



## NOTICE

**NOTICE** is hereby given that the 45<sup>th</sup> Annual General Meeting of the Company will be held at **Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere-577004**, on **Thursday, the 29<sup>th</sup> September, 2016 at 10.45 a.m.** to transact the following business :

### I. ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Directors' Report and the audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2016 and the audited Balance Sheet as at that date together with report of Auditors thereon;
2. To appoint a director in place of **Shri. Abhijith Ganesh Shamanur**, who retires by rotation, being eligible, offers him self for re-appointment;
3. To appoint a director in place of **Smt. Rekha Ganesh**, who retires by rotation, being eligible, offers herself for re-appointment;
4. To appoint auditors M/s. **SANTHAPPA & CO.**, (ICAI FR No. 003564S) to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

1. Appointment and Remuneration of Mr. S S Ganesh, Managing Director – Special Resolution  
“RESOLVED THAT pursuant to the provisions of Sections 190, 196, 197(1) and 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Part I & Section I of Part II of Schedule V (as amended up-to-date) of the said Act (including any statutory modifications or re-enactment thereof for the time being in force) the approval of the shareholders of the Company be and is hereby granted for appointment and remuneration of Mr. S S Ganesh as Managing Director of the Company for a period of 3 years from 24.09.2016 till 23.09.2019 as follows:  
  
[I] **Salary:** Not exceeding INR 36,00,000/- per annum (which may be categorized under various heads, such as Basic salary, House Rent Allowance, Special Allowance, Leave Travel Allowance, Conveyance, Sodexo Coupons, Medical Allowance/ Reimbursement, Company's contribution to Provident Fund beyond permissible limits under Income Tax Act, Provision of Car, Bonus, Ex-gratia, Performance Pay (based on Company/CMD performance), or into such other heads based on Company's compensation policy from time to time. Further, the



remuneration may be broken into such monthly components, quarterly components, half-yearly components, annual components or such ad hoc components as may be deemed fit in consultation with the CMD depending upon cash availability and such other factors.)

- [II] The below-mentioned perquisites if and when provided to the Managing Director, be and are hereby agreed to be not forming part of and not to be counted for the purpose of computing the overall managerial remuneration specified hereinabove:
- [a] Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; and
- [b] Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

RESOLVED FURTHER THAT Mr. S S Ganesh be entitled to annual increments in the month of April of every financial year or such other month fixed as per Company policy for providing increments to employees, subject to structuring this enhancement under any of the heads mentioned in Paragraph [I] mentioned hereinabove.

RESOLVED FURTHER THAT Mr. S S Ganesh be and is hereby agreed to be eligible for such allowances, perquisites, facilities, retirement benefits, etc., which are available to other employees of the Company, as per the HR practices and procedures in vogue, at any time and from time to time, such that the annual component of perquisite value of all such allowances, perquisites, facilities, retirement benefits, etc., when added up with the monthly/annual salary, the said remuneration shall not exceed the overall limits fixed for him hereinabove.

RESOLVED FURTHER THAT a written memorandum describing his roles and responsibilities and compensation and other matters, including termination of employment, etc., pertaining to Mr. S S Ganesh shall be kept at Registered Office in compliance with Section 190(1)(b) of the Act.”

By the order of the Board  
for Davangere sugar company limited

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
DIN: 00451383



## ನೋಟೀಸು

ಕಂಪನಿಯ ಸದಸ್ಯರ 45 ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯನ್ನು ತೊಗಟವೀರ ಸಮುದಾಯ ಭವನ, ಎಂ.ಸಿ.ಸಿ. 'ಎ' ಬ್ಲಾಕ್, ದಾವಣಗೆರೆಯಲ್ಲಿ ದಿನಾಂಕ 29-09-2016 ನೇ ಗುರುವಾರ ಬೆಳಿಗ್ಗೆ 10-45 ಘಂಟೆಗೆ ಈ ಕೆಳಗಿನ ವಿಷಯಗಳನ್ನು ವ್ಯವಹರಿಸಲು ಸಮಾವೇಶಗೊಳಿಸಲಾಗುವುದು.

### ಸಾಮಾನ್ಯ ಕಲಾಪ

1. ದಿನಾಂಕ 31-3-2016 ರಂದು ಇದ್ದಂತೆ ಪರಿಶೋಧಿಸಲಾದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಪಟ್ಟಿ ಹಾಗೂ ಇದೇ ಅವಧಿಗೆ ಕೊನೆಗೊಂಡ ಆಸ್ತಿ-ಹೊಣೆ ಪಟ್ಟಿ ಹಾಗೂ ಈ ಬಗ್ಗೆ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಹಾಗೂ ನಿರ್ದೇಶಕರ ವರದಿಯೊಂದಿಗೆ ಸ್ವೀಕಾರ ಮತ್ತು ಅಂಗೀಕಾರ ;
2. ಸರದಿ ಮೇರೆಗೆ ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತರಾಗುತ್ತಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್‌ನೇಮಕ ಬಯಸುತ್ತಿರುವ ಶ್ರೀ ಅಭಿಜಿತ್ ಗಣೇಶ್ ಶಾಮನೂರು, ಇವರ ಸ್ಥಾನದಲ್ಲಿ ಒಬ್ಬ ನಿರ್ದೇಶಕರನ್ನು ನೇಮಿಸುವುದು;
3. ಸರದಿ ಮೇರೆಗೆ ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತರಾಗುತ್ತಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್‌ನೇಮಕ ಬಯಸುತ್ತಿರುವ ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್ ಇವರ ಸ್ಥಾನದಲ್ಲಿ ಒಬ್ಬ ನಿರ್ದೇಶಕರನ್ನು ನೇಮಿಸುವುದು;
4. ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ಇಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಿಂದ ಕಂಪನಿಯ ಮುಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ಮುಕ್ತಾಯದವರೆಗೂ ಶ್ರೀ ಶಾಂತಪ್ಪ ಅಂಡ್ ಕೋ. (ICAI FR No. 003564S) ಅವರನ್ನು ನೇಮಕ ಮಾಡುವುದು ಹಾಗೂ ಅವರ ಸಂಭಾವನೆಯನ್ನು ನಿಗದಿಪಡಿಸುವುದು.

### ವಿಶೇಷ ಕಲಾಪ

5. ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶ್, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಇವರ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ ವಿಶೇಷ ನಿರ್ಣಯ.

ಕಂಪನಿ ಕಾಯ್ದೆ 2013ರ ಕಲಂ 190, 196, 197(ಇ) ಮತ್ತು 203 ಮತ್ತು ಇತರೆ ಎಲ್ಲಾ ಸಂಬಂಧಪಟ್ಟ ಕಲಂಗಳ ಪ್ರಕಾರ ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶ್ ಇವರನ್ನು ಕಂಪನಿಯ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರಾಗಿ 3 ವರ್ಷಗಳ ಅವಧಿಗೆ ದಿನಾಂಕ 24-09-2016ರಿಂದ 23-09-2019 ರವರೆಗೆ ನೇಮಕ ಮಾಡಲು ಕಂಪನಿಯ ಸದಸ್ಯರ ಅಂಗೀಕಾರವನ್ನು ಈ ಕೆಳಗಿನಂತೆ ನೀಡಲಾಗಿದೆ.

i) ಸಂಭಾವನೆ ವಾರ್ಷಿಕ ರೂ. 36,00,000/- ಮೀರದಂತೆ (ಹಲವಾರು ಬಾಬುಗಳನ್ನು ವರ್ಗೀಕರಣಗೊಂಡಂತೆ ಉದಾಹರಣೆಗೆ ಮೂಲ ವೇತನ, ಮನೆ ಬಾಡಿಗೆ ಭತ್ಯೆ, ವಿಶೇಷ ಭತ್ಯೆ, ರಜೆ ಪ್ರವಾಸ ಭತ್ಯೆ, ವೈದ್ಯಕೀಯ ಭತ್ಯೆ/ ಮರುಪಾವತಿ, ಆದಾಯ ತೆರಿಗೆ ಮಿತಿಗೆ ಒಳಪಟ್ಟಂತೆ ಭವಿಷ್ಯನಿಧಿ ವಂತಿಕೆ, ಕಾರು, ಬೋನಸ್ ಮತ್ತು ಇತರೆ ಭತ್ಯೆಗಳು)

ii) ಈ ಕೆಳಕಾಣಿಸಿದ ಸಂಭಾವನೆಯನ್ನು ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರಿಗೆ ಕಂಪನಿಯು ಕೊಟ್ಟಲ್ಲಿ ಮೇಲೆ ಕಾಣಿಸಿದ ಒಟ್ಟು ವೇತನಕ್ಕೆ ಪರಿಗಣಿಸಲಾಗುವುದಿಲ್ಲ.

(ಎ) ಭವಿಷ್ಯ ನಿಧಿಗೆ ವಂತಿಕೆ, ವಯೋ ನಿವೃತ್ತಿ ನಿಧಿ ಅಥವಾ ವಾರ್ಷಿಕ ನಿಧಿ ಒಂಟಿಯಾಗಿ ಅಥವಾ ಒಟ್ಟಾಗಿಯಾಗಿ ಆದಾಯ ತೆರಿಗೆ ಕಾಯ್ದೆ 1961ರ ಪ್ರಕಾರ ತೆರಿಗೆಗೆ ಒಳಪಡುವುದಿಲ್ಲ. ಹಾಗೂ



(ಬಿ) ಸೇವೆಯನ್ನು ಪೂರೈಸಿದ ಪ್ರತಿ ವರ್ಷಕ್ಕೆ ಅರ್ಧ ತಿಂಗಳ ಸಂಭಾವನೆ ಮೀರದಂತೆ ಕೊಡುವ ಗ್ರಾಚುಟಿ.

ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶರವರು ಪ್ರತಿ ಅರ್ಧ ವರ್ಷದಲ್ಲಿ ವರ್ಷ ತಿಂಗಳು ಅಥವಾ ಕಂಪನಿಯ ನಿಗದಿಪಡಿಸಿರುವ ಬೇರೆ ಯಾವುದೇ ತಿಂಗಳಿನಲ್ಲಿ ನೀಡುವ ವಾರ್ಷಿಕ ಹೆಚ್ಚುವರಿ ವೇತನವನ್ನು ಪಡೆಯಲು ಅರ್ಹರಾಗಿರುತ್ತಾರೆ ಎಂದು ನಿರೀಕ್ಷಿಸಲಾಗಿದೆ.

ಕಂಪನಿಯ ಇತರೆ ಎಲ್ಲಾ ನೌಕರರಿಗೆ ಅನ್ವಯವಾಗುವ ಭತ್ಯೆಗಳು, ಸೌಲಭ್ಯಗಳು ನಿವೃತ್ತಿ ಸೌಲಭ್ಯಗಳು ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶ್ ಅವರಿಗೂ ಅನ್ವಯವಾಗುವವೆಂದು ಒಪ್ಪಿದೆ.

ಮುಂದುವರೆದ ನಿರೀಕ್ಷೆಯಂತೆ ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶರವರಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಅವರ ಪಾತ್ರ ಮತ್ತು ಹೊಣೆಗಳು ಮತ್ತು ನೇಮಕಾತಿಯನ್ನು ರದ್ದುಮಾಡುವುದನ್ನು ಒಳಗೊಂಡಂತೆ ಸಂಪೂರ್ಣ ವಿವರಣೆಯ ಲಿಖಿತ ಜ್ಞಾಪನ ಪತ್ರವನ್ನು ಕಲಂ (1)(ಬಿ) ಅನ್ವಯ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಯಲ್ಲಿ ಇಡತಕ್ಕದ್ದು ಎಂದು ನಿರೀಕ್ಷಿಸಲಾಗಿದೆ.

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ  
ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ  
ದಿನಾಂಕ : 03-09-2016

ಎಸ್.ಎಸ್. ಗಣೇಶ್  
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು  
DIN: 00451383

**NOTES TO NOTICE**

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
- b) The Members are requested to intimate any change in their address to the Company.
- c) The share transfer books and the Register of Members of the Company will remain closed on 29<sup>th</sup> Septemebr, 2016.
- d) Members desiring to have any clarification on any matter in the Balance Sheet and Profit & Loss Account are requested to forward such query in advance to the Registered office, so that the clarifications can be given at the Annual General Meeting.
- e) As per section 160(1) of the Companies Act, 2013, any nomination for directorship or intention to propose anybody as Director should be deposited in writing at the Registered Office of the Company 14 days before the date of meeting, i.e., on or before 15-09-2016 along with a deposit of Rs.1,00,000/- which will be refunded to the successful contestants.

**Additional Information on Directors Retires by rotation at the Annual General Meeting :**

Name of Director	Sri Abhijith Ganesh Shamanur	Smt. Rekha Ganesh
Age	28 Years	48 Years
Date of Appointment	29-09-2009	25-04-2012
Qualification	Graduate in Engineering	Graduate
Expertise in specific functional areas	-	-
Directorship held in other public limited companies	No	No
Committee positions held in other Companies	No	No
Relationship with other Directors	Son of Mr. S.S Ganesh	Wife of Mr. S.S. Ganesh
Number of Shares held as on 31.3.2016	6914724 equity Shares	6086200 equity Shares

By the order of the Board  
for Davangere sugar company limited

**S.S. Ganesh**  
Managing Director  
**DIN: 00451383**

Place : Davangere  
Date : 03-09-2016



### ನೋಟೀಸಿಗೆ ಟಿಪ್ಪಣಿ

- ಎ. ಮಹಾಸಭೆಯಲ್ಲಿ ಭಾಗವಹಿಸಲು ಮತ್ತು ಮತದಾನ ಮಾಡಲು ಹಕ್ಕಿರುವ ಪ್ರತಿ ಸದಸ್ಯರು ತಮ್ಮ ಬದಲು ಬೇರೊಬ್ಬರನ್ನು ಪ್ರತಿನಿಧಿಯಾಗಿ ನೇಮಕ ಮಾಡಲು ಹಕ್ಕನ್ನು ಪಡೆದಿರುತ್ತಾರೆ. ಹೀಗೆ ನೇಮಕಗೊಳ್ಳುವ ಪ್ರತಿನಿಧಿಯು ಕಂಪನಿಯ ಸದಸ್ಯರೇ ಆಗಿರಬೇಕೆಂಬ ನಿಯಮವಿರುವುದಿಲ್ಲ. ಸಭೆಯಲ್ಲಿ ದಾಖಲಾಗಲು ಪ್ರಾತಿನಿಧ್ಯ ಪತ್ರವನ್ನು ಮಹಾಸಭೆ ಜರುಗುವ ಕನಿಷ್ಠ 48 ಘಂಟೆಗಳ ಮುನ್ನ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ತಲುಪಿಸತಕ್ಕದ್ದು.
- ಬಿ. ಕಂಪನಿಯ ಸದಸ್ಯರು ತಮ್ಮ ವಿಳಾಸದಲ್ಲಿ ಬದಲಾವಣೆಯಾಗಿದ್ದಲ್ಲಿ ಕೂಡಲೇ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ತಿಳಿಸತಕ್ಕದ್ದು.
- ಸಿ. ಷೇರು ವರ್ಗಾವಣೆ ಪುಸ್ತಕ ಮತ್ತು ಕಂಪನಿಯ ಸದಸ್ಯರ ರಿಜಿಸ್ಟರ್‌ನ್ನು ದಿನಾಂಕ 29-09-2016 ರಂದು ಮುಚ್ಚಿರಲಾಗುವುದು.
- ಡಿ. ಆಸ್ತಿ-ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ-ನಷ್ಟದ ಪಟ್ಟಿಯ ಬಗ್ಗೆ ಯಾವುದೇ ಮಾಹಿತಿಯನ್ನು ಹೊಂದಲು ಇಚ್ಛಿಸುವ ಸದಸ್ಯರು ತಮ್ಮ ಪ್ರಶ್ನೆಗಳನ್ನು ಮುಂಚಿತವಾಗಿ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ಕಳುಹಿಸಲು ಕೋರಲಾಗಿದೆ. ಸದರಿ ಮಾಹಿತಿಯನ್ನು ಸಭೆಯಲ್ಲಿ ಕೊಡಲಾಗುವುದು.
- ಇ. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013 ರ ಕಲಂ 160(1) ರ ಪ್ರಕಾರ ನಿರ್ದೇಶಕರ ಸ್ಥಾನಕ್ಕೆ ನಾಮಪತ್ರಗಳನ್ನು ಅಥವಾ ಬೇರೊಬ್ಬರ ಹೆಸರನ್ನು ಸೂಚಿಸುವ ನಾಮಪತ್ರಗಳನ್ನು ಲಿಖಿತ ರೂಪದಲ್ಲಿ ಮಹಾಸಭೆಯ ದಿನಾಂಕಕ್ಕಿಂತ 14 ದಿನಗಳ ಮುಂಚೆ ಅಂದರೆ ದಿನಾಂಕ 15-09-2016 ಅಥವಾ ಅದಕ್ಕೂ ಮುಂಚೆ ಠೇವಣಿ ರೂ. 1,00,000/- ಗಳೊಂದಿಗೆ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಯಲ್ಲಿ ಸಲ್ಲಿಸತಕ್ಕದ್ದು. ನಂತರ ಅಂಚೆ ಅಥವಾ ಬೇರೆ ಯಾವುದೇ ವಿಧದಲ್ಲೇ ಆಗಲಿ ತಲುಪಿಸುವ ನಾಮಪತ್ರಗಳನ್ನು ಸ್ವೀಕರಿಸಲಾಗುವುದಿಲ್ಲ. ಆಯ್ಕೆ ಆದ ಅಭ್ಯರ್ಥಿಗಳಿಗೆ ಸದರಿ ರೂ. 1,00,000/- ಗಳನ್ನು ಹಿಂದಿರುಗಿಸಲಾಗುವುದು.

ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಸರದಿ ಮೇರೆಗೆ ನಿವೃತ್ತರಾಗುತ್ತಿರುವ ನಿರ್ದೇಶಕರ ಬಗ್ಗೆ ಹೆಚ್ಚುವರಿ ಮಾಹಿತಿ :

ನಿರ್ದೇಶಕರ ಹೆಸರು	ಶ್ರೀ ಅಭಿಜಿತ್ ಗಣೇಶ ಶಾಮನೂರು	ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್
ವಯಸ್ಸು	28 ವರ್ಷ	48 ವರ್ಷ
ನೇಮಕಾತಿಯ ದಿನಾಂಕ	29-07-2009	25-04-2012
ವಿದ್ಯಾರ್ಹತೆ	ಇಂಜಿನಿಯರಿಂಗ್‌ನಲ್ಲಿ ಪದವೀಧರರು	ಪದವೀಧರರು
ನಿರ್ದಿಷ್ಟ ಕ್ರಿಯಾತ್ಮಕ ಪ್ರದೇಶಗಳಲ್ಲಿ ಪರಿಣಿತಿ	—	—
ನಿರ್ದೇಶಕರಾಗಿರುವ ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳು	—	—
ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳ ಸಮಿತಿಗಳಲ್ಲಿ ಸ್ಥಾನಮಾನ	—	—
ಇತರ ನಿರ್ದೇಶಕರ ಜೊತೆ ಸಂಬಂಧ	ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶ್‌ರವರ ಮಗ	ಶ್ರೀ ಎಸ್.ಎಸ್. ಗಣೇಶ್‌ರವರ ಪತ್ನಿ
ದಿನಾಂಕ 31-3-2016 ರಂದು ಹೊಂದಿರುವ ಷೇರುಗಳ ಸಂಖ್ಯೆ	6914724 ಇಕ್ವಿಟಿ ಶೇರುಗಳು	6086200 ಇಕ್ವಿಟಿ ಶೇರುಗಳು

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ  
ದಾವಣಗೆರೆ ಫುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ  
ದಿನಾಂಕ : 03-09-2016

ಎಸ್.ಎಸ್. ಗಣೇಶ್  
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು



## DIRECTORS' REPORT

### DEAR MEMBERS,

As you are aware that, your Company has successfully completed the forty-five operating years since from inception of the Company. The Directors of your company have an immense pleasure in presenting before you the 45<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2016.

We, as the Directors of your Company, are very eager to share the ups and downs in Company's affairs during the operating year 2015-16. We are presenting before you, the significant information as per the requirements of Section 134 of the Companies Act, 2013.

During 2014-15, your company was de-listed by virtue of being moved to dissemination board of BSE, from Bangalore Stock Exchange. More details are covered under the heading "de-listing"

**1. STATE OF COMPANY'S AFFAIRS:** As per the requirements of section 134 of the Company's Act 2013, information relating to the state of Company's affairs have been furnished.

#### a. Financial Results

(Rs. In lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Profit before Interest, Depreciation and Tax	3,890.19	697.30
Less: Interest	1,844.81	1274.03
Depreciation	768.69	1014.61
Interest on MAT and Deferred Tax	257.21	110.14
<b>NET PROFIT / LOSS</b>	<b>1019.88</b>	<b>-1701.48</b>

#### b. Crushing Operations and Sugar Produced :

The Crushing operations were started on 16.10.2015 and closed on 29.02.2016. Your Company crushed 539965 MTs of sugarcane during the Financial Year 2015-16.

Year	Sugarcane Crushed (MTs)	Sugar Produced (Qtls)	Recovery (%)
2015-16	5,39,965	4,98,586	9.18
2014-15	5,36,304	4,66,849	8.70

The Company is anticipating to crush about 5,50,000 MTs of Sugarcane for the ensuing season 2016-17.

#### c. Area covered under sugarcane cultivation :

The management is making continuous and sincere efforts of bringing more and more land under sugarcane cultivation. The following are the figures of areas of sugar cane cultivation in the last four years & the estimation for the ensuing year.

Year	Area under sugarcane cultivation (in acres)
2012-13	11,758
2013-14	12,935
2014-15	12,698
2015-16	15,732
2016-17	9,152
2017-18 (estimated for ensuing year)	15,000

The management is making sincere efforts to ensure the adequate supply of sugarcane to the Company.



**d. Sugar Export :** Due to various regulatory constraints and weak global market for cane sugar, Company did not have any export earning during the year under review.

**e. Co-gen and Power Export :** During the year 2015-16 the Company has exported 12,44,23,200 units of power to KPTCL /PCKL/IEX compared to the previous year's export of 12,09,26,400 units. The Company has imported 3,02,000 units of power from KPTCL during the year under review and had imported 3,35,000 units of power from KPTCL during the previous year 2014-15. The Co-gen unit has worked for 300 days during the year against 297 days during previous year 2014-15.

#### **SUGAR INDUSTRY OVERVIEW**

The Sugar Industry scenario for the ensuing Season 2016-17 is not so encouraging. During the current year 2015-16 the sugar prices started picking up from December, 2015 onwards, but not to the expected level of the industry because of the frequent interference of the Central Government. The policy of the Government is also not encouraging for the Sugar Industry. The sugarcane production is expected to be at lower level due to unfavorable monsoon which is going to affect yield of sugarcane. There may not be surplus production of sugar during the ensuing season 2016-17. There expected to be deficit in the global production of sugar. The domestic prices of the sugar may be favourable due to deficit in production but Government interference to maintain the price is going to affect the profitability of the sugar industry. Any favorable steps on the part of the Government to encourage the sugar factories during the ensuing season 2016-17 may help the industry to recover from the past losses.

#### **GOVERNMENT MEASURES:**

Government extended Soft Loan to sugar industries to clear the sugarcane dues to the farmers with interest subsidy of 10%. It helped the industry to clear the past dues to the farmers. Government imposed higher import duty to curb the import of sugar to protect the domestic prices from further decrease.

#### **SUGAR POLICY:**

The Central Government has opened up the Sugar industry to open market policy, where the price is determined by demand and supply derivatives. The Central Government has permitted the State Government to purchase Sugar for PDS from open market at the prevailing market prices, but has extended subsidy to the States.

#### **GOVERNMENT POLICY ON POWER SECTOR**

The Government of Karnataka does not have a stable energy procurement policy. Consequently the Independent Power Producers are in state of dilemma or confusion. The energy sector needs a firm and remunerative policy by the State Government of Karnataka to sustain the stable and remunerative operation of Independent power producers including Co-gen power plants.

#### **EFFLUENT TREATMENT PLANT:**

Company has set up an effective Effluent Treatment Plant as per the standards prescribed by the Karnataka State Pollution Control Board. The Company has renewed the licenses under both the Water and Air pollution control Act, from the Pollution Control Board.

#### **UPGRADATION OF TECHNOLOGY:**

The Management believes in the principle that the change is inevitable, and the Company should be equipped to face the challenges on account of the inevitable changes. As has been done in the past, the Company is looking for upgrading its plant for increasing the efficiency in production and to produce quality sugar.

#### **MANAGEMENT OUT LOOK FOR 2016-17**

The supply of sugarcane to the factory may not to the expected level since the area covered under the sugarcane cultivation due to diversion to other alternative crops and unfavourable monsoon has affected the yield per acre of





sugarcane. There seems to be deficit in the production of sugar during the ensuing year. The Government policy is not stable and the sugar industry is expected to suffer due to frequent changes in the policies of the Government. The farmers are not in favour of cultivating sugarcane because of non-conducive factors either due to monsoon or Government policy. The future for sugar industry is not encouraging in the coming years.

**MANAGEMENT POLICY:**

The Management believes its policy of continuous effort to produce the high quality of white sugar through adoption of modern & advanced technology from time to time. It believes in team effort of all people who are directly and indirectly working with the Company as one family. It strongly believes in "give and take policy" that is more production & more efficiency means more rewards.

**Reserves and Surplus:**

The entire Profit for the Financial Year has been shown under the separate head Reserves & Surplus as per the requirement of Section 134 (3) (j) of the Companies Act, 2013.

**NO CHANGE IN THE NATURE OF BUSINESS:**

There is no Change in the nature of the business of the Company done during the year.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Details of the board and committees are provided in the corporate governance report annexed to this report. The company has not appointed any Key Managerial Personnel except for Managing Director and Executive Director.

Tenure of Mr. S S Ganesh as Managing Director ends on 23.09.2016 and approval of shareholders is being sought for his re-appointment at the ensuing annual general meeting

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company does not have any Subsidiary, Joint Venture or Associate Company. The provisions of Section 129(3) of the Companies Act, 2013 is not applicable, since company has no subsidiary.

**INTERNAL FINANCIAL CONTROL:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**PUBLIC DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review.

**Dividend:**

The company has not declared dividend for the Financial Year Ended on 31.03.2016. The Board of Directors of the company is of the opinion that your company needs to conserve cash reserves to sustain continuous growth.

**Material Changes and Commitments:**

No material changes and commitments, affecting the financial position of the Company have been occurred between the end of the financial year to the date of report in terms of section 134 (3) (l) of the Companies Act, 2013.

**MEETINGS:**

During the financial year ended 31.03.2016, thirteen meetings of the Board of Directors of the Company were held. The details of the meetings held and attendance of the Directors are given in the corporate governance report enclosed to this report.

**INDEPENDENT DIRECTORS**

The company has appointed independent directors in terms of Section 149(4) read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The declaration of independent directors is annexed to this report. There has been no re-appointment of independent director during the year.

**RISK MANAGEMENT POLICY :**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**BOARD OF DIRECTORS:**

**Smt. Rekha Ganesh and Shri. Abhijith Ganesh Shamanur**, directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment pursuant to Section 160 of the Companies Act, 2013. None of the Directors of the Company is disqualified under section 164 of the Companies Act, 2013.

Declaration of independent directors of the company are provided as annexure to this report.

Independent directors are chosen by remuneration & nomination committee constituted under Section 178 of Companies Act 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and then approved by the board. Present independent directors were appointed before the said section came into effect and the said appointment is as per Clause 49 of Listing Agreement.

**AUDIT COMMITTEE**

The Company has constituted an Audit Committee as per the provisions of section 177(8) of the Companies Act, 2013. The information as required is furnished in Annexure- A (Corporate Governance Report) annexed to this report.

**Vigil Mechanism for directors and employees**

Under Section 177(9) of Companies Act 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the company has established a Vigil Mechanism for directors and employees to report genuine concerns and grievances. The vigil mechanism provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provides for direct access to the Chairperson of the Audit Committee.

**Nomination and Remuneration Committee**

The Company has constituted a Nomination and Remuneration Committee as per the provisions of section 178 of the Companies Act, 2013. The information as required is furnished in Annexure- A (Corporate Governance Report) annexed to this report.

**POLICIES ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The company is covered under Section 178(1) of Companies Act 2013 read with Rule 6 of Companies (Meeting of Board and its Powers) Rules 2014. Accordingly Section 134(3)(e) of the Act requires the company to disclose policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and matters relating to remuneration for directors, key managerial personnel and employees. Due to scarcity of space, the entire policy is unable to be reproduced in the report and instead, highlights of the said policy is provided hereunder:

The policy is recommended by Remuneration Committee and approved by the Board.

The policy provides for criteria for appointment / continuation of appointment of directors on the basis of requirements of Companies Act 2013 and Rules made thereunder.

The policy also specifies minimum - qualification, experience and other attributes.



The policy lays down criteria for evaluation of performance of board, committees and individual directors (as elaborated under separate heading in this report).

Other matters like criteria for removal of directors, components of remuneration...etc are specified by the policy.

**Payment of remuneration during inadequacy of profits:**

The company is paying following remuneration to its managerial personnel:

Name of the Director and designation	Appointment and Remuneration with effect from	Appointment Valid upto and Remuneration	Amount (Rs.) PA
Mr. S S Ganesh, Managing Director	01.04.2014	23.09.2016	36,00,000
Mr. Abhijit G Shamnur, Whole-time Director	25.04.2012	07.11.2017	19,44,000
<b>Total</b>			<b>55,44,000</b>

As per Section 197 of Companies Act 2013, maximum remuneration that can be paid to aforesaid directors is 10% of profits as calculated under Section 198 of the Act. The Company incurred loss during the FY 2014-15 and the profit was inadequate. Since the profits are inadequate to accommodate the aforesaid managerial remuneration, approval of shareholders was obtained under Rule 7(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 vide shareholder's special resolution passed in Extraordinary General Meeting held on 26.03.2015.

As on 31.03.2015, the company was under net loss and hence for the financial year 2015-16, the aforesaid remuneration is continued to be paid under the authority of shareholder's special resolution stated above.

**Stakeholders Relationship Committee(Investors Grievance Committee).**

The Company has constituted a Stakeholders Relationship Committee as per the provisions of section 178(5) of the Companies Act, 2013. The information as required is furnished in Annexure- A (Corporate Governance Report) annexed to this report.

**Committee of Corporate Social Responsibility**

The Company has constituted a Committee as per the provisions of section 135 of the Companies Act, 2013. The information as required is furnished in Annexure- A (Corporate Governance Report) annexed to this report.

**Corporate Social Responsibility**

In the CSR Committee meeting held on 31.12.2015, the committee observed that the company had to spend Rs. Nil towards CSR activity. Brief calculation for amount to be spent is given in the table hereunder.

Financial year	Net profit (after tax) (Rs.)
2014-15	-17,01,48,217
2013-14	5,37,70,915
2012-13	11,41,21,935
Total	-22,55,367
Average of three years	NA
2% of average	NA

**Remuneration to Directors and other employees**

Disclosure pertaining to details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable. Disclosure pertaining to details of receipt of any commission from holding / subsidiary company by Managing Director or Whole-time Director of the Company, is not applicable.

**FORMAL ANNUAL EVALUATION**

The company is covered under Section 134(3)(p) read with Rule 8(4) of Companies (Accounts) Rules 2014. Accordingly formal annual evaluation of performance of Board, committees and individual directors have been conducted by the Nomination & Remuneration Committee in the following manner:

The evaluation is done internally. The evaluation is done on the basis of inputs received from the directors regarding the performance of board & committees as a whole and also of director in individual capacity. Specific inputs have been collected from Independent Directors regarding performance of Managing Director and Whole-time Director.

Broad parameter for board performance have been the efficiency to guide the company in its core business operation. Supplementary parameter is exploring opportunities for bringing new business opportunities for the company. Specific parameter for Managing Director and Whole-time Director is achievement of targets on the core business. Specific parameter for independent directors and other non-executive directors is attendance at board / committee meetings and providing independent judgements on the board decisions. Specific parameter for committees is execution of their terms of reference.

**Particulars of Loans & Guarantees**

The company has neither granted any loans nor provided any guarantee for loan obtained by – persons in whom directors are interested.

There were no loans / guarantees / investments made covered under Section 186 as on 31.03.2016.

**Conservation of energy, technology absorption & Foreign exchange:****Conservation of energy:**

Conservation of energy is the continuous efforts of the management. The management is aimed at achieving maximum reduction in in-house energy consumption and of energy used in sugar production. Similarly the management is making continuous efforts to conserve the energy by reducing the consumption per unit of sugar produced. No additional investment is envisaged by the management. The management is making efforts to conserve the energy by improvement of efficiency in energy production and sugar production. The information as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in FORM – annexed to this report.

**Technology absorption:**

The management is adopting the latest technologies in sugar production process stage by stage. During the year 2015-16, Company completed the Project of expansion and modernisation of process house with FFE technology to improve the quality and productivity of the Sugar. The new technology is a unique technology adopted in a few companies in India and our Company is one among them. This new technology also leads to savings in steam consumption per ton of cane juice processed.



The information as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in FORM – B annexed to this report.

**Foreign Exchange Earnings and Outgo:****Earnings:**

As stated earlier the Company did not have any export earnings during the year.

**Out goings:**

The Company has imported 44,000 MTs of Steaming Coal for its Co-generation Unit and used USD 23,71,600 (Equivalent to INR 1581.18 lakhs)

b. During the year the Company has paid EURO 6,240.86 (Equivalent to INR 4.51 lakhs) to IPRO, Germany, towards technical and engineering consultancy relating to steam saving devices;

**SHARE CAPITAL :**

Issue of equity shares with differential rights: None

Issue of sweat equity shares: None

Issue of employee stock options: None

Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees: None

Redemption of securities: None

**AUDITORS :**

M/s Santhappa & Company, Chartered Accountants, Davangere, were appointed as statutory auditors of the Company at the last Annual General Meeting and will be holding the office till the conclusion of this Annual General Meeting. They are eligible for reappointment on a remuneration to be fixed by the Members.

M/s Santhappa & Company were first appointed in Annual General Meeting held on 23.11.2013. Accordingly as on 01.04.2014, they had served for **one year** as statutory auditor of the company. Your company is covered under the provisions of rotation of auditor in terms of Section 139(2) of Companies Act 2013 read with Rule 5 of Companies (Audit and Auditors) Rules, 2014. In terms of Rule 6 of, the present auditors of the company shall continue as statutory auditor of the company only till FY 2016-17.

There are no qualifications in the report of the auditor for the financial year 2015-16.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

In accordance with the provisions of section 134(5) the Board confirm and submit the Directors' Responsibility Statement:-

In the Preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2016 and of the Loss of the Company for the year under review.



The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2016 on a “going concern” basis.

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

### **Related Party Transactions**

The particulars of every contract or 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 arm’s length transactions under third proviso thereto has been disclosed in Form No. AOC -2. (Format enclosed)

### **INDUSTRIAL RELATIONS :**

The Industrial relation with the labour continued to be cordial and satisfactory. Your Directors wish to record their appreciation for the co-operation of the employees’ during the year.

### **SECRETARIAL AUDIT REPORT :**

The Company has obtained Secretarial Audit Report .

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company’s operations in future.

### **VOLUNTARY REVISION OF FINANCIAL STATEMENT AND BOARD’S REPORT :**

The company has not revised its past financial statements or board reports under Section 131 of Companies Act 2013

### **REPORTING OF FRAUD :**

The auditor of the company has not reported any fraud under Section 143(12) read with Rule 13 of Companies (Audit & Auditors) Rules 2014

### **EXTRACT OF ANNUAL RETURN :**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in Form MGT- 9 as a part of this Annual Report is enclosed as Annexure.

### **LOAN FROM DIRECTORS :**

The company has not obtained any loan from directors.

### **Particulars of Employees**

In terms of Section 134(3) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, there is no employee who has drawn the remuneration in excess of the limit prescribed under the said rule.



**Disclosure pursuant to Section 22 of Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 :**

The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 requires every employer to comply with its provisions and make a disclosure of the number of cases occurring under the Act pursuant to Section 22. Your Board confirms that no complaints / cases have been filed / are pending with the Company during the year.

**Cost Auditors**

M/s. GNV & Associates, Bangalore, have been appointed as Cost Auditors of the Company as per the provisions of Section 148(1) of the Act.

**De-listing :**

Your company was listed on Bangalore Stock Exchange (BgSE). Regional stock exchanges not meeting certain criteria specified by SEBI, were directed to discontinue stock exchange business and surrender their stock exchange license. Accordingly, Bangalore Stock Exchange surrendered its stock exchange license. Companies exclusively listed on BgSE, which did not voluntarily de-list were moved to dissemination boards set up by NSE/ BSE/MCS-XS. Your company was moved to dissemination board of MCS-XS Exchange Limited vide BgSE letter dated 14<sup>th</sup> November, 2014, effectively delisting the company. From the date of the said letter your company stands de-listed. The shareholders are free to transfer the shares off-market. In addition to the same, the shareholders may also use the dissemination mechanism of MCS-XS. In order to use the said mechanism, the shareholders have to get registered with broker of MCS-XS. Transfers will depend on availability of a buyer (who shall also be registered with such broker) for such shares.

SEBI Circular No. COR/MD/DSA/14/2012 dated 30.05.2014

**ACKNOWLEDGEMENTS :**

Your Board of Directors expresses their grateful appreciation and thanks to Sugarcane Growers for their co-operation to the Company, Government of India, Government of Karnataka, Bankers, Financial Institutions and Shareholders for their continuous support and unstinted help and guidance extended to the Company.

By the order of the Board  
for Davangere sugar company limited

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
**DIN: 00451383**

## ನಿರ್ದೇಶಕರ ವರದಿ

ಸನ್ಮಾನ್ಯ ಸದಸ್ಯರೇ,

ನಿಮಗೆಲ್ಲಾ ತಿಳಿದಿರುವಂತೆ ನಿಮ್ಮ ಸಂಸ್ಥೆಯು ತನ್ನ ಪ್ರಾರಂಭದಿಂದ ಇದುವರೆಗೂ ತನ್ನ ಯಶಸ್ವೀ ಕಾರ್ಯನಿರ್ವಹಣೆಯ ನಲವತ್ತೈದು ವರ್ಷಗಳನ್ನು ಪೂರೈಸಿದೆ. ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಿಗೆ, ಈ 45 ನೇ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಮತ್ತು 31ನೇ ಮಾರ್ಚ್ 2016 ಕೊನೆಗೊಂಡ ವರ್ಷದ ಪರಿಶೋಧಿಸಿದ ಲೆಕ್ಕ ಪತ್ರಗಳನ್ನು ತಮ್ಮ ಮುಂದೆ ಮಂಡಿಸಲು ಅತೀವ ಸಂತೋಷವೆನಿಸುತ್ತದೆ.

ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಾಗಿ ನಾವು ನಿಮ್ಮ ಕಂಪನಿಯ 2015-2016 ನೇ ವರ್ಷಾವಧಿಯ ಕಾರ್ಯಾಚರಣೆಯ, ಕೆಲಸಕಾರ್ಯಗಳ ನಿರ್ವಹಣೆಯಲ್ಲಿನ ಏಳುಬೀಳುಗಳನ್ನು ಅತ್ಯಂತ ಆಸಕ್ತಿಯಿಂದ ನಿಮ್ಮೊಂದಿಗೆ ಹಂಚಿಕೊಳ್ಳಲಿಚ್ಛಿಸುತ್ತೇವೆ. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134 ರಡಿ ಅವಶ್ಯಕವಾದ ಮಹತ್ವದ ಮಾಹಿತಿಯನ್ನು ತಮ್ಮ ಮುಂದಿಡುತ್ತಿದ್ದೇವೆ.

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ಬೆಂಗಳೂರು ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್‌ನ ಲೀಸ್ಟ್‌ಲಿಸ್ಟಿಂಗ್‌ನಿಂದ ಹೊರಬಂದಿರುತ್ತದೆ. ಇದಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ವಿವರಗಳನ್ನು ಡೀ-ಲೀಸ್ಟಿಂಗ್ ತಲೆಬರಹದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

### 1. ಕಂಪನಿಯ ವಸ್ತು ಸ್ಥಿತಿ :

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134 ರ ಮೇರೆಗಿನ ಅವಶ್ಯಕತೆಗಳಿಗನುಗುಣವಾಗಿ ಕಂಪನಿಯ ವಸ್ತು ಸ್ಥಿತಿಗತಿಗಳ ಬಗ್ಗೆ ಮಾಹಿತಿ ಪೂರೈಕೆ ಮಾಡಲಾಗಿದೆ.

#### (ಎ) ಆರ್ಥಿಕ ಫಲಿತಾಂಶಗಳು

ವಿವರಗಳು	31-03-2016 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ	31-03-2015 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ
ಬಡ್ಡಿ, ಸವಕಳಿ ಮತ್ತು ತೆರಿಗೆಗೆ ಮುಂಚಿನ ಲಾಭ	3890.19	697.30
ಕಡಿತ : ಹಣಕಾಸಿನ ಖರ್ಚು	1844.41	1274.03
ಸವಕಳಿ	768.69	1014.16
ಆದಾಯ ತೆರಿಗೆ ಮತ್ತು ಮುಂದೂಡಿದ ತೆರಿಗೆ	257.21	110.14
<b>ನಿವ್ವಳ ಲಾಭ/ನಷ್ಟ</b>	<b>1019.88</b>	<b>-1701.48</b>

#### (ಬಿ) ಕಬ್ಬು ಅರೆಯುವಿಕೆ ಕಾರ್ಯ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ :

2015-2016 ನೇ ವರ್ಷದ ಕಬ್ಬು ಅರೆಯುವಿಕೆಯು ದಿನಾಂಕ 16ನೇ ಆಕ್ಟೋಬರ್ 2015 ರಂದು ಪ್ರಾರಂಭಗೊಂಡು 29ನೇ ಫೆಬ್ರವರಿ 2016 ರಲ್ಲಿ ಅಂತ್ಯಗೊಂಡಿತು. ಹಣಕಾಸಿನ ವರ್ಷ 2015-2016 ರಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು 5,39,965 ಮೆಟ್ರಿಕ್ ಟನ್ ಕಬ್ಬು ಅರೆದಿರುತ್ತದೆ.

ವರ್ಷ	ಕಬ್ಬು ಅರೆದಿರುವುದು ಮೆ.ಟನ್	ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ (ಕ್ಷಂ.)	ಇಳುವರಿ
2015-16	5,39,965	4,98,586	9.18
2014-15	5,36,304	4,66,849	8.70

ಕಂಪನಿಯು 2016-17ನೇ ಸಾಲಿನಲ್ಲಿ 5,50,000 ಮೆಟ್ರಿಕ್‌ಟನ್ ಕಬ್ಬನ್ನು ಅರೆಯುವ ನಿರೀಕ್ಷೆಯಿದೆ.

#### (ಸಿ) ಕಬ್ಬು ಬೆಳೆಪಡೇಶದ ವಿಸ್ತೀರ್ಣ :

ನಿಮ್ಮ ಕಂಪನಿಯ ಕ್ರಿಯಾಶೀಲ ಆಡಳಿತದಲ್ಲಿ ಹೆಚ್ಚು ಹೆಚ್ಚು ಭೂಮಿಯನ್ನು ಕಬ್ಬಿನ ಬೆಳೆಯಡಿಯಲ್ಲಿ ತರುವ ನಿರಂತರ ಪ್ರಯತ್ನದಲ್ಲಿದೆ. ಕಳೆದ ನಾಲ್ಕು ವರ್ಷಗಳಲ್ಲಿ ಕಬ್ಬು ನಾಟಿ ಮಾಡಿದ ನಿಖರ ವಿಸ್ತೀರ್ಣ ಹಾಗೂ ಮುಂದಿನ ವರ್ಷದ ಅಂದಾಜು ನಾಟಿ ವಿವರ ಕೆಳಗಿನಂತಿದೆ.

ವರ್ಷ	ಕಬ್ಬಿನ ಬೆಳೆಯ ವಿಸ್ತೀರ್ಣ (ಎಕರೆಗಳಲ್ಲಿ)
2012-13	11,758
2013-14	12,935
2014-15	12,698
2015-16	15,732
2016-17	9,152
2017-18 (ಮುಂಬರುವ ವರ್ಷ)	15,000





(ಡಿ) ಸಕ್ಕರೆ ರಫ್ತು : ಹಲವಾರು ವಿಧಿಬದ್ಧ ತೊಡಕುಗಳು ಹಾಗೂ ವಿದೇಶಿ ಬೇಡಿಕೆ ಕುಗ್ಗಿದ ಕಾರಣ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ಸಕ್ಕರೆಯನ್ನು ರಫ್ತು ಮಾಡಿರುವುದಿಲ್ಲ.

**(ಇ) ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ (CO-GEN) ಮತ್ತು ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಾತ :**

ಹಿಂದಿನ ವರ್ಷದ 12,09,26,400 ಯೂನಿಟ್‌ಗಳ ವಿದ್ಯುತ್ ರಫ್ತಿಗೆ ಹೋಲಿಸಿದರೆ ಪ್ರಸಕ್ತ ವರ್ಷ ಕಂಪನಿಯು ಕೆ.ಪಿ.ಟಿ.ಸಿ.ಎಲ್.ಗೆ ಮತ್ತು ಇತರರಿಗೆ 12,44,23,200 ಯೂನಿಟ್ ವಿದ್ಯುತ್ ರಫ್ತು ಮಾಡಿದೆ ಮತ್ತು ಹಿಂದಿನ ವರ್ಷ ಕೆ.ಪಿ.ಟಿ.ಸಿ.ಎಲ್.ನಿಂದ 3,35,000 ಯೂನಿಟ್ ವಿದ್ಯುತ್‌ನ್ನು ಆಮದಿಸಿರುವುದಕ್ಕೆ ಹೋಲಿಸಿದರೆ ಪ್ರಸಕ್ತ ವರ್ಷ 3,02,000 ಯೂನಿಟ್ ವಿದ್ಯುತ್‌ನ್ನು ಆಮದು ಮಾಡಿಕೊಂಡಿದೆ. ಕಳೆದ ವರ್ಷ ಕೋಜನ್ ಘಟಕವು 297 ದಿನಗಳ ಕಾಲ ಕಾರ್ಯ ನಿರ್ವಹಿಸಿದ್ದು ವರದಿ ವರ್ಷದಲ್ಲಿ 300 ದಿನಗಳು ಕಾರ್ಯನಿರ್ವಹಿಸಿರುತ್ತದೆ.

**2. ಸಾಮಾನ್ಯ ಕಾಯ್ದಿಟ್ಟ ನಿಧಿ :**

ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದ ಸಂಪೂರ್ಣ ಲಾಭವನ್ನು ಸರ್ವ ಸಾಮಾನ್ಯ ಕಾಯ್ದಿಟ್ಟ ನಿಧಿಯಲ್ಲಿ ಪ್ರತ್ಯೇಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯಡಿ ತೋರಿಸಲಾಗಿದೆ. ಕಲಂ 134(3)(ಬಿ) ನಡಿ ಅವಶ್ಯಕವಾಗಿರುವಂತೆ ವಿವರ ನೀಡಲಾಗಿದೆ.

**3. ಭೌತಿಕ ಬದಲಾವಣೆ ಮತ್ತು ಕಟ್ಟುಪಾಡುಗಳು :**

ಕಂಪನಿ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರುವಂತಹ ಯಾವ ಪ್ರಮುಖ ಬದಲಾವಣೆಗಳು ಮತ್ತು ಕಟ್ಟುಪಾಡುಗಳು ಕಂಪನಿ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134(3)(ಎಲ್) ಅನ್ವಯ ಹಣಕಾಸು ವರ್ಷ ಕೊನೆಯಂದಿನಿಂದ ಈ ವರದಿಯ ದಿನದವರೆಗೂ ಆಗಿರುವುದಿಲ್ಲ.

**4. ವಿದ್ಯುಚ್ಛಕ್ತಿ (ಶಕ್ತಿ) ಉಳಿತಾಯ, ತಂತ್ರಜ್ಞಾನ ಅಳವಡಿಕೆ ಮತ್ತು ವಿದೇಶಿ ವಿನಿಮಯ :**

(ಎ) **ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉಳಿತಾಯ :** ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉಳಿತಾಯವು ಆಡಳಿತ ಮಂಡಳಿಯ ನಿರಂತರ ಪ್ರಯತ್ನವಾಗಿದೆ. ತನ್ನ ಗೃಹ (ಅಂತರಿಕ) ಬಳಕೆಯಲ್ಲಿ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಗರಿಷ್ಠ ಪ್ರಮಾಣದಲ್ಲಿ ವಿದ್ಯುತ್ ಬಳಕೆಯನ್ನು ಕಡಿಮೆ ಮಾಡುವ ಗುರಿಯನ್ನು ಆಡಳಿತ ಮಂಡಳಿಯು ಹೊಂದಿರುತ್ತದೆ. ಅದರಂತೆ ಆಡಳಿತ ಮಂಡಳಿಯು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯ ಪ್ರತಿ ಯೂನಿಟ್‌ಗೆ ಬಳಕೆಯಾಗುವ ವಿದ್ಯುತ್ ಪ್ರಮಾಣವನ್ನು ತಗ್ಗಿಸಲು ನಿರಂತರ ಪ್ರಯತ್ನ ಮಾಡುತ್ತಿದೆ. ಆಡಳಿತ ಮಂಡಳಿಯು ಇದರಲ್ಲಿ ಹೆಚ್ಚಿನ ಹೂಡಿಕೆಗೆ ಯೋಚಿಸಿರುವುದಿಲ್ಲ ಮತ್ತು ಗರಿಷ್ಠ ಪ್ರಮಾಣದಲ್ಲಿ ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆಯ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯ ಕಾರ್ಯಕ್ಷಮತೆಯನ್ನು ಇನ್ನಷ್ಟು ಸುಧಾರಿಸಿ ವಿದ್ಯುತ್ ಉಳಿತಾಯ ಸಾಧಿಸಲು ಆಡಳಿತ ಮಂಡಳಿಯು ಪ್ರಯತ್ನ ಮಾಡುತ್ತಿದೆ. ಕಂಪನಿಗಳ (ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ವರದಿಯಲ್ಲಿ ವಿವರಗಳ ಪ್ರಕಟಣೆ) ನಿಯಮ 1988ರ ನಿಯಮ 2ರಡಿ ಅವಶ್ಯವಿರುವಂತೆ ಮಾಹಿತಿಯನ್ನು ಈ ವರದಿ ಜೊತೆ ಲಗತ್ತಿಸಿರುವ “ಫಾರ್ಮ್-ಎ” ನಲ್ಲಿ ಕೊಡಲಾಗಿರುತ್ತದೆ.

(ಬಿ) **ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ :** ಆಡಳಿತ ಮಂಡಳಿಯು ಹಂತಹಂತವಾಗಿ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ತೀರ ಇತ್ತೀಚಿನ ತಾಂತ್ರಿಕತೆಯನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುತ್ತಿದೆ. ಪ್ರಸಕ್ತ ವರ್ಷ 2015-16 ರಲ್ಲಿ ಕಂಪನಿಯ ಆಡಳಿತ ಮಂಡಳಿಯು, ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಹೊಸ ಎಫ್.ಎಫ್.ಇ. ತಾಂತ್ರಿಕತೆಯನ್ನು ಅಳವಡಿಸಿದೆ. ಇದರಿಂದ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಮತ್ತು ಗುಣಮಟ್ಟ ಹೆಚ್ಚುತ್ತದೆ ಮತ್ತು ಈ ತಾಂತ್ರಿಕತೆಯನ್ನು ದೇಶದಲ್ಲಿ ಕಲವೇ ಕಾರ್ಖಾನೆಗಳು ಅಳವಡಿಸಿಕೊಂಡಿರುತ್ತವೆ ಮತ್ತು ನಮ್ಮ ಕಂಪನಿಯು ಇಂಥ ಕಂಪನಿಗಳ ಪೈಕಿ ಒಂದಾಗಿದೆ. ಈ ತಾಂತ್ರಿಕತೆಯಿಂದ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಹಬೆಯ ಉಪಯೋಗವನ್ನು ನಿಯಂತ್ರಿಸುತ್ತದೆ. ಕಂಪನಿಗಳ (ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ವರದಿಯಲ್ಲಿ ವಿವರಗಳ ಪ್ರಕಟಣೆ) ನಿಯಮ 1988ರ ನಿಯಮ 2ರ ಮೇರೆಗೆ ಅವಶ್ಯಕವಾಗಿರುವ ಮಾಹಿತಿಯನ್ನು ಈ ವರದಿಗೆ ಜೋಡಿಸಿರುವ ‘ಫಾರ್ಮ್-ಬಿ’ ಯಲ್ಲಿ ಕೊಡಲಾಗಿರುತ್ತದೆ.

**(ಸಿ) ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ವೆಚ್ಚ :**

**ಗಳಿಕೆ :** ಮೇಲೆ ತಿಳಿಸಿರುವಂತೆ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ರಫ್ತು ಗಳಿಕೆಯನ್ನು ಪಡೆದಿರುವುದಿಲ್ಲ.

**ವೆಚ್ಚ :** ಕಂಪನಿಯು ಕೋಜನ್ ಘಟಕಕ್ಕೆ 44,000 ಮೆ. ಟನ್ ಕಲ್ಲಿದ್ದಲನ್ನು ಆಮದು ಮಾಡಿಕೊಂಡಿದ್ದು ಈ ಬಾಬು 23,71,600 ಅಮೇರಿಕನ್ ಡಾಲರ್ ಅಥವಾ ರೂ. 1,581.81 ಲಕ್ಷಗಳನ್ನು ವೆಚ್ಚ ಮಾಡಿರುತ್ತದೆ.

**ಡಿ :** ಕಂಪನಿಯು ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ, ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಗೆ ಸ್ವೀಮ್ ಉಳಿಸುವ ತಂತ್ರಜ್ಞಾನದ ಸಲಹೆಗಾಗಿ, ಐ.ಪಿ.ಆರ್.ಓ. ಜರ್ಮನಿ ಕಂಪನಿಗೆ 6240.87 ಯೂರೋಗಳನ್ನು (ರೂ. 4.51 ಲಕ್ಷ)ಗಳನ್ನು ವೆಚ್ಚ ಮಾಡಿರುತ್ತದೆ.

**5. ಕಂಪನಿ ವ್ಯವಹಾರದ ಯಥಾಸ್ಥಿತಿ :**

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಷರತ್ತುಗಳಿಗೊಳಪಟ್ಟಂತೆ ಆಡಳಿತ ಮಂಡಳಿಯ ಅಭಿಪ್ರಾಯದಲ್ಲಿ ಕಂಪನಿಯ ವ್ಯವಹಾರದ ಸ್ವರೂಪದಲ್ಲಿ ಕಂಪನಿಯ ವ್ಯವಹಾರಕ್ಕೆ ಧಕ್ಕೆಯಾಗುವಂತಹ ಯಾವ ಬದಲಾವಣೆಗಳೂ ಅಲ್ಲದೆ ಕಂಪನಿಯ ಕಾರ್ಯಚಟುವಟಿಕೆಯಲ್ಲಿ ಗಣನೆಗೆ ಬರುವಂತಹ ಯಾವ ಪ್ರಮುಖ ಬದಲಾವಣೆಗಳೂ ಇರುವುದಿಲ್ಲ.

#### 6. ನೌಕರರ ಸಂಭಾವನೆ :

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಮೇರೆಗೆ ವಿಧಿಸಿರುವ ಮಿತಿಗಿಂತ ಹೆಚ್ಚಿನ ಸಂಭಾವನೆಯನ್ನು ಯಾವ ನೌಕರನಿಗೂ ಕೊಡಲಾಗಿರುವುದಿಲ್ಲ.

#### 7. ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿ ಹೇಳಿಕೆ - ಕಂಪನಿ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134(5) ರ ಮೇರೆಗೆ :

(i) ಈ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಯಲ್ಲಿ ಅದಕ್ಕೆ ಅನ್ವಯವಾಗುವ ಲೆಕ್ಕಪತ್ರದ ಮಾನದಂಡವನ್ನು ಅನುಸರಿಸಲಾಗಿರುತ್ತದೆ.

(ii) 31ರ ಮಾರ್ಚ್ 2016 ಕ್ಕೆ ಇರುವಂತೆ ಕಂಪನಿಯ ವಸ್ತುಸ್ಥಿತಿಗಳ ಬಗ್ಗೆ ಮತ್ತು ಪರಿಶೀಲನೆಗೆ ಒಳಪಟ್ಟಿರುವ ಈ ವರ್ಷದ ಕಂಪನಿಯ ನಷ್ಟಗಳ ಪರಿಗಣನೆಗಾಗಿ, ನಿರ್ದೇಶಕರು ಕೌಶಲ್ಯಯುತ ಲೆಕ್ಕಪತ್ರಗಳ ಮಟ್ಟವನ್ನು ಆರಿಸಿಕೊಂಡಿದ್ದು ಅವುಗಳನ್ನು ಸುಸಂಗತ ರೀತಿಯಲ್ಲಿ ಅನ್ವಯಿಸಿ ಅದರಂತೆ ಸಮಂಜಸ ಹಾಗೂ ಯುಕ್ತಾಯುಕ್ತ ಪರಿಚ್ಛೇದವುಳ್ಳ ರೀತಿಯಲ್ಲಿ ವಿವೇಚಿಸಿ ಮತ್ತು ಅಂದಾಜು ಮಾಡಿ ಆ ರೀತಿಯಲ್ಲಿ ಅಳವಡಿಸಿಕೊಂಡಿರುತ್ತದೆ.

(iii) ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರಡಿ ಕೊಡಮಾಡಿರುವ ಅವಕಾಶಗಳನ್ವಯ ಕಂಪನಿಯ ಆಸ್ತಿ ರಕ್ಷಣೆಗಾಗಿ ಮತ್ತು ವಂಚನೆ ಅಕ್ರಮಗಳನ್ನು ತಪ್ಪಿಸಲು ಹಾಗೂ ಪತ್ತೆ ಮಾಡಲು ನಿರ್ದೇಶಕರು ಸರಿಯಾದ ಮತ್ತು ಸಾಕಷ್ಟು ಎಚ್ಚರಿಕೆಯಿಂದ ಕೂಡಿರುವಂತಹ ಯಥೋಚಿತ ಲೆಕ್ಕಪತ್ರ ದಾಖಲೆಗಳನ್ನು ಸಂರಕ್ಷಣೆ ಮಾಡಿರುತ್ತಾರೆ.

(iv) 'ನಡೆಯುತ್ತಿರುವ ವ್ಯಾಪಾರಿ ಸಂಸ್ಥೆ' (GOING CONCERN) ತಳಹದಿಯ ಮೇಲೆ ನಿರ್ದೇಶಕರು 31 ಮಾರ್ಚ್ 2016 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸಿರುತ್ತಾರೆ.

(v) ಕಂಪನಿಯ ಆಡಳಿತ ಮಂಡಳಿಯು ಎಲ್ಲಾ ರೀತಿಯ ಕಾಯ್ದೆ ಕಾನೂನುಗಳನ್ನು ಪರಿಪಾಲಿಸಲು ಸುವ್ಯವಸ್ಥಿತವಾದ ಕಾರ್ಯಪಾಲನೆ ವ್ಯವಸ್ಥೆಯನ್ನು ಅಳವಡಿಸಿದೆ.

#### 8. ಸಕ್ಕರೆ ಉದ್ಯಮದ ಸಂಕ್ಷಿಪ್ತ ವರದಿ :

ಮುಂಬರುವ ಹಂಗಾಮು 2016-17ರಲ್ಲಿ ಸಕ್ಕರೆ ಉದ್ಯಮದ ಚಿತ್ರಣವು ಅಷ್ಟೇನು ಅಶಾದಾಯಕವಾಗಿಲ್ಲ. ವರದಿ ವರ್ಷ 2015-16ರಲ್ಲಿ ದಿಸೆಂಬರ್ 15ರ ನಂತರ ಸಕ್ಕರೆ ಬೆಲೆಯಲ್ಲಿ ಏರಿಕೆ ಕಂಡು ಬಂದಿತು ಆದರೆ ಕೇಂದ್ರ ಸರ್ಕಾರದ ಪದೇ ಪದೇ ಮಧ್ಯೆ ಪ್ರವೇಶದಿಂದ ಸಕ್ಕರೆ ಉದ್ಯಮದ ನಿರೀಕ್ಷೆಗೆ ತಕ್ಕಂತೆ ಏರಿಕೆ ಸಾಧ್ಯವಾಗಲಿಲ್ಲ. ಸರ್ಕಾರದ ನೀತಿಯೂ ಸಹ ಸಕ್ಕರೆ ಉದ್ಯಮಕ್ಕೆ ಅನುಕೂಲಕರವಾಗಿರಲಿಲ್ಲ. ಹವಾಮಾನ ವೈಪರೀತ್ಯದಿಂದಾಗಿ ಕಬ್ಬು ಬೆಳೆಯ ಇಳುವರಿ ಕುಂಠಿತವಾಗುವ ಸಾಧ್ಯತೆ ಇದೆ. ಮುಂದಿನ ಹಂಗಾಮು 2016-17ರಲ್ಲಿ ಹೆಚ್ಚು ಕಬ್ಬು ಬೆಳೆಯನ್ನು ನಿರೀಕ್ಷೆ ಮಾಡಲು ಸಾಧ್ಯವಿಲ್ಲ. ಜಾಗತಿಕ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿಯೂ ಸಹ ಸಕ್ಕರೆ ಕೊರತೆಯನ್ನು ನಿರೀಕ್ಷಿಸಲಾಗಿದೆ. ಆಂತರಿಕ ಬಳಕೆಯ ಸಕ್ಕರೆ ಬೆಲೆಯು ಅನುಕೂಲಕರವಾಗಿದ್ದರೂ ಸರ್ಕಾರದ ಮಧ್ಯಸ್ಥಿಕೆಯಿಂದ ಸಕ್ಕರೆ ಉದ್ಯಮದ ಲಾಭಾಂಶದ ಮೇಲೆ ವ್ಯತಿರಿಕ್ತ ಪರಿಣಾಮ ಉಂಟಾಗುತ್ತದೆ. ಸಕ್ಕರೆ ಕಾರ್ಖಾನೆಗಳನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುವಂತಹ ಯಾವುದೇ ತೆರನಾದ ಕ್ರಮವನ್ನು ಸರ್ಕಾರವು ಮುಂದಿನ ವರ್ಷದಲ್ಲಿ ತೆಗೆದುಕೊಂಡಲ್ಲಿ ಮಾತ್ರ ಸಕ್ಕರೆ ಉದ್ಯಮವು ಹಿಂದಿನ ನಷ್ಟಗಳಿಂದ ಹೊರಬರಲು ಸಾಧ್ಯವಾಗುತ್ತದೆ.

#### 9. ಸರ್ಕಾರದ ಕ್ರಮಗಳು :

ಕೇಂದ್ರ ಸರ್ಕಾರವು ಈ ಕೆಳಗಿನ ಕ್ರಮಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುವುದರ ಮೂಲಕ ಸಕ್ಕರೆ ಉದ್ಯಮಕ್ಕೆ ಪ್ರೋತ್ಸಾಹ ನೀಡಲು ಪ್ರಯತ್ನಿಸುತ್ತಿದೆ.

(ಎ) ಸಕ್ಕರೆ ಆಮದು ಮೇಲೆ ಸೀಮಾ ಸುಂಕವನ್ನು ಹೆಚ್ಚಿಸಿದ್ದರಿಂದ, ಸಕ್ಕರೆ ಆಮದು ಕಡಿಮೆಯಾಗಿರುತ್ತದೆ.

(ಬಿ) ಆರ್ಥಿಕ ಸಂಕಷ್ಟದಲ್ಲಿರುವ ಸಕ್ಕರೆ ಕಾರ್ಖಾನೆಗಳಿಗೆ ಬಡ್ಡಿ ರಹಿತ ಸಾಫ್ಟ್ ಲೋನ್ ಮುಖಾಂತರ ರೈತರ ಕಬ್ಬು ಸರಬರಾಜು ಬಾಕಿಗಳನ್ನು ಪಾವತಿಸಲು ಸಹಕರಿಸಿದೆ.

#### 10. ಸಕ್ಕರೆ ಕಾರ್ಯನೀತಿ (ಪಾಲಿಸಿ) :

ಕೇಂದ್ರ ಸರ್ಕಾರವು ಸಕ್ಕರೆ ಮಾರಾಟದಲ್ಲಿ ಮುಕ್ತ ಮಾರುಕಟ್ಟೆಯ ನೀತಿಯನ್ನು ಅಳವಡಿಸಿದೆ. ಮುಕ್ತ ಮಾರುಕಟ್ಟೆಯ ನೀತಿಯ ಪ್ರಕಾರ ಸಕ್ಕರೆ ಬೆಲೆಯು ಬೇಡಿಕೆ ಮತ್ತು ಸರಬರಾಜು ಪ್ರಮಾಣದ ಮೇಲೆ ನಿರ್ಧರಿತವಾಗಿರುತ್ತದೆ. ಕೇಂದ್ರ ಸರ್ಕಾರವು ಎಲ್ಲಾ ರಾಜ್ಯ ಸರ್ಕಾರಗಳಿಗೆ, ಪಿ.ಡಿ.ಎಸ್. ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸಕ್ಕರೆಯನ್ನು ಸಾರ್ವಜನಿಕರಿಗೆ ಹಂಚಲು ಪೂರ್ಣ ಪ್ರಮಾಣದ ಜವಾಬ್ದಾರಿಯನ್ನು ವಹಿಸಿರುತ್ತದೆ, ಮತ್ತು ಇದರ ಸಲುವಾಗಿ ಆರ್ಥಿಕ ಸಹಾಯಧನವನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರಗಳಿಗೆ ನೀಡುತ್ತದೆ.

#### 11. ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉತ್ಪಾದನೆ ಬಗ್ಗೆ ಸರ್ಕಾರದ ಕಾರ್ಯನೀತಿ :

ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ವಿದ್ಯುಚ್ಛಕ್ತಿ ಪಡೆಯುವ ನೀತಿಯಲ್ಲಿ ಯಾವುದೇ ಸ್ಥಿರತೆಯನ್ನು ಹೊಂದಿರುವುದಿಲ್ಲ. ತತ್ ಪರಿಣಾಮವಾಗಿ ಸ್ವತಂತ್ರವಾಗಿ ವಿದ್ಯುತ್‌ನ್ನು ಉತ್ಪಾದಿಸುವವರಿಗೂ ಹಾಗೂ ಕೋಜನ್ ಯೂನಿಟ್ ನಡೆಸುವವರಿಗೂ ಅನಿಶ್ಚಿತ ಹಾಗೂ ಗೊಂದಲಮಯ



ವಾತಾವರಣ ಸೃಷ್ಟಿಯಾಗಿದೆ. ವಿದ್ಯುತ್ ಉತ್ಪಾದನಾ ವಲಯಕ್ಕೆ ಒಂದು ಸ್ಥಿರ ಹಾಗೂ ಲಾಭದಾಯಕ ದರ ನೀತಿಯನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ಹೊಂದಬೇಕಾಗಿದೆ.

## 12. ಹೊರಸೂಸುವಿಕೆ ನಿರ್ವಹಣಾ ಯಂತ್ರೋಪಕರಣ (EFFLUENT TREATMENT PLANT)

ಕಂಪನಿಯ ಹೊರಸೂಸುವಿಕೆ ಮಟ್ಟವನ್ನು ಕರ್ನಾಟಕ ರಾಜ್ಯ ಮಾಲಿನ್ಯ ನಿಯಂತ್ರಣ ಮಂಡಳಿಯು ನಿಗದಿಪಡಿಸಿರುವ ಮಾನಗಳಿಗೆ ಇಳಿಸಲಾಗಿರುತ್ತದೆ. ಇದನ್ನು ಸದರಿ ಮಂಡಳಿಗೆ ತಿಳಿಯಪಡಿಸಲಾಗಿದೆ. ಕಂಪನಿಯು ಮಾಲಿನ್ಯ ನಿಯಂತ್ರಣ ಮಂಡಳಿಯಿಂದ, ನೀರು ಮತ್ತು ವಾಯುಮಾಲಿನ್ಯ ಸಂಬಂಧ ಮಾಲಿನ್ಯ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆಯಡಿ ಎರಡಕ್ಕೂ ಪರವಾನಗಿ ನವೀಕರಿಸಿರುತ್ತದೆ.

**13. ತಾಂತ್ರಿಕತೆ ಉನ್ನತೀಕರಣ :** ಆಡಳಿತ ಮಂಡಳಿಯು “ಬದಲಾವಣೆಯು ಅನಿವಾರ್ಯ” ಎಂಬ ತತ್ವದಲ್ಲಿ ನಂಬಿಕೆಯನ್ನಿರಿಸಿದ್ದು, ಕಂಪನಿಯು ಅಂತಹ ಅನಿವಾರ್ಯ ಬದಲಾವಣೆಗಳನ್ನು ಎದುರಿಸುವ ತಂತ್ರಜ್ಞಾನ ಆಧಾರವನ್ನು ಸ್ವೀಕರಿಸಿ ಸಜ್ಜುಗೊಳಿಸಬೇಕಿದೆ. ಹಿಂದೆ ಮಾಡಿರುವಂತೆ, ಕಂಪನಿಯು ತನ್ನ ಯಂತ್ರೋಪಕರಣಗಳನ್ನು ಆಧುನಿಕತೆಗೆ ತಕ್ಕಂತೆ ಹಾಗೂ ಕಾರ್ಯಕ್ಷಮತೆ ಹೆಚ್ಚಿಸಲು ಬದಲಾವಣೆ ಮಾಡಲು ಇಚ್ಛಿಸುತ್ತದೆ.

**14. 2016-17ನೇ ಸಾಲಿಗೆ ಕಬ್ಬಿನ ಬೆಳೆಯ ಕಡಿಮೆ ವಿಸ್ತೀರ್ಣದಲ್ಲಿ ನಾಟಿಯಾಗಿದ್ದು ಹವಾಮಾನ ವೈಪರೀತ್ಯದಿಂದಾಗಿ ಕಬ್ಬಿನ ಇಳುವರಿಯಲ್ಲಿ ಕುಂಠಿತವಾಗಿದ್ದು ಹಾಗೂ ರೈತರು ಬೇರೆ ಬೆಳೆಗಳತ್ತ ಆಸಕ್ತಿ ಹೊಂದಿರುವುದರಿಂದ ಕಬ್ಬಿನ ಬೆಳೆಯಲ್ಲಿ ಸಾಕಷ್ಟು ಕುಸಿತವಾಗಲಿದೆ. ತತ್ಪರಿಣಾಮ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಕೊರತೆ ತಲೆದೋರಲಿದೆ. ಸರ್ಕಾರದ ನೀತಿಗಳಲ್ಲಿ ಸ್ಥಿರತೆ ಇರದೇ ಮತ್ತು ಪದೇ ಪದೇ ನೀತಿಗಳನ್ನು ಬದಲಾಯಿಸುವುದರಿಂದ ಸಕ್ಕರೆ ಉದ್ಯಮವು ತೊಂದರೆ ಅನುಭವಿಸುವಂತಾಗಿದೆ. ಸರ್ಕಾರದ ನೀತಿಗಳು ಮತ್ತು ಅಹಿತಕರ ಹವಾಮಾನಗಳ ಕಾರಣ ರೈತರು ಹೆಚ್ಚು ಕಬ್ಬು ಬೆಳೆಯಲು ಹೆಚ್ಚಿನ ಆಸಕ್ತಿ ಹೊಂದಿರುವುದಿಲ್ಲ. ಸಕ್ಕರೆ ಉದ್ಯಮದ ಭವಿಷ್ಯವು ಮುಂದಿನ ದಿನಗಳಲ್ಲಿ ಆಶಾದಾಯಕವಾಗಿರುವುದಿಲ್ಲ.**

**15. ಆಡಳಿತ ಮಂಡಳಿಯ ಕಾರ್ಯನೀತಿ :** ಕಾಲಕ್ರಮೇಣ ಹೊಸ ಹೊಸ ಆಧುನಿಕ ತಂತ್ರಜ್ಞಾನವನ್ನು ಅಳವಡಿಸಿಕೊಂಡು ಅತ್ಯುತ್ತಮ ದರ್ಜೆಯ ಬಿಳಿ ಸಕ್ಕರೆಯನ್ನು ಉತ್ಪಾದಿಸಲು ಕಂಪನಿ ಆಡಳಿತವು ನಿರಂತರವಾಗಿ ಕಾರ್ಯಪ್ರವೃತ್ತವಾಗುವಂತೆ ನಂಬಿಕೆ ಹೊಂದಿದೆ. ಕಂಪನಿಯಲ್ಲಿ ಕೆಲಸ ಮಾಡುತ್ತಿರುವ ಎಲ್ಲರೂ ಒಂದೇ ಕುಟುಂಬದವರಂತೆ ಪ್ರತ್ಯಕ್ಷವಾಗಿ ಹಾಗೂ ಪರೋಕ್ಷವಾಗಿ ಎಲ್ಲರೂ ಒಟ್ಟಾಗಿ ಕಾರ್ಯಶೀಲರಾಗುವ ವಿಶ್ವಾಸವಿದೆ. ಕಂಪನಿಯು “ಕೊಟ್ಟು ತೆಗೆದುಕೊಳ್ಳುವ ತತ್ವ” ದಲ್ಲಿ ಅಚಲವಾದ ವಿಶ್ವಾಸವಿಟ್ಟಿದೆ. ಅದಂದರೆ, ‘ಹೆಚ್ಚು ದಕ್ಷತೆ - ಹೆಚ್ಚು ಉತ್ಪಾದನೆ - ಹೆಚ್ಚು ಪ್ರತಿಫಲ’.

**16. ಲೆಕ್ಕ ಪರಿಶೋಧಕರು :** ಮೆಸರ್ಸ್ ಶಾಂತಪ್ಪ ಅಂಡ್ ಕಂಪನಿ, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ದಾವಣಗೆರೆ ಇವರನ್ನು ಕಂಪನಿಯ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರನ್ನಾಗಿ ಹಿಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ನೇಮಿಸಿದ್ದು, ಈ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ಮುಕ್ತಾಯದವರೆಗೂ ಅಧಿಕಾರ ಉಳ್ಳವಾಗಿರುತ್ತಾರೆ. ಅವರು, ಸದಸ್ಯರು ಮತ್ತೆ ಗೊತ್ತುಪಡಿಸುವ ಸಂಭಾವನೆ ಮೇಲೆ ಪುನಃ ನೇಮಕಗೊಳ್ಳಲು ಅರ್ಹರಾಗಿರುತ್ತಾರೆ.

**17. ಆಡಳಿತ ಮಂಡಳಿ :** ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 160 ರ ಪ್ರಕಾರ ಈ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್ ಹಾಗೂ ಶ್ರೀ ಅಭಿಜಿತ್ ಜಿ. ಶಾಮನೂರು ಇವರು ಮುಂಬರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ನಿವೃತ್ತರಾಗಲಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್ನೇಮಕ ಬಯಸಿರುತ್ತಾರೆ.

**18. ಔದ್ಯಮಿಕ ಬಾಂಧವ್ಯಗಳು :** ಕಾರ್ಮಿಕರೊಂದಿಗಿನ ಔದ್ಯಮಿಕ ಸಂಬಂಧ ಹೃತ್ಪೂರ್ವಕವಾಗಿ ಹಾಗೂ ತೃಪ್ತಿಕರವಾಗಿ ಮುಂದುವರಿದಿದೆ. ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ ಸಿಬ್ಬಂದಿಯವರ ಸಹಕಾರಕ್ಕೆ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಮ್ಮ ಗೌರವಾದರಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ.

**19. ಅಂಗೀಕರಣಗಳು :** ನಿಮ್ಮ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯವರು, ಕಂಪನಿಗೆ ನೀಡಿರುವ ಸಹಕಾರಕ್ಕಾಗಿ ಕಬ್ಬು ಬೆಳೆಗಾರರಿಗೂ, ಭಾರತ ಸರ್ಕಾರದವರಿಗೂ, ಕರ್ನಾಟಕ ಸರ್ಕಾರದವರಿಗೂ, ಬ್ಯಾಂಕ್‌ಗಳವರಿಗೂ, ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳವರಿಗೂ ತನ್ನ ಸಿಬ್ಬಂದಿ ವರ್ಗದವರಿಗೂ ಮತ್ತು ಷೇರುದಾರರಿಗೂ, ಕಂಪನಿಗೆ ಅವರುಗಳು ಕೊಟ್ಟಿರುವ ನಿರಂತರ ಬೆಂಬಲ ಮತ್ತು ಧಾರಾಳ ಸಹಾಯಕ್ಕಾಗಿ ಮತ್ತು ಕಂಪನಿಗೆ ತೋರಿದ ಮಾರ್ಗದರ್ಶನಕ್ಕೆ ಕೃತಜ್ಞತಾಭಾವದಿಂದ ಗೌರವ ಪೂರ್ವಕವಾದ ಧನ್ಯವಾದಗಳನ್ನು ಅರ್ಪಿಸುತ್ತಾರೆ.

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ  
ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ  
ದಿನಾಂಕ : 03-09-2016

ಎಸ್.ಎಸ್. ಗಣೇಶ್  
ಅಧ್ಯಕ್ಷರು

**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 transactions under third proviso thereto

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

SL No	Name of the Contracting Party	Nature of Relationship	Nature of Transaction	Period of transaction	Actual amount paid / Received	Advance paid (if any)	Related party due to	Member Interested in contract (with % of Shareholding in the Company)
1	Kalleswara Traders	Relative of MD is partner in firm	Purchase of provision item for Company canteen	2015-16	Rs.5,06,000	Nil	-	N.A.
2	S.Kallappa & Sons	MD is partner in firm	Sale of Sugar	2015-16	Rs.57,84,000	Nil	-	N.A.
	S.Kallappa & Sons	MD is partner in firm	Purchase of provision item for Company canteen	2015-16	Rs.67,000	NIL	-	N.A.
3	Shivashankar Associates	MD is partner in firm	Purchase of provision item for Company canteen	2015-16	Rs.2,56,000	NIL	-	N.A.
4	Shamanur Sugar Ltd.	MD's Brother is Director of the Company	Sale of Molasses	2015-16	Rs.7,26,67,000	NIL	-	N.A.
5	S.S. Trading Co.	MD is partner in firm	Sale of Sugar	2015-16	Rs.8,10,48,000	Nil	-	N.A.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

SL No	Name of the Contracting Party	Nature of Relationship	Nature of Transaction	Period of transaction	Estimated Value (Actual amount paid)	Advance paid (if any)	Related party due to	Member Interested in contract (with % of Shareholding in the Company)
1	---							

NOT APPLICABLE

By the order of the Board  
for Davangere sugar company limited

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
DIN: 00451383



**ANNEXED TO DIRECTORS' REPORT**

**FORM –A**

**Form for Disclosure of Particulars with respect to Conservation of Energy**

	<b>Current Year 2014-2016 ended</b>	<b>Previous Year 2013-2015 ended</b>
<b>A</b>		
<b>1 Electricity</b>		
<b>i Purchased</b>		
Units	3,01,200	335000
Total amount - Rs.	27,49,107	1289750
Rate / Unit - Rs.	9.10	3.80
<b>ii Own Generation :</b>		
<b>1. Through Diesel Generator :</b>		
Units	3,890	3380
Units / Ltr. Of diesel Oil -	2.38	2.30
Cost per Unit - Rs.	19.48	22.18
<b>2. Through Steam Turbine :</b>		
Units produced	150014000	134565200
Units per MT of Multifuel consumed	1050.00	1096.00
Cost per Unit – average Rs.	4.35	4.80
<b>B Consumption per unit of production (per Qtl of Sugar)</b>		
Standards (if any)	Current Year 2015-16	Previous Year 2014-15
Products (with details) Unit - sugar in Qtls	498586	466849
Electricity consumption per qtl of sugar (Units)	31.00	29.00
Furnace Oil	Nil	Nil
Others	-	-
Bagasse consumption per Qtl of sugar (MTs)	0.30	0.35

For and on behalf of the Board

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
DIN: 00451383



ANNEXED TO DIRECTORS' REPORT

FORM - B

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY  
ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)**

1	Specific areas in which R & D carried out by the Company	Steam saving device
2	Benefits derived as a result of the above R & D	On going
3	Future Plan of action	to save steam consumption per ton of cane crushed and increase in productivity
4	Expenditure on R & D	
	a Capital	-
	b Recurring	-
	c Total	-
	d Total R&D expenditure as a percentage of total turnover	-
<b>TECHNOLOGY ABORPTION, ADAPTATION AND INNOVATION</b>		
1	Efforts, in brief, made towards technology absorption, adaptation and innovation	Expansion and Modernisation of process house with FFE technology.
2	Benefits derived as result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.,	Increase in productivity, product quality and reduction in steam consumption.
3	In case of imported technology(imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
	a Technology imported :	N.A.
	b Year of Import :	N.A.
	c Has technology been fully absorbed?	N.A.
	d If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	N.A.

By the order of the Board  
for Davangere sugar company limited

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
DIN: 00451383



## ANNEXURE A CORPORATE GOVERNANCE

### A. MANDATORY REQUIREMENTS

#### Company's philosophy on Corporate Governance

The Davangere Sugar Company Ltd., (a Public limited Company), which is professionally managed, is deeply committed to the core values of Corporate Governance concepts. It strives to maintain the highest ethical standards in its conduct of business towards shareholders, employees, customers, suppliers and other stakeholders. Its objective is to transcend beyond bare compliance of the statutory requirement of the code and be a responsive and responsible entity through transparency, integrity of information and timely disclosures. The Company constantly endeavours to improve on these on an ongoing basis. Though the company is **de-listed**, it will endeavor to provide this report for the benefit of wide range of public shareholders

#### 1 Board of Directors

##### (a) Composition

As at the end of the year 31<sup>st</sup> March 2016 the Board of Directors had Seven members comprising of one Managing Director and one Executive Director and five Independent Directors. The Independent Directors included two Directors who are Independent Directors and three Promoter Directors.

##### (b) Attendance of each Director at the Board Meetings during the Financial Year 2015-16. Totally 13 (Thirteen) Board Meetings were held. The attendance of each of the Directors at the said Board Meetings is given below :

Name of Director Sriyuths	Category of Directorship	No. of Meetings attended	% of total Meetings during the tenure as a Director
1. S.S. Ganesh	MD	13	100%
2. Abhijith Ganesh Shamanur	ED	13	100%
3. S.S. Mallikarjun	IND	9	69%
4. S.S. Jayanna	IND	13	100%
5. K.V. Somashekar	IND	13	100%
6. A.C. Jayanna	IND	13	100%
7. Smt. Rekha Ganesh	IND	13	100%

IND - Independent Director

ED - Executive Director

MD - Managing Director

##### (c) Number of other Companies or Committees in which is a Director/Chairman

Name of Director Sriyuths	No. of other companies in which Director (including alternate/nominee Director)	No. of committees (other than Davangere Sugar Co., Ltd) in which Member
1. S.S. Ganesh	4	-
2. Abhijith G. Shamanur	-	-
3. S.S. Mallikarjun	3	-
4. S.S. Jayanna	-	-
5. K.V. Somashekar	-	-
6. A.C. Jayanna	-	-
7. Smt. Rekha Ganesh	-	-

45<sup>th</sup> Annual Report**(d) Number of Board Meetings held and the dates of the Board Meeting :**

13(thirteen) Board meetings were held during the financial year ended 31<sup>st</sup> March 2016. The dates on which the said meetings were held are given below:

23.04.2015	10.07.2015	07.09.2015	18.12.2015	05.03.2016
20.05.2015	20.07.2015	15.10.2015	04.01.2016	
24.06.2015	27.08.2015	16.11.2015	08.02.2016	

**2 Audit Committee:****(a) Terms of Reference**

- ♦ the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ♦ review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ♦ examination of the financial statement and the auditors' report thereon;
- ♦ approval or any subsequent modification of transactions of the company with related parties;
- ♦ scrutiny of inter-corporate loans and investments;
- ♦ valuation of undertakings or assets of the company, wherever it is necessary;
- ♦ evaluation of internal financial controls and risk management systems;
- ♦ monitoring the end use of funds raised through public offers and related matters.

**(b) Composition, names of members and Chairperson**

Vide board resolution dated 04.03.2015, the Audit Committee was re-constituted with of one Executive Director namely Sri. S.S. Ganesh and two Independent Directors namely Sri. A.C. Jayanna and Sri. K.V. Somashekar. The Statutory Auditors M/s Santhappa and Co., the Internal Auditor M/s G.Gangadhar & Co., being permanent invitees and two members of the Committee are Independent Directors. In that Sri. A.C. Jayanna is the Chairman of the Audit Committee.

**(c) Meetings and Attendance during the year**

Four meetings were held during the financial year ended 31<sup>st</sup> March, 2016. The First meeting on, 20<sup>th</sup> May, 2015 the second meeting on 27<sup>th</sup> August, 2015 the third meeting on 18<sup>th</sup> December, 2015 and the fourth meeting on 5<sup>th</sup> March, 2016. The attendance of each member of the committee is given below:

Name of Director Sriyuths	Number of Meetings attended
1. S.S. Ganesh	4
2. K.V. Somashekar	4
3. A.C. Jayanna	4

**4. Cost Audit Committee :**

The Cost Audit Committee is constituted consisting of M/s. GNV & Associates, Bangalore, who have been appointed as our Company Cost Auditors under section 148(3) of the Companies Act, 2013. The committee consists of Sri A.C. Jayanna and Sri K.V. Somashekar who are the independent directors, as the members of the committee.

**(a) Terms of Reference**

- (i) to facilitate carryout of the cost audit of accounting records of our company, in terms of the Companies Act, 2013
  - (ii) to identify the costs to the extent possible cost centre wise.
  - (iii) to guide the management on significant variations in the costs of a cost centre year on year basis.
- The cost audit of our Company for the Financial Year 2015-16 is under progress.





**5. Nomination and Remuneration Committee**

**(a) Terms of Reference**

The Remuneration Committee recommends on remuneration package including pension rights and any compensation payment of the Managing Director to the Board for approval.

**(b) Composition, names of members and Chairperson**

Vide board resolution dated 04.03.2015,, the Remuneration Committee was reconstituted with three Non-Executive Directors namely, Smt. Rekha S Ganesh, Sri. A.C. Jayanna (Independent) and Sri. K.V. Somashekar, (Independent). Sri. K.V. Somashekar is the Chairman of the committee.

**(c) Remuneration Policy**

The remuneration is being paid to the Managing Director and Executive Director, no sitting fees is paid to any Director. The Managing Director and Executive Director are paid remuneration as approved by the members in their General Body Meeting from time to time. In its meeting held on 04.03.2015 the committee recommended remuneration policy to the Board and in the meeting held on same date, the board approved the same.

**(d) Details of Remuneration to all directors, as per format in main report :**

The Managing Director is being paid a remuneration of Rs. 3.00 lakhs per month (consolidated and all inclusive) w.e.f., 24<sup>th</sup> September, 2011 and to the Executive Director Rs. 1.62 lakhs per month w.e.f., 8<sup>th</sup> November, 2012 as approved in the General Body Meeting.

**6. Transfer & Shareholders' / Investors' Grievance Committee(Stakeholders Relationship Committee)**

Vide board resolution dated 04.03.2015, Transfer & Shareholders' / Investors' Grievance Committee was reconstituted with Directors Namely Smt. Rekha S Ganesh and two Non-Executive & Independent Directors namely Sri. A.C. Jayanna and Sri. K.V. Somashekar.

- a) Name of the Non Executive Director heading the Committee - **SRI A.C. Jayanna**  
Independent Director
- b) Name & Designation of the Compliance Officer - **SRI. G.H. SHIVAKUMAR**  
Incharge Share Department
- c) Number of Shareholders complaints received during the financial year - **Nil**
- d) Number of complaints not solved to the satisfaction of shareholders - **Nil**
- e) Number of pending share transfers - **Nil**

**7 Committee of Corporate Social Responsibility**

**(a) Terms of Reference :**

1. Formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the company as specified in schedule VII of the Companies Act, 2013.
2. Recommend the amount of expenditure to be incurred on the activities referred in schedule VII of the Companies Act, 2013.
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**(b) Composition, names of members and Chairman**

Vide board resolution dated 04.03.2015, the Corporate Social Responsibility Committee was constituted with, Sri S Ganesh, Managing Director, Sri A.C. Jayanna, Independent Director, & Sri K.V. Somashekar Independent Director.

**8. General Body Meetings**

**(a) Location and time where last three AGMs were held**

Location	Date	Time
i. Thogaveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	07.11.2015	10.45 a.m.
ii. Bapuji Auditorium, M.C. Colony, "B" Block, Davangere	20.09.2014	10.45 a.m.
iii. Bapuji Auditorium, M.C.Colony, "B" Block, Davangere	23.11.2013	10.45 a.m.



- (b) Whether Special Resolutions were put through Postal Ballot last year - **No**  
 (c) Persons who conducted the Postal Ballot exercise - **Not applicable**  
 (d) Are Polls proposed to be conducted through Postal Ballot this year - **No**  
 No resolutions requiring postal ballot for matters as required under Clause 4 of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 have been placed for Shareholders' approval at the Meeting.  
 (e) Procedure for Postal Ballot - **Not applicable**

#### 9. Disclosure

- (a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large **NONE**  
 (b) Details of non-compliances by the company, Penalties, Strictures imposed on the Company by such Exchange or SEBI or any statutory authority, or any matter related to capital products, during last three years. **NONE**

#### 10. General Shareholder Information

- (a) **AGM DATE AND TIME** : 29<sup>th</sup> Septemebr, 2016 at 10.45 a.m.  
**VENUE** : **Thogataveera Samudhaya Bhavana**  
**M.C.C. 'A' Block, DAVANGERE**  
 (b) Date of Book closure : 29<sup>th</sup> September, 2016  
 (c) Dividend payment date(s) : N.A.  
 (d) (i) Stock code – Physical : Nil  
 (ii) Demat ISIN Number for NSDL & CDSL: INE179G01011  
 (e) Market price data: High/Low : Not traded through Stock Exchange.  
 during each month in last Financial year : Privately traded at Rs. 10/- each during the entire year.  
 (f) Stock performance in comparison :  
 to broad based indices such : Not applicable  
 as BSE Senses, BSE 2000, Nifty.  
 (g) Registrar and Transfer Agents : M/s. Integrated Enterprises(India) Ltd.,  
 30, Ramana residency, 4<sup>th</sup> Cross, Sampige Road  
 Malleswaram, BANGALORE – 560 003  
 (h) Share Transfer System : M/s. Integrated Enterprises (India) Ltd., has been authorized  
 to approve the transfer of shares. The said transfers  
 are then reported to the subsequent Board Meeting.

#### (i) De-materialization of shares and liquidity

Shareholders may dematerialize their shareholding by anyone of the Depositories namely NSDL and CDSL.

#### (j) Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

- (k) Plant Locations: **Sugar Unit & Co-generation Unit**  
**Kukkuwada Village. Davangere taluk & District,**  
**Karnataka State – 577 525**  
 (l) Address for Correspondence: **Secretary (I/c)**  
**Davangere Sugar Co.Ltd., Kukkuwada Village.**  
**Davangere taluk & District, Karnataka State- 577 525**

Place : Davangere

Date : 03-09-2016

By the order of the Board for Davangere sugar company limited

**S.S. Ganesh**

Managing Director DIN: **00451383**



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 2016  
 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: - L01115KA1970PLC001949
- ii) Registration Date: 28/09/1970
- iii) Name of the Company: DAVANGERE SUGAR COMPANY LIMITED
- iv) Category / Sub-Category of the Company: Indian Non-Government Company
- v) Address of the registered office and contact details: 73/1, Post box No. 312,  
Shamanur Road, Davangere-577004
- vi) Whether listed company Yes / No : NO
  - i) Name, Address and Contact details of Registrar and Transfer Agent, if any :  
M/s. Integrated Enterprises (India) Ltd., Ramana Residency, Sampige Road,  
Malleswaram, BENGALURU

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

SN	Name and Description of main Product/service	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	1701	54%
2	Power	1703	37%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]-None**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
	NIL	NIL	NIL

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2015]				No. of Shares held at the end of the year [As on 31 March 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters (Individuals)	1636878	27095198	28731976	64.05	1636878	27095198	28732076	64.05	Nil
NRIs- Individuals	-	2001650	2001650	4.46	-	2001650	2001650	4.46	Nil
Bodies Corp.	-	8093479	8093479	18.05	-	8093479	8093479	18.05	Nil
Others - Individuals	-	6029252	6029352	13.44	1426481	6029252	6029252	13.44	Nil
<b>Grand Total</b>	<b>1636878</b>	<b>43429976</b>	<b>44856457</b>	<b>100</b>	<b>1636878</b>	<b>43429976</b>	<b>44856457</b>	<b>100</b>	<b>Nil</b>



## B) Shareholding of Promoters :-

SN	Shareholder's Name Shriyuts	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	S Shivashankarappa	500	0.0011	-	500	0.0011	-	Nil
2.	S S Ganesh	15522478	34.60	-	15522478	34.60	-	Nil
3.	Rekha S Ganesh	6086200	13.57	-	6086200	13.57	-	Nil
4.	Abhijit G Shamanur	6914724	15.42	-	6914724	15.42	-	Nil
5.	S S Mallikarjun	208174	0.46	-	208174	0.46	-	Nil

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

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

SN	For Each of the Top 10 Shareholders Shriyuts	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	S.S. Ganesh	15522478	34.60	15522478	34.60
2	Rekha S. Ganesh	6086200	13.57	6086200	13.57
3	Abhijit G. Shamanur	6914724	15.42	6914724	15.42
4.	M/s. Mafatlal Plywood Industries Ltd.	8000000	17.73	8000000	17.73

## E) Shareholding of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel Shriyuts	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	S S Ganesh	15522478	34.60	15522478	34.60
2	Rekha S Ganesh	6086200	13.57	6086200	13.57
3	Abhijit G Shamanur	6914724	15.42	6914724	15.42
4	S S Mallikarjun	208174	0.46	208174	0.46
5	S S Jayanna	15615	0.0548	15615	0.0548
6	A C Jayanna	500	0.0011	500	0.0011
7	K V Somashekar	1000	0.0022	1000	0.0022

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

	Secured Loans excluding deposits Rs. in lakhs	Unsecured Loans Rs. in lakhs	Deposits Rs. in lakhs	Total Indebtedness Rs. in lakhs
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount (Term loan and working capital)	141290.56	Nil	Nil	141290.56
ii) Interest due but not paid	32.87	Nil	Nil	32.87
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>141323.43</b>	<b>Nil</b>	<b>Nil</b>	<b>141323.43</b>



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

	Secured Loans excluding deposits Rs. in lakhs	Unsecured Loans Rs. in lakhs	Deposits Rs. in lakhs	Total Indebtedness Rs. in lakhs
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount (Term loan and working capital)	17895.12	Nil	Nil	17895.12
ii) Interest due but not paid	30.78	Nil	Nil	30.78
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>17925.90</b>	<b>Nil</b>	<b>Nil</b>	<b>17925.90</b>

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

**A. Remuneration to Managing Director and Executive Director :**

SN.	Particulars of Remuneration	Name of MD/ED		Total Amount
		Sri S S Ganesh	Sri Abhijit G Shamanur	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	1944000	54,44,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	None	None	Nil
3	Sweat Equity	None	None	Nil
4	Commission			
	- as % of profit			
	- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	3600000	1944000	54,44,000
	Ceiling as per the Act	10% of Net Profit	10% of Net Profit	-

B. Remuneration to other directors- No other director draws remuneration

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / ED: None

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None**

By the order of the Board  
for Davangere sugar company limited

Place : Davangere  
Date : 03-09-2016

**S.S. Ganesh**  
Managing Director  
DIN: 00451383



**Declaration of Independence**  
**[Pursuant to Section 149(7)]**

To  
The Board of Directors of Davangere Sugar Company Limited  
I, A C Jayanna, son of Sri. Channabasappa, resident of No. 351, 8th Cross, P J Extn, Davangere, independent director of the company herby declare that I fulfil the requirement of independence as stipulated under Section 149(6) of Companies Act 2013

sd/-

Name: A C Jayanna

DIN: 01967757

Date: 03.09.2016

**Declaration of Independence**  
**[Pursuant to Section 149(7)]**

To  
The Board of Directors of Davangere Sugar Company Limited  
I, K V Somashekar, son of Sri. Kiruvadi Veerabasappa, resident of # 428/3, K B Extension, Davanagere, independent director of the company herby declare that I fulfil the requirement of independence as stipulated under Section 149(6) of Companies Act 2013

sd/-

Name: K V Somashekar

DIN: 02408750

Date: 03.09.2016

**Declaration of Independence**  
**[Pursuant to Section 149(7)]**

To  
The Board of Directors of Davangere Sugar Company Limited  
I, S S Mallikarjun, son of Sri. S. Shivashankarappa, resident of NO. 2633/1, MCC B Block, Davangere, independent director of the company herby declare that I fulfil the requirement of independence as stipulated under Section 149(6) of Companies Act 2013

sd/-

Name: S S Mallikarjun

DIN: 00699740

Date: 03.09.2016

**Declaration of Independence**  
**[Pursuant to Section 149(7)]**

To  
The Board of Directors of Davangere Sugar Company Limited  
I, S S Jayanna, son of Sri. Shamanur Shivappa, residenting behind LIC office, K.R. Road, Davangere, independent director of the company herby declare that I fulfil the requirement of independence as stipulated under Section 149(6) of Companies Act 2013

sd/-

Name: S S Jayanna

DIN: 01967757

Date: 03.09.2016

**Mandatory disclosure under Rule 8(5) of Companies (Accounts) Rules 2014**

<b>Particulars</b>	<b>Disclosure</b>
The financial summary	Given at the beginning of directors report
The change in the nature of business	None
The details of directors or key managerial personnel who were appointed or have resigned during the year	None
The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year	None
The details relating to deposits, covered under Chapter V of the Act,	NA
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	NA
The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future	None
The details in respect of adequacy of internal financial controls with reference to the Financial Statements	The Company has built adequate internal control systems towards achieving efficiency and effectiveness in operations, optimum utilization of resources, cost reduction and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanisms comprise a well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with size and capacity of the organization, faster decision making and fixing the level of responsibility. The senior management members meet frequently and undertake extensive checks. Audit Committee of the Board reviews the adequacy of internal controls.



**Santhappa & Co.,**  
Chartered Accountants

'Ganesh Complex', Behind Hotel Darshan,  
P.B. Road, DAVANGERE – 577 002.  
Tel. Off: 08192-231672, 231673. Fax: 231674.

**AUDITORS' REPORT**

To,  
The Members of Davangere Sugar Company Limited  
Report on the Financial Statements

We have audited the accompanying financial statements of **Davangere Sugars Company Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

1. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

**Auditors' Responsibility:**

2. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
  - (b) in the case of the Statement of Profit and Loss, of the **PROFIT** of the Company for the year ended on that date, and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.





**Report on Other Legal and Regulatory Requirements:**

6. As required by the **Companies (Auditor's Report) Order, 2015** ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
7. **As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, and 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 financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

Place : Davangere  
Date : 03-09-2016

**For Santhappa & Co.,**  
**Chartered Accountants ICAI FRNo: 003564S**

**Mundas Veerendra**  
Partner Membership No: 216317

**Annexure referred to in paragraph 6 Our Report of even date to the members of Davangere Sugar Company Limited, on the accounts of the company for the year ended 31st March, 2016**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- 1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the Fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed during the course of such verification.
  - c) In our opinion, the disposal of fixed assets during the year has not affected the going concern assumption.
- 2. a) In our opinion, the stocks of finished goods, stores and spare parts and raw materials including components during the year, have been physically verified and as certified by the management .
  - b) In our opinion and according to the information and explanations given to us, 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.
  - c) In our opinion and according to the information and explanations given to us the company has maintained proper records of its inventories and no material discrepancies were observed during the course of physical verification.
- 3. The Company has not granted loans, secured or unsecured to companies, firms or other 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, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, Fixed Assets and sale of goods. During the course of our audit no major weakness has been noticed in the internal controls in respect of these areas.



5. a) Based on the audit procedure applied by us and according to the information and explanations provided to us by the management, we are of the opinion that the transactions that need to be entered in the Register maintained under section 189 of the Companies Act, 2013 have been so entered.  
b) According to the information and explanation given to us, the transactions made in pursuance of Contract or Arrangements entered in the Registers maintained under section 189 and exceeding the value of Five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed there-under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of it's business.
8. We have broadly reviewed the books of accounts relating to the materials, labour and other items of cost maintained by the company in pursuant rules made by the Central Government, for the maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
9. a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other material statutory dues, as applicable with appropriate authorities in India.  
b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess, Service Tax and/or other material statutory dues.
10. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise as at 31st March, 2016.
11. The company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the company has not defaulted in payment of dues to any Financial Institutions, Bank or Debenture Holders.
13. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
15. According to the records of the company examined by us and as per the information and explanations given to us, the company has availed loans from financial institution or banks for the purpose of the development of the company and has not issued debentures.
16. No funds raised on short term basis have been used for long term investment/s or vice versa.
17. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 189 of the Act.
18. The company has not issued any debentures during the year.
19. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

Place : Davangere  
Date : 03-09-2016

**For Santhappa & Co.,**  
Chartered Accountants ICAI FRNo: 003564S

**Mundas Veerendra**  
Partner Membership No: 216317



31-03-2016 ರ ಅಂತ್ಯಕ್ಕೆ ಇದ್ದಂತೆ ಆಸ್ತಿ ಮತ್ತು ಹೊಣೆ ತಃಖ್ತೆ  
BALANCE SHEET AS AT 31.03.2016

All Figures in Rs.

ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2016 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2016	31-03-2015 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2015
<b>I ಈಕ್ವಿಟಿ ಮತ್ತು ಹೊಣೆಗಳು I EQUITY AND LIABILITIES</b>			
<b>1. ಷೇರುದಾರರ ನಿಧಿಗಳು 1 SHAREHOLDERS' FUNDS</b>			
ಎ) ಷೇರು ಬಂಡವಾಳ a) Share Capital	1	44,85,64,570.00	44,85,64,570.00
ಬಿ) ಮೀಸಲು ನಿಧಿ ಮತ್ತು ಮಿಗತೆ b) Reserves and Surplus	2	54,33,11,904.34	44,13,24,033.85
		<b>99,18,76,474.34</b>	<b>88,98,88,603.85</b>
<b>2. ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೊಣೆಗಳು 2 NON-CURRENT LIABILITIES</b>			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು a) Long Term Borrowings	3	70,86,02,289.37	48,04,08,516.02
ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಳು b) Deferred Tax Liabilities	4	---	---
ಸಿ) ಇತರೆ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು c) Other Long Term Liabilities	5	1,73,27,606.58	2,18,75,319.58
ಡಿ) ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು d) Long Term Provisions	6	---	---
<b>3. ಚಾಲ್ತಿ ಹೊಣೆಗಳು 3 CURRENT LIABILITIES</b>			
ಎ) ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು a) Short Term Borrowings Cash Credit	7	90,28,90,386.38	80,46,77,528.14
ಬಿ) ಕೊಡಬೇಕಾಗಿರುವ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು b) Trade Payables	8	25,93,08,278.76	22,09,13,813.54
ಸಿ) ಇತರೆ ಚಾಲ್ತಿ ಹೊಣೆಗಳು c) Other Current Liabilities	9	61,18,80,482.64	84,27,27,296.81
ಡಿ) ಅಲ್ಪಾವಧಿ ಹವಣಿಕೆಗಳು d) Short Term Provisions	10	---	---
<b>TOTAL ಒಟ್ಟು ಮೊತ್ತ</b>		<b>349,18,85,518.07</b>	<b>326,04,91,077.94</b>



All Figures in Rs.

ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2016 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2016	31-03-2015 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2015
<b>I ಆಸ್ತಿಗಳು ASSETS</b>			
<b>1 ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು NON-CURRENT ASSETS</b>			
ಎ) ಸ್ಥಿರ ಆಸ್ತಿಗಳು			
a) Fixed Assets	11		
1. ವಾಸ್ತವಿಕ ಆಸ್ತಿಗಳು Tangible Assets		158,75,43,902.59	119,26,00,708.58
2. ನಿರ್ಮಾಣದ ಹಂತದಲ್ಲಿರುವ ಸ್ಥಿರಾಸ್ತಿಗಳು Capital Work in Progress		---	36,81,02,283.88
<b>ಒಟ್ಟು ಮೊತ್ತ Total</b>		<b>158,75,43,902.59</b>	<b>156,07,02,992.45</b>
ಬಿ) ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೂಡಿಕೆಗಳು			
b) Non-Current investments	12	5,45,900.00	5,45,900.00
<b>2. ಚಾಲ್ತಿ ಆಸ್ತಿಗಳು CURRENT ASSETS</b>			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು			
a) MAT Credit Entitlement	13	6,79,85,705.00	6,79,85,705.00
ಬಿ) ದಾಸ್ತಾನುಗಳು			
b) Inventories	14	135,65,81,631.67	96,73,82,168.16
ಸಿ) ಬರಬೇಕಾದ ವ್ಯಾಪಾರದ ಬಾಕಿಗಳು			
c) Trade Receivables	15	22,50,56,274.52	22,63,95,491.95
ಡಿ) ನಗದು ಮತ್ತು ಸಮಾನಾಂತರಗಳು			
d) Cash and cash equivalents	16	5,35,77,477.56	17,23,14,871.59
ಇ) ಅಲ್ಪಾವಧಿ ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳು			
e) Short-term loans and advances	17	16,56,63,715.81	20,45,11,909.86
ಎಫ್) ಇತರೆ ಚಾಲ್ತಿಯಲ್ಲದ ಆಸ್ತಿಗಳು : ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು			
f) Other Non Current assets: Deferred Tax Asset	4	3,49,30,910.92	6,06,52,038.92
<b>TOTAL ಒಟ್ಟು ಮೊತ್ತ</b>		<b>349,18,85,518.07</b>	<b>326,04,91,077.94</b>

As per our Audit Report of even date annexed

**For Santhappa & Co.**  
**Chartered Accountants**  
**ICAI FRNo. 003564S**

For and on behalf of the Board of Directors

**Sd/-**  
**Mundas Veerendra**  
Partner M.No. : 216317  
Place : Davangere  
2016

**Sd/-**  
**ABHIJITH G SHAMANUR**  
Executive Director

**Sd/-**  
**S.S.GANESH**  
Managing Director



**31-3-2016 ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ವರ್ಷದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆ**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016**

All Figures in Rs.

ವಿವರ PARTICULARS	ಅನುಸೂಚಿ Note No.	31-03-2016 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2016	31-03-2015ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2015
<b>I ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳು ಒಟ್ಟು ಮೊತ್ತ REVENUE FROM OPERATIONS (GROSS)</b>	18	190,33,57,759.98	181,74,21,892.76
ಅಬಕಾರಿ ತೆರಿಗೆ ಕಳೆದದ್ದು Less: Excise Duty		6,66,74,824.00	5,69,26,614.00
ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳ ನಿವ್ವಳ ಮೊತ್ತ Revenue from Operations (Net)		<b>183,66,82,935.98</b>	<b>176,04,95,278.76</b>
<b>II ಇತರೆ ಆದಾಯಗಳು Other Income</b>	19	96,55,372.74	1,86,43,589.11
<b>III ಒಟ್ಟು ವಹಿವಾಟು Total Revenue</b>		<b>184,63,38,308.72</b>	<b>177,91,38,867.87</b>
<b>IV ಖರ್ಚುಗಳು EXPENSES</b>			
ಎ) ಬಳಕೆ ಮಾಡಿದ ಸರಕು ಸಾಮಗ್ರಿಗಳ ವೆಚ್ಚ a) Cost of Materials Consumed	20	165,05,90,917.28	159,85,25,144.71
ಬಿ) ತಯಾರಾದ ಸರಕುಗಳ ಖರೀದಿ b) Purchase of Traded Goods	21	---	---
ಸಿ) ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯಕ್ಕೆ ಇರುವ ಸಿದ್ಧ ಮತ್ತು ಕಚ್ಚಾ ದಾಸ್ತಾನುಗಳ ಬದಲಾವಣೆ ಮೊತ್ತ c) Changes in inventories of finished goods and stock in process	22	-49,50,07,420.00	-14,31,77,585.00
ಡಿ) ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚ d) Employees Benefit Expenses	23	8,06,31,950.27	7,94,35,881.27
ಇ) ಹಣಕಾಸು ವೆಚ್ಚ e) Finance Costs	24	18,44,41,917.96	12,74,03,250.35
ಎಫ್) ಸವಕಳಿ f) Depreciation	11	7,68,69,993.98	10,14,60,976.55
ಜಿ) ಇತರೆ ವೆಚ್ಚಗಳು g) Other Expenses	25	22,11,01,947.29	17,46,24,759.74
<b>TOTAL EXPENSES ಒಟ್ಟು ವೆಚ್ಚಗಳು</b>		<b>171,86,29,306.78</b>	<b>193,82,72,427.62</b>



V	ವಿಶೇಷ ಮತ್ತು ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)	12,77,09,001.94	-15,91,33,559.75
VI	ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು Exceptional Items	---	---
VII	ವಿಶೇಷ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)	12,77,09,001.94	-15,91,33,559.75
VIII	ವಿಶೇಷ ಬಾಬುಗಳು Extraordinary Items	---	---
IX	ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE TAX (VII-VIII)	12,77,09,001.94	-15,91,33,559.75
X	ತೆರಿಗೆ ವೆಚ್ಚಗಳು TAX EXPENSES		
	ಎ) ಮ್ಯಾಟ್ ತೆರಿಗೆ ಮೇಲೆ ಬಡ್ಡಿ a) Interest on MAT	---	1,88,886.00
	ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ b) Deferred Tax	2,57,21,128.00	1,08,25,772.00
	ಒಟ್ಟು Total	2,57,21,128.00	1,10,14,658.00
XI	ಅವಧಿಯಲ್ಲಿ ಬಂದಿರುವ ಲಾಭ / ನಷ್ಟ NET PROFIT /LOSS FOR THE PERIOD(IX-X)	10,19,87,873.94	-17,01,48,217.75
XII	ಪ್ರತಿ ಷೇರಿಗೆ ಗಳಿಗೆ (ಮೂಲ ಮತ್ತು ನಿಷ್ಕಾರ) Earnings per Share (Basic and Diluted)Rs.	2.27	-3.79

As per our Audit Report of even date annexed

**For Santhappa & Co.**  
**Chartered Accountants**  
**ICAI FRNo. 003564S**

For and on behalf of the Board of Directors

Sd/-  
**Mundas Veerendra**  
Partner  
M.No. : 216317  
Date : 03-09-2016  
Place : DAVANGERE

Sd/-  
**ABHIJITH G SHAMANUR**  
Executive Director

Sd/-  
**S.S.GANESH**  
Managing Director



ಹಣಕಾಸಿನ ತಃಖ್ತೆಗಳಿಗೆ ಟಿಪ್ಪಣಿಗಳು  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 : SHARE CAPITAL** ಷೇರು ಬಂಡವಾಳ :

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
<b>ಅಧಿಕೃತ ಷೇರು ಬಂಡವಾಳ :</b> 6,00,00,000 ಈಕ್ವಿಟಿ ಷೇರುಗಳು ಪ್ರತಿಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ <b>Authorised Share Capital :</b> 6,00,00,000 Equity Shares of Rs. 10/- each	60,00,00,000.00	60,00,00,000.00
<b>ವಿತರಿಸಿದ, ಆರ್ಜಿಸಿದ ಮತ್ತು ಪಾವತಿಸಲ್ಪಟ್ಟ ಬಂಡವಾಳ</b> 4,48,56,457 ಈಕ್ವಿಟಿ ಪ್ರತಿ ಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ <b>Issued , Subscribed and Paid-up Capital :</b> 4,48,56,457 Equity Shares of Rs. 10/- each	44,85,64,570.00	44,85,64,570.00
<b>ಒಟ್ಟು TOTAL</b>	<b>44,85,64,570.00</b>	<b>44,85,64,570.00</b>

**Disclosures :**

- All the Equity Shares carry equal rights and obligations including for dividend and with respect to voting rights.
- Names of share holders holding more than 5% of the Share capital and their share holdings.

Sl. No.	Name of the Share Holder	No. of Shares	No. of Shares
1	S S GANESH	1,55,22,478	1,55,22,478
2	ABHIJITH GANESH SHAMANUR	69,14,724	69,14,724
3	REKHA GANESH	60,86,200	60,86,200
4	M/S MAFATHLAL PLAYWOOD IND. LTD.,	80,00,000	80,00,000

**ಮೀಸಲು ಮತ್ತು ಮಿಗತೆ****NOTE 2 : RESERVES AND SURPLUS**

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
<b>1 ಬಂಡವಾಳ ಮೀಸಲು :</b> <b>Capital Reserve:</b> ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	4,07,160.33	4,07,160.33
<b>2 ಷೇರು ಪ್ರೀಮಿಯಮ್ ಮೀಸಲು :</b> <b>Securities Premium Reserve :</b> ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	2,49,46,750.00	2,49,46,750.00



<b>3 ಸಾಮಾನ್ಯ ಮೀಸಲು :</b> <b>General Reserve :</b>		
ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	59,95,836.32	59,95,836.32
<b>4 ಮಿಗತೆ : Surplus :</b>		
ವರ್ಷಾರಂಭಕ್ಕೆ Balance brought forward from previous year	40,99,74,283.75	58,01,22,504.95
ವರ್ಷದ ಲಾಭ ನಷ್ಟ ತಃಖ್ತೆಯಿಂದ Add: Transfer from the Statement of Profit and Loss Account for the year	10,19,87,873.94	-17,01,48,217.75
ವಿನಿಯೋಗಗಳ ಸಲುವಾಗಿ ಉಳಿಕೆಯಾದ ಮೊತ್ತ Balance available for Appropriations = B	<b>51,19,62,157.69</b>	<b>40,99,74,287.20</b>
<b>ವಿನಿಯೋಗಗಳು :</b> <b>Appropriations :</b>		
ಮುಂದಿನ ವರ್ಷಕ್ಕೆ ಮುಂದುವರಿದ ಶಿಲ್ಕು Balance carried forward to next year	51,19,62,157.69	40,99,74,287.20
<b>ಒಟ್ಟು TOTAL (A+B)</b>	<b>54,33,11,904.34</b>	<b>44,13,24,033.85</b>

## ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು

## NOTE 3 : LONG TERM BORROWINGS

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ ASAT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ ASAT 31.03.2015
<b>ಎ. ಆಧಾರ ಸಹಿತ Secured :</b>		
<b>ಅವಧಿ ಸಾಲಗಳು</b>		
<b>1 Term Loans :</b>		
i ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್, ದಾವಣಗೆರೆ Syndicate Bank, Davangere. (Modernisation of Process House)	13,98,25,204.81	17,19,00,000.00
ii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ಉಗ್ರಾಣ ನಿರ್ಮಾಣ (ನಾಬಾರ್ಡ್ ಗ್ರಾಮಾಂತರ ಉಗ್ರಾಣ ಯೋಜನೆ ಅಡಿಯಲ್ಲಿ) ಸಾಲ State Bank of India, Davangere (Construction of Rural Godowns under NABARD, Garmin Bhandar Yojana)	2,13,70,237.00	3,32,00,000.00
iii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು ದಾವಣಗೆರೆ ಇವರಿಂದ ಬಯರ್ಸ್ ಕ್ರೆಡಿಟ್ ಬಾಬು State Bank of Mysore, Davangere towards Buyers' Credit	15,66,00,652.00	---
iv ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು, ದಾವಣಗೆರೆ ಇವರಿಂದ ಕಂಪನಿಯ ರಿಫೈನರಿ ಯುನಿಟ್‌ಗೆ State Bank of Mysore, Davangere for Refinery Project	50,33,169.00	4,73,73,547.00
v ಎಸ್‌ಆರ್‌ಇಐ ಎಕ್ವಿಪ್‌ಮೆಂಟ್ ಫೈನಾನ್ಸ್ ಪ್ರೈ.ಲಿ. ಕೊಲ್ಕತ್ತಾ SREI Equipment Finance Private Limited, Kolkata (Helicopter)	---	52,44,030.06





vii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು(ಮಿಲ್‌ನ್ನು ವಿಸ್ತರಿಸಲು) State Bank of Mysore (Sugar Mill Expansion)	5,60,87,459.00	7,40,51,082.00
viii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು, ದಾವಣಗೆರೆ State Bank of Mysore, Davangere SEFASU-2014	4,31,56,300.00	6,91,38,235.00
ix ಇಂಡಿಯನ್ ಬ್ಯಾಂಕ್, ದಾವಣಗೆರೆ Indian Bank, Davangere - SEFASU-2014	4,97,48,602.00	6,84,02,116.00
x ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು State Bank Mysore	4,29,43,019.00	---
xi ಸಾಫ್ಟ್ ಲೋನ್ ಸಿ.ಬಿ.ಎಂ. Soft Loan C.B.M.	2,73,79,780.00	---
xii ಸಾಫ್ಟ್ ಲೋನ್ ಇಂಡಿಯನ್ ಬ್ಯಾಂಕ್ Indian Bank	2,05,00,000.00	---
xiii ಸಾಫ್ಟ್ ಲೋನ್ ಐ.ಡಿ.ಬಿ.ಐ. I.D.B.I.	1,74,00,000.00	---
xiv ಸಾಫ್ಟ್ ಲೋನ್ ವಾಹನ ಸಾಲ Vehicles Loan	16,49,734.00	---
xv ಅಡಿಶನಲ್ ಟರ್ಮ್ ಲೋನ್ ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್‌ನಿಂದ ಸಾಲ Additional Term Loan from Syndicate Bank	11,58,08,626.60	---

(Note : Term Loan installments falling within a year are shown under other current liabilities)

#### B ಆಧಾರ ರಹಿತ

#### B Un Secured :

- 1 ಕರ್ನಾಟಕ ಸರ್ಕಾರದಿಂದ ಕಬ್ಬು ಖರೀದಿ ತೆರಿಗೆ ಬಡ್ಡಿ  
ರಹಿತ ಸಾಲವಾಗಿ ಪರಿಗಣಿಸಿರುವುದು.

From Government of Karnataka

(Purchase Tax payable on Sugar Cane

purchases treated as Interest-Free Loan)

1,10,99,505.96

1,10,99,505.96

ಒಟ್ಟು TOTAL 70,86,02,289.37 48,04,08,516.02

#### Disclosures:

#### A Secured:

- 1 Additional Term Loan from Syndicate Bank, Davangere is borrowed for the new Project of " Modernisation of Process House with latest technology and steam saving devise". The Term Loan sanctioned in Jan, 2016 for Rs.1618.00 lakhs and company has availed Rs.1386.78 lakhs during the financial year. The loan secured by Pari-passu first charge on the land & buildings of the company with primary security on the plant and machineries financed by the bank. The compay is serving interest regularly and repayment of installment commenced from February 2016. No interest is overdue as on the reporting date.
- 2 Term Loan from Syndicate Bank, Davangere is borrowed for the new Project of "Modernisation of Process House with latest technology and steam saving devise". The Term Loan sanctioned in December, 2014 for Rs.1814.00 lakhs and company has availed Rs.1719.00 lakhs during the financial year. The loan secured by Pari-passu first charge on the land & buildings of the company with primary security on the plant and machineries financed by the bank. The company is serving interest regularly and repayment of installment will commence from December, 2015. No interest is overdue as on the reporting date.
- 3 Term Loan from State Bank of India, Davangere is borrowed for construction of Godowns at factory premises (under NABARD Gramin Bhandar Yojana). The term loan sanctioned is Rs.500 lakhs in March, 2014. The loan is secured by Pari-passu first charge on the land & buildings of the Company. The company is serving regularly the installment and interest on the loan. There are no overdues of any intallment or interest on the reporting date.
- 4 Term Loan of Rs.2000 Lakhs and Rs.500 Lakhs were sanctioned in May, 2010 and December, 2011 respectively for commissioning of the Sugar Refinery Unit. The loan is secured by by way of Hypothecation of plant and machinery purchased for the unit out of bank finance. Second Charge for the loan is extended over the current assets of the Company inclusive of stocks, receivables and other current assets and Extension of III Charge over fixed assets of the Company on pari passu basis with other consortium Bankers. The term loan is repayable in 24 quarterly installments. There are no overdues as on the date of reporting.
- 5 Term Loan from Srei Equipment Finance Private Limited, Kolkata was borrowed in February 2012, for Purchase of Helicopter and is secured by an exclusive charge by way of hypothecation on the Helicopter together with all refurbishments, modifications, additions, performance enhancements, installations after Delivery including all parts, materials, tools replacements and alternations thereto. The term loan carries interest at the rate of 14% and repayable in 60 monthly instalments. The last installment is to be paid on 15.07.2016. There are no overdues as on the date of reporting.
- 6 Term Loan of Rs.1400 lakhs is borrowed from State Bank of Mysore, Davangere for sugar mill capacity expansion and is secured by by way of Hypothecation of plant and machinery purchased for the unit out of bank finance. Second Charge over current assets of the Company inclusive of stocks, receivables and other current assets and III Charge over fixed assets of the Company on pari passu basis with other consortium members. The term loan is repayable in 24 quarterly installments. There are no overdues as on the date of reporting.



## ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಳು

## NOTE 4 : DEFERRED TAX LIABILITIES

The Company has provided for Deferred Tax in accordance with Accounting Standard on Accounting for Taxes on income (AS-22) issued by the Institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as follows:

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
1. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ 1 Deferred Tax Liability/Asset	---	---
ಸ್ಥಿರ ಆಸ್ತಿಗಳ ಸವಕಳಿಯ ಅವಧಿಯ ವ್ಯತ್ಯಾಸದಿಂದ On account of Timing differences in Depreciation of Fixed		
2. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು Deferred Tax Assets	-6,06,52,038.92	-7,14,77,810.92
3. ನಿವ್ವಳ ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ / ಆಸ್ತಿ Net Deferred Tax Liabilities / (Assets) thereon	-6,06,52,038.92	-7,14,77,810.92
4. ಕಳೆಯಿರಿ: ಹಿಂದಿನ ವರ್ಷದಲ್ಲಿ ಹೊಂದಿಸಿದ್ದು Less: Provided for in the previous year	---	---
5. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹವಣಿಸಿರುವುದು (ಹಿಮ್ಮರಿಳಿಕೆ) Deferred Tax Provided / (Reversed)	2,57,21,128.00	1,08,25,772.00
<b>ಒಟ್ಟು TOTAL</b>	<b>-3,49,30,910.92</b>	<b>-6,06,52,038.92</b>

## ಇತರೆ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು

## NOTE 5 : OTHER LONG TERM LIABILITIES

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು a) Trade Payables:	1,73,27,606.58	2,18,75,319.58
<b>ಒಟ್ಟು TOTAL</b>	<b>1,73,27,606.58</b>	<b>2,18,75,319.58</b>



## ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು

## NOTE 6 : LONG TERM PROVISIONS

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ನೌಕರರ ಸೌಲಭ್ಯಗಳಿಗೆ ಒದಗಿಸಿಕೊಟ್ಟ ಮೊತ್ತ		
a) Provisions for Employees Benefits	---	---
ಬಿ) ಇತರೆ		
b) Others :	---	---
<b>ಒಟ್ಟು TOTAL</b>	---	---

## ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು

## NOTE 7 : SHORT TERM BORROWINGS

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಆಧಾರ ಸಹಿತ :		
A Secured :		
ಕನ್ನಡ್ಡಿಯಂ ಬ್ಯಾಂಕ್‌ಗಳಿಂದ ಪಡೆದಿರುವ ಕ್ಯಾಷ್ ಕ್ರೆಡಿಟ್ ಸಾಲ		
Loans repayable on demand		
Cash Credit Loans from Consortium Banks	90,28,90,386.38	80,46,77,528.14
From State Bank of India, Davangere Against Pledge of Sugar Stocks		
<b>TOTAL</b>	<b>90,28,90,386.38</b>	<b>80,46,77,528.14</b>

## Disclosures :

## A Secured :

- 1 Cash Credit Loan sanctioned by State Bank of Mysore in consortium consists of State Bank of Mysore, Canara Bank, Indian Bank, Union Bank of India and I D B I Bank are secured by hypothecation of Stock of Sugar, Stock of Molasses, Consumable Stores and receivables. Further the same is secured by personal guarantee of three directors of the Company and Pari passu III Charge over fixed assets of the Company. The above Cash Credit Loan carries interest varies from individual Bank base rates and time to time changes as per the regulations of R.B.I. the present rate of interest is being 12.00% per annum.

## NOTE 8 : ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು TRADE PAYABLES

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
A ಆಧಾರ ಸಹಿತ Secured :		
ಖರೀದಿ ಮತ್ತು ಸೇವೆಗಳ ಬಾಬು		
On purchases and Services	25,93,08,278.76	22,09,13,813.54
<b>TOTAL</b>	<b>25,93,08,278.76</b>	<b>22,09,13,813.54</b>

**Disclosures :**

1. The vendors of the Company are yet to submit their status under Micro, Small and Medium Enterprises; hence the relevant information is not available with the Company. Accordingly no disclosure relating to Micro, Small and Medium Enterprises have been made in the Accounts.

**NOTE 9 : ಇತರೆ ಚಾಲ್ತಿ ಹೊಣೆಗಳು****OTHER CURRENT LIABILITIES**

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಆಧಾರ ರಹಿತ :		
a) Un Secured :		
ಕಬ್ಬು ಕಟಾವು ಮತ್ತು ಸಾಗಾಣಿಕೆ ಮುಂಗಡ ವಸೂಲಿ Recoveries on account of sugarcane and H&T farmers	41,36,48,975.00	70,05,49,500.00
ಬಿ) ಅವಧಿ ಮುಗಿದಿರುವ ಚಾಲ್ತಿ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು		
b) Current maturities of Long Term Liabilities	18,01,88,950.05	12,78,19,649.41
ಸಿ) ಸಾಲಗಳ ಮೇಲಿನ ಕ್ಷೇಪಿಸಿದ ಬಡ್ಡಿ		
c) Interest accrued and due on Borrowings	30,78,423.00	32,87,303.00
ಡಿ) ಮಾರಾಟ ಬಾಬು ಮುಂಗಡ		
d) Advance against Sales	---	6,28,538.00
ಇ) ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳು		
e) Statutory Remittances	11,09,914.00	36,22,372.00
ಎಫ್) ವ್ಯವಹಾರ ಅಥವಾ ಭದ್ರತಾ ಠೇವಣಿ ಪಡೆದಿರುವುದು		
f) Trade or Security Deposits received	10,72,181.00	12,93,476.00
ಜಿ) ಇತರೆ		
g) Others	1,27,82,039.59	55,25,458.40
<b>TOTAL</b>	<b>61,18,80,482.64</b>	<b>84,27,27,296.81</b>

**B Disclosures :**

1. Recoveries from H & T farmers who have taken loan from Banks for harvesting and supply of sugarcane to the company, is secured by personal guarantee of three Directors of the company. The onus of recovering the loans to the H & T farmers is on the company and repay the same to the banks extending H & T loans to the farmers.

**ಅಲ್ಪಾವಧಿ ಹವಣಿಕೆಗಳು****NOTE 10 : SHORT TERM PROVISIONS**

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆ For Minimum Alternate Tax	-	---
<b>TOTAL</b>	<b>-</b>	<b>---</b>



## ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು

## NOTE 11 : NON - CURRENT ASSETS

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಸ್ಥಿರ ಆಸ್ತಿಗಳು Fixed Assets		
	'ಲಗತ್ತಿಸಿದೆ' 'ANNEXED'	

## ಚಾಲ್ತಿಯಲ್ಲದ ಹೂಡಿಕೆಗಳು

## NOTE 12 : NON - CURRENT INVESTMENTS

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಚಾಲ್ತಿ ವ್ಯವಹಾರದಲ್ಲಿ ಇಲ್ಲದ್ದು (ಘೋಷಿತ ಬೆಲೆಗೆ) A NON-TRADE (QUOTED- AT COST)	---	---
ಬಿ) ಚಾಲ್ತಿ ವ್ಯವಹಾರದಲ್ಲಿ ಇಲ್ಲದ್ದು (ಅಘೋಷಿತ ಬೆಲೆಗೆ) B NON-TRADE (UN QUOTED- AT COST)		
I ಸರ್ಕಾರದ ಆಧಾರ ಪತ್ರಗಳು IN GOVERNMENT SECURITIES:	19,900.00	19,900.00
II ಇತರೆ ಹೂಡಿಕೆಗಳು OTHER INVESTMENTS		
ಎ) ಡಿಎಸ್‌ಸಿಎಲ್ ಎಂಪ್ಲಾಯಿಸ್ ಕೋ-ಆಪ್ ಸೊಸೈಟಿಯಲ್ಲಿನ ಷೇರುಗಳು a) Shares with DSCL Employee's Co-operative Society (500 Shares of Rs.10/- each)	5,000.00	5,000.00
ಬಿ) ಬಾಪೂಜಿ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್‌ನ ಷೇರುಗಳು b) Shares with Bapuji Co-operative Bank Limited, (200 Shares of Rs.50/- each)	10,000.00	10,000.00
ಸಿ) ದಾವಣಗೆರೆ ಹರಿಹರ ಅರ್ಬನ್ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್ ಲಿ. ನ ಷೇರುಗಳು c) Shares with Davangere Harihar Urban Co-operative Bank Limited, (501 Shares of Rs.1000/- each)	5,01,000.00	5,01,000.00
ಡಿ) ಚಿತ್ರದುರ್ಗ ಡಿಸ್ಟ್ರಿಕ್ಟ್ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್ ಲಿ. ನ ಷೇರುಗಳು d) Shares with Chitradurga District Co-operative Bank Limited, (200 Shares of Rs.50/- each)	10,000.00	10,000.00
III ಇತರೆ ಹೂಡಿಕೆಗಳು OTHER INVESTMENTS	---	---
<b>TOTAL</b>	<b>5,45,900.00</b>	<b>5,45,900.00</b>



### FIXED ASSETS SCHEDULE AS ON 31.03.2016

PARTICULARS	COST				DEPRECIATION (Provided under Equated Method for the Year 2015-16)				WRITTEN-DOWN VALUE	
	AS ON 01.04.2015	ADDITIONS	Withdrawal	AS ON 31.03.2016	AS ON 01.04.2015	PROVIDED During the Year	Withdrawal	AS ON 31.03.2016	AS ON 31.03.2015	AS ON 31.03.2016
	LAND	5404692.92	---	---	5404692.92	---	---	---	---	5404692.92
BUILDINGS,ROADS & YARDS	433313200.92	66765349.46	---	500078550.38	205097077.33	12618617.98	---	217715895.21	228216123.59	282362855.17
PLANT & MACHINERY	1856771140.57	3285683158.51	---	2185354299.08	974686758.31	60610434.58	---	1035297192.89	882084382.26	1150057106.19
WELL & WATER WORKS	9617012.95	268800.00	---	9885812.95	807215.96	596501.54	---	1403717.50	900414.99	8482095.45
FURNITURE & FIXTURES	2483370.11	2862.00	---	2486232.11	2318056.83	34942.76	---	2352999.59	165313.28	133232.52
VEHICLES	47012211.76	10967937.00	---	57880148.76	31187614.83	2263163.41	---	33450778.24	15824596.93	24529370.52
OFFICE EQUIPMENTS	1461363.95	9999.00	---	1471362.95	1223048.57	147223.71	---	1370272.28	238315.38	101090.67
LIBRARY	41213.03	---	---	41213.03	40911.80	---	---	40911.80	301.23	301.23
CANTEEN EQUIPMENTS	140783.82	2825.00	---	143608.82	136333.01	676.55	---	137009.56	4450.81	6599.26
COMPUTERS	5052381.55	355637.00	---	5408018.55	4044083.77	242675.37	---	4286759.14	1008297.78	1121259.41
WATER STORAGE TANK	18262048.95	4141200.00	---	22403248.95	16059911.56	355758.18	---	16415663.74	10111519.39	5987579.21
CAPITAL WORK-IN-PROGRESS	---	60715420.04	---	60715420.04	---	---	---	---	---	60715420.04
<b>TOTAL</b>	<b>2428201720.53</b>	<b>471813188.01</b>	---	<b>2900014908.54</b>	<b>1235601011.97</b>	<b>7686993.98</b>	---	<b>1312471005.95</b>	<b>1192600708.56</b>	<b>1587543902.59</b>
Previous years	2328674859.52	99526861.01	---	2428201720.53	1134321663.62	101460976.55	181628.20	1235601011.97	1194353195.92	1192600708.58



## ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

## NOTE 13 : LONG TERM LOANS AND ADVANCES

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆ ಮುಂಬರುವ ಆದಾಯ ತೆರಿಗೆ ಹೊಂದಾಣಿಕೆಗಾಗಿ ಇರುವ ಮೊತ್ತ		
I MAT Credit Entitlement	6,79,85,705.00	6,79,85,705.00
<b>TOTAL</b>	<b>6,79,85,705.00</b>	<b>6,79,85,705.00</b>

## ದಾಸ್ತಾನು

## NOTE 14 : INVENTORIES

( All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ. ಸಿದ್ಧ ದಾಸ್ತಾನು		
A. FINISHED GOODS :		
(Value at lower of cost or net realisable value and as certified by the Managing Director)		
I SUGAR ಸಕ್ಕರೆ	106,16,32,000.00	56,50,05,375.00
II MOLASSES ಕಾಕಂಬಿ	3,99,35,025.00	4,15,54,230.00
ಬಿ. ಕಚ್ಚಾ ಸಾಮಗ್ರಿಗಳು		
B. CONSUMABLE STORES	7,89,26,864.70	7,47,11,796.19
ಸಿ. ಕಲ್ಲಿದ್ದಲು ದಾಸ್ತಾನು		
C. STOCK OF COAL	17,60,87,741.97	28,61,10,766.97
<b>TOTAL</b>	<b>135,65,81,631.67</b>	<b>96,73,82,168.16</b>

## ಬರಬೇಕಾದ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು

## NOTE 15 : TRADE RECEIVABLES:

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ. ಆಧಾರಹಿತ ಖಾತ್ರಿಯಾಗಿ ಪರಿಗಣಿಸಿರುವುದು		
A UN SECURED CONSIDERED GOOD		
I ಆರು ತಿಂಗಳಿಗೂ ಮೇಲ್ಪಟ್ಟು ಬಾಕಿ ಉಳಿದಿರುವುದು Out standing for a period exceeding six months	2,86,10,732.60	2,04,63,321.60
II ಇತರೆ ಬರಬೇಕಾದ ಬಾಕಿಗಳು Other Receivables	19,64,45,541.92	20,59,32,170.35
<b>TOTAL</b>	<b>22,50,56,274.52</b>	<b>22,63,95,491.95</b>



ನಗದು ಮತ್ತು ನಗದಿಗೆ ಸಮಾನಂತರವಾದುದು

**NOTE 16 : CASH AND CASH EQUIVALENTS**

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ. ನಗದು		
A. CASH ON HAND	1,88,41,880.14	7,79,367.14
ಬಿ. ಬ್ಯಾಂಕುಗಳಲ್ಲಿನ ಶಿಲ್ಕು		
B. BALANCE WITH BANKS :		
I ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕುಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ		
In Current Account with Schedule Banks	59,71,674.34	13,41,70,917.37
II ನಾನ್ ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕ್‌ಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ		
In Current Account with Non Schedule Banks	3,14,933.08	2,38,475.08
III ಬ್ಯಾಂಕುಗಳಲ್ಲಿರುವ ಅವಧಿ ಠೇವಣಿಗಳು		
Margin Money Deposits with Banks	2,84,48,990.00	3,71,26,112.00
<b>TOTAL</b>	<b>5,35,77,477.56</b>	<b>17,23,14,871.59</b>

ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

**NOTE 17 : SHORT TERM LOANS AND ADVANCES**

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
I ಠೇವಣಿಗಳು		
Sundry Deposit	2,63,608.30	263608.30
II ಅಬಕಾರಿ ತೆರಿಗೆ ಇಲಾಖೆಯಲ್ಲಿ ಠೇವಣಿ		
In Deposit with Central Excise Department	5,53,81,916.30	4,30,44,261.00
III ನಗದು ಅಥವಾ ವಸ್ತುಗಳ ರೂಪದಲ್ಲಿ ಬರಬೇಕಾದ ಮುಂಗಡ ಹಣ		
Advances recoverable in cash or in kind	11,00,18,191.21	16,12,04,040.56
<b>TOTAL</b>	<b>16,56,63,715.81</b>	<b>20,45,11,909.86</b>





## ವ್ಯವಹಾರದಿಂದ ಬಂದ ಆದಾಯ

## NOTE 18 : REVENUE FROM OPERATIONS

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಉತ್ಪನ್ನಗಳ ಮಾರಾಟ A. SALE OF PRODUCTS		
I ಸಕ್ಕರೆ Sugar	99,34,01,626.00	97,74,39,531.00
II ಕಾಕಂಬಿ Molasses	14,14,28,903.00	13,28,49,328.00
III ವಿದ್ಯುತ್ Power	67,73,25,504.98	61,30,61,893.76
ಬಿ) ಇತರೆ ವ್ಯವಹಾರದಿಂದ ಆದಾಯ B. OTHER OPERATING INCOME		
1. ಇತರೆ ಮಾರಾಟ Miscellaneous Sales	1,51,659.00	---
2. ವಾಯುಯಾನ ಬಾಡಿಗೆ Aviation Receipts	2,43,75,243.00	3,71,44,526.00
<b>TOTAL</b>	<b>1,83,66,82,935.98</b>	<b>1,76,04,95,278.76</b>

## ಇತರೆ ಆದಾಯ

## NOTE 19 : OTHER INCOME

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಬಡ್ಡಿಯ ಆದಾಯ A INTEREST INCOME		
I ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳಿಂದ From Loans and Advances	89,95,694.00	1,47,86,058.91
II ಠೇವಣಿಗಳಿಂದ From Deposits	60,729.00	35,75,385.00
ಬಿ) ಹೂಡಿಕೆಗಳಿಂದ ಡಿವಿಡೆಂಡ್ B DIVIDEND FROM INVESTMENTS	76,816.00	76,517.00
ಸಿ) ಇತರೆ ಕಾರ್ಯಚಟುವಟಿಕೆಯಲ್ಲದ ಆದಾಯ C OTHER NON OPERATING INCOME		
I Loss on sale of Assets	-25,84,349.26	---
II ಸ್ವೀಕರಿಸಿದ ಬಾಡಿಗೆ Rent received	---	24,000.00
III ಹಿಂದಿನ ವರ್ಷದ ಸವಕಳಿ ಮೊತ್ತ ಹಿಮ್ಮುರಿಕೆ Depreciation Written Back	---	1,81,628.20
IV ಕಮೀಷನ್ PTA Commission	31,06,483.00	---
<b>TOTAL</b>	<b>96,55,372.74</b>	<b>1,86,43,589.11</b>



## NOTE 20 : COST OF MATERIALS CONSUMED

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಕಬ್ಬು ಖರೀದಿ ಮತ್ತು ಬಳಕೆ (ಇತರೆ ಸರಬರಾಜು ವೆಚ್ಚ ಮತ್ತು ಕಬ್ಬು ಖರೀದಿ ಕರ ಸೇರಿ)		
A Sugar Cane purchased and consumed (Inclusive of Cane purchase Tax and Other procurement Charges)	129,10,88,306.24	124,06,19,636.25
ಬಿ) ಕಲ್ಲಿದ್ದಲು ಖರೀದಿ ಮತ್ತು ಬಳಕೆ (ಸುಂಕ ಮತ್ತು ಸಾಗಾಣಿಕೆ ಸೇರಿ)		
B Steaming Coal purchased and consumed (Inclusive of Duties and Transportation Charges)	35,95,02,611.04	35,79,05,508.46
<b>TOTAL</b>	<b>165,05,90,917.28</b>	<b>159,85,25,144.71</b>

## ಮಾರಾಟ ಸಿದ್ಧ ವಸ್ತುಗಳ ಖರೀದಿ

## NOTE 21 : PURCHASE OF TRADED GOODS

(All figures in Rupees)

	31.03.2016ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
(ಅನ್ವಯಿಸುವುದಿಲ್ಲ) Not Applicable		
<b>TOTAL</b>	<b>---</b>	<b>---</b>

## ದಾಸ್ತಾನಿನಲ್ಲಿ (ಏರಿಕೆ / ಇಳಿಕೆ)

## NOTE 22 : (INCREASE) / DECREASE IN INVENTORIES:

(All figures in Rupees)

	31.03.2016ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಸಿದ್ಧ ವಸ್ತುಗಳು		
A FINISHED GOODS		
ಪ್ರಾರಂಭಿಕ ದಾಸ್ತಾನು		
a) Opening Stock:		
ಸಕ್ಕರೆ		
Sugar	56,50,05,375.00	40,85,35,300.00
ಕಾಕಂಬಿ		
Molasses	4,15,54,230.00	5,48,46,720.00
<b>Total</b>	<b>60,65,59,605.00</b>	<b>46,33,82,020.00</b>



ಬಿ) ಅಖೈರು ದಾಸ್ತಾನು		
b) Closing Stock:		
ಸಕ್ಕರೆ		
Sugar	106,16,32,000.00	56,50,05,375.00
ಕಾಕಂಬಿ		
Molasses	3,99,35,025.00	4,15,54,230.00
Total	110,15,67,025.00	60,65,59,605.00
(a) - (b)	-49,50,07,420.00	-14,31,77,585.00

ಎ) ಉತ್ಪಾದನೆ ಹಂತದಲ್ಲಿರುವ ದಾಸ್ತಾನು

A. WORK IN PROGRESS :

ಎ) ಪ್ರಾರಂಭ ಶಿಲ್ಕು

A) Opening Stock :

ಸಕ್ಕರೆ		
Sugar	---	---
ಕಾಕಂಬಿ		
Molasses	---	---
Total	---	---

ಬಿ) ಅಖೈರು ಶಿಲ್ಕು

B) Closing Stock :

ಸಕ್ಕರೆ		
Sugar	---	---
ಕಾಕಂಬಿ		
Molasses	---	---
Total	---	---

(a) - (b)	---	---
Grand Total	-49,50,07,420.00	14,31,77,585.00

ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚಗಳು

NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಸಂಬಳ, ಮಜೂರಿ ಮತ್ತು ಭತ್ಯೆಗಳು		
A Salaries, wages and allowances	6,96,17,260.00	6,51,17,648.40
ಬಿ) ಭವಿಷ್ಯನಿಧಿ ಮತ್ತು ಇತರೆ ನಿಧಿಗಳಿಗೆ ಪಾವತಿಸಿರುವುದು		
B Contribution to Provident fund and Other funds	76,86,228.00	1,08,50,709.00
ಸಿ) ಸಿಬ್ಬಂದಿ ಕ್ಷೇಮಾಭ್ಯುದಯ ಖರ್ಚುಗಳು		
C Staff Welfare Expenses	3,32,84,62.27	34,67,523.87
TOTAL	8,06,31,950.27	7,94,35,881.27



## ಹಣಕಾಸು ವೆಚ್ಚಗಳು

## NOTE 24 : FINANCE COSTS

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಎ) ಬಡ್ಡಿ ವೆಚ್ಚ		
A Interest Expenses	17,45,64,816.92	11,83,80,949.17
ಬಿ) ಇತರೆ ಸಾಲಗಳಿಗೆ ವೆಚ್ಚ		
B Other Borrowings Costs	98,77,101.04	90,22,301.18
<b>TOTAL</b>	<b>18,44,41,917.96</b>	<b>12,74,03,250.35</b>

## ಇತರೆ ಖರ್ಚುಗಳು

## NOTE 25 : OTHER EXPENSES

(All figures in Rupees)

	31.03.2016 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2016	31.03.2015 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2015
ಸ್ಟೋರ್ಸ್ ಮತ್ತು ಬಿಡಿಭಾಗಗಳ ಬಳಕೆ		
Consumption of Stores and spares	2,28,02,665.15	3,26,03,172.45
ಖಾಲಿ ಚೀಲಗಳು ಮತ್ತು ದಾಸ್ತಾನಿನ ಖರ್ಚುಗಳು		
Packing and storage expenses	2,29,28,851.51	2,33,76,195.95
ನೀರಿನ ಕರ		
Water Charges	94,518.00	59,496.00
ಬಾಡಿಗೆ		
Rent	56,95,058.00	38,31,722.00
ಕಾನೂನು ಮತ್ತು ಸೇವಾ ಖರ್ಚುಗಳು		
Legal and Professional Charges	37,87,379.00	44,49,126.00
ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ :		
Repairs and Maintenance:		
ಕಟ್ಟಡಗಳಿಗೆ		
on Buildings	81,63,290.78	27,99,187.89
ಯಂತ್ರೋಪಕರಣಗಳಿಗೆ		
on Plant and Machinery	9,06,54,641.14	6,44,92,158.63
ಇತರೆ		
on Others	44,74,662.75	31,84,213.18
ಸರಬರಾಜು ಮತ್ತು ವಿತರಣಾ ಖರ್ಚುಗಳು		
Supply and Distribution Expenses	2,69,33,998.86	55,07,379.02
ಪ್ರಯಾಣ ಭತ್ಯೆ ಖರ್ಚುಗಳು		
Travelling and Conveyance	14,96,830.00	26,11,048.00



ಬಾಡಿಗೆ ಮತ್ತು ಸಾಗಾಣಿಕೆ ವೆಚ್ಚಗಳು Freight and Forwarding	92,83,973.00	78,63,486.00
ಅಂಚೆ ಮತ್ತು ದೂರವಾಣಿ ಖರ್ಚುಗಳು Postage and Telephone Expenses	7,83,404.59	7,10,616.15
ಮುದ್ರಣ ಮತ್ತು ಲೇಖನಿ ಖರ್ಚುಗಳು Printing and Stationery	5,76,248.00	5,71,812.00
ವಿಮೆ Insurance	26,12,892.00	27,21,794.00
ವಾಹನಗಳ ನಿರ್ವಹಣೆ Vehicle Maintenance	80,97,615.74	83,44,988.85
ಪ್ರಚಾರ Advertisement	1,70,000.00	10,000.00
ನಿರ್ದೇಶಕರುಗಳ ಪ್ರವಾಸದ ಖರ್ಚುಗಳು Travelling Expenses to Directors	34,33,084.00	2,79,000.00
<b>ಆಡಿಟ್ ಶುಲ್ಕ :</b> <b>Audit Fee :</b>		
ಕಾಯ್ದೆ ಬದ್ಧ ಆಡಿಟ್‌ಗೆ For Statutory Audit	2,93,540.00	---
ಕಾಸ್ಟ್ ಆಡಿಟ್‌ಗೆ For Cost Audit	60,000.00	53,000.00
ಇತರೆ ಸೇವೆಗಳಿಗೆ For Other Services	93,808.00	4,03,816.00
ಇತರೆ ಖರ್ಚುಗಳನ್ನು ಭರಿಸಿದ್ದು For Reimbursement of Expenses	12,000.00	---
ಇತರೆ ಖರ್ಚುಗಳು Other Expenses	86,53,486.77	1,07,52,547.62
<b>TOTAL</b>	<b>22,11,01,947.29</b>	<b>17,46,24,759.74</b>

**NOTE 26 :****NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****1. Accounting Policies:**

As per the requirements of the **Accounting Standard-1**, The financial statements are prepared under the convention of historical cost in accordance with the Generally Accepted Accounting Principles (GAAP) and as per the provisions of the Companies Act, 2013 as adopted consistently by the company

**2. Valuation of Inventories:**

As per the requirements of **Accounting Standard -2** the valuation of inventories is carried out as follows:

- 2.1 Closing stock of finished goods, i.e. Sugar and Molasses have been valued at lower of cost or net realizable value (market value) and as certified by the management.
- 2.2 Stock of stores and spares has been valued at cost.

**3. Cash Flow Statement:**

As per the requirements of **Accounting Standard – 3** the information on the Cash Flow of the Company on Operating Activities, Investing Activities and Financing Activities is enclosed.

**4. Events after Balance Sheet date:**

As per the requirements of the **Accounting Standard – 4**, we report that there are no contingencies and events occurring after the Balance Sheet date, which have material bearing on the profitability of the Company. Further we report that there are no such indicative conditions as on the Balance Sheet Date.

**5. Prior period items and changes in Accounting Policies:**

As per the requirements of the **Accounting Standard – 5**, there are no extraordinary items or prior period items and nor any changes in accounting policies occurred during the financial year which have a bearing on the profit or loss of the company as ascertained from the ordinary activities of the Company.

**6. Depreciation Accounting:**

As per the Companies Act 2013, the method of providing depreciation has been changed. Now under the new Act, the depreciable value of each asset is to be written off over the useful life of each asset. Depreciable value means cost of the asset minus the residual value to the extent of 5% of the cost of the asset. Our company has adopted the new method of depreciation from the present financial year 2015-16. An option was given under the Companies Act, 2013 to provide depreciation for F.Y. 2014-15 under the provisions of the previous companies Act 1956. So, the Company opted for providing depreciation for the F.Y. 2014-15 as per the provisions of Companies Act, 1956. Now, Company has provided depreciation for the F.Y. 2015-2016 as per Schedule II w.r.f. section 123(2) of the Companies Act, 2013 so as write off the depreciable value of each asset. Depreciable value of each asset is cost/WDV as on 01.04.2015 after deducting residual value of up to 5% of the cost of the asset. Company has adopted a method of providing depreciation so to write off the depreciable value equally over the useful life/remaining useful life of each asset. So, depreciation is provided under equated method, means the cost/WDV of each asset as on 01.04.2015 is equally written off over the useful life or remaining useful life of each asset. While providing depreciation the useful life for each asset is ascertained as per the guidelines as provided in Part C of schedule II of the Companies Act, 2013.

**7. Revenue recognition:**

- (a) Revenue is recognized when property in goods that is Sugar & Molasses are sold for consideration.



- (b) Revenue from Co-gen unit being power is recognized on actual supplies to the power grid based on terms and conditions of the agreement entered into.
- (c) Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.
- (d) The interest charged on input loan to farmers is accounted on accrual basis.

**8. Accounting for fixed assets:**

As per the requirements of **Accounting Standard – 10**, the accounting for fixed assets is on the following basis:

Fixed assets are stated at cost of acquisition (net of CENVAT wherever applicable) or cost of construction and their net values are stated at historical cost less accumulated depreciation. All costs, including financing costs, till the date of commercial production or till the date the said assets are put to use are capitalized.

Gross and net book values of assets at the beginning and end of an accounting period showing additions, disposals if any, acquisitions and other movements, the information is furnished in the depreciation schedule annexed to the Balance sheet.

**9. Foreign Currency Transactions :**

(With reference to the requirements of **Accounting Standard – 11**)

The details of foreign exchange earnings and out go during the financial year is as follows.

(i) **Earnings :** Nil

(ii) **Outgoings:**

- a. The Company has imported 44,000 MTs of Steaming Coal for its Co-generation Unit and used USD 23,71,600 (Equivalent to INR 1581.18 lakhs)
- b. During the year the Company has paid EURO 6,240.86 (Equivalent to INR 4.51 lakhs) to IPRO, Germany, towards technical and engineering consultancy relating to steam saving devices;

**10. Accounting for Investments:**

With reference to the **Accounting Standard – 13**, the Company's investment consists of long term investment in Government securities like National Savings Certificates purchased at cost of Rs.19,900/- lodged with various Government departments, investment in Shares in Co-operative Banks to the extent of Rs.5,26,000/- . Interest accrued on NSC is accounted on receipt basis. The dividends received on shares of Co-operative Banks are accounted on receipt basis. The investments are stated at cost of acquisition.

**11. Employees retirement benefits:**

In terms of **Accounting Standard – 15** relating to Employee Benefits we report that, the Company has created a Gratuity Trust. As per the Trust rules, all the Employees of the Company excluding the employees on service contract for a specified period and on deputation are eligible for gratuity. The Trust has taken out a Group Gratuity Policy from LIC of India. The Company makes a quarterly contribution of gratuity to the Trust maintained by the Company on the basis of amount as computed by Life Insurance Corporation of India.

The amount so contributed is remitted to LIC by the said trust. The amount so contributed is treated as expenditure for the current year. Company's contribution to provident fund and superannuation fund are charged to profit and loss account on actual payment basis. Gratuity and leave encashment benefit are charged to profit and loss account on actual payment basis.

**12. Borrowing Costs:**



With reference to the **Accounting Standard – 16** the borrowing Cost which is attributable to the acquisition or construction of capital assets are capitalized as part of the cost of such assets. A capital asset is one that necessarily takes substantial period of time to get ready for intended use. The borrowing cost of capital assets to the date of its use for production is capitalized during the financial year. The interest on working capital and interest paid on capital asset after the date of its commercial use are charged to profit and loss account.

**13. Segment Reporting:**

Company is having three segments, one is sugar segment, co-gen segment and another is Aviation Segment. Segmental report is furnished as per the requirements of **Accounting Standard-17**

**14. Related party disclosure:**

Name of the related party and details of transactions with the said parties as per the books of accounts and as required by the **Accounting Standard -18** is detailed below:

Rupees in Lakhs

Name	Sale Of Sugar	Sale Of Molasses	Purchase of provision for canteen
M/s Shamanur Sugars Ltd.,	-	726.67	-
M/s S S Trading Company	810.48	-	-
M/s Shamanur Kallappa & Sons	57.84	—	0.67
M/s. Sri Kalleswara Traders	—	—	5.06
M/s. Shivashankar Associates	—	—	2.56

**15. Earnings per share :**

As per requirement of **Accounting Standard–20**, the earning per share for the financial year ended works out to be **Rs. 2.27**(previous financial year is Rs -3.79)per equity share of Rs.10 each.

**16. Taxes on income :**

Current Income Tax Liability does not arise on account of set off of the previous year losses against the profit earned during financial year.

**17. Deferred tax:**

Deferred tax resulting from “timing Difference” between taxable and accounting income is accounted for using tax rates and laws that are enacted as on the Balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

**18. Interim Financial Reporting:**

As per the guidelines as provided in Accounting Standard – 25, the Company is publishing quarterly financial results in the local newspaper. The results are announced in condensed form.

**19. Intangible assets:**

There are no intangible assets to be reported as per the guidelines of the Standard – 26 for the financial year.

**20. Impairment of assets:**

There is no impairment in any of the assets of the company and as such no report is furnished as per the guidelines of the **Accounting Standard – 28**.

**21. Debtors and Creditors balances:**

Debtors and Creditors balances for the financial year ended as shown in the books of accounts are subject to confirmation from the parties. Based on the information available with the Company in respect of **MSME** (as defined in The Micro Small and Medium Enterprises Development Act,2006)





there were no delays in payment of dues to such creditors and there are no dues to such creditors at the end of the year.

**22. Balance with Non Schedule Banks:**

Cash and Bank include balances in current account with Non Schedule banks as below :

1. Bapuji Co-operative Bank Limited	....	Rs. 20,666.26
2. Karnataka State Co-Operative Apex Bank Limited	....	Rs. 1,903.00
3. Davangere Harihar Urban Co-op Bank Limited	....	Rs.2,50,251.12
4. Shimoga District Central Co-operative Bank Ltd	....	Rs. 36,412.00
5. The Davangere Urban Co-operative Bank Limited	....	Rs. 5,700.70

**23. Remuneration to employees exceeding Rs. 5.00 Lakhs P.M**

During the Financial year there are no employees who were in receipt of remuneration exceeding Rs. 60.00 lakhs per annum when employed throughout the year and exceeding Rs. 5,00,000/- per month when employed for the part of the year.

**24. Remuneration to Auditors :**

The Auditors remuneration is fixed at Rs.1,25,000/- and tax representation fee of Rs. 25,000/- for the Financial year.

**25. Managerial remuneration :**

During the financial year company has paid remuneration of Rs. 3,00,000/- per month to the Managing Director and Rs. 1,62,000/- per month to the Executive Director.

**26. During the financial year there are no exceptional income and expenses as observed.**

**27. In the opinion of the management, the current assets, loan and advances have been valued at not less than the value at which they are stated in the balance sheet, if realized in the ordinary course of business.**

**28. Provision for contingent liability or assets :**

The Company has referred to the guidelines as envisaged in Accounting Standard – 29 and furnishes the information on provision for contingent liabilities as follows:

\* The Company has given a consolidated continuing guarantee of Rs. 100 lakhs in favour of State Bank of Mysore, ADB, Branch, Davangere, covering Sugarcane crop loans advanced by the Bank to the Company's sponsored loan applications under the direct agricultural financing scheme. Total out standings as on 31.03.2016 covered under the guarantee was Rs. nil.

\*Purchase Tax (Interest free) Loan of Rs. 110.99 lakhs representing Purchase Tax on sugar cane and Surcharge thereon up to the year 1983-84 was repayable in installments starting from the year 1995 which has fallen due. The company is eligible for balance capital subsidy of Rs. 350 lakhs from Government of Karnataka and asking the Government to adjust this due against the subsidy. There is no dispute in the matter.

\*There are no contingent assets/liabilities during the financial year.

**29. Previous years figures are regrouped, rearranged or rounded-off wherever necessary and practicable to necessitate comparison and for lucid presentation.**

As per our Audit Report of even date annexed

**For Santhappa & Co.**  
**Chartered Accountants**  
**ICAI FRNo. 003564S**

**Sd/-**

**Mundas Veerendra**

Partner M.No. : 216317

Place : Davangere  
Date : 03-09-2016



## 30. CASH FLOW STATEMENT ANNEXED TO ANNUAL REPORT FOR THE YEAR ENDED ON 31.03.2016

(Rs. Lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>A Cash flow from Operating activities:</b>		
Net profit after tax	1019.88	-1701.48
Adjustment for provision for taxation	0.00	0.00
	1019.88	-1701.48
Adjustment for depreciation	768.69	1014.61
<b>Operating profit before working capital adjustment</b>	<b>1788.57</b>	<b>-686.87</b>
Adjustment for :		
Inventories	-3892.01	-1968.51
Sundry Debtors & trade receivables	13.39	643.13
Trade payables	343.94	1850.75
Deferred Revenue Expenditure	257.21	108.26
Others	0.00	0.00
<b>Net cash flow from operating activities</b>	<b>-1488.89</b>	<b>-53.24</b>
<b>B Cash flow from Investing Activities:</b>		
Sale of Fixed Assets	0.00	0.00
Purchase of Fixed Assets	-429.95	-997.09
From capital work in progress	567.15	-2715.83
	-997.10	--3712.92
From Investment	0.00	0.00
<b>Net Cash flow from Investing activities</b>	<b>-997.10</b>	<b>-3712.92</b>
<b>C Cash flow from Financing activities:</b>		
Proceeds from share allotment	0.00	800.00
Proceeds from share premium & Capital reserve	0.00	0.00
Proceeds from working capital loan		
Proceeds from Short Term Borrowings	-1886.88	3154.71
Proceeds from Long Term Borrowings	2281.94	99.60
Proceeds from Other Current Liabilities	-45.48	-811.53
Proceeds from Long Term Loans and Advances	0	0.56
Proceeds from Other Current Liabilities	560.54	135.81
Proceeds from Short Term Provisions	0	-128.17
Proceeds from Short Term Loans and Advances	388.49	-270.61
Proceeds from unsecured loan	0.00	0.00
<b>Net cash flow from financing activity</b>	<b>1298.61</b>	<b>2980.37</b>
Net cash used in cash & cash equivalents (A+B+C)	-1187.38	-785.80
Cash & cash equivalents at the beginning of the year	1723.15	2508.94
Cash & cash equivalents at the end of the year	535.77	1723.15

For and on behalf of the Board of Directors

**ABHIJITH G SHAMANUR**

Executive Director

**S.S.GANESH**

Managing Director

**AUDITORS' CERTIFICATE**

We have verified the above cash flow statement of M/s. Davangere Sugar Company Limited, derived from the audited financial statements & the books & records maintained by the company for the year ended on 31.03.2016 and found the same to be in agreement therewith.

Place : Davangere

Date : 03-09-2016

As per our report of even date  
for **SANTHAPPA & CO.,**  
Chartered Accountants



NOTE 27 : QUANTITATIVE DETAILS

		Unit	As at 31.03.2016	As at 31.03.2015
<b>A</b>	<b>Particulars of Capacity</b>			
	<b>i) Licenced Capacity</b>			
	Co Gen		24.45 M W	24.45 M W
	Sugar		4750 TCD	4750 TCD
	<b>ii) Installed Capacity</b>			
	Co Gen		24.45 M W	24.45 M W
	Sugar		4750 TCD	4750 TCD
<b>B</b>	<b>Actual Production</b>			
	Co Gen	<b>KWH</b>	150014400	134562200
	Sugar	<b>Qtls.</b>	499350	466849
	Molasses	<b>MTs.</b>	29264.000	30788.00
<b>C</b>	<b>Details of Turnover</b>			
	Co Gen	Quantity	<b>KWH</b>	124423200
		Value	<b>Rs.</b>	677325504.98
	Sugar	Quantity	<b>Qtls.</b>	407347
		Value	<b>Rs.</b>	993401526.00
	Molasses	Quantity	<b>MTs.</b>	34564.580
		Value	<b>Rs.</b>	141428903.00
<b>D</b>	<b>Opening Stock</b>			
	Sugar (Finished Goods)	Quantity	<b>Qtls.</b>	237897
		Value	<b>Rs.</b>	5650053750.00
	Molasses	Quantity	<b>MTs.</b>	13851.410
		Value	<b>Rs.</b>	41554230.00
<b>E</b>	<b>Closing Stock</b>			
	Sugar (Finished Goods)	Quantity	<b>Qtls.</b>	331760
		Value	<b>Rs.</b>	1061632000.00
	Molasses	Quantity	<b>MTs.</b>	8550.770
		Value	<b>Rs.</b>	39935025.00
<b>F</b>	<b>Processing Loss</b>	Quantity	<b>Qtls.</b>	0
<b>G</b>	<b>Consumption of Raw Materials</b>			
	i) Sugar Cane	Quantity	<b>MTs.</b>	529964.886
		Value	<b>Rs.</b>	1241919238.00
	ii) Non Coking Steam Coal			
	a) Imported	Quantity	<b>MTs</b>	57326.000
		Value	<b>Rs.</b>	359502611.04
	b) Indigenous	Quantity	<b>MTs</b>	0.000
		Value	<b>Rs.</b>	0.00
<b>H</b>	<b>Value of Stores &amp; Spares consumed</b>			
	Co-Gen	a) Imported	<b>Rs.</b>	0.00
		b) Indigenous	<b>Rs.</b>	39510349.96
	Sugar	a) Imported	<b>Rs.</b>	0.00
		b) Indigenous	<b>Rs.</b>	104513351.94



NOTE 28 :

**Segment information for the year ended 31st March, 2016**

Rs. In lakhs

	SUGAR	POWER	AVIATION	TOTAL
<b>Primary :</b>				
1. External revenues	11349.14	6773.86	243.83	18366.83
<b>Total</b>	<b>11349.14</b>	<b>6773.86</b>	<b>243.83</b>	<b>18366.83</b>
2. <b>Segment expenses (excluding interest) :</b>				
Cost of material consumed	12928.11	3547.23	30.57	16505.91
Employees Cost	561.19	133.30	111.83	806.32
Other Expenses	1491.66	597.60	121.76	2211.02
Provision for Taxation	257.21	0.00	0.00	257.21
Stock Adjustment	-4950.07	0.00	0.00	-4950.07
<b>Total</b>	<b>10288.10</b>	<b>4278.13</b>	<b>264.16</b>	<b>14830.39</b>
5. Segment results	1061.04	2495.73	-20.33	3536.44
6. Add: Un allocated revenue	96.55	0.00	0.00	96.55
7. Operating profit	1157.59	2495.73	-20.33	3632.99
8. Less: Interest expenses	1837.57	6.85	0.00	1844.42
9. Total	<b>-679.98</b>	<b>2488.88</b>	<b>-20.33</b>	<b>1788.57</b>
10. Segment assets	23228.98	21276.93	0.00	28839.43
11. Segment liabilities	23228.98	21276.93	0.00	28839.43
12. Depreciation	710.08	58.61	0.00	768.69
13. Net cash expenses other than depreciation	11951.79	4284.98	264.16	16500.93
<b>Profit as per Books</b>	<b>-1390.06</b>	<b>2430.27</b>	<b>-20.33</b>	<b>1019.88</b>

As per our Audit Report of even date annexed

**For Santhappa & Co.**  
**Chartered Accountants**  
**ICAI FRNo. 003564S**

For and on behalf of the Board of Directors

**Mundas Veerendra**  
 Partner M.No. : 216317  
 Place : Davangere  
 Date : 03-09-2016

**Abhijith G. Shamanur**  
 Executive Director

**S.S. Ganesh**  
 Managing Director