821.86		385.58	
Other Current Assets (includes Advances to Suppliers & Services)	7258.68		3845.70		1805.15	
TOTAL	7606.26	0.00	4667.56	0.00	2190.73	0.00



2.5 Inventories

Particulars	2019 Current	2018 (Restated) Current	1st April 2017 Current
Valued at lower of cost and net realisable value.			
-Raw Materials	2405.52	1178.60	657.27
-Process Stocks	0.00	0.00	0.00
-Stores & Spares	555.16	558.00	495.11
-Finished Goods	29473.94	24420.60	17047.46
TOTAL	32434.62	26157.20	18199.84

2.6 Trade receivables

Particulars	2019 Current	2018 (Restated) Current	1st April 2017 Current
Trade Receivables			
Unsecured, considered good			
Related Parties			
-Doubtful			
-Other Debts -Good	83.68	0.00	0.00
Others			
-Doubtful			
-Other Debts -Good	4415.29	3788.41	4592.01
Less : Allowances for credit losses	4498.97	3788.41	4592.01
Less : Bad debts Written off	663.11	400.35	156.62
	0.00	0.00	0.00
TOTAL	3835.87	3388.06	4435.39

Trade Receivables Classification

Particulars	2019	2018 (Restated)	1st April 2017
Unsecured			
O/s More than six months			
- Promoter/Promoter group	83.68		
- Others	2,413.51	2,254.00	3,321.42
O/s Less than six months			
- Promoter/Promoter group	2,001.78	1,534.41	1,270.59
- Others			
	4,498.97	3,788.41	4,592.01



2.7 Cash and Cash Equivalents

Particulars	2019	2018 (Restated)	1st April 2017
a) Cash and Cash equivalents			
i) Cash on hand	18.39	13.12	12.04
ii) Balances with banks			
- Current Accounts	150.97	657.90	1230.03
- On Deposit Accounts			
	169.35	671.02	1,242.07

2.8 Other Bank Balances

Particulars	2019	2018 (Restated)	1st April 2017
b) Other Bank Balances (with restricted use)			
(i) Margin Money Deposit Accounts (against Bank Guarantees)	15.00	74.70	31.58
(ii) Unclaimed Dividend Account			
Total	15.00	74.70	31.58



2.8 Share Capital		(Rs.in Lakhs)	
Particulars	2019	2018 (Restated)	1st April 2017 (Restated)
Authorized Share Capital			
6,00,00,000 Equity Shares of Rs. 10 each (Previous year: 6,00,00,000 Equity Shares of Rs. 10 each)	6000.00	6000.00	6000.00
Issued Subscribed and Paid up Share Capital			
3,45,56,000 Equity Shares of Rs. 10 each, fully paid up (Previous year: 3,45,56,000 Equity Shares of Rs. 10 each, fully paid up)	3455.60	3455.60	3455.60
	3455.60	3455.60	3455.60

2.11.1 Reconciliation of Number of Shares :

Particulars	2019	2018 (Restated)	1st April 2017 (Restated)
Number of Shares at the beginning of the year			
Add : Shares issued during the year	3,456	3,456	3,456
Number of Shares at the end of the year	-	3,456	3,456

2.11.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



2.9 Other Equity

Particulars	2019	2018 (Restated)	1st April 2017
Security Premium			
Opening Balance	1,466.39	1,466.39	1,466.39
Add / (Less): Changes during the year	0.00	0.00	0.00
Add: Premium on share capital	0.00	0.00	0.00
Less: Utilized/transfer during the period	0.00	0.00	0.00
Closing Balance	1,466.39	1,466.39	1,466.39
Profit & Loss A/c			
(i) Opening Balance	17,900.13	18,326.80	19,494.57
Add / (Less): Changes during the year			
Less: Transitional Adjustments			
Deferred Tax on account of IND AS			(1009.08)
Expected Credit Loss			(156.62)
Finance cost de-recognised based on effective interest cost			1.91
Measurement of Employee benefit at Fair Value			(3.98)
Actuarial Gain/ (loss) in OCI	89.56	65.82	
(ii) Add: Profit for the year	(1761.99)	(426.67)	0.00
Less: Proposed Dividend (@ 10% on paid up capital)	0.00	0.00	0.00
Less: Dividend Distribution Tax	0.00	0.00	0.00
Net Profit Transfer to Reserves	(1761.99)	(426.67)	0.00
Closing Balance	16,138.14	17,900.13	18,326.80
	17,694.09	19,432.35	19,793.19



2.10. Borrowings

Particulars	2019		2018 (Restated)		1st April 2017 (Restated)	
	Current	Non Current	Current	Non Current	Current	Non Current
Secured Borrowings:						
<i>loans from Banks</i>						
-Term Loans (#1)		6,533.31		3,669.41		963.26
-Hypothecation Loans for Vehicles (#2)		8.12		31.38		36.20
Working Capital facilities (#3)		-	26,467.77	-	21,666.16	-
Unsecured Borrowings						
Total	25,385.68	6,541.43	26,467.77	3,700.79	21,666.16	999.46

Terms and conditions

#1 Details of Term Loans from Banks are as follows:

Name of the Lender	Date of Sanction	Amount Sanctioned (Rs. in lakhs)	Rate of Interest	Repayment Schedule	Details of Security
BDCC Bank	13/06/2017	4,000.00	13.00%	Repayable in 26 equal quarterly installments of Rs.166.66 lakhs	Charge on all the Movable & Immovable Assets of
BDCC Bank	29/05/2018	3,000.00	13.00%	Repayable in 20 equal quarterly installments of Rs.150.00 lakhs	Charge on all the Movable & Immovable Assets of
BDCC Bank	09/06/2018	2,500.00	13.00%	Repayable in 20 equal quarterly installments of Rs.125.00 lakhs	First Charge on all the Movable & Immovable
BDCC Bank	21/06/2014	1,291.00	13.00%	Repayable in 36 equal Monthly installments of Rs.35.83 lakhs	Pari passu charge on sugar plant



#2 Details of Vehicle Loans from Banks are as follows:

Name of the Lender	Amount Sanctioned (Rs. In	Rate of Interest	Repayment Schedule	Details of Security
BDCC Bank BB Loan Ashok Leyland	9.00	13.00%	Repayable in monthly installments of Rs. 0.15 lakhs each	Vehicles
BDCC Bank BB Loan Bolero Maxi 1	3.85	13.00%	Repayable in monthly installments of Rs. 0.06 lakhs each	Vehicles
BDCC Bank BB Loan Bolero Maxi 2	3.85	13.00%	Repayable in monthly installments of Rs. 0.06 lakhs each	Vehicles
BDCC Bank Loan 770 Case EX Loader	15.63	13.00%	Repayable in monthly installments of Rs. 0.26 lakhs each	Vehicles



#3

The Working Capital Loan is in the form of Cash credit from Bank of India & State bank of India was secured by pledge of sugar.

2.11 Long Term Provisions

Particulars	2019	2018 (Restated)	1st April 2017
Employee Benefits	182.65	167.96	209.72
Gratuity	182.65	167.96	209.72

2.12 Deferred Tax Liabilities

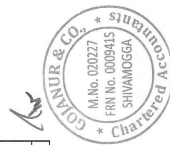
Particulars	2019	2018 (Restated)	1st April 2017
Opening Balance	1391.94	1057.55	2121.84
Add : Mat Credit Entitlement	0	(21.58)	(2334.26)
Add : On account of depreciation	(614.64)	369.11	1303.41
Add : On account of Provision for gratuity	(12.09)	(13.14)	(33.43)
Closing Balance	765.22	1391.94	1057.55

2.13 Other Non Current Liabilities & Current liabilities

Particulars	2019		2018 (Restated)		1st April 2017 (Restated)	
	Current	Non Current	Current	Non Current	Current	Non Current
Statutory Dues Payable	2832.35		2607.02		2551.95	
Other Payables	99.22		57.42		860.78	
Total	2931.57	0.00	2664.44	0.00	3412.73	0.00

2.14 Trade Payables

Particulars	2019	2018 (Restated)	1st April 2017
Due to Micro & Small Enterprises	-	-	-
Dues to others	11271.89	2,686.39	1434.36
For Others	11271.89	2686.39	1434.36
Total	11271.89	2686.39	1434.36



2.15 Other financial liabilities

Particulars	2019	2018 (Restated)	1st April 2017
	Current	Current	Current
Trade Deposits & Advances	1257.02	491.82	210.47
Current Maturities of Long Term Debt	1932.31	1295.47	1159.93
Other Financial Liabilities	507.00	630.17	676.44
Total	3716.34	2417.46	2046.84

2.16 Provisions

Particulars	2019	2018 (Restated)	1st April 2017
Gratuity Provision	10.49	12.36	12.17
Total	10.49	12.36	12.17

2.17 Provisions

Particulars	2019	2018 (Restated)	1st April 2017
Provision for tax	0.00	21.58	232.18
Total	0.00	21.58	232.18

2.18 Revenue from operations

Particulars	2019	2018 (Restated)
Sales (Inclusive of Excise duty)	28854.46	25928.30
Other Operating Revenue (Export Subsidy)	1,825	0.00
Revenue from operations	30679.58	25928.30

2.19 Other income

Particulars	2019	2018 (Restated)
Dividend Income	3.41	3.40
Rental Income	34.56	13.10
Insurance Claims and Income	51.55	55.46
Other Non - Operating Income	18.44	64.11
Balances Written - off	0.00	828.72
Total	107.97	964.80



2.20 Cost of materials consumed

Particulars	2019	2018 (Restated)
Raw Materials Consumed	26,686.96	21,740.92
Stores, Spares, Chemicals & Packing Materials Consumed	978.41	954.86
	27,665.37	22,695.78

2.21 Changes in inventories

Particulars	2019	2018 (Restated)
Raw Material		
Opening	1178.60	657.27
Closing	2405.52	1178.60
	(1226.93)	(521.33)
Work-in-progress		
Opening	0.00	0.00
Closing	0.00	0.00
	0.00	0.00
Stores & Spares		
Opening	0.00	0.00
Closing	0.00	0.00
	0.00	0.00
Finished goods		
Opening	24420.60	17047.46
Closing	29473.94	24420.60
	(5053.34)	(7373.14)
	(6280.27)	(7894.47)



2.22 Other Manufacturing Expenses

Particulars	2019	2018 (Restated)
Processing, Transportation and Other Charges	526.44	732.38
Power & Fuel	428.74	1,072.00
Repairs - Plant & Machinery	1103.79	620.96
	2058.96	2425.34

2.23 Employee benefits expense

Particulars	2019	2018 (Restated)
Salaries and Wages to employees	1041.75	1120.88
Contribution to Provident and other Funds	93.93	111.10
Staff Welfare Expenses	167.60	10.99
	1303.28	1242.97

2.24 Finance costs

Particulars	2019	2018 (Restated)
Interest Expense	3501.06	1947.10
Other borrowing costs	134.63	137.95
	3635.69	2085.05

2.25 Other expenses

Particulars	2019	2018 (Restated)
Rent	6.86	6.94
Advertisement, Publicity & Sales Promotion	219.46	220.28
Insurance	142.06	102.70
Travelling Expenditure	37.63	26.39
Vehicle Running & Maintenance	184.51	146.25
Printing & Stationery	11.70	10.78
Communication Expenses	9.48	16.26
Legal, Professional & Consultancy Charges	74.48	205.85
Discount, Rebate & Commission on Power sale	151.90	6.83
Loss/(Gain) on Sale / Disposal of Fixed Assets	83.72	5.03
Freight Charges	10.10	11.09
Donation	2.00	2.00
Licence Fees & Taxes	139.12	220.89
Corporate Social Responsibility Expenses	8.80	14.19
Other Miscellaneous Exp	70.08	118.51
Expected Credit Loss	262.76	243.73
	1,414.66	1357.72



Segment Reporting

Information about Primary business Segments for the year ended March 31, 2019

Particulars	Sugar	Cn- generation	Distillery	IML	Vinegar Unit	Others	Unallocated	Total
Total Sales	28,153.43	6,838.47	1,708.44	2,589.58	1,202.07	137.16	-	40,649.16
External Sales	23,402.99	2,178.18	1,169.59	2,589.58	1,202.07	137.16	-	30,679.58
Inter-segment Sales	4,750.45	4,660.28	538.85	-	-	-	-	9,969.58
Segment Result	1,116.62	1,604.99	(2,541.98)	2,033.48	911.99	199.78	340.70	3,665.57
Unallocated Corporate Expenditure	-	-	-	-	-	-	1,084.31	1,084.31
Interest expenses	1,558.95	186.17	-	-	-	-	1,946.83	3,691.95
Interest Income	0.74	-	-	-	-	-	55.52	56.26
Profit Before Depreciation & Exceptional Items& Tax	(441.59)	1,418.82	(2,541.98)	2,033.48	911.99	199.78	(2,634.93)	(1,054.43)
Depreciation	774.84	384.46	72.64	18.77	83.56	-	-	1,334.28
Profit Before Exceptional Items& Tax	(1,216.43)	1,034.36	(2,614.63)	2,014.71	828.42	199.78	(2,634.93)	(2,388.71)
Exceptional Items	-	-	-	-	-	-	-	-
Profit Before Tax	(1,216.43)	1,034.36	(2,614.63)	2,014.71	828.42	199.78	(2,634.93)	(2,388.71)
Tax Expenses	-	-	-	-	-	-	(626.72)	(626.72)
Net profit	(1,216.43)	1,034.36	(2,614.63)	2,014.71	828.42	199.78	(2,008.20)	(1,761.99)
Other Information	-	-	-	-	-	-	-	-
Assets	22,984.17	11,644.98	3,184.72	467.70	2,171.93	-	31,501.46	71,954.96
Liabilities	40,865.47	4,800.00	-	-	-	-	26,289.49	71,954.96
Capital expenditure	279.05	291.43	1,126.02	-	91.35	-	-	1,787.85

Information about Primary business Segments for the year ended March 31, 2018

Particulars	Sugar	Cn- generation	Distillery	IML	Vinegar Unit	Others	Unallocated	Total
Total Sales	21,219.96	5,735.37	1,433.55	4,763.59	1,257.58	216.21	-	34,626.27
External Sales	17,199.74	1,600.64	890.54	4,763.59	1,257.58	216.21	-	25,928.30
Inter-segment Sales	4,020.22	4,134.73	543.02	-	-	-	-	8,697.97
Segment Result	1,203.20	358.43	1,004.47	437.54	885.57	603.55	(1,173.95)	3,318.82
Unallocated Corporate Expenditure	-	-	-	-	-	-	-	-
Interest expenses	2,457.41	-	-	-	-	-	(1,62)	2,455.79
Interest Income	370.73	-	-	-	-	-	-	370.73
Profit Before Depreciation & Exceptional Items& Tax	(883.48)	358.43	1,004.47	437.54	885.57	603.55	(1,173.33)	1,233.77
Depreciation	775.01	373.49	45.93	45.44	80.09	-	-	1,319.96
Profit Before Exceptional Items& Tax	(1,658.49)	(15.06)	958.54	392.10	805.48	603.55	(1,173.33)	(86.19)
Exceptional Items	-	-	-	-	-	-	-	-
Profit Before Tax	(1,658.49)	(15.06)	958.54	392.10	805.48	603.55	(1,173.33)	(86.19)
Tax Expenses	-	-	-	-	-	-	(340.47)	(340.47)
Net profit	(1,658.49)	(15.06)	958.54	392.10	805.48	603.55	(831.86)	(426.67)
Other Information	-	-	-	-	-	-	-	-
Assets	22,668.00	11,353.55	2,326.26	467.70	2,080.58	-	23,522.53	62,418.63
Liabilities	31,442.40	-	-	-	-	-	30,520.35	62,418.63
Capital expenditure	4,102.74	17.17	42.35	202.43	65.53	-	1,490.22	4,900.22

12



1.1 Corporate Social Responsibility expenditure

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Amount required to be spent	-	1.77	-
b) Amount Spent	8.80	14.19	21.80

2.1 Income tax expense

(a) Income tax expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Current Tax	-	6.08	223.16
b) Deferred Tax	(626.72)	334.39	215.93

(b) Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
<u>Deferred tax(assets)/liabilities:</u>			
Property, plant and equipment	357.16	415.38	96.03
MAT Credit Entitlement	-	(21.58)	(232.18)
Accumulated Losses	(971.71)	(76.56)	290.64
43B Disallowances	(12.18)	17.14	61.44
Net deferred tax (assets)/liabilities	(626.72)	334.39	215.93

(b) Income tax expense recognised in other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Tax effect on re measurement of defined benefit obligation	-	(15.50)	(9.03)

3.1 Auditors Remuneration

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Audit fees	5.00	5.00	5.00
b) For Other Matters	2.00	2.00	2.00
TOTAL	7.00	7.00	7.00

4.1 Earnings per Share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit attributable to equity holders	(1761.99)	(426.67)	606.25
Weighted average number of equity shares	345.56	345.56	345.56
Total weighted average number of equity shares outstanding at the end of the year	345.56	345.56	345.56
Add : Effect of division of face value of equity shares *	-	-	-
Add: Effect of Bonus Equity shares issued	-	-	-
Total weighted average number of equity shares outstanding at the end of the year	345.56	345.56	345.56
Nominal Value per Equity Share*	10	10	10
Basic EPS	(5.10)	(1.23)	1.75
Diluted EPS	(5.10)	(1.23)	1.75

5.1 Contingent liabilities and commitments

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Court Cases	1506.15	1253.66	1182.31
(b) Bank Guarantee	57.00	143.78	110.28
(c) EPCG Export Obligation	289.99	289.99	289.99
	1853.14	1649.43	1582.58

* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

6.1 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

2019	2018	2017
Mallikarjun J Pujar	Mallikarjun J Pujar	Mallikarjun J Pujar
Nikhil U Katti	Nikhil U Katti	Nikhil U Katti
Mukesh Kumar	Mukesh Kumar	Mukesh Kumar
Lava R Katti	Lava R Katti	Lava R Katti
Kush R Katti	Kush R Katti	Kush R Katti
Mrs. Sneha Patil	Mrs. Sneha Patil	Mrs. Sneha Patil
Mr. Umesh V Katti	Mr. Umesh V Katti	Mr. Umesh V Katti
Mrs. Sheela Umesh katti	Mrs. Sheela Umesh katti	Mrs. Sheela Umesh katti
Mr. Sheshagiri Kulkarni	Mr. Sheshagiri Kulkarni	Mr. Sheshagiri Kulkarni

*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 -Employee Benefit. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. The following is a summary of significant related party transactions:

Name of Related Party	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
DIRECTORS REMUNERATION			
Mr.Nikhil Katti	36.00	36.00	34.50
Mr. Mukesh Kumar	2.25	-	3.00
Mr.Mallikarjun Pujar	9.00	9.00	8.75
Mr.Lava Katti	24.00	24.00	23.00
Mr.Kush Katti	24.00	24.00	23.00
SALARY			
Mrs.Sneha Patil	4.20	4.20	4.00
Mr.Sheshagiri Kulkarni	4.71	4.68	4.60
PURCHASES			
Mr.Nikhil Katti	4.52	0.86	6.65
Mr.Mallikarjun Pujar	0.39	0.33	-
Mr.Lava Katti	10.71	2.16	0.09
Mr.Kush Katti	10.91	22.39	19.77
Mr.Umesh V. Katti	10.19	26.28	0

Mr.Basavaraj V Hagaragi	0.40	0.98	0
Sheela Umesh Katti	-	-	2.45
Ramesh Katti	20.54		
PURCHASE ADVANCE			
Nikhil U Katti	40.78	40.78	0
Lava R Katti	52.47	52.47	0
Kush R Katti	57.24	57.24	0
Advances			
Mr.Mallikarjun Pujar	-	-	3.13
LEASE SECURITY DEPOSIT			
Mr.Nikhil Katti	200.00	200.00	200.00

* In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length price

Associates / Enterprises over which directors and / or their relatives has significant influence

2019	2018	2017
U R Agrofresh Private Limited	U R Agrofresh Private Limited	U R Agrofresh Private Limited
Vishwaraj Infrastructure Private Limited	Vishwaraj Infrastructure Private Limited	Vishwaraj Infrastructure Private Limited
UK27 Hospitality Services (India) Limited	UK27 Hospitality Services (India) Limited	UK27 Hospitality Services (India) Limited
M/s Vishwaraj Developers	M/s Vishwaraj Developers	M/s Vishwaraj Developers

The following is a summary of significant related transactions with the entities having significant influence

Name of Related Party	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
<i>UR Agro Fresh Private Limited</i>			
Sales during the year	93.46	-	-
Receivables	83.46	-	-
<i>Advances</i>			
Opening Balance o/s	100.00	-	
Advances given during the year	225.00	100.00	-
Closing Balance o/s	335.00	100.00	

UK 27 Hospitality services (India) Limited	
Sales	0.47
Receivables	0.22
TA & DA Expenses	0.47
TA & DA Payable Outstanding	0.14
Vishwaraj Developers	
Sales	0.34

7.1 Fair value measurements

(i) Financial instruments by category

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018		For the year ended 31st March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
<i>Investments</i>	108.24	-	53.24	-	37.98	-
<i>Loans</i>	-	-	-	-	-	-
<i>Trade Receivables</i>	3835.87	-	3388.06	-	4435.59	-
<i>Cash & Cash Equivalents</i>	169.35	-	671.02	-	1242.07	-
<i>Bank Balances other than cash & cash Equivalents</i>	15.00	-	74.70	-	31.58	-
<i>Other Financial Assets</i>	219.06	-	218.05	-	278.42	-
Financial Liabilities						
<i>Borrowings</i>	-	31933.58	-	30168.56	-	22665.63
<i>Trade Payables</i>	11271.89	-	2686.39	-	1434.36	-
<i>Other Financial Liabilities</i>	3709.87	-	2417.46	-	2046.84	-

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

8.1 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017
Earnings in Foreign currency	-	-	-
Expenditure in Foreign currency			
-USD	3.76	4546.11	1.04
-Euro	59.52	81.32	0.56
- JPY	53.48		

9.1 Segment Reporting:

The company has identified products wise and unit wise segments i.e. Sugar, Co-generation, Distillery, Vinegar & IML at factory site, IML at Yalahanka respectively of Products & Unit based on return and risk .Hence, the same becomes the reportable segments for the Company. Accordingly, the Company has above operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are made. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

10.1 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

A. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables .

Trade and Other Receivables - The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including term deposits were past due or impaired for the periods presented.

The Company's credit period for customers generally ranges from 30 - 90 days. The aging of trade receivables that are not due and past due but not impaired is given below:

C. Market Risks:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

11.1 Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Total Debt	50805.27	39530.68	31070.20
Less: Cash and cash equivalents	169.35	671.02	1242.07
Net Debt	50635.91	38859.66	29829.13
Equity Share Capital	3455.60	3455.60	3455.60
Other Equity	17694.09	19432.35	19793.19
Total Equity Attributable to Owners	21149.69	22887.95	23248.79
Net Debt to Equity Ratio	2.39:1	1.70:1	1.28:1

12.1 Gratuity

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service upto a maximum of ₹1 million.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Future Salary rise	7.00%	7.00%	7.00%
Discount rate	7.75%	7.75%	7.50%
Mortality	IALM2006-08 Ultimate	IALM2006-08 Ultimate	IALM2006-08 Ultimate
Withdrawal rate	5%	5%	5%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards

The components of gratuity cost recognised in the statement of profit and loss consist of the following:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Service Cost	13.98	22.55	26.88
Interest cost	22.58	17.20	16.79
Gratuity cost recognised in statement of profit and loss	36.56	39.75	43.67

Details of the employee benefits obligations and plan assets are provided below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Present value of funded obligations	193.14	180.32	221.89
Fair value of plan assets	-	-	-
Net defined benefit liability recognized	193.14	180.32	221.89

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined benefit obligations at the beginning of the year	180.32	221.89	223.93
Current service cost	22.58	22.55	26.88
Interest Cost	13.98	17.20	16.79
Remeasurement - Actuarial (gain)/loss on obligation	(23.74)	(81.32)	(42.31)
Benefits paid during the year	-	-	(3.40)
Defined benefit obligations at the end of the period/ year	193.14	180.32	221.89

Prior Period Errors:

The company has adopted IND AS for the first time in respect of the Financial Statements prepared for the year ending 31.03.2018. There were some omissions in relation to certain items in the Financial statements as on the IND AS transition date i.e 1.4.2017 . As per IND AS 8 prior period errors can be corrected retrospectively in the first set of financial statements approved for issue after the discovery of the error by restating the comparative amounts for the prior period(s) presented in which the error occurred i.e, 31.03.2018; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented i.e, 01.04.2017 . The following were the details regarding amount of correction made for the opening equity , assets and liabilities of the earliest period presented i.e., 1.4.2017 and for the year ended 31st March, 2018 and its impact on Net profit reported and Other equity.

Reconciliation of Equity between Restated and Audited

Particulars	As at 31st March , 2018	As at 31st March, 2017
Equity as per Audited	24,103.72	24,416.56
Impairment of Trade Receivables under ECL Method	(400.35)	(156.62)
Fair Value of defined benefit obligation	130.67	(3.98)
Finance cost de-recognised based on effective interest cost	0.29	1.91
Deferred tax benefit	(946.37)	(1,009.08)
Restated Equity	22,887.95	23,248.79

Effect on Profit and Loss Account due to restatement of Prior period errors

Particulars	Year ended 31 March 2018
Net profit as per Audited	(312.87)
Impairment of Trade Receivables under ECL Method	(243.73)
Fair Value of defined benefit obligation	53.33
Finance cost recognised based on effective interest cost	(1.62)
Deferred tax impact	62.71
Restated Net profit for the period	(442.17)
Other comprehensive income	81.32
Total Restated comprehensive income	(360.85)

VISHWARAJ SUGAR INDUSTRIES LIMITED

Other Notes

1. Minimum Alternative Tax:

Company have Total MAT Credit of Rs. 23,55,45,227.00 for the year ended 31.03.2019, accumulated up to date MAT Credit as under:

Sl. No.	Financial Year	MAT Credit 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
11	2016-17	2,32,18,441.00
12	2017-18	21,18,801.00
13	2018-19	0.00
	Total	23,55,45,227.00

2. Accounting for Excise Duty:

- The Excise duty/GST paid on purchase of Raw-material has been treated as cost of stock and cost of Raw-materials.
- The Cenvat/GST benefit attributable to acquisition of fixed Assets (other than civil works) 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.
- Cenvat/GST benefit attributable to purchase of inputs has been reduced from Manufacturing expenses.

VISHWARAJ SUGAR INDUSTRIES LIMITED

During the year the Company has availed the GST Credit and utilized as under.

<u>GST CREDIT</u>		Op. Balance (Dr)	Credit	Debit	Cl. Balance (Dr)
1	CGST CREDIT	6,38,33,288.00	78,00719.00	6,18,73,631.00	97,60,376.00
2	IGST CREDIT	5,53,597.00	4,18,01,452.83	3,51,96,116.00	71,58,933.83
3	SGST CREDIT	3,23,316.00	77,82,282.00	68,91,046.00	12,14,552.00
Total GST Credit		9,97,08,891.00	5,73,84,453.83	10,39,60,793.00	1,81,33,861.83

3. Secured Loans:

As on 31.03.2019, the Term Loan under SEFASU Scheme -2014 outstanding as under

1. The B D C C Bank Ltd, Main Branch Belagavi Rs.179.16 Lakhs

As on 31.03.2019, the Term Loan For Sugar Exp outstanding as under

1. The B D C C Bank Ltd, Main Branch Belagavi Rs.3499.99 Lakhs

As on 31.03.2019, the Term Loan For Co gen Hypothecation outstanding as under

1. The B D C C Bank Ltd, Main Branch Belagavi Rs.2550.00 Lakhs
2. The B D C C Bank Ltd, Main Branch Belagavi Rs.2250.00 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 31.03.2019 is as under.

1. Bank of India, Shahapur Branch, Belagavi Rs.9192.91 Lakhs
2. State Bank of India, SME Branch, Belagavi Rs.6001.44 Lakhs

The Working Capital Loan in the form of Cash Credit Hypothecation from Bank of India was secured by pledge of Other Stocks. The Loan outstanding as on 31.03.2019 is as under.

1. Bank of India, Shahapur Branch, Belagavi Rs.1483.33 Lakhs

The Term Hypothecation Loan Details:

SLNO	PARTICULARS	Rs.in Lakhs	LENDING BANKS
1	Ashok Leyland	4.35	BDCC Bank BB
2	Bolero Maxi Truck	1.73	BDCC Bank BB
3	Bolero Maxi Truck	1.73	BDCC Bank BB
4	Case 770 Ex Loader	6.77	BDCC Bank BB

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

The Term Loan Installments due during next 12 months have been included under Other Current Liabilities.

VISHWARAJ SUGAR INDUSTRIES LIMITED

4. Auditors Remuneration:

Sl. No.	Particulars	2018-19	2017-18
1	Statutory Audit Fees	5,00,000.00	5,00,000.00
2	For Other Matters	2,00,000.00	2,00,000.00

The above Remuneration is exclusive of GST.

5. i) Distillery Unit:

No.	Particulars	Unit	2018-19	2017-18
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	2018-19	2017-18
a)	Licensed Capacity Electricity	MW	36.4	36.4
b)	Installed Capacity Electricity	MW	36.4	36.4
c)	IEM (Part-A) Capacity	MW	66.4	66.4

iii) Sugar Unit:

No.	Particulars	Unit	2018-19	2017-18
a)	Licensed Capacity Sugar Cane	MT	8500	8,500
b)	Installed Capacity Sugar Cane	MT	8,500	8,500
c)	IEM (Part-A) Capacity	TCD	11,000	11,000

VISHWARAJ SUGAR INDUSTRIES LIMITED

iv) IML Unit:

No.	Particulars	Unit	2018-19	2017-18
a)	Licensed IML Bottling	CB	5,000	5,000
b)	Installed IML Bottling	CB	5,000	5,000

v) Natural Alcoholic Vinegar:

No.	Particulars	Unit	2018-19	2017-18
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.

6. Production:

Particulars	Unit	2018-19	2017-18
		Qty	Qty
Distillery Unit			
Rectified Spirit	KL	3156.59	5563.50
Extra Nautral Spirit	KL	969.47	1192.62
M. G. Spirit	KL	38.188	47.63
Compost	MT	11746.80	13,600.00
Co-generation Unit			
Electricity	KWh	8,08,22,900	5,88,37,700
Sugar Unit			
Sugar	Qtls	9,84,150.00	7,34,050.00
Molasses	MT	43,050.00	26,300.00
Bagasse	MT	2,52,400.00	1,43,842.00
IML Unit			
IML (Liquor) VSIL	CB	1,23,060.00	2,35,750.00
Natural Alcoholic Vinegar Unit			
Vinegar	Ltrs	1,07,79,000.00	84,60,314.00

VISHWARAJ SUGAR INDUSTRIES LIMITED

7. Turnover

Particulars		2018-19		2017-18	
	Unit	Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Rectified Spirit	KL	2137.00	697.45	1810.00	812.10
Extra Natural Spirit	KL	1000.00	447.50	--	35.28
M G Spirit	KL	57.70	24.64	50.00	13.00
Liquid Carbon Di Oxide	KG	20,71,840.00	20.72	30,15,080.00	30.15
Co-Gen Unit					
Electricity	KWh	4,86,93,000	2171.12	3,27,77,000	1594.86
Boiler Ash	MT		7.06	--	5.77
Sugar Unit					
Sugar	QTLS	7,16,154.00	21,906.64	4,89,861.00	17,199.73
Scrap	-	--	7.63	--	53.23
Compost	Bags	91,455.00	108.81	1,37,305.00	162.97
Mollasses	MT	19,999.94	1147.50	--	--
IML Unit					
IML	CB	1,23,000	2589.58	2,29,800	4763.59
Vinegar Unit					
Natural Alcoholic Vinegar	Ltrs	87,63,890.00	1202.07	91,79,160.00	1257.58
Total	-		30330.73		25,928.30

8. Consumption of Raw Materials:

Particulars	Unit	2018-19		2017-18	
		Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Molasses	MT	11,572.00	694.32	20,345.65	1,220.73
Chemicals	-	--	13.93	--	25.11
R.S. (Captive)	KL	1053.63	189.65	1,206.75	217.21
N.S. (Captive)	KL	365.00	65.70	926.00	131.40
Co-generation Unit					
Bagasse	MT	2,19,250.00	4056.12	1,39,974.00	2,799.48
Coal	MT	6,609.70	333.34	18,444.70	714.52
Chemicals	-	--	47.30	--	25.68
Sugar Unit					
Sugar Cane	MT	8,78,405.91	26883.60	5,06,125.39	13,427.00
Chemicals	-	--	210.60	--	134.78
IML Unit					
Chemicals	-	--	1.91	--	4.63

VISHWARAJ SUGAR INDUSTRIES LIMITED

Vinegar Unit					
Chemicals	-	--	33.16	--	4.96
R S Consumption	Ltrs	1575.00	283.50	12,20,000.00	194.40

9. Opening Stock:

Particulars	Unit	2018-19		2017-18	
		Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Molasses	MT	1611.90	531.93	102.65	6.15
Rectified Spirit	KL	397.01	158.80	287.41	129.33
Extra Neutral Spirit	KL	19.66	5.11	131.33	61.72
M. G. Spirit	KL	19.53	5.27	22.10	7.29
Denature Spirit	KL	1611.90	531.93	19.53	5.27
Co-generation Unit					
Coal	MT	2149.00	115.24	580.19	28.52
Bagasse	MT	3868.00	77.36	--	--
Sugar Unit					
Sugar	Qtls	6,92,721.00	23,351.62	4,48,532.00	16,676.42
Molasses	MT	16,433.19	985.99	10,376.19	622.57
Compost MT	MT	15,952.90	319.05	9,218.15	18.43
IML Unit					
IML	CB	5,950.00	26.71	2,387	10.71
Vinegar Unit					
Vinegar	Ltrs	1,63,554	22.07	10,24,100	138.25
Total			25,599.19		17,704.72

10. Closing Stock:

Particulars	Unit	2018-19		2017-18	
		Qty	Value in Lakhs	Qty	Value in Lakhs
Distillery Unit					
Rectified Spirit	KL	--	--	1611.90	531.93
Extra Neutral Spirit	KL	--	--	397.01	158.80
M. G. Spirit	KL	--	--	19.66	5.11
Denature Spirit	KL	--	--	19.53	5.27
Co-generation Unit					
Coal	MT	941.18	46.07	2149.00	115.24
Bagasse	MT	37018.00	684.33	3868.00	77.36

VISHWARAJ SUGAR INDUSTRIES LIMITED

Sugar Unit					
Sugar	Qtls	9,60,717	28706.22	6,92,721.00	23,351.62
Molasses (S)	MT	27,911.25	1,674.68	16,433.19	985.99
Compost	MT	23,126.95	450.91	15,952.90	319.05
IML Unit					
IML	CB	6,010.00	26.98	5,950.00	26.71
Vinegar Unit					
Vinegar	Ltrs	20,60,664.00	278.19	1,63,554.00	22.07
Total			31,867.83		25,599.19

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

CIF Value of Import	Currency	2018-19	2017-18
Vinegar Chemical Charges	EURO	--	62,574.00
Kasurth Certification Plant Fees	USD	4635.00	4,410.00
Vinegar Machinery Parts	EURO	61058.80	44,181.00
Raw Sugar Purchase	USD		69,24,097.62
Vinegar Machinery Service Charges	EURO	13509.21	--
Vinegar Machinery Air Freight Charges	EURO	790.00	--
Co gen Steam Turbine Spare	JYP	84,10,000.00	--

CIF Value of Export		2018-19	2017-18
--	--	--	--

12. Provisions and Contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

VISHWARAJ SUGAR INDUSTRIES LIMITED

Sl.No	Particulars	Amount in Lakhs
1	High Court, Karnataka, Appeal for Purchase Tax	290.05
2	Central Excise, Belgaum Show Cause Notice	87.85
3	Central Excise, Bangalore (Appeals)	875.05
4	Central Excise, Mysore (Appeals)	0.40
5	High Court, Karnataka, Appeal for Sugar Cess	252.80
6	Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (The Govt of Karnataka, Excise Department)	45.00
7	Export Duty Saves (EPCG Scheme)	289.99
8	Bank of India, Shahapur Branch, Belgaum Bank Gaurantee (Karnataka State Pollution Control Board)	12.00
	Total	1853.14

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

14. 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.

**For, M/s Gojanur & Co.,
Chartered Accountants
FRN : 000941S
P.R.C.No.011335**

**Date: 08-07-2019
Place: Shivamogga**

**(CA. G. M. Channappa Setty)
Proprietor
M. No: 020227**

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: U85110KA1995PLC017730

Name of the company: VISHWARAJ SUGAR INDUSTRIES LIMITED

Registered office: Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka India

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Address.....

E-mail Id:..... Signature:....., or failing him

2. Name: Address.....

E-mail Id:..... Signature:....., or failing him

3. Name: Address.....

E-mail Id:..... Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on the Tuesday, the 24th Day of September, 2019 at 04.00 PM at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Annual Accounts for the FY 2018-19
2. Appointment of Mr. Umesh Vishwanath Katti, who retires by rotation, and being eligible, offers himself for reappointment.
3. Appointment of Mr. Lava Ramesh Katti (DIN: 02777164), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider, approve and ratify the remuneration payable to M/s. S K Tikare & Co, Cost Accountants for FY 2019-20
5. Appointment of Mr. Mukesh Kumar as Director.
6. Appointment of Mr. Mukesh Kumar to the office of Whole Time Director of the Company, designated as the Executive Director for a period of 3 years.
7. To Re-appointment of Mr. Surendra Khot as Independent Director.

Signed this..... day of..... 2019

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 24th Annual General Meeting of the Company at Registered office of the Company situated at Bellad-Bagewadi, Taluka-Hukkeri, District-Belgaum-591305, Karnataka on 24th September 2019 at 4.00 pm.

Full Name	
Address	
Folio No.	
No. of Shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

.....
 Full name of the shareholder/proxy (in block letters)

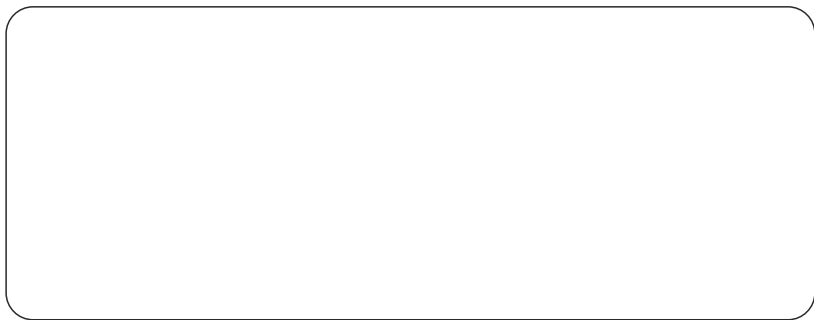
.....
 Signature of shareholder / Proxy

Note:

Physical copy of the Annual Report for FY 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all shareholders.

BOOK-POST

To,

A large, empty rectangular box with rounded corners, likely for a drawing or additional text.