



NOTICE

To,
ALL THE SHAREHOLDERS

NOTICE is hereby given that the **47th Annual General Meeting** of the Members of the Company will be held on Saturday, the 29th day of September, 2018 at 10.45 AM at Thogataveera Samudhaya Bhavana, M.C.C 'A' Block, Davangere-577004, to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the audited Financial Statements as at 31st March, 2018 and the reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Smt. Rekha Ganesh (DIN – 02764230), who retires by rotation and being eligible offers herself for re-appointment.
- 3) To take note of the re-appointment of Statutory Auditors for the financial year 2018-19 and to fix their remuneration.

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member of the company or a relative of such member.
2. Proxies in order to be effective should be duly stamped, signed and completed and must be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

By the order of the Board
for Davangere sugar company limited

S.S. Ganesh
Managing Director
DIN: 00451383

Place : Davangere
Date : 27-08-2018



ನೋಟೀಸ್

ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿ., ಕುಕ್ಕುವಾಡ, ಈ ಕಂಪನಿಯ ಸಮಸ್ತ ಷೇರುದಾರರಿಗೆ ಈ ನೋಟೀಸ್ ಮೂಲಕ ತಿಳಿಯಪಡಿಸುವುದೇನೆಂದರೆ, ದಿನಾಂಕ 29ನೇ ಸೆಪ್ಟೆಂಬರ್ 2018ನೇ ಶನಿವಾರ ಬೆಳಿಗ್ಗೆ 10.45 ಘಂಟೆಗೆ ತೊಗಟವೀರ ಸಮುದಾಯ ಭವನ, ಎಂ.ಸಿ.ಸಿ 'ಎ' ಬ್ಲಾಕ್, ದಾವಣಗೆರೆ, ಈ ಸ್ಥಳದಲ್ಲಿ ಮೇಲ್ಕಂಡ ಕಂಪನಿಯ ಸಮಸ್ತ ಷೇರುದಾರರ 47ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯನ್ನು ಕರೆಯಲಾಗಿದ್ದು ಮತ್ತು ಮಹಾಸಭೆಯಲ್ಲಿ ಈ ಕೆಳಗಿನ ಕಾರ್ಯಕಲಾಪಗಳನ್ನು ನಡೆಸಿಕೊಡಲು ಷೇರುದಾರರಿಗೆ ಈ ನೋಟೀಸ್ ಮೂಲಕ ತಿಳಿಸಲಾಗಿದೆ.

ಸಾಮಾನ್ಯ ಕಲಾಪ :

1. ದಿನಾಂಕ 31-03-2018 ರಂದು ಇದ್ದಂತೆ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಪಟ್ಟಿ ಹಾಗೂ ಇದೇ ಅವಧಿಗೆ ಕೊನೆಗೊಂಡ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಹಾಗೂ ಈ ಬಗ್ಗೆ ಪರಿಶೋಧಕರ ಹಾಗೂ ನಿರ್ದೇಶಕರ ವರದಿಯೊಂದಿಗೆ ಸ್ವೀಕಾರ ಮತ್ತು ಅಂಗೀಕಾರ ;
2. ಸರದಿ ಮೇರೆಗೆ ನಿರ್ದೇಶಕರಾದ ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್‌ವರವರು ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತರಾಗುತ್ತಿದ್ದು ಮತ್ತು ಇವರ ಸ್ಥಾನದಲ್ಲಿ ಒಬ್ಬ ನಿರ್ದೇಶಕರನ್ನು ನೇಮಿಸುವುದು. ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್‌ವರವರು (DIN No 02764230) ಪುನರ್‌ನೇಮಕ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನಃ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕಗೊಳ್ಳಲು ಪ್ರಸ್ತಾಪಿಸಿದ್ದಾರೆ.
3. 2018-2019ನೇ ಸಾಲಿನ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಪುನರ್‌ನೇಮಕವನ್ನು ಅನುಮೋದಿಸುವುದು ಮತ್ತು ಅವರ ವೇತನ ನಿಗದಿಪಡಿಸುವುದು.

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ
ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 27-08-2018

ಎಸ್.ಎಸ್. ಗಣೇಶ್
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು
DIN : 00451383

**NOTES TO NOTICE****The instructions for filing, stamping, signing and/or depositing Proxy:**

No instrument of Proxy shall be valid unless it is signed by the members/s or by his /her attorney duly authorized in writing or in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorized in writing, provided that an instrument of Proxy shall be sufficiently signed by any member who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub-Registrar of assurances or Govt. Gazetted officers or any officer of nationalized bank.

Person appointed as the Proxy shall prove his/her identity at the time of attending the meeting and for the purpose such person shall carry proof of his/her identity via

PAN Card, Voters ID or Adhar Card, Driving License or Passport.

(Proxy Form and Attendance Slip as per act are attached)

1. Members are requested to bring their Attendance Slip along with their copy of Annual report to the meeting.
2. Particulars of the venue of the meeting including route map and prominent Landmark for easy location is attached.

Additional Information on the Directors Retires by rotation at the Annual General meeting

Sl.No.	Particulars	Details of Directors
1.	Name of the Director	REKHA GANESH
2.	Date of Birth	18.09.1967
3.	Date of Appointment	29.07.2009
4.	DIN	02764230
5.	Nationality	Indian
6.	Expertise in specific functional areas	—
7.	Qualification	Graduate
8.	List of Public/ Private Companies in which outside Directorship held as on 31 st March 2018	NIL
9.	Chairman/ Member of the Committees of the Public Companies on which she is a Director as on 31 st March 2018	Nil
10.	No of Shares held	60,86,200
11.	Relationship with any Director of the Company	Wife of Mr. Shamanur Shivashankarappa Ganesh

Place : Davangere
Date : 27-08-2018

By the order of the Board
for Davangere sugar company limited
S.S. Ganesh
DIN : 00451383



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 29-09-2018 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 16-09-2018 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 :

ಕ್ರ.ಸಂ	ವಿವರ	ನಿರ್ದೇಶಕರ ವಿವರ
1	ನಿರ್ದೇಶಕರ ಹೆಸರು	ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್
2	ಹುಟ್ಟಿದ ದಿನಾಂಕ	18-09-1967
3	ನೇಮಕಾತಿಯ ದಿನಾಂಕ	29-07-2009
4	DIN No	02764230
5	ರಾಷ್ಟ್ರೀಯತೆ	ಭಾರತೀಯ
6	ನಿರ್ದಿಷ್ಟ ಕ್ರಿಯಾತ್ಮಕ ಪ್ರದೇಶಗಳಲ್ಲಿ ಪರಿಣತಿ	-
7	ವಿದ್ಯಾರ್ಹತೆ	ಪದವೀಧರ
8	ನಿರ್ದೇಶಕರಾಗಿರುವ ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳು	-
9	ನಿರ್ದೇಶಕರಾಗಿರುವ ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳಲ್ಲಿ ಸದಸ್ಯತ್ವ ಹೊಂದಿರುವುದು	-
10	ಕಂಪನಿಯಲ್ಲಿ ಹೊಂದಿರುವ ಷೇರುಗಳು	60,86,200
11	ಇತರೆ ನಿರ್ದೇಶಕರುಗಳ ಜೊತೆ ಹೊಂದಿರುವ ಸಂಬಂಧ	ಶ್ರೀ ಗಣೇಶ್ ಶಿವಶಂಕರಪ್ಪ ಶಾಮನೂರು ಇವರ ಧರ್ಮಪತ್ನಿ

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ

ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಎಸ್.ಎಸ್. ಗಣೇಶ್

ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು

DIN : 00451383

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 27-08-2018



DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the 47th (Forty Seventh) Annual Report together with Audited Financial Statements for the year ended 31st March, 2018.

We, as the Directors of your Company, are very eager to share the ups and downs in Company's affairs during the operating year 2017-18. We are presenting before you, the significant information as per the requirements of Section 134 of the Companies Act, 2013.

STATE OF COMPANY'S AFFAIRS

Crushing Operations and Sugar Produced:

The Crushing operations were commenced from 06th November, 2017 and closed on 29th January, 2018 and your Company crushed 141225 MTs of sugarcane during the Financial Year 2017-18.

Year	Sugarcane Crushed (MTs)	Sugar Produced (Qtls)	Recovery (%)
2017-18	1,41,225	1,21,500	8.50%
2016-17	1,49,633	1,17,880	7.88%

The Company is anticipating to crush about 5,00,000 MTs of Sugarcane for the ensuing season 2018-19.

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 acreage of sugar cane cultivation in the last four years & the estimation for the ensuing year.

Year	Area under sugarcane cultivation (in acres)
2014-15	12,698
2015-16	15,732
2016-17	6,456
2017-18	5,280
2018-19 (estimated for ensuing year)	14,458

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

SUGAR EXPORT :

During the FY 2017-18 company did not export any sugar as there is no scope for sugar export as the international prices are not remunerative to export the sugar. Hence, Company did not have any export earnings during the year under review.

CO-GEN AND POWER EXPORT :

Company is having a Co-gen power plant having an installed capacity of 24 MWs. During the financial year 2017-18 the Company has generated 3,88,88,500 KWH of power and has exported 2,88,47,600 units of power to ESCOMS/IEX compared to the previous year 2016-17 export of 8,38,78,900 units. The Company has imported 9,32,400 units of power from KPTCL during the year under review and had imported 8,50,800 units of power from KPTCL during the previous year 2016-17. The Co-gen unit has worked for 85 days during the year 2017-18 against 143 days during the previous year 2016-17.

SUGAR INDUSTRY OVERVIEW

The Sugar Industry is under pressure due to various internal and external factors. There is excess production in the country and also there is excess production at global level also. The international stock of the sugar reached rock bottom



level and there is no scope for export of sugar from India. The domestic price of sugar is also not encouraging. The prices are varying too much from month to month. At one point of time, the factories were forced to sell sugar below cost.

During the year 2017-18 our Karnataka State and especially the Southern region received good rain fall and it was encouraging to the farmers to go for sugarcane cultivation. Our Company took aggressive measures to bring more and more area under sugarcane cultivation during the year 2017-18.

During the ensuing season 2018-19 there is no scarcity of sugarcane. Our Company is expecting a crushing of about 5.00 lakh MTs of Sugarcane. There will be an excess production of sugarcane during the ensuing year 2018-19. Government has taken steps to encourage production of Ethanol and to increase Ethanol blending with the Petrol. Due to the Government policy to encourage the production of Ethanol the sugar prices will be maintained at a higher level. In view of the favourable measures taken by the Central Government the Sugar Industry may find a good day in the coming years.

GOVERNMENT MEASURES

Government has taken the following measures to encourage and stabilize the sugar industry in the coming years :

1. The Government has levied 100% import duty on import of raw sugar / finished sugar in order to avoid falling of domestic sugar prices ;
2. The Government is encouraging production of Ethanol directly from the sugarcane juice and diverting major portion of sugarcane production towards Ethanol production. It has made mandatory to mix 10% Ethanol with Petrol ;
3. The Government is thinking to re-introduction of monthly release mechanism to control supply of sugar to the market, so that the domestic price for the sugar is maintained at higher level ;
4. The Government is trying to adopt a policy of running completely Ethanol based public vehicle to control pollution at Metro cities.

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 promised to extend subsidy to the States. Earlier Levy system has been removed. Central Government Policy is to make sugarcane growing more remunerative to the farmers. On the other side Government is trying to make sugar production profitable to sugar industries. It is providing equal importance for production of Ethanol. It is discouraging import of sugar from other countries to stabilize the sugar production.

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. Our Company is in continuous process of updating the technology in sugar production to accommodate new changes. Recently, our Company has taken up and completed the project of



increasing the Boiler House capacity from 3500 TCD to 4750TCD along with installation of FFE (Falling Film Evaporator Technology) in sugar processing with steam saving devices.

MANAGEMENT OUT LOOK FOR 2018-19

Our Company Management is very eager to crush about 5.00 lakh MTs of Sugarcane during the crushing season 2018-19. Our Management took very aggressive steps during the year 2017-18 to bring more area under sugarcane cultivation. The Company is supplying the cane seeds to the farmers to encourage the sugarcane growing. Our company has given advance against sugarcane supply for ensuing year. Management has booked in advance about 350 labour gangs to facilitate harvesting of Sugarcane and to avoid uninterrupted supply of labour gang to the farmers for harvesting sugarcane. In view of the various aggressive steps taken by the Management of the Company, the crushing for the ensuing season 2018-19 is very much encouraging.

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.

FINANCIAL RESULTS

The financial results for the year ending 31st March, 2018 are summarized below :

Rs. In Lakhs

	Particulars	Current Year 2017-18	Previous Year 2016-17
1.	Revenue from operations (Gross)	6390.15	18153.02
2.	Less – Excise duty	24.86	844.24
3.	Revenue from operations (Net)	6365.29	17308.77
4.	Other income	1833.28	48.21
5.	Total	8198.57	17357.00
6.	Cost of Material Consumed	6488.09	4714.73
7.	Operating Expenses	642.76	702.89
8.	Changes in Inventories of finished goods	(1317.73)	8646.79
9.	Other Expenses	790.88	931.92
10.	Profit before depreciation and financial expenses	1594.59	2360.63
11.	Financial cost	1380.52	1361.80
12.	Depreciation and amortization	901.95	921.24
13.	Profit before exceptional and extraordinary items	(687.88)	77.58
14.	Exceptional & Extraordinary Expenses	—	—
15.	Profit before tax	(687.88)	77.58
16.	Income tax	—	—
17.	Deferred tax	(172.86)	(241.39)
18.	Profit / Loss for the year	(860.75)	(163.80)



DIVIDEND : No dividend was recommended in order to conserve resources for the current year.

MEETINGS OF THE BOARD :

9 (Nine) meetings of the Board of Directors were held during the year on following dates

12.04.2017	30.07.2017	14.12.2017
14.05.2017	21.09.2017	30.01.2018
30.06.2017	23.10.2017	20.03.2018

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year one of the Director Mr. Abhijith G. Shamanur resigned from the Board on 30.01.2018. Now the Board consists of 5 Directors after resignation of Mr. Abhijith G. Shamanur. The Company will continue with 5 Directors which consists of two independent directors.

KEY MANAGERIAL PERSONNEL :

1. Mr. GANESH SHIVASHANKARAPPA SHAMANUR (DIN – 00451383) Managing Director.
2. Ms. RESHMA MANJUNATH (PAN – CLPPM1598B) Company Secretary.

Mr. GANESH SHIVASHANKARAPPA SHAMANUR (DIN – 00451383) Managing Director of the company is entrusted with substantial powers of management and he is “officer who is not at default” as per provisions of the Companies Act, 2013 and rules made there under,

Ms. RESHMA MANJUNATH (PAN – CLPPM1598B) Company Secretary was entrusted with compliance of provisions of the Companies Act, 2013 and rules made thereunder.

The Board of Directors further confirms that none of the Directors are disqualified as on 31st March, 2018 from being appointed as Director of the Company within the meaning of Section 164(2) of the Companies Act, 2013.

The remuneration paid to Managing Director of the company is Rs. 36,00,000/- per annum and that to the Executive Director is Rs. 16,20,000/- for 10 months till the date of resignation.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(6).

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company has Constituted Nomination and Remuneration Committee which has been entrusted with the responsibility to formulate the criteria for determining qualifications, positive attributes and independence of Directors and recommends to the Board a policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

COMPOSITION OF COMMITTEES

a.	AUDIT COMMITTEE Chairman Other Members	Sri. K.V. Somashekar, (Independent) Sri. A.C. Jayanna (Independent) Sri. S S Ganesh, Managing Director
b.	NOMINATION AND REMUNERATION COMMITTEE Chairman Other Members	Sri. K.V. Somashekar, (Independent) Sri. A.C. Jayanna (Independent) Smt. Rekha S Ganesh, (Non-executive Director)



c.	SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE Chairman Sri. A.C. Jayanna (Independent) Other Members Sri. K.V. Somashekar, (Independent) Smt. Rekha S Ganesh, (Non-executive Director)
d.	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE Chairman Sri. A.C. Jayanna (Independent) Other Members Sri. K.V. Somashekar, (Independent) Sri S S Ganesh, Managing Director

Corporate Social Responsibility

Corporate Social Responsibility Committee meeting was held on 30th January, 2018. The committee has observed that the company is contributing regularly to Davangere Sugar Company Education Society (Regd) which is running schools for the benefit of children of poor farmers residing in the villages surrounding the factory area. The Company is also spending money every year on promoting sports among the rural youths. The Company is also distributing note books and uniforms to the poor children of the villages. During the Financial Year 2017-18 the Company has spent Rs. 5,58,600.00 for the purpose of education and other charitable activities. The Company has spent same amount during the Financial Year 2016-17 and 2015-16. During the three years the Company has spent total amount of Rs. 16,85,800.00 towards discharging the Corporate Social Responsibility. Brief calculation of amount spent on Corporate Social Responsibility is given in the table hereunder:

Financial year	Net profit / (loss) (Rs.)
2017-18	(-) 8,60,75,585
2016-17	77,58,689
2015-16	10,19,87,874
Total	2,90,70,979
Average of three years	96,90,326
2% of average	1,93,806

VIGIL MECHANISM

The Vigil Mechanism acts as an additional internal element of the Company's compliance and integrity policies. All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with the Company can raise concerns regarding mispractices and may negatively impact the company. Vigil Mechanism has been established under the supervision of the Deputy financial Officer(DCFO) of the Company. The Audit Committee and the DCFO reviews the working of the Vigil Mechanism from time to time and make suggestions, if needed. The Vigil mechanism protects the whistleblower against victimization for the disclosures made by him/her and ensures complete confidentiality of the whistleblower's identity and the information provided by him/her. The investigation is conducted honestly, neutrally and in an unbiased manner. The subject or other involved persons in relation with the protected disclosure are also given an opportunity to be heard. Strict disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism. The Vigil Mechanism policy also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors in terms of Section 134 (3) (c) states that :

- In the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.



- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that year.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the accounts for the financial year ended 31st March, 2018 on a going concern basis.
- e. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CHANGES IN SHARES CAPITAL :

During the year under review there was no change in the Capital Structure of the Company and the Authorized Capital of the Company is Rs. 60,00,00,000/-divided into 6,00,00,000 Equity Shares of Rs. 10/- each and the Paid up Capital being Rs.44,85,64,570/-divided into 4,48,56,457 Equity Shares of Rs. 10/- each.

ANNUAL RETURN :

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

AUDITORS AND AUDITOR'S REPORT

Mr. Lingaraju V. (M.No. 218951) are the statutory auditors of the Company for the year 2017-18. He has been appointed as Statutory Auditor of the Company in the Annual General Meeting held on 21st September, 2017 for the period of 5 years. He holds the office until the conclusion of the 51th Annual General Meeting.

DETAILS OF UNSECURED LOAN RECEIVED FROM DIRECTORS

During the year under review the Company has obtained short period unsecured loan from Managing Director of the Company amounting to Rs. 3,00,00,000/- for which he has given declaration that the amount is not being out of funds acquired by borrowing or accepting loans or deposits from others. It is in the nature of unsecured loan.

FORMAL ANNUAL EVALUATION

The company is covered under Section 134(3)(p) read with Rule 8(4) of the 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 judgments on the board decisions. Specific parameter for committees is execution of their terms of reference

SUBSIDIARY COMPANIES

There is no Subsidiary/Joint Venture or Associate Company.

RISK MANAGEMENT

The RISK MANAGEMENT POLICY is in compliance with Section 134 (3) (n) of the Companies Act 2013 which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating



and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Board ensures that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management. The Company enables compliance with all appropriate laws and regulations, wherever applicable, through the adoption of best practices.

The Board of Directors of the Company and the Audit Committee periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning, and they report to the Board and Audit Committee when circumstances require.

SECRETARIAL AUDIT REPORT

The Company is not required to annex to their report secretarial audit report, as the paid up share capital of the Company is less than Rs.50 Crores (Rupees Fifty Crores Only) and the turnover is less than Rs. 250 Crores (Rupees Two Hundred and Fifty Crores Only).

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. There are sound internal controls commensurate with nature and size of the Company that have been incorporated in the Policy to detect the financial discrepancies well in time. Key policies are defined, understood and enforced. Operating procedures are clearly defined; detailed and harmonized procedures are available across the organization. Several controls are preventive in nature and automated. All stakeholders are aware of their roles and responsibilities with respect to processes and controls. The culture of compliance with laid down guidelines and procedures is evident through the actions and behavior of individuals and teams. The Management Information System ensures that adequate and accurate information is available for reporting and decision making. The Audit committee also evaluates the operating effectiveness of Internal Financial Control systems.

CONSERVATION OF ENERGY

Particulars with respect to conservation of energy pursuant to rule 8(3) A of the Companies (Accounts) Rules 2014 are given in FORM A.

TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption pursuant to Rule 8(3) B of the Companies (Accounts) Rules 2014 are given in FORM B.

FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Rule 8(3) of the Companies (Accounts) Rules. There were no Foreign Exchange earnings during the year. Company has imported 6,599 MTs of Raw-sugar from M/s. Wilmar Sugar Pte Ltd, Singapore, under the Central Government TRQ quota for an invoice value of USD 27,65,904.86(Equivalent to INR 1763.92 Lakhs).

DEPOSITS

The Company has not accepted deposits either from members or public within the meaning of section 73 or 76 of Companies Act, 2013 read with Rules made thereunder.

RELATED PARTY TRANSACTIONS

The Company has entered into transaction with the related parties within the meaning of Section 188 of the Companies Act, 2013. Form No. AOC-2 enclosed.

PARTICULARS OF EMPLOYEES

There is no employee, drawing remuneration of more than Rs. 1,02,00,000.00/- (Rupees One Crore and Two Lakhs Only) during the financial year or Rs. 8,50,000.00/- (Rupees Eight Lakh and Fifty Thousand Only) per month for part of the financial 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). SEBI had come out with Circulars for closure of Regional stock exchanges in India which are not meeting certain criteria specified by SEBI. So, BgSE was directed to discontinue the 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 board set up by NSE/ BSE/MCS-XS. Your company was moved to dissemination board of BSE vide BgSE letter dated 14th November, 2014, effectively delisting the company. The company status is as de-listed from the date of the said letter. The shareholders are free to transfer the shares off-market. In addition to the same, the shareholders may also use the dissemination mechanism of BSE. In order to use the said mechanism, the shareholders have to get registered with broker of BSE. Transfers will depend on availability of a buyer (who shall also be registered with such broker) for such shares. (Refer SEBI Circular No. COR/MD/DSA/14/2012 dated 30.05.2014 on closure of regional stock exchanges)

Further, Bombay Stock Exchange has given option to list or move out from the dissemination Board. Our Company has opted for listing with Bombay Stock Exchange and the file is under process and Company expects Listing before 31st March, 2019.

COPORATE GUARANTEE

Company has issued Corporate Guarantee to the Harvesting & Transport (H&T) farmers contractors to facilitate borrowings from Banks. Company has issued Coporate guarantee against these H & T loans. These farmers contractors facilitate harvesting and transportation of sugarcane from the fields of the farmers to the company on behalf of sugarcane growing farmers. Company does not assign contract or work order to H & T contractors. Farmers are assigning work of harvesting and transportation to supply sugarcane to company. The disclosure is made as per section 186 of Companies Act, 2013 during the year under review.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- a) Issue of equity shares.
- b) Issue of shares with differential rights.
- c) Issue of shares (including sweat equity shares) under Employees Stock Option Scheme.
- d) Purchase by Company of its own shares or giving of loans for such purchase.
- e) Buyback of shares
- f) No significant orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.
- g) No material change affecting Financial Statements between the end of financial year and the date of this report.
- h) There was no change in business activity of the Company,
- i) No fraud has been reported by the Auditors to the Audit Committee of the Board.
- j) No cases of child labour, involuntary labour, sexual harassment and discriminatory employment were reported in the financial year 2017-18

ACKNOWLEDGEMENT

Your directors wish to thank and acknowledge the Banks, government authorities and associates for their assistance and co-operation.

Place : Davangere
Date : 27-08-2018

By the order of the Board
for Davangere sugar company limited
S.S. Ganesh
Managing Director
DIN: 00451383



ನಿರ್ದೇಶಕರ ವರದಿ

ಸನ್ಮಾನ್ಯ ಸದಸ್ಯರೇ,

ನಿಮಗೆಲ್ಲಾ ತಿಳಿದಿರುವಂತೆ ನಿಮ್ಮ ಸಂಸ್ಥೆಯು ತನ್ನ ಪ್ರಾರಂಭದಿಂದ ಇದುವರೆಗೂ ತನ್ನ ಯಶಸ್ವಿ ಕಾರ್ಯನಿರ್ವಹಣೆಯ ನಲವತ್ತೇಳು ವರ್ಷಗಳನ್ನು ಪೂರೈಸಿದೆ. ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಿಗೆ, ಈ 47ನೇ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಮತ್ತು 31ನೇ ಮಾರ್ಚ್ 2018 ಕೊನೆಗೊಂಡ ವರ್ಷದ ಪರಿಶೋಧಿಸಿದ ಲೆಕ್ಕ ಪತ್ರಗಳನ್ನು ತಮ್ಮ ಮುಂದೆ ಮಂಡಿಸಲು ಅತೀವ ಸಂತೋಷವೆನಿಸಿದೆ.

ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಾಗಿ ನಾವು ನಿಮ್ಮ ಕಂಪನಿಯ 2017-18ನೇ ವರ್ಷಾವಧಿಯ ಕಾರ್ಯಾಚರಣೆಯ, ಕೆಲಸಕಾರ್ಯಗಳ ನಿರ್ವಹಣೆಯಲ್ಲಿನ ಏಳುಬೀಳುಗಳನ್ನು ಅತ್ಯಂತ ಆಸಕ್ತಿಯಿಂದ ನಿಮ್ಮೊಂದಿಗೆ ಹಂಚಿಕೊಳ್ಳಲಿಚ್ಛಿಸುತ್ತೇವೆ. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134 ರಡಿ ಅವಶ್ಯಕವಾದ ಮಹತ್ವದ ಮಾಹಿತಿಯನ್ನು ತಮ್ಮ ಮುಂದಿಡುತ್ತಿದ್ದೇವೆ.

1. ಕಂಪನಿಯ ವಸ್ತು ಸ್ಥಿತಿ :

ಎ] ಆರ್ಥಿಕ ಫಲಿತಾಂಶಗಳು

ದಿನಾಂಕ: 31.03.2018ಕ್ಕೆ ಆರ್ಥಿಕ ಫಲಿತಾಂಶಗಳನ್ನು ಈ ಕೆಳಗಿನಂತೆ ನೀಡಲಾಗಿದೆ :

ಕ್ರ. ಸಂ.	ವಿವರಗಳು	31-03-2018ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ	31-03-2017ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ
1	ಆದಾಯ ಒಟ್ಟು ವಹಿವಾಟುಗಳಿಂದ	6390.15	18153.02
2	ಕಳೆಯಿರಿ: ಅಬಕಾರಿ ಸುಂಕ	24.86	844.24
3	ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳಿಂದ (ನಿವ್ವಳ ಮೊತ್ತ)	6365.29	17308.77
4	ಇತರೆ ಆದಾಯ	1833.28	48.21
5	ಒಟ್ಟು	8198.57	17357.00
6	ಬಳಕೆ ಮಾಡಿದ ಸರಕು ಸಾಮಗ್ರಿಗಳ ವೆಚ್ಚ	6488.09	4714.73
7	ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯಕ್ಕೆ ಇರುವ ಸಿದ್ಧ ಮತ್ತು ಕಟ್ಟಾ ದಾಸ್ತಾನುಗಳ ಬದಲಾವಣೆ ಮೊತ್ತ	(1317.73)	8646.79
8	ಕಾರ್ಯನಿರ್ವಹಣೆಯ ವೆಚ್ಚ	642.76	702.89
9	ಇತರೆ ವೆಚ್ಚಗಳು	790.88	931.92
10	ಸವಕಳಿ ಕಳೆಯುವ ಮುಂಚಿನ ಲಾಭ	1594.59	2360.63
11	ಹಣಕಾಸು ವೆಚ್ಚ	1380.52	1361.80
12	ಸವಕಳಿ	901.95	921.24
13	ಪ್ರತಿಷೇದ ಮತ್ತು ವಿಶೇಷ ಬಾಬುಗಳ ಮೊದಲಿನ ಲಾಭ	(687.88)	77.58
14	ಪ್ರತಿಷೇದ ಮತ್ತು ವಿಶೇಷ ಬಾಬುಗಳ ಮೇಲಿನ ವೆಚ್ಚ	-	-
15	ತೆರಿಗೆ ಮುಂಚಿನ ಲಾಭ	(687.88)	77.58
16	ವರಮಾನ ತೆರಿಗೆ	-	-
17	ಮುಂದೂಡಿದ ತೆರಿಗೆ	(172.86)	(241.39)
18	ನಿವ್ವಳ ಲಾಭ	(860.75)	(163.80)

(ಬಿ) ಕಬ್ಬು ಅರೆಯುವಿಕೆ ಕಾರ್ಯ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ :

2017-18ನೇ ವರ್ಷದ ಕಬ್ಬು ಅರೆಯುವಿಕೆಯ ದಿನಾಂಕ 6ನೇ ನವೆಂಬರ್, 2017 ರಂದು ಪ್ರಾರಂಭಗೊಂಡು 29ನೇ ಜನವರಿ, 2018 ರಲ್ಲಿ ಅಂತ್ಯಗೊಂಡಿತು. ಹಣಕಾಸಿನ ವರ್ಷ 2017-18 ರಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು 1,41,225 ಮೆಟ್ರಿಕ್ ಟನ್ ಕಬ್ಬು ಅರೆದಿರುತ್ತದೆ.

ವರ್ಷ	ಕಬ್ಬು ಅರೆದಿರುವುದು ಮೆ.ಟನ್	ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ [ಕ್ವಿಂ]	ಇಳುವರಿ
2017-18	1,41,225	1,21,500	8.50
2016-17	1,49,533	1,77,780	7.88

ಕಂಪನಿಯು 2018-19ನೇ ಸಾಲಿನಲ್ಲಿ 5,00,000 ಮೆ.ಟನ್ ಕಬ್ಬನ್ನು ಅರೆಯುವ ನಿರೀಕ್ಷೆ ಇದೆ.

(ಸಿ) ಕಬ್ಬು ಬೆಳೆಪ್ರದೇಶದ 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]
2014-15	12,698
2015-16	15,732
2016-17	6,456
2017-18	5,280
2018-19 [ಮುಂಬರುವ ವರ್ಷ]	14,458

[ಡಿ] ಸಕ್ಕರೆ ರಫ್ತು : ಹಲವಾರು ವಿಧಿಬದ್ಧ ತೊಡಕುಗಳು ಹಾಗೂ ವಿದೇಶಿ ಬೇಡಿಕೆ ಕುಗ್ಗಿದ ಕಾರಣ ಹಣಕಾಸು ವರ್ಷ 2017-18 ರಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ಸಕ್ಕರೆಯನ್ನು ರಫ್ತು ಮಾಡಿರುವುದಿಲ್ಲ.

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

ಕಂಪನಿಯು 24 ಮೆ.ವ್ಯಾ. ಸಾಮರ್ಥ್ಯದ ಉತ್ಪಾದನಾ ಘಟಕ ಹೊಂದಿರುತ್ತದೆ. ಹಿಂದಿನ ವರ್ಷದ ಯೂನಿಟ್‌ಗಳ ವಿದ್ಯುತ್ ರಫ್ತಿಗೆ ಹೋಲಿಸಿದರೆ ಪ್ರಸಕ್ತ ವರ್ಷ 2017-18ನೇ ಅವಧಿಯಲ್ಲಿ 3,88,88,500 ಯೂನಿಟ್ ವಿದ್ಯುತ್ ಉತ್ಪಾದಿಸಿ 2,98,47,600 ಯೂನಿಟ್‌ಗಳನ್ನು ESCOMS/IEX ಗಳಿಗೆ ರಫ್ತು ಮಾಡಿರುತ್ತದೆ. ಕಂಪನಿಯು ಕೆ.ಪಿ.ಟಿ.ಸಿ.ಎಲ್‌ನಿಂದ 9,32,400 ಯೂನಿಟ್ ವಿದ್ಯುತ್‌ನ್ನು ಆಮದು ಮಾಡಿಕೊಂಡಿದೆ. ಕಳೆದ ವರ್ಷ 2016-17ನೇ ಇಸವಿಯಲ್ಲಿ 8,50,800 ಯೂನಿಟ್ ಆಮದು ಮಾಡಿಕೊಂಡಿರುತ್ತದೆ. ಕೋಜನ್ ಘಟಕವು 2017-18ನೇ ಸಾಲಿನಲ್ಲಿ 85 ದಿನಗಳ ಕಾಲ ಕಾರ್ಯನಿರ್ವಹಿಸಿದ್ದು ಮತ್ತು ಕಳೆದ ವರ್ಷ 2016-17ನೇ ಸಾಲಿನಲ್ಲಿ 143 ದಿನಗಳು ಕಾರ್ಯನಿರ್ವಹಿಸಿರುತ್ತದೆ.

1. ಸಾಮಾನ್ಯ ಕಾಯ್ದುಟ್ಟ ನಿಧಿ :

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

2. ಭೌತಿಕ ಬದಲಾವಣೆ ಮತ್ತು ಕಟ್ಟುಪಾಡುಗಳು :

ಕಂಪನಿಯ 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.



3. 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 ಯೋಜಿಸಿರುವುದಿಲ್ಲ ಮತ್ತು ಗರಿಷ್ಠ ಪ್ರಮಾಣದಲ್ಲಿ ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆಯ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯ ಕಾರ್ಯಕ್ರಮತೆಯನ್ನು 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 2017-18 ರಲ್ಲಿ ಕಂಪನಿಯ ಆಡಳಿತ ಮಂಡಳಿಯು, ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಹೊಸ ಎಫ್.ಎಫ್.ಇ ತಾಂತ್ರಿಕತೆಯನ್ನು ಅಳವಡಿಸಿದೆ. ಇದರಿಂದ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಮತ್ತು ಗುಣಮಟ್ಟ ಹೆಚ್ಚುತ್ತದೆ ಮತ್ತು ಈ ತಾಂತ್ರಿಕತೆಯನ್ನು ದೇಶದಲ್ಲಿ ಕೆಲವೇ 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.

4. 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.

5. ನೌಕರರ ಸಂಭಾವನೆ :

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

6. ನಿರ್ದೇಶಕರ ಜವಬ್ದಾರಿ ಹೇಳಿಕೆ - ಕಂಪನಿಯ ಕಾಯ್ದೆ 2013 ರ ಕಲಂ 134(3) (c) ರ ಮೇರೆಗೆ :

- (i) ಈ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಯಲ್ಲಿ ಅದಕ್ಕೆ ಅನ್ವಯವಾಗುವ ಲೆಕ್ಕಪತ್ರದ ಮಾನದಂಡವನ್ನು ಅನುಸರಿಸಲಾಗಿರುತ್ತದೆ.
- (ii) 31 ರ ಮಾರ್ಚ್ 2018ಕ್ಕೆ 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 ಪರಿಜ್ಞಾನವುಳ್ಳ 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 ಕೊಡಿರುವಂತಹ ಯಥೋಚಿತ ಲೆಕ್ಕಪತ್ರ ದಾಖಲೆಗಳನ್ನು ಸಂರಕ್ಷಣೆ ಮಾಡಿರುತ್ತಾರೆ.



- (iv) ನಡೆಯುತ್ತಿರುವ ವ್ಯಾಪಾರಿ ಸಂಸ್ಥೆ (Going Concern) ತಳಹದಿಯ ಮೇಲೆ ನಿರ್ದೇಶಕರು 31 ಮಾರ್ಚ್ 2018 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸಿರುತ್ತಾರೆ.
- (v) ಕಂಪನಿಯ ಆಡಳಿತ ಮಂಡಳಿಯು ಎಲ್ಲಾ ರೀತಿಯ ಕಾಯ್ದೆ ಕಾನೂನುಗಳನ್ನು ಪರಿಪಾಲಿಸಲು ಸುವ್ಯವಸ್ಥಿತವಾದ ಕಾರ್ಯಪಾಲನೆ ವ್ಯವಸ್ಥೆಯನ್ನು ಅಳವಡಿಸಿದೆ.

7. ಸಕ್ಕರೆ ಉದ್ಯಮದ ಸಂಕ್ಷಿಪ್ತ ವರದಿ :

ಸಕ್ಕರೆ ಉದ್ಯಮವು ಹಲವಾರು ಬಾಹ್ಯ ಮತ್ತು ಆಂತರಿಕ ಕಾರಣಗಳಿಂದ ಒತ್ತಡಕ್ಕೆ ಸಿಲುಕಿತ್ತು. ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯು ದೇಶದಲ್ಲೇ ಅತಿ ಹೆಚ್ಚಾಗಿದ್ದು, ಭೌಗೋಳಿಕವಾಗಿಯೂ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ ಅತಿ ಹೆಚ್ಚಾಗಿದೆ. ಜಾಗತಿಕ ಸಕ್ಕರೆ ಪ್ರಮಾಣವು ಅತಿ ಹೆಚ್ಚಾಗಿದ್ದು, ಸಕ್ಕರೆ ರಫ್ತು ಮಾಡಲು ಸಹ ಯಾವ ಅವಕಾಶವಿರುವುದಿಲ್ಲ. ಆಂತರಿಕ ಯೋಜನೆಗಳಿಂದಲೂ ಯಾವುದೇ ಪ್ರೋತ್ಸಾಹವಿರುವುದಿಲ್ಲ. ಸಕ್ಕರೆ ಬೆಲೆಯೂ ಸ್ಥಿರತೆಯಲ್ಲಿರದೆ ತಿಂಗಳಿಂದ ತಿಂಗಳಿಗೆ ಇಳಿಮುಖವಾಗುತ್ತಿರುತ್ತದೆ. ಒಂದು ಸಮಯದಲ್ಲಿ ಸಕ್ಕರೆ ಕಾರ್ಖಾನೆಗಳು ಸಕ್ಕರೆ ತಯಾರಿಕೆಯ ಬೆಲೆಗಿಂತ ಕಡಿಮೆ ಬೆಲೆಗೆ ಮಾರುವಂತೆ ಸಂದರ್ಭ ಉಂಟಾಗಿರುತ್ತದೆ.

2017-18ರಲ್ಲಿ ಕರ್ನಾಟಕ ಪ್ರಮುಖವಾಗಿ ದಕ್ಷಿಣ ಭಾಗದಲ್ಲಿ ಉತ್ತಮ ಮಳೆಯಾಗಿ ರೈತರಲ್ಲಿ ಕಬ್ಬು ಬೆಳೆಯಲು ಪ್ರೋತ್ಸಾಹ ನೀಡಿರುತ್ತದೆ. ನಮ್ಮ ಕಂಪನಿಯು 2017-18ನೇ ಸಾಲಿನಲ್ಲಿ ಹೆಚ್ಚು ಕಬ್ಬು ನಾಟಿ ಮಾಡಿಸಲು ಸತತ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿರುತ್ತದೆ.

ಬರುವ 2018-19ನೇ ಹಂಗಾಮು ಕಬ್ಬಿನ ಅಭಾವ ಇರುವುದಿಲ್ಲ. ನಮ್ಮ ಕಂಪನಿಯು ಸುಮಾರು 5.00 ಲಕ್ಷ ಟನ್ ಕಬ್ಬನ್ನು ನುರಿಸುವ ಅಂದಾಜು ಮಾಡಲಾಗಿದೆ. ಕಬ್ಬು ಅರೆಯುವ ಹಂಗಾಮು 2018-19ರಲ್ಲಿ ಅತಿ ಹೆಚ್ಚು ಕಬ್ಬು ದೊರೆಯುವ ನಿರೀಕ್ಷೆ ಇರುತ್ತದೆ. ಸರ್ಕಾರವು ಎಥನಾಲ್‌ನ್ನು ತಯಾರು ಮಾಡಲು ಉತ್ತೇಜನ ನೀಡುತ್ತಿದೆ. ಇದನ್ನು ಪೆಟ್ರೋಲ್‌ನೊಂದಿಗೆ ಹೆಚ್ಚಾಗಿ ಬೆರಸಲು ಕ್ರಮ ಕೈಗೊಳ್ಳುತ್ತಿದೆ. ಈ ರೀತಿ ಎಥನಾಲ್ ಉತ್ಪಾದನೆಯನ್ನು ಹೆಚ್ಚು ಮಾಡುವುದರಿಂದ ಸಕ್ಕರೆ ಬೆಲೆಯನ್ನು ಏರಿಕೆಯಲ್ಲಿ ಕಾಪಾಡಿಕೊಂಡು ಬರಲು ಸಾಧ್ಯವಾಗುತ್ತದೆ. ಕೇಂದ್ರ ಸರ್ಕಾರವು ಈ ರೀತಿಯ ಅನುಕೂಲವಾದ ಕ್ರಮ ಕೈಗೊಳ್ಳುವುದರಿಂದ ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಸಕ್ಕರೆ ಉದ್ಯಮವು ಒಳ್ಳೆಯ ದಿನಗಳನ್ನು ಕಾಣುವಂತಾಗಿದೆ.

8. ಸರ್ಕಾರದ ಕ್ರಮಗಳು :

ಸಕ್ಕರೆ ಉದ್ಯಮವನ್ನು ಪ್ರೋತ್ಸಾಹಿಸಲು ಮತ್ತು ಸ್ಥಿರತೆಯನ್ನು ಕಾಪಾಡಲು ಸರ್ಕಾರವು ಈ ಕೆಳಕಂಡ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿರುತ್ತದೆ.

1. ಸರ್ಕಾರವು ಕಚ್ಚಾ ಸಕ್ಕರೆ / ಸಕ್ಕರೆಯನ್ನು ಆಮದು ಮಾಡಿಕೊಂಡರೆ ಶೇ. 100 ಆಮದು ಸುಂಕವನ್ನು ಭರಿಸಬೇಕಾಗಿರುವುದು, ಈ ಕ್ರಮದಿಂದ ಸ್ವದೇಶದ ಸಕ್ಕರೆ ಬೆಲೆಯು ಇಳಿಯುವುದನ್ನು ತಪ್ಪಿಸಿದಂತಾಗುತ್ತದೆ.
2. ಕಬ್ಬಿನ ರಸದಿಂದ ನೇರವಾಗಿ ಎಥನಾಲನ್ನು ತಯಾರು ಮಾಡುವುದು. ಹೆಚ್ಚು ಕಬ್ಬನ್ನು ಎಥನಾಲ್ ತಯಾರಿಸಲು ಉಪಯೋಗಿಸುವುದು ಕಾನೂನಿನನ್ವಯ ಶೇ. 10 ರಫ್ತು ಎಥನಾಲನ್ನು ಪೆಟ್ರೋಲ್‌ನೊಂದಿಗೆ ಮಿಶ್ರಣ ಮಾಡುವುದು.
3. ಸರ್ಕಾರವು ಸಕ್ಕರೆ ಪ್ರಮಾಣವನ್ನು ಮಾರುಕಟ್ಟೆಗೆ ಸರಬರಾಜಾಗುವುದನ್ನು ಹಿಡಿತದಲ್ಲಿಡಲು ಈ ಹಿಂದೆ ಚಾಲ್ತಿಯಲ್ಲಿದ್ದ ತಿಂಗಳವಾರು ರಿಲೀಸ್ ಪದ್ಧತಿಯನ್ನು ಮತ್ತೆ ಚಾಲ್ತಿಗೆ ತರುವುದರ ಮೂಲಕ ಸಕ್ಕರೆ ಬೆಲೆಯಲ್ಲಿ ಏರಿಕೆಯನ್ನು ಕಾಪಾಡಿಕೊಳ್ಳಲು ಸಾಧ್ಯವಾಗುತ್ತದೆ.
4. ಸರ್ಕಾರವು ದೊಡ್ಡ ಪಟ್ಟಣಗಳಲ್ಲಿ ಮಾಲಿನ್ಯವನ್ನು ತಡೆಗಟ್ಟಲು ಪೂರ್ಣ ಪ್ರಮಾಣವಾಗಿ ಎಥನಾಲ್ ಉಪಯೋಗಿಸಿ ನಡೆಸುವ ಸಾರ್ವಜನಿಕ ವಾಹನಗಳಿಗೆ ಕಡ್ಡಾಯ ಮಾಡಲು ಒಂದು ಕಾನೂನನ್ನು ತರಲು ಚಿಂತನೆ ನಡೆಸಿದೆ.

9. 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 ಜವಬ್ದಾರಿಯನ್ನು ವಹಿಸಿರುತ್ತದೆ ಮತ್ತು ಇದರ ಸಲುವಾಗಿ ಆರ್ಥಿಕ ಸಹಾಯಧನವನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರಗಳಿಗೆ ನೀಡುತ್ತದೆ.

10. ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉತ್ಪಾದನೆ ಬಗ್ಗೆ ಸರ್ಕಾರದ ಕಾರ್ಯನೀತಿ :

ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ವಿದ್ಯುಚ್ಛಕ್ತಿ ಪಡೆಯುವ ನೀತಿಯಲ್ಲಿ ಯಾವುದೇ ಸ್ಥಿರತೆಯನ್ನು ಹೊಂದಿರುವುದಿಲ್ಲ. ತತ್ಪರಿಣಾಮವಾಗಿ ಸ್ವತಂತ್ರವಾಗಿ ವಿದ್ಯುತ್‌ನ್ನು ಉತ್ಪಾದಿಸುವವರಿಗೂ ಹಾಗೂ ಕೋಜನ್ ಯೂನಿಟ್ ನಡೆಸುವವರಿಗೂ ಅನಿಶ್ಚಿತ ಹಾಗೂ ಗೊಂದಲಮಯ ವಾತಾವರಣ ಸೃಷ್ಟಿಯಾಗಿದೆ. ವಿದ್ಯುತ್ ಉತ್ಪಾದನಾ ವಲಯಕ್ಕೆ ಒಂದು ಸ್ಥಿರ ಹಾಗೂ ಲಾಭದಾಯಕ ದರ ನೀತಿಯನ್ನು ಕರ್ನಾಟಕ ಸರ್ಕಾರವು ಹೊಂದಬೇಕಾಗಿದೆ.

11. ಹೊರಸೂಸುವಿಕೆ ನಿರ್ವಹಣಾ ಯಂತ್ರೋಪಕರಣ (EFFLUENT TREATMENT PLANT) :

ಕಂಪನಿಯ ಹೊರಸೂಸುವಿಕೆ ಮಟ್ಟವನ್ನು 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.

12. ತಾಂತ್ರಿಕತೆ ಉನ್ನತೀಕರಣ : ಆಡಳಿತ ಮಂಡಳಿಯು "ಬದಲಾವಣೆಯ ಅನಿವಾರ್ಯ" ಎಂಬ ತತ್ವದಲ್ಲಿ ನಂಬಿಕೆಯನ್ನಿರಿಸಿದ್ದು, ಕಂಪನಿಯು ಅಂತಹ ಅನಿವಾರ್ಯ ಬದಲಾವಣೆಗಳನ್ನು ಎದುರಿಸುವ ತಂತ್ರಜ್ಞಾನ ಆಹ್ವಾನವನ್ನು ಸ್ವೀಕರಿಸಿ ಸಜ್ಜುಗೊಳಿಸಬೇಕಿದೆ.

ಕಂಪನಿಯು ಬಾಯ್ಲರ್ ಹೌಸ್ ಸಾಮರ್ಥ್ಯವನ್ನು 3500 ಟಿಸಿಡಿ ಯಿಂದ 4750 ಟಿಸಿಡಿಗೆ ಹೆಚ್ಚಿಸಲು ಕ್ರಮ ತೆಗೆದುಕೊಂಡಿರುತ್ತದೆ ಮತ್ತು ಇದರ ಜೊತೆಗೆ FFE ತಂತ್ರಜ್ಞಾನವನ್ನು ಮತ್ತು ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉತ್ಪಾದನೆಗೆ ಕಡಿಮೆ ಪ್ರಮಾಣದಲ್ಲಿ ಸ್ಪೀಮ್ ಅನ್ನು ಉಪಯೋಗಿಸುವ ತಂತ್ರಜ್ಞಾನವನ್ನು ಅಳವಡಿಸಿದೆ.

13. 2017-18ನೇ ಸಾಲಿನಲ್ಲಿ : ಈ ಎಲ್ಲಾ ವೈಪರಿತ್ಯಗಳ ನಡುವೆಯೂ ಆಡಳಿತ ಮಂಡಳಿಯು ಹೆಚ್ಚು ಪ್ರದೇಶದಲ್ಲಿ ಕಬ್ಬು ಬೆಳೆಯಲು ರೈತರಿಗೆ ಪ್ರೋತ್ಸಾಹಿಸಲು ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದ್ದು, ಮುಂದಿನ ದಿನಗಳಲ್ಲಿ ಹೆಚ್ಚು ಪ್ರದೇಶದಲ್ಲಿ ಕಬ್ಬು ಬೆಳೆಯಲು ರೈತರು ಉತ್ಸಾಹದಿಂದ ಮುಂದಾಗಬೇಕೆಂದು ಆಡಳಿತ ಮಂಡಳಿಯು ಆಶಾದಾಯಕವಾಗಿದೆ. 2017-18ನೇ ಸಾಲಿನಲ್ಲಿ ಹೆಚ್ಚು ಇಳುವರಿ ನೀಡುವ ಕಬ್ಬಿನ ತಳಿಯನ್ನು ಪ್ರಾಯೋಗಿಕವಾಗಿ ಅಳವಡಿಸಲು ರೈತರಿಗೆ ಪ್ರೋತ್ಸಾಹ ಮಾಡುತ್ತಿದೆ.

14. ಆಡಳಿತ ಮಂಡಳಿಯ ಕಾರ್ಯನೀತಿ : ಕಾಲಕ್ರಮೇಣ ಹೊಸ-ಹೊಸ ಆಧುನಿಕ ತಂತ್ರಜ್ಞಾನವನ್ನು ಅಳವಡಿಸಿಕೊಂಡು ಅತ್ಯುತ್ತಮ ದರ್ಜೆಯ ಬಿಳಿಸಕ್ಕರೆಯನ್ನು ಉತ್ಪಾದಿಸಲು ಕಂಪನಿ ಆಡಳಿತವು ನಿರಂತರವಾಗಿ ಕಾರ್ಯಪ್ರವೃತ್ತವಾಗುವತ್ತ ನಂಬಿಕೆ ಹೊಂದಿದೆ. ಕಂಪನಿಯಲ್ಲಿ ಕೆಲಸ ಮಾಡುತ್ತಿರುವ ಎಲ್ಲರೂ ಒಂದೇ ಕುಟುಂಬದವರಂತೆ ಪ್ರತ್ಯಕ್ಷವಾಗಿ ಹಾಗೂ ಪರೋಕ್ಷವಾಗಿ ಎಲ್ಲರೂ ಒಟ್ಟಾಗಿ ಕಾರ್ಯಶೀಲರಾಗುವ ವಿಶ್ವಾಸವಿದೆ. ಕಂಪನಿಯು "ಕೊಟ್ಟು ತೆಗೆದುಕೊಳ್ಳುವ ತತ್ವ" ದಲ್ಲಿ ಅಚಲವಾದ ವಿಶ್ವಾಸವಿಟ್ಟಿದೆ. ಅದೆಂದರೆ, "ಹೆಚ್ಚು ದಕ್ಷತೆ - ಹೆಚ್ಚು ಉತ್ಪಾದನೆ - ಹೆಚ್ಚು ಪ್ರತಿಫಲ".

15. ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆಗಳು : 2017-18ನೇ ವಾರ್ಷಿಕ ವರ್ಷದಲ್ಲಿ ಒಟ್ಟು 9 ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆಗಳು ಜರುಗಿದ್ದು ಅದರ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ :

12.04.2017	30.07.2017	14.12.2017
14.05.2017	21.09.2017	30.01.2018
30.06.2017	23.10.2017	20.03.2018

ಪ್ರಸಕ್ತ ವರ್ಷ 2017-18ರಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ನಿರ್ದೇಶಕರಾದ ಶ್ರೀ ಅಭಿಜಿತ್ ಜಿ. ಶಾಮನೂರು ಇವರು ದಿನಾಂಕ: 30.01.2018 ರಂದು ನಿವೃತ್ತಿ ಹೊಂದಿರುತ್ತಾರೆ.

ಕಂಪನಿಯು ಇವರ ನಿರ್ಗಮನದ ನಂತರ ಐದು ಜನ ನಿರ್ದೇಶಕರನ್ನು ಹೊಂದಿರುತ್ತದೆ. ಇದರಲ್ಲಿ ಇಬ್ಬರು ನಿರ್ದೇಶಕರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿರುತ್ತಾರೆ.



ಕಂಪನಿಯು ಕು: ರೇಷ್ಮ ಎಂ. ಇವರನ್ನು ಕಂಪನಿಯ ಕಾರ್ಯದರ್ಶಿಯಾಗಿ 01-06-2017ರಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ನೇಮಕ ಮಾಡಿಕೊಂಡಿರುತ್ತದೆ. ಇವರಿಗೆ ಕಂಪನಿ ಕಾನೂನುಗಳನ್ನು ಕಂಪನಿ ಪಾಲಿಸುವ ಬಗ್ಗೆ ನಿರ್ವಹಣಾ ಜವಾಬ್ದಾರಿಯನ್ನು ವಹಿಸಿರುತ್ತದೆ.

ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಿಂದ ಕಂಪನಿ ಕಾಯ್ದೆ 2013 ಕಲಂ 149(7)ರ ಪ್ರಕಾರ ಮತ್ತು 149(6)ರ ಪ್ರಕಾರ ಅಗತ್ಯವಿರುವ ನಿರ್ದೇಶಕರ ಸ್ವತಂತ್ರತೆಯ ಘೋಷಣೆಯನ್ನು ಕಂಪನಿಯು ಪಡೆದಿರುತ್ತದೆ.

16. **ಔದ್ಯಮಿಕ ಬಾಂಧವ್ಯಗಳು :** ಕಾರ್ಮಿಕರೊಂದಿಗಿನ ಔದ್ಯಮಿಕ ಸಂಬಂಧ ಹೃತ್ಪೂರ್ವಕವಾಗಿ ಹಾಗೂ ತೃಪ್ತಿಕರವಾಗಿ ಮುಂದುವರೆದಿದೆ. ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ ಸಿಬ್ಬಂದಿಯವರ ಸಹಕಾರಕ್ಕೆ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಮ್ಮ ಗೌರವಾದರಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ.
17. **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

ಎಸ್.ಎಸ್. ಗಣೇಶ್

ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು

DIN: 00451383

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 27-08-2018

**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

Details of contracts or arrangements or transactions 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	M/s. Kalleswara Traders	MD's Relative is partner in firm	Purchase of provision item for Company canteen	2017-18	Rs. 2,18,245	Nil	-	N.A.
2	M/s. S. Kallappa & Sons	MD is partner in firm	Purchase of provision item for Company canteen	2017-18	Rs. 18,570	Nil	-	N.A.
3	M/s. Shivashankar Associates	MD is partner in firm	Purchase of provision item for Company canteen	2017-18	Rs. 44,720	NIL	-	N.A.

2. Details of material contracts or arrangement or transactions not 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)

NOT APPLICABLE

By the order of the Board
for Davangere sugar company limited

S.S. Ganesh
Managing Director
DIN: 00451383

Place : Davangere
Date : 27-08-2018



FORM – A
(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

PARTICULARS	For the Current Year ended March 31, 2018	For Previous Year ended March 31, 2017
I. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
A. Purchases		
Unit	9,32,400	8,50,800
Total Amount	89,74,052	76,99,740
Rate/Unit	9.62	9.05
B. Own Generation		
[a] Through Diesel Generator		
Unit	500	3,330
Unit per Litre of Diesel Oil	1.26	1.75
Cost/Unit	43.58	28.22
[b] Through Steam Turbine		
Unit	3,88,88,500	7,57,78,900
Unit per MT of fuel consumed	998	1056.00
Cost/Units	4.54	4.34
C. Consumption per unit of production (per Qtl of Sugar)		
Standards if any	Current year 2017-18	Previous Year 2016-17
Products (with details) Unit – Sugar in Qtls	1,21,500	1,17,880
Electricity consumption per qtl of sugar (units) Furnace Oil	52.55	41.00
Others	-	-
Bagasse consumption per Qtl of Sugar (MTs)	-	-

By the order of the Board
for Davangere sugar company limited

Place : Davangere
Date : 27-08-2018

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



ANNEXED TO DIRECTORS' REPORT

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Particulars	Particulars
RESEARCH AND DEVELOPMENT (R & D)	
1] Specific areas in which R & D carried out by the Company	Steam saving devices and increasing of productivity
2] Benefits derived as a result of the above R & D	Stream saving
3] Future Plan of Action	To expand Sugar Cane growing area and to maximize sugar cane crushing quantity in coming years. Commissioning of Ethanol plant.
4] Expenditure on R & D :	-
[a] Capital	-
[b] Recurring	-
[c] Total	-
[d] Total R & D expenditure as a % of Total Turnover	-
TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION	
1] Efforts, in brief, made towards technology absorption, adaptation and innovation	Expansion and Modernisation of process house with FFE Technology and adoption of German model VKT technology.
2] Benefits derived as a 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

S.S. Ganesh
Managing Director
DIN: 00451383

Place : Davangere
Date : 27-08-2018



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 31st March 2018 the Board of Directors had Five members comprising of one Managing Director and Four Non-Executive Director. The Non-Executive Directors included two Directors who are Independent Directors and two promoter directors.

(b) Attendance of each Director at the Board Meetings during the Financial Year 2017-18. 9 (Nine) 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	9	100%
2. Abhijith Ganesh Shamanur (Resigned w.e.f., 30.01.2018)	ED	7	78%
3. S.S. Mallikarjun	NED	6	67%
4. K.V. Somashekar	NED	9	100%
5. A.C. Jayanna	NED	9	100%
6. Smt. Rekha Ganesh	NED	9	100%

M D – Managing Director, ED - EXECUTIVE DIRECTOR, N E D – Non Executive 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. K.V. Somashekar	-	-
6. A.C. Jayanna	-	-
7. Smt. Rekha Ganesh	-	-

**(d) Number of Board Meetings held and the dates of the Board Meeting :**

9 (Nine) Board meetings were held during the financial year ended 31st March 2018. The dates on which the said meetings were held are given below :

12.04.2017	24.05.2017	30.06.2017	30.07.2017
21.09.2017	23.10.2017	14.12.2017	30.01.2018
20.03.2018			

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 12.04.2017, 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 Lingaraju V., the Internal Auditor M/s G.Gangadhar & Co., being permanent invitees and two members of the Committee are Independent Directors. In that Sri. K.V. Somashekar is the Chairman of the Audit Committee.

(c) Meetings and Attendance during the year

Six meetings were held during the financial year ended 31st March, 2018. The First meeting on, 12th April, 2017 the second meeting on 30th June, 2017, the third meeting on 21st September, 2017 the fourth meeting on 14th December, 2017, the fifth meeting on 30th January, 2018 and the sixth meeting on 20th March, 2018. The attendance of each member of the committee is given below :

Name of Director Sriyuths	Number of Meetings attended
1. S.S. Ganesh	6
2. K.V. Somashekar	6
3. A.C. Jayanna	6

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. The meeting was held on 30th June, 2018.

(a) Terms of Reference

- to facilitate carryout of the cost audit of accounting records of our company, in terms of the Companies Act, 2013
 - to identify the costs to the extent possible cost centre wise.
 - 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 2017-18 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 12.04.2017, 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 30.01.2018 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., 24th September, 2011 and to the Executive Director Rs. 1.62 lakhs per month w.e.f., 8th November, 2012 as approved in the General Body Meeting.

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

Vide board resolution dated 12.04.2017, 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. Sri A.C. Jayanna is the chairman of the committee.

- | | | |
|---|---|--|
| 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 | - | Not Applicable |
| 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 Chairperson

Vide board resolution dated 12.04.2017, the Corporate Social Responsibility Committee was constituted with, Sri S.S. Ganesh, Managing Director, Sri A.C. Jayanna, Independent Director, & Sri K.V. Somashekar Independent Director and Sri A.C. Jayanna is the chairman of the committee.

8. General Body Meetings

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

Location	Date	Time
i. Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	21.09.2017	10.45 a.m.
ii. Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	07.11.2016	10.45 a.m.
iii. Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	07.11.2015	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** : 29th Septemebr, 2018 at 10.45 a.m.
VENUE : **Thogataveera Samudhaya Bhavana**
M.C.C. 'A' Block, DAVANGERE
(b) Date of Book closure : 29th September, 2018
(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 as BSE Senses, BSE 2000, Nifty. : Not applicable
(g) Registrar and Transfer Agents : M/s. Integrated Enterprises(India) Ltd.,
30, Ramana residency, 4th 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 : 27-08-2018

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 2018
[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: - U01115KA1970PLC001949
 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	73%
2	Power	1703	19.52%

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 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters (Individuals)	1636878	27095198	28732076	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	6029252	13.44	---	6029252	6029252	13.44	Nil
Grand Total	1636878	43219579	44856457	100	1636878	43219579	44856457	100	Nil



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 end of 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 end of 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	A C Jayanna	500	0.0011	500	0.0011
6	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
Indebtedness at the beginning of the financial year				
i) Principal Amount (Term loan and working capital)	10520.63	Nil	Nil	10520.63
ii) Interest due but not paid	15.67	Nil	Nil	15.67
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10536.30			10536.30



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
Indebtedness at the end of the financial year				
i) Principal Amount (Term loan and working capital)	11815.91	350.00	Nil	12165.91
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	11815.91	350	Nil	12165.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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	1620000	5220000
	(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	1620000	52,20,000
	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 : 27-08-2018

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-577002, independent director of the company hereby
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 : 27.08.2018

**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-577002, independent director of the company
hereby declare that I fulfill the requirement of independence as stipulated
under Section 149(6) of Companies Act 2013

sd/-

Name : K V Somashekar

DIN: 02408750

Date : 27.08.2018



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

Particulars	Disclosure
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	Mr. Abhijith G. Shamanur Resigned w.e.f. 30.01.2018
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.

**Lingaraju V**

B Com, F.C.A

Chartered Accountant

595, Kaipet, DAVANGERE - 577 001.

Ph. : 08192-236649, Cell : 9886100404

E-mail : sharnathi@gmail.com

AUDITORS' REPORT

To,

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

We have audited the accompanying financial statements of **Davangere Sugar Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 the 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of 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 judgements and estimates that are responsible and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility :

2. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report and 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 effective 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 aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018 ;
 - (b) in the case of the Statement of Profit and Loss, of the Loss 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, 2016("the Order"), as amended, 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" 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 purposes of our audit ;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the 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, 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) 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 the other matters to be included in the Auditors' 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 : 27-08-2018

Lingaraju V.
Chartered Accountant
M.No: 218951

"Annexure A" referred to in paragraph 6, under the heading "Report on Other Legal & Regulatory Requirement", of our report of even date to the members of **The Davangere Sugar Company Limited** on the financial statements of the company for the year ended Mach 31, 2018.

On the basis of such checks as we considered appropriate and according to the information and explanations give 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 in a phased manner, designed to cover all the items over a period of 3 years, which in our opinion, is reasonable having regard to the size of the company and the nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the books, records, and the physical fixed assets have been noticed.
- c) the title deeds of immovable properties are held in the name of the company.
- d) In our opinion, the disposal of fixed assets during the year has not affected the going concern assumption.
2. a)The Management has conducted the physical verification of inventory at reasonable intervals.
- b) 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 neither granted nor taken loans, secured or unsecured to/from Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Sec.189 of the Companies Act, 2013. Accordingly, the provisions clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and hence, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



6. We have broadly reviewed the books of accounts relating to the materials, labour and other items of cost maintained by the company in pursuant to rules made by the Central Govt., 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.
7. a) According to the information and explanations given to us and based on the records of the Company examined by us, the company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, GST, Entry tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other material statutory dues, as applicable with the appropriate authorities.
b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than 6 months from the date on which they became payable.
c) During the year there were proceedings initiated U/s 132(4) by the Income Tax Department and the consequences of the same has not been considered by the Management in the present financial statements.
8. 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 and has not issued Debentures.
9. Based upon the audit procedures performed and the information and explanations given by the Management, the company has not raised monies by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company.
10. Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or on the company by its Officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the Management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with the schedule V to the Companies Act.
12. In our opinion, the company is a not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the Management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. Based upon the audit procedures performed and the information and explanations given by the Management, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

Place : Davangere
Date : 27-08-2018

Lingaraju V.
Chartered Accountant
M.No: 218951

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of The Davangere Sugar Company Limited.
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

We have audited the Internal Financial Controls over Financial Reporting of **The Davangere Sugar Company Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls :

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note



on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility :

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

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

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

Meaning of Internal Financial Controls over Financial Reporting :

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting :

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

Opinion :

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Davangere
Date : 27-08-2018

Lingaraju V.
Chartered Accountant
M.No: 218951



31-03-2018 ರ ಅಂತ್ಯಕ್ಕೆ ಇದ್ದಂತೆ ಆಸ್ತಿ ಮತ್ತು ಹೊಣೆ ತಃಖ್ತೆ
BALANCE SHEET AS AT 31.03.2018

All Figures in Rs.			
ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2018 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2018	31-03-2017 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2017
I ಈಕ್ವಿಟಿ ಮತ್ತು ಹೊಣೆಗಳು I EQUITY AND LIABILITIES			
1. ಷೇರುದಾರರ ನಿಧಿಗಳು 1 SHAREHOLDERS' FUNDS			
ಎ) ಷೇರು ಬಂಡವಾಳ a) Share Capital	1	44,85,64,570	44,85,64,570
ಬಿ) ಮೀಸಲು ನಿಧಿ ಮತ್ತು ಮಿಗತೆ b) Reserves and Surplus	2	44,08,55,943	52,69,31,518
		88,94,20,513	97,54,96,088
2. ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೊಣೆಗಳು 2 NON-CURRENT LIABILITIES			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು a) Long Term Borrowings	3	13,87,28,939	30,53,02,567
ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಳು b) Deferred Tax Liabilities	4	64,95,086	---
ಸಿ) ಇತರೆ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು c) Other Long Term Liabilities	5	1,10,99,506	5,38,36,865
ಡಿ) ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು d) Long Term Provisions	6	---	---
3. ಚಾಲ್ತಿ ಹೊಣೆಗಳು 3 CURRENT LIABILITIES			
ಎ) ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು a) Short Term Borrowings	7	93,38,05,638	60,47,20,772
ಬಿ) ಕೊಡಬೇಕಾಗಿರುವ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು b) Trade Payables	8	2,03,12,872	3,27,12,321
ಸಿ) ಇತರೆ ಚಾಲ್ತಿ ಹೊಣೆಗಳು c) Other Current Liabilities	9	90,77,74,843	68,10,37,025
ಡಿ) ಅಲ್ಪಾವಧಿ ಹವಣಿಕೆಗಳು d) Short Term Provisions	10	---	---
TOTAL ಒಟ್ಟು ಮೊತ್ತ		2,90,76,37,397	2,65,31,05,638



All Figures in Rs.

ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2018 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2018	31-03-2017 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2017
I ಆಸ್ತಿಗಳು ASSETS			
1 ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು NON-CURRENT ASSETS			
ಎ) ಸ್ಥಿರ ಆಸ್ತಿಗಳು			
a) Fixed Assets	11		
1. ವಾಸ್ತವಿಕ ಆಸ್ತಿಗಳು Tangible Assets		1,36,36,33,674	1,44,91,07,727
2. ನಿರ್ಮಾಣದ ಹಂತದಲ್ಲಿರುವ ಸ್ಥಿರಾಸ್ತಿಗಳು Capital Work in Progress		5,45,68,280	11,53,88,396
ಒಟ್ಟು ಮೊತ್ತ Total		1,41,82,01,954	1,56,44,96,122
ಬಿ) ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೂಡಿಕೆಗಳು			
b) Non-Current investments	12	5,45,900	5,45,900
2. ಚಾಲ್ತಿ ಆಸ್ತಿಗಳು CURRENT ASSETS			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು			
a) MAT Credit Entitlement	13	4,15,96,970	6,94,64,123
ಬಿ) ದಾಸ್ತಾನುಗಳು			
b) Inventories	14	63,86,38,536	58,90,78,191
ಸಿ) ಬರಬೇಕಾದ ವ್ಯಾಪಾರದ ಬಾಕಿಗಳು			
c) Trade Receivables	15	10,39,36,174	20,51,33,352
ಡಿ) ನಗದು ಮತ್ತು ಸಮಾನಾಂತರಗಳು			
d) Cash and cash equivalents	16	5,88,48,994	3,63,52,670
ಇ) ಅಲ್ಪಾವಧಿ ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳು			
e) Short-term loans and advances	17	64,58,68,869	17,72,43,443
ಎಫ್) ಇತರೆ ಚಾಲ್ತಿಯಲ್ಲದ ಆಸ್ತಿಗಳು : ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು			
f) Other Non Current assets : Deferred Tax Asset	4	---	1,07,91,837
TOTAL ಒಟ್ಟು ಮೊತ್ತ		2,90,76,37,397	2,65,31,05,638

As per our Audit Report of even date annexed

For and on behalf of the Board of Directors

Lingaraju V
Chartered Accountant
M.No. : 218951

Reshma M
Company Secretary
M.No. : A33180

Rekha Ganesh
Director

S S Ganesh
Managing Director

Date : 27-08-2018
Place : Davangere



31-3-2018 ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ವರ್ಷದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆ
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2018

All Figures in Rs.

ವಿವರ PARTICULARS	ಅನುಸೂಚಿ Note No.	31-03-2018 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2018	31-03-2017 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2017
I ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳು ಒಟ್ಟು ಮೊತ್ತ REVENUE FROM OPERATIONS (GROSS)	18	63,90,15,972	1,81,53,02,540
ಅಬಕಾರಿ ತೆರಿಗೆ ಕಳೆದದ್ದು Less: Excise Duty		24,86,485	8,44,24,824
ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳ ನಿವ್ವಳ ಮೊತ್ತ Revenue from Operations (Net)		63,65,29,487	1,73,08,77,716
II ಇತರೆ ಆದಾಯಗಳು Other Income	19	18,33,28,408	48,21,520
III ಒಟ್ಟು ವಹಿವಾಟು Total Revenue		81,98,57,895	1,73,57,00,236
IV ಖರ್ಚುಗಳು EXPENSES			
ಎ) ಬಳಕೆ ಮಾಡಿದ ಸರಕು ಸಾಮಗ್ರಿಗಳ ವೆಚ್ಚ a) Cost of Materials Consumed	20	64,88,08,060	47,14,73,961
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	(13,17,73,601)	86,46,79,546
ಡಿ) ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚ d) Employees Benefit Expenses	23	6,42,75,502	7,02,89,869
ಇ) ಹಣಕಾಸು ವೆಚ್ಚ e) Finance Costs	24	13,80,52,291	13,61,80,670
ಎಫ್) ಸವಕಳಿ f) Depreciation	11	9,01,95,880	9,21,24,410
ಜಿ) ಇತರೆ ವೆಚ್ಚಗಳು g) Other Expenses	25	7,90,88,424	9,31,92,092
TOTAL EXPENSES ಒಟ್ಟು ವೆಚ್ಚಗಳು		88,86,46,557	1,72,79,40,548



V	ವಿಶೇಷ ಮತ್ತು ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)	(6,87,88,662)	77,58,687
VI	ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು Exceptional Items	---	---
VII	ವಿಶೇಷ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)	(6,87,88,662)	77,58,687
VIII	ವಿಶೇಷ ಬಾಬುಗಳು Extraordinary Items	---	---
IX	ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ/ನಷ್ಟ PROFIT/LOSS BEFORE TAX (VII-VIII)	(6,87,88,662)	77,58,687
X	ತೆರಿಗೆ ವೆಚ್ಚಗಳು TAX EXPENSES		
	ಎ) ಆದಾಯ ತೆರಿಗೆ a) Income Tax	---	---
	ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ b) Deferred Tax (Adjustment as per AS-22)	1,72,86,923	2,41,39,074
	ಒಟ್ಟು Total	1,72,86,923	2,41,39,074
XI	ಅವಧಿಯಲ್ಲಿ ಬಂದಿರುವ ಲಾಭ / ನಷ್ಟ NET PROFIT /LOSS FOR THE PERIOD(IX-X)	(8,60,75,585)	(1,63,80,387)
XII	ಪ್ರತಿ ಷೇರಿಗೆ ಗಳಿಕೆ (ಮೂಲ ಮತ್ತು ನಿಷ್ಕಾರ) Earnings per Share (Basic and Diluted)Rs.	(1.92)	(0.37)

As per our Audit Report of even date annexed

For and on behalf of the Board of Directors

Lingaraju V
Chartered Accountant
M.No. : 218951

Reshma M
Company Secretary
M.No. : A33180

Rekha Ganesh
Director

S S Ganesh
Managing Director

Date : 27-08-2018

Place : Davangere



ಹಣಕಾಸಿನ ತಃಖ್ತೆಗಳಿಗೆ ಟಿಪ್ಪಣಿಗಳು
NOTES TO FINANCIAL STATEMENTS

NOTE 1 : SHARE CAPITAL ಷೇರು ಬಂಡವಾಳ :

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಅಧಿಕೃತ ಷೇರು ಬಂಡವಾಳ : 6,00,00,000 ಈಕ್ವಿಟಿ ಷೇರುಗಳು ಪ್ರತಿಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ Authorised Share Capital : 6,00,00,000 Equity Shares of Rs. 10/- each	60,00,00,000	60,00,00,000
ವಿತರಿಸಿದ, ಆರ್ಜಿಸಿದ ಮತ್ತು ಪಾವತಿಸಲ್ಪಟ್ಟ ಬಂಡವಾಳ 4,48,56,457 ಈಕ್ವಿಟಿ ಪ್ರತಿ ಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ Issued , Subscribed and Paid-up Capital : 4,48,56,457 Equity Shares of Rs. 10/- each	44,85,64,570	44,85,64,570
ಒಟ್ಟು TOTAL	44,85,64,570	44,85,64,570

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	Percentage	No. of Shares	No. of Shares
1	S S GANESH	34.60	1,55,22,478	1,55,22,478
2	ABHIJITH GANESH SHAMANUR	15.42	69,14,724	69,14,724
3	REKHA GANESH	13.57	60,86,200	60,86,200
4	M/S MAFATHLAL PLAYWOOD IND. LTD.,	17.83	80,00,000	80,00,000

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

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
1 ಬಂಡವಾಳ ಮೀಸಲು : Capital Reserve: ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	4,07,160	4,07,160
2 ಷೇರು ಪ್ರೀಮಿಯಮ್ ಮೀಸಲು : Securities Premium Reserve : ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	2,49,46,750	2,49,46,750



3 ಸಾಮಾನ್ಯ ಮೀಸಲು : General Reserve :		
ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	59,95,836	59,95,836
4 ಮಿಗತೆ : Surplus :		
ವರ್ಷಾರಂಭಕ್ಕೆ Balance brought forward from previous year	49,55,81,781	51,19,62,158
ವರ್ಷದ ಲಾಭ ನಷ್ಟ ತಃಖ್ತೆಯಿಂದ Add: Transfer from the Statement of Profit and Loss Account for the year	(8,60,75,585)	(1,63,80,387)
ವಿನಿಯೋಗಗಳ ಸಲುವಾಗಿ ಉಳಿಕೆಯಾದ ಮೊತ್ತ Balance available for Appropriations	40,95,06,196	49,55,81,771
ವಿನಿಯೋಗಗಳು : Appropriations :		
ಮುಂದಿನ ವರ್ಷಕ್ಕೆ ಮುಂದುವರಿದ ಶಿಲ್ಕು Balance carried forward to next year	40,95,06,196	49,55,81,771
ಒಟ್ಟು TOTAL (A+B)	44,08,55,943	52,69,31,518

ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು

NOTE 3 : LONG TERM BORROWINGS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
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ಎ. ಆಧಾರ ಸಹಿತ Secured :

ಅವಧಿ ಸಾಲಗಳು

Term Loans :

i ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್, ದಾವಣಗೆರೆ Syndicate Bank Term Loan-I (Modernization of Boiler House)	7,07,94,229	10,84,16,164
ii Syndicate Bank Term Loan-II (Modernization of Boiler House)	5,80,16,383	9,32,69,461
iii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ಉಗ್ರಾಣ ನಿರ್ಮಾಣ (ನಾಬಾರ್ಡ್ ಗ್ರಾಮಾಂತರ ಉಗ್ರಾಣ ಯೋಜನೆ ಅಡಿಯಲ್ಲಿ) ಸಾಲ State Bank of India (for construction of Godowns under NABARD Rural Godown Construction Scheme)	---	1,16,55,762
iv ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ, ದಾವಣಗೆರೆ ಇವರಿಂದ ಕಂಪನಿಯ ರಿಫೈನರಿ ಯುನಿಟ್‌ಗೆ State Bank of India (for Refinery unit)	---	68,76,548



v ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ (ಮಿಲ್‌ನ್ನು ವಿಸ್ತರಿಸಲು)		
State Bank of India (for Mill Expansion unit)	23,56,914	3,26,18,891
vi ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ, ದಾವಣಗೆರೆ		
State Bank of India, Davangere	---	2,55,86,594
SEFASU-2014		
vii ಇಂಡಿಯನ್ ಬ್ಯಾಂಕ್, ದಾವಣಗೆರೆ		
Indian Bank (Under SEFASU-2014)	56,75,413	2,63,17,280
viii ವಾಹನ ಸಾಲ Vehicles Loan	18,86,000	5,61,867
ಒಟ್ಟು TOTAL	13,87,28,939	30,53,02,567

Disclosures:**A Secured :**

- 1 Term Loan-I from Syndicate Bank, Davangere is borrowed for the new Project "Modernisation of Boller House and adoption of latest FEE technology and steam saving devise" in sugar production and to improve quality and productivity of sugar. The Term Loan is sanctioned in December, 2014 for Rs. 1814.00 lakhs and company has availed Rs. 1719.00 lakhs. The loan is 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 and repaying principal installments regularly. There is no overdue in the loan account as on the reporting date.
- 2 Term Loan-II (Additional), from Syndicate Bank, Davangere is borrowed for the new Project "Modernisation of Process House and adoption of latest FEE technology and steam saving devise" in sugar production and to improve quality and productivity of sugar. The Term Loan was sanctioned in Jan, 2016 for Rs. 1618.00 lakhs and company has availed Rs. 1386.78 lakhs. The loan is 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 and repaying principal installments regularly. There is no overdue in the loan account as on the reporting date.
- 3 Term Loan from State Bank of India, is borrowed for construction of Godowns at factory premises (under NABARD Gramin Bhandar Youjana). 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.1400 Lakhs is borrowed from State Bank of India, for expansion of sugar mail crushing capacity from 3500 TCD to 4750 TCD and is secured by way of Hypothecation of plant and machinery purchased for the unit out of bank finance. Second Charge over current 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)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ
	AS AT 31.03.2018	AS AT 31.03.2017

1. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ

1 Deferred Tax Liability/Asset :

ಸ್ಥಿರ ಆಸ್ತಿಗಳ ಸವಕಳಿಯ ಅವಧಿಯ ವ್ಯತ್ಯಾಸದಿಂದ

On account of Timing differences

in Depreciation of Fixed Assets



2. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು Deferred Tax Assets	(1,07,91,837)	(3,49,30,911)
3. ನಿವ್ವಳ ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ / ಆಸ್ತಿ Net Deferred Tax Liabilities / Assets thereon	---	---
4. ಕಳೆಯಿರಿ : ಹಿಂದಿನ ವರ್ಷದಲ್ಲಿ ಹೊಂದಿಸಿದ್ದು Less : Provided for in the previous year	(1,07,91,837)	(3,49,30,911)
5. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹವಣಿಸಿರುವುದು (ಹಿಮ್ಮರಿಳಿಕೆ) Deferred Tax Provided / (Reversed)	1,72,86,923	2,41,39,074
ಒಟ್ಟು TOTAL	64,95,086	(1,07,91,837)

ಇತರೆ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು

NOTE 5 : OTHER LONG TERM LIABILITIES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು a) Trade Payables:	1,10,99,506	1,23,89,957
ಬಿ) ಇತರೆ : (i) Soft Loan (State Bank of India)	---	3,27,46,908
(ii) Soft Loan IDBI Bank	---	87,00,000
ಒಟ್ಟು TOTAL	1,10,99,506	5,38,36,865

ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು

NOTE 6 : LONG TERM PROVISIONS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ನೌಕರರ ಸೌಲಭ್ಯಗಳಿಗೆ ಒದಗಿಸಿಕೊಟ್ಟ ಮೊತ್ತ a) Provisions for Employees Benefits	---	---
ಬಿ) ಇತರೆ b) Others :	---	---
ಒಟ್ಟು TOTAL	---	---



ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು

NOTE 7 : SHORT TERM BORROWINGS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಆಧಾರ ಸಹಿತ :		
A Secured :		
ಕನ್ಸೋರ್ಟಿಯಂ ಬ್ಯಾಂಕ್‌ಗಳಿಂದ ಪಡೆದಿರುವ ಕ್ಯಾಷ್ ಕ್ರೆಡಿಟ್ ಸಾಲ Loans repayable on demand		
Cash Credit Loans from Consortium Banks	90,38,05,638	46,34,70,747
Buyer's Credit with State Bank of India (SBI)	---	7,62,50,025
ಬಿ) ಆಧಾರ ರಹಿತ :		
B Un-secured :		
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರಿಂದ ಅಲ್ಪಾವಧಿ ಸಾಲ Short Term Loan from the Managing Director	3,00,00,000	6,50,00,000
ಒಟ್ಟು TOTAL	93,38,05,638	60,47,20,772

Disclosures :

A Secured :

1 Cash Credit Loan is borrowed under consortium with State Bank of India, Canara Bank, Indian Bank, Union Bank of India and I D B I Bank. The State Bank of India is the lead Banker. The loan is 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 which varies from time to time as per the regulations of R B I. The present rate of interest is being 12.20% per annum.

B Un-Secured :

1 Company has borrowed Un-Secured loan of Rs. 3,00,00,000 from Managing Director as short term loan and declaration has been obtained stating that the amount is not given out of his borrowed funds.

NOTE 8 : ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು TRADE PAYABLES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
A ಆಧಾರ ಸಹಿತ Secured :		
ಖರೀದಿ ಮತ್ತು ಸೇವೆಗಳ ಬಾಬು On purchases and Services	2,03,12,872	3,27,12,321
ಒಟ್ಟು TOTAL	2,03,12,872	3,27,12,321

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)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಅಧಾರ ರಹಿತ :		
ಅ) Un Secured :		
ಕಬ್ಬು ಕಟಾವು ಮತ್ತು ಸಾಗಾಣಿಕೆ ಮುಂಗಡ ವಸೂಲಿ Recoveries on account of sugarcane and H&T farmers	75,51,19,800	52,53,30,430
ಬಿ) ಅವಧಿ ಮುಗಿದಿರುವ ಚಾಲ್ತಿ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು b) Current maturities of Long Term Liabilities	14,40,58,682	14,20,41,642
ಸಿ) ಸಾಲಗಳ ಮೇಲಿನ ಕ್ರೋಢಿಕರಿಸಿದ ಬಡ್ಡಿ c) Interest accrued and due on Borrowings	---	15,67,652
ಡಿ) ಮಾರಾಟ ಬಾಬು ಮುಂಗಡ d) Advance against Sales	94,224	---
ಇ) ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳು e) Statutory Remittances	15,75,206	34,70,750
ಎಫ್) ವ್ಯವಹಾರ ಅಥವಾ ಭದ್ರತಾ ಠೇವಣಿ ಪಡೆದಿರುವುದು f) Trade or Security Deposits received	12,14,239	9,83,074
ಜಿ) ಇತರೆ g) Others	57,12,693	76,43,476
ಒಟ್ಟು TOTAL	90,77,74,843	68,01,37,025

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)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆ For Minimum Alternate Tax	---	---
ಒಟ್ಟು TOTAL	0.00	0.00



ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು

NOTE 11 : NON - CURRENT ASSETS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಸ್ಥಿರ ಆಸ್ತಿಗಳು Fixed Assets		
	'ಲಗತ್ತಿಸಿದೆ' 'ANNEXED'	

ಚಾಲ್ತಿಯಲ್ಲದ ಹೂಡಿಕೆಗಳು

NOTE 12 : NON - CURRENT INVESTMENTS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
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	19,900
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	5,000
ಬಿ) ಬಾಪೂಜಿ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್‌ನ ಷೇರುಗಳು b) Shares with Bapuji Co-operative Bank Limited, (200 Shares of Rs.50/- each)	10,000	10,000
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	5,01,000
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	---	---
ಒಟ್ಟು TOTAL	5,45,900	5,45,900



ANNEXURE TO NOTE NO. 11

FIXED ASSETS SCHEDULE AS ON 31.03.2018

PARTICULARS	COST				DEPRECIATION				WRITTEN-DOWN VALUE		
	AS ON 01.04.2017	ADDITIONS	WITHDRAWAL	AS ON 31.03.2018	AS ON 01.04.2017	RATE %	PROVIDED	WITHDRAWAL	AS ON 31.03.2018	AS ON 31.03.2017	AS ON 31.03.2018
LAND	54046993	1558440	---	55605433	---	---	---	---	---	54046993	55605433
BUILDINGS,ROADS & YARDS	500078550	---	---	500078550	229139561	5/10	9564338	---	238703899	270938990	261374651
PLANT & MACHINERY	2187354299	---	---	2187354299	1111810564	15	76119368	---	1187929932	1075543735	999424367
WELL & WATER WORKS	1976431	---	---	1976431	1570928	5	165834	---	1736761	405503	239670
FURNITURE & FIXTURES	2486232	---	---	2486232	2361633	18	8634	---	2370267	124599	115965
VEHICLES	57980149	7537168	5865158	59652159	36494209	26	3108249	1368116	38234343	21485940	21417816
OFFICE EQUIPMENTS	1471363	32297	---	1503660	1387994	14	13498	---	1401493	83369	102167
LIBRARY	41213	---	---	41213	40912	18	---	---	40912	301	301
CANTEEN EQUIPMENTS	143609	---	---	143609	137832	26	822	---	138654	5777	4955
COMPUTERS	5523874	90965	---	5614839	4595438	40	347152	---	4942590	928435	672249
WATER STORAGE TANK	42600430	---	---	42600430	17056344	15	867985	---	17924330	25544086	24676100
TOTAL	2853703143	9218870	5865158	2857056855	1404595416		90195880	1368116	1493423181	1449107727	1363633674
PREVIOUS YEARS	2839299489	14403654	---	2853703143	1312471006		92124410	---	1404595416	1526828483	1449107727



ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

NOTE 13 : LONG TERM LOANS AND ADVANCES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆ ಮುಂಬರುವ ಆದಾಯ ತೆರಿಗೆ ಹೊಂದಾಣಿಕೆಗಾಗಿ ಇರುವ ಮೊತ್ತ		
I MAT Credit Entitlement	4,15,96,970	6,94,64,123
ಒಟ್ಟು TOTAL	4,15,96,970	6,94,64,123

ದಾಸ್ತಾನು

NOTE 14 : INVENTORIES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
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	33,36,58,065	19,69,68,750
II MOLASSES ಕಾಕಂಬಿ	3,50,03,015	3,99,18,729
ಬಿ. ಕಚ್ಚಾ ಸಾಮಗ್ರಿಗಳು		
B. CONSUMABLE STORES	8,33,80,662	8,78,59,383
ಸಿ. ಕಲ್ಲಿದ್ದಲು ದಾಸ್ತಾನು		
C. STOCK OF COAL	18,65,96,794	26,43,31,329
ಒಟ್ಟು TOTAL	63,86,38,536	58,90,78,191

ಬರಬೇಕಾದ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು

NOTE 15 : TRADE RECEIVABLES:

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ. ಆಧಾರರಹಿತ ಖಾತ್ರಿಯಾಗಿ ಪರಿಗಣಿಸಿರುವುದು		
A UN SECURED CONSIDERED GOOD		
I 180 ದಿನಗಳು ಮೇಲ್ಪಟ್ಟು ಬಾಕಿ ಉಳಿದಿರುವುದು Out standing for a period exceeding 180 Days	7,55,689	5,88,78,378
II 180 ದಿನಗಳ ಒಳಗೆ ಬಾಕಿ ಉಳಿದಿರುವುದು Out standing for a period below 180 days	10,31,80,485	14,62,54,974
ಒಟ್ಟು TOTAL	10,39,36,174	20,51,33,352



ನಗದು ಮತ್ತು ನಗದಿಗೆ ಸಮಾನಂತರವಾದುದು

NOTE 16 : CASH AND CASH EQUIVALENTS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ. ನಗದು		
A. CASH ON HAND	24,24,679	18,22,314
ಬಿ. ಬ್ಯಾಂಕುಗಳಲ್ಲಿನ ಶಿಲ್ಕು		
B. BALANCE WITH BANKS :		
I ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕುಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ In Current Account with Schedule Banks	5,27,63,375	1,24,79,963
II ನಾನ್ ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕ್‌ಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ In Current Account with Non Schedule Banks	6,31,870	6,34,417
III ಬ್ಯಾಂಕುಗಳಲ್ಲಿರುವ ಅವಧಿ ಠೇವಣಿಗಳು Margin Money Deposits with Banks	30,29,071	2,14,15,976
ಒಟ್ಟು TOTAL	5,88,48,994	3,63,52,670

ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

NOTE 17 : SHORT TERM LOANS AND ADVANCES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
I ಠೇವಣಿಗಳು		
Sundry Deposit	2,63,608	2,63,608
II ಅಬಕಾರಿ ತೆರಿಗೆ ಇಲಾಖೆಯಲ್ಲಿ ಠೇವಣಿ		
In Deposit with Central Excise Department	6,28,16,794	5,87,73,196
III ನಗದು ಅಥವಾ ವಸ್ತುಗಳ ರೂಪದಲ್ಲಿ ಬರಬೇಕಾದ ಮುಂಗಡ ಹಣ		
Advances recoverable in cash or in kind	58,27,88,467	11,82,06,638
ಒಟ್ಟು TOTAL	64,58,68,869	17,72,43,443



ವ್ಯವಹಾರದಿಂದ ಬಂದ ಆದಾಯ

NOTE 18 : REVENUE FROM OPERATIONS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಉತ್ಪನ್ನಗಳ ಮಾರಾಟ		
A. SALE OF PRODUCTS		
I ಸಕ್ಕರೆ Sugar	46,61,76,920	1,34,94,15,826
II ಕಾಕಂಬಿ Molasses	2,99,34,314	5,43,49,687
III ವಿದ್ಯುತ್ Power	12,43,77,735	31,14,02,749
IV ಪ್ರೆಸ್ ಮಡ್ Pressmud	72,765	---
ಬಿ) ಇತರೆ ವ್ಯವಹಾರದಿಂದ ಆದಾಯ		
B. OTHER OPERATING INCOME		
1. ಇತರೆ ಮಾರಾಟ Miscellaneous Sales	---	4,97,630
2. ವಾಯುಯಾನ ಬಾಡಿಗೆ Aviation Receipts	1,59,67,753	1,52,11,824
ಒಟ್ಟು TOTAL	63,65,29,487	1,73,08,77,716

ಇತರೆ ಆದಾಯ

NOTE 19 : OTHER INCOME

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಬಡ್ಡಿಯ ಆದಾಯ		
A INTEREST INCOME		
I ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳಿಂದ From Loans and Advances	14,84,893	38,73,550
II ಠೇವಣಿಗಳಿಂದ From Deposits	10,12,094	---
ಬಿ) ಹೂಡಿಕೆಗಳಿಂದ ಡಿವಿಡೆಂಡ್		
B DIVIDEND FROM INVESTMENTS	1,815	76,515
ಸಿ) ಇತರೆ ಕಾರ್ಯಚಟುವಟಿಕೆಯಲ್ಲದ ಆದಾಯ		
C OTHER NON OPERATING INCOME		
I Profit or loss on sale of vehicles	(15,43,014)	---
II ಇತರೆ ಆದಾಯ Other Income	18,17,47,770	---
II ಸ್ವೀಕರಿಸಿದ ಬಾಡಿಗೆ Rent received	30,000	28,500
III ವಿಮೆಯಿಂದ ಬಂದ ಹಣ Insurance Claims Received	6,14,850	8,42,955
ಒಟ್ಟು TOTAL	18,33,48,408	48,21,520



NOTE 20 : COST OF MATERIALS CONSUMED

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
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)	38,25,89,210	42,26,30,580
ಬಿ) ಕಚ್ಚಾ ಸಕ್ಕರೆ ಖರೀದಿ ಮತ್ತು ಬಳಕೆ		
B. Raw Sugar purchased and consumed (Inclusive of Duties and Transportation Charges)	17,63,92,319	---
ಸಿ) ಕಲ್ಲಿದ್ದಲು ಖರೀದಿ ಮತ್ತು ಬಳಕೆ (ಸುಂಕ ಮತ್ತು ಸಾಗಾಣಿಕೆ ಸೇರಿ)		
C. Steaming Coal purchased and consumed (Inclusive of Duties and Transportation Charges)	8,98,26,531	4,88,43,381
ಒಟ್ಟು TOTAL	64,88,08,060	47,14,73,961

ಮಾರಾಟ ಸಿದ್ಧ ವಸ್ತುಗಳ ಖರೀದಿ

NOTE 21 : PURCHASE OF TRADED GOODS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
(ಅನ್ವಯಿಸುವುದಿಲ್ಲ) Not Applicable		
ಒಟ್ಟು TOTAL	---	---

ದಾಸ್ತಾನಿನಲ್ಲಿ (ಏರಿಕೆ / ಇಳಿಕೆ)

NOTE 22 : (INCREASE) / DECREASE IN INVENTORIES:

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಸಿದ್ಧ ವಸ್ತುಗಳು		
A FINISHED GOODS		
ಪ್ರಾರಂಭಿಕ ದಾಸ್ತಾನು		
a) Opening Stock :		
ಸಕ್ಕರೆ		
Sugar	19,65,93,750	1,06,16,32,000
ಕಾಕಂಬಿ		
Moasses	4,02,93,729	3,99,35,025
ಒಟ್ಟು TOTAL	23,68,87,479	1,10,15,67,025



ಬಿ) ಅಖೈರು ದಾಸ್ತಾನು		
b) Closing Stock:		
ಸಕ್ಕರೆ		
Sugar	33,36,58,065	19,69,68,750
ಕಾಕಂಬಿ		
Molasses	3,50,03,015	3,99,18,729
ಒಟ್ಟು TOTAL	36,86,61,080	23,68,87,479
	(a) - (b)	(13,17,73,601)
ಎ) ಉತ್ಪಾದನೆ ಹಂತದಲ್ಲಿರುವ ದಾಸ್ತಾನು		
A. WORK IN PROGRESS :		
ಎ) ಪ್ರಾರಂಭ ಶಿಲ್ಕು		
A) Opening Stock :		
ಸಕ್ಕರೆ		
Sugar	---	---
ಕಾಕಂಬಿ		
Molasses	---	---
ಒಟ್ಟು TOTAL	---	---
ಬಿ) ಆಖೈರು ಶಿಲ್ಕು		
B) Closing Stock :		
ಸಕ್ಕರೆ		
Sugar	---	---
ಕಾಕಂಬಿ		
Molasses	---	---
ಒಟ್ಟು TOTAL	---	---
	(a) - (b)	---
Grand Total	(13,17,73,601)	86,46,79,546

ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚಗಳು

NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಸಂಬಳ, ಮಜೂರಿ ಮತ್ತು ಭತ್ಯೆಗಳು		
A Salaries, wages and allowances	5,90,85,193	6,04,67,126
ಬಿ) ಭವಿಷ್ಯನಿಧಿ ಮತ್ತು ಇತರೆ ನಿಧಿಗಳಿಗೆ ಪಾವತಿಸಿರುವುದು		
B Contribution to Provident fund and Other funds	34,77,668	69,86,649
ಸಿ) ಸಿಬ್ಬಂದಿ ಕ್ಷೇಮಾಭ್ಯುದಯ ಖರ್ಚುಗಳು		
C Staff Welfare Expenses	17,12,641	28,36,094
ಒಟ್ಟು TOTAL	6,42,75,502	7,02,89,869



ಹಣಕಾಸು ವೆಚ್ಚಗಳು

NOTE 24 : FINANCE COSTS

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಎ) ಬಡ್ಡಿ ವೆಚ್ಚ		
A Interest Expenses	12,57,26,623	12,70,20,576
ಬಿ) ಇತರೆ ಸಾಲಗಳಿಗೆ ವೆಚ್ಚ		
B Other Borrowings Costs	1,23,25,667	91,60,094
ಒಟ್ಟು TOTAL	13,80,52,291	13,61,80,670

ಇತರೆ ಖರ್ಚುಗಳು

NOTE 25 : OTHER EXPENSES

(All figures in Rupees)

	31.03.2018 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2018	31.03.2017 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2017
ಸ್ಪೋರ್ಸ್ ಮತ್ತು ಬಿಡಿಭಾಗಗಳ ಬಳಕೆ		
Consumption of Stores and spares	87,60,966	75,79,078
ಖಾಲಿ ಚೀಲಗಳು ಮತ್ತು ದಾಸ್ತಾನಿನ ಖರ್ಚುಗಳು		
Packing and storage expenses	83,30,172	64,18,953
ನೀರಿನ ಕರ		
Water Charges	6,920	63,364
ಬಾಡಿಗೆ		
Rent	28,52,108	38,96,621
ಕಾನೂನು ಮತ್ತು ಸೇವಾ ಖರ್ಚುಗಳು		
Legal and Professional Charges	31,89,802	59,46,757
ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ :		
Repairs and Maintenance :		
ಕಟ್ಟಡಗಳಿಗೆ		
on Buildings	13,36,024	33,71,082
ಯಂತ್ರೋಪಕರಣಗಳಿಗೆ		
on Plant and Machinery	2,24,16,415	3,03,85,955
ಇತರೆ		
on Others	7,38,696	18,96,232
ಸರಬರಾಜು ಮತ್ತು ವಿತರಣಾ ಖರ್ಚುಗಳು		
Supply and Distribution Expenses	25,45,429	77,14,239
ಪ್ರಯಾಣ ಭತ್ಯೆ ಖರ್ಚುಗಳು		
Travelling and Conveyance	9,01,558	31,39,960



ಬಾಡಿಗೆ ಮತ್ತು ಸಾಗಾಣಿಕೆ ವೆಚ್ಚಗಳು Freight and Forwarding	26,86,855	41,00,858
ಅಂಚೆ ಮತ್ತು ದೂರವಾಣಿ ಖರ್ಚುಗಳು Postage and Telephone Expenses	6,68,227	6,62,858
ಮುದ್ರಣ ಮತ್ತು ಲೇಖನಿ ಖರ್ಚುಗಳು Printing and Stationery	4,57,377	5,02,214
ವಿಮೆ Insurance	27,81,205	18,33,695
ವಾಹನಗಳ ನಿರ್ವಹಣೆ Vehicle Maintenance	49,42,113	63,94,765
ಪ್ರಚಾರ Advertisement	1,00,879	---
ನಿರ್ದೇಶಕರುಗಳ ಪ್ರವಾಸದ ಖರ್ಚುಗಳು Travelling Expenses to Directors	1,42,64,709	50,30,665
ಆಡಿಟ್ ಶುಲ್ಕ : Audit Fee :		
ಕಾಯ್ದೆ ಬದ್ಧ ಆಡಿಟ್‌ಗೆ For Statutory Audit	1,50,000	1,72,500
ಕಾಸ್ಟ್ ಆಡಿಟ್‌ಗೆ For Cost Audit	63,000	---
ಇತರೆ ಸೇವೆಗಳಿಗೆ For Other Services	1,23,645	81,945
ಇತರೆ ಖರ್ಚುಗಳು Other Expenses	17,72,323	40,00,352
ಒಟ್ಟು TOTAL	7,90,68,424	9,31,92,092



NOTE : 26 :
NOTES FORMING PART OF ACCOUNTS FOR
THE YEAR ENDED 31st MARCH, 2018

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 w.e.f from the financial year 2015-16. Company has provided depreciation for the current F.Y. 2017-2018 as per Schedule II w.r.t. section 123(2) of the Companies Act, 2013 so as to write off the depreciable value of each asset over the useful life of each asset. Company has adopted a method of providing depreciation so as 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 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 sale 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 :

Company has imported 6,599 MTs of Raw-sugar from M/s. Wilmar Sugar Pte Ltd, Singapore, under the Central Government TRQ quota for an invoice value of USD 27,65,904.86(Equivalent to INR 1763.92 Lakhs).

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)

Name	Sale Of Sugar	Sale Of Molasses	Purchase of provision for canteen
M/s Shamanur Kallappa & Sons	—	—	18,570
M/s. Sri Kalleswara Traders	—	—	2,18,245
M/s. Shivashankar Associates	—	—	44,720

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. (-) 1.92 (previous financial year is Rs (-) 0.37)** per equity share of Rs.10 each.

16. Taxes on income :

During the year Company has incurred losses and hence is not liable to pay Income Tax/MAT under the Income Tax act, 1961. Further, Company is eligible for 100% deduction under the provisions of Section 80IA against Co-generation income.

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.2,63,466.26
2. Karnataka State Co-Operative Apex Bank Limited	....	Rs. 1,785.00
3. Davangere Harihar Urban Co-op Bank Limited	....	Rs.3,25,025.12
4. Shimoga District Central Co-operative Bank Ltd	....	Rs. 36,062.50
5. The Davangere Urban Co-operative Bank Limited	....	Rs. 5,530.70

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 Lakhs per month when employed for the part of the year.

24. Remuneration to Auditors :

The Auditors remuneration is fixed at Rs.1,50,000/- 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 for 12 months period. The Executive Director of the Company has paid an amount of Rs. 1,62,000/- per month for a period of 10 months till the date of his resignation on 30.01.2018.

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 that, the Company has extended corporate guarantee against the Harvesting and Transportation (H&T) loans to Harvesting and Transportation agents to facilitate harvesting and transportation of sugarcane to the factory gate.

29. Previous year's 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

Lingaraju V
Chartered Accountant
M.No. : 218951

Place : Davangere
Date : 27-08-2018



30. CASH FLOW STATEMENT ANNEXED TO ANNUAL REPORT FOR THE YEAR ENDED ON 31.03.2018

(Rs. Lakhs)

	As at 31.03.2018	As at 31.03.2017
A Cash flow from Operating activities:		
Net profit after tax	(6,87,88,662)	(1,63,80,386)
Adjustment for provision for taxation	1,72,86,923	2,41,39,074
	(8,60,75,585)	77,58,688
Adjustment for depreciation	9,01,95,880	9,21,24,410
Operating profit before working capital adjustment	41,20,295	9,98,83,098
Adjustment for :		
Inventories	(4,95,60,345)	76,75,03,441
Sundry Debtors & trade receivables	10,11,97,178	1,99,22,922
Trade payables	(1,23,99,449)	(22,65,95,958)
Deferred Tax	1,72,86,923	2,41,39,074
Others	---	---
Net cash flow from operating activities	6,06,44,601	68,48,52,577
B Cash flow from Investing Activities :		
Sale of Fixed Assets	---	---
Purchase of Fixed Assets	---	(9,32,15,704)
From capital work in progress	5,60,98,289	---
From Investment	---	---
Net Cash flow from Investing activities	5,60,98,289	(9,32,15,704)
C Cash flow from Financing activities:		
Proceeds from share allotment	---	---
Proceeds from share premium & Capital reserve	---	---
Proceeds from working capital loan	---	---
Proceeds from Short Term Borrowings	32,90,84,866	(51,97,70,266)
Proceeds from Long Term Borrowings	(16,65,73,627)	(12,73,76,765)
Proceeds from Other Current Liabilities	(4,27,37,359)	(8,28,13,047)
Proceeds from Long Term Loans and Advances	---	---
Proceeds from Other Current Liabilities	22,67,37,818	13,41,56,541
Proceeds from Short Term Provisions	---	---
Proceeds from Short Term Loans and Advances	(44,07,58,263)	(1,30,58,143)
Proceeds from unsecured loan	---	---
Net cash flow from financing activity	(9,42,46,566)	(60,88,61,680)
Net cash used in cash & cash equivalents (A+B+C)	2,24,96,324	(1,72,24,807)
Cash & cash equivalents at the beginning of the year	3,63,52,670	5,35,77,477
Cash & cash equivalents at the end of the year	5,88,48,994	3,63,52,670

Rekha Ganesh
Director

For and on behalf of the Board of Directors

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 31.03.2018 and found the same to be in agreement therewith.

As per our Audit Report of even date annexed

Place : Davangere
Date : 27-08-2018

Lingaraju V
Chartered Accountant
M.No. : 218951



NOTE 27 : QUANTITATIVE DETAILS

		Unit	As at 31.03.2018	As at 31.03.2017	
A	Particulars of Capacity				
	i) Licenced Capacity				
	Co Gen		24.45 M W	24.45 M W	
	Sugar		4750 TCD	4750 TCD	
	ii) Installed Capacity				
	Co Gen		24.45 M W	24.45 M W	
	Sugar		4750 TCD	4750 TCD	
B	Actual Production				
	Co Gen	KWH	38888500	83878900	
	Sugar	Qtls.	180920	117780	
	Molasses	MTs.	6599	7645	
C	Details of Turnover				
	Co Gen	Quantity	KWH	29862000	71994880
		Value	Rs.	124377735	311402749
	Sugar	Quantity	Qtls.	131253	395255
		Value	Rs.	466176920	1349415826
	Molasses	Quantity	MTs.	4691.377	9799.940
		Value	Rs.	29934314	54349687
D	Opening Stock				
	Sugar (Finished Goods)	Quantity	Qtls.	52525	311760
		Value	Rs.	196968750	1061632000
	Molasses	Quantity	MTs.	6396.830	8550.770
		Value	Rs.	39918729	39935025
E	Closing Stock				
	Sugar (Finished Goods)	Quantity	Qtls.	100651	52525
		Value	Rs.	333658065	196968750
	Molasses	Quantity	MTs.	7447.450	6396.830
		Value	Rs.	35003015	39918729
F	Processing Loss	Quantity	Qtls.	...	...
G	Consumption of Raw Materials				
	i) Sugar Cane	Quantity	MTs.	141225.554	149632.717
		Value	Rs.	380037975	404370352
	ii) Non Coking Steam Coal				
	a) Imported	Quantity	MTs	21948.000	10760.000
		Value	Rs.	89826531	48735660
	b) Indigenous	Quantity	MTs	...	...
		Value	Rs.	...	...
H	Value of Stores & Spares consumed				
	Co-Gen	a) Imported	Rs.	...	...
		b) Indigenous	Rs.	2392528	15100928
	Sugar	a) Imported	Rs.	...	...
		b) Indigenous	Rs.	30479589	32769851



NOTE 28 :

Segment information for the year ended 31st March, 2018

Rs. In lakhs

	SUGAR	POWER	AVIATION	TOTAL
Primary :				
1. External revenues	4962	1244	160	6365
Total	4962	1244	160	6365
2. Segment expenses (excluding interest) :				
Cost of material consumed	5590	868	30	6488
Employees Cost	468	127	183	778
Other Expenses	500	72	99	671
Provision for Taxation / Deferred Tax Liability	173	---	---	173
Stock Adjustment	(1318)	---	---	(1318)
Total	5413	1067	312	6792
5. Segment results	(452)	176	(152)	(427)
6. Add : Un allocated revenue	1843	6	---	1849
7. Operating profit	1391	182	(152)	(427)
8. Less : Interest expenses	1374	6	1	1381
9. Total	17	177	(153)	41
10. Segment assets	11104	17862	110	29076
11. Segment liabilities	11104	17862	110	29076
12. Depreciation	840	62	---	902
13. Net cash expenses other than depreciation	6615	1073	312	8000
Profit as per Books	(823)	115	(153)	(861)

As per our Audit Report of even date annexed

For and on behalf of the Board of Directors

Lingaraju V
Chartered Accountant
M.No. : 218951

Rekha Ganesh
Director

S S Ganesh
Managing Director

Date : 27-08-2018
Place : Davangere