



# **GANGAKHED SUGAR & ENERGY LIMITED**

8<sup>th</sup> Annual Report  
2014 - 2015



## DIRECTORS' REPORT

To,  
The Members,  
**Gangakhed Sugar & Energy Limited,**

Your Directors have pleasure in presenting their Eighth Report which forms part of the annual financial statements of the company for the financial year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31<sup>st</sup> March, 2015 is summarized below:

(Rs. in Lacs)

Particulars	2014-15	2013-14
Net Sale/Revenue from operations	84207.58	61,671.98
Other Income .....(A)	1064.55	952.04
<b>Total Income</b>	<b>85272.13</b>	<b>62624.02</b>
Operating Profit	8196.43	6906.65
Interest & Finance Charges	4472.98	5423.00
Depreciation	2328.67	2215.67
Profit after depreciation and Finance Cost.....(B)	1394.78	(732.02)
Profit Before Tax .....(A)+(B)	2459.33	220.02
Tax	1478.68	(546.89)
Profit After Tax	980.65	766.91
Surplus Transfer to Balance Sheet	980.65	766.91

### Operational Review

***“Your company has achieved turnover of Rs. 84207.58 lacs during the financial year 2014-15 as against Rs. 61,671.98 lacs in the previous financial year, thereby registered a growth of 36.54% over the last year's turnover.***

For the financial year ended on 31<sup>st</sup> March 2015 the Profit before Tax is Rs. 2459.33 lacs whereas it was Rs. 220.02 lacs for the last financial year, which shows almost over Eleven Times incline.

The Profit after tax for the financial year ended on 31<sup>st</sup> March, 2015 is Rs. 980.65 lacs whereas it was Rs. 766.91 lacs during the last financial year, ***thereby registered a growth of 27.88%*** in the profitability of the Company.

### Background

Sugar is the generalized name for sweet, short-chain, soluble carbohydrates, many of which are used in food. Sugars are found in the tissues of most plants, but are present in sufficient concentrations for efficient extraction only in sugarcane and sugar beet. An expansion in the production of sugar took place in the 18th century with the establishment of sugar plantations in the West Indies and Americas. This was the first time that sugar became available to the common people, who had previously had to rely on honey to sweeten foods. Sugar has paramount importance in Indian society. It

is customary in India to taste the sweets made up of sugar on every happy moments or on festivals.

### Sugar Industry Overview

The world sugar production has been recording a surplus for the last five years and reached to all time high in the financial 2014-15 with major contribution coming from Brazil and India. Due to excess production, the international price registered a huge fall. This made the Indian sugar exports unviable with export realization far below the domestic price. The scenario in India is no different with the production outstripping demand for the fifth year in succession.

It is estimated that the sugar production in India will be around 28 million tonnes (with Maharashtra, Karnataka and Uttar Pradesh being the main contributors) in sugar season 2014 -2015 (Oct-Sep) as against the static demand of around 24.80 million tonnes, leading to a current year surplus of around 3.20 million tonnes.

Sugar production in 2014-15 sugar season till 31<sup>st</sup> March, 2015 was 247.20 lac tons, up 28.41 lac tons as compared to sugar produced during the corresponding period in 2013-14 SS. In Maharashtra, sugar mills have produced 93.64 lac tons of sugar till 31<sup>st</sup> March, 2015, as against 70.69 lac tons produced during the corresponding period last season.

### Future Prospects

#### SUGAR

The sugar industry in India has a tremendous potential for growth. This agro-based industry is a source of livelihood of 5 crore farmers and 5 lakh workers employed in the sugar mills, according to estimates of experts. India is the second top producer of sugar in the world after Brazil. The sugar industry in India is a key driver of rural development, supporting India's economic growth. It is the largest among the processing Industries and has significant contribution in the National GDP.

The Government of India takes various measures and formulates different policies to boost the development of sugar industries as well as farmers and labours associated with it. In January 2015 the central government decided to hike the FRP for sugarcane to Rs. 230/qlt for 2015/16 sugar season linked to a basic recovery of 9.5%. Further import duty on sugar has been increased from 15% to 25% in August 2014 and further to 40% from 30th April 2015.

#### DISTILLERY

The utilization of ethyl alcohol or ethanol, now popularly known as alcohol, for industrial use is a recent phenomenon and its importance came into being towards the end of the second world war. The production of alcohol did not only help in solving the problems of disposal of molasses but it also filled up the gap in the demand and supply of motor spirit. It is recommended that alcohol produced by the distilleries should be admixed with petrol, to supplement motor fuel

The ethanol is being mixed with petrol upto 20% to 25 % in Brazil and nearly 30 -40 % in USA particularly in the state of California. India therefore has to immediately look for other sources of feedstock for production of ethanol for increasing the total production and meeting the requirement of ethanol even for 5-10% blending with petrol, coupled with further increasing the availability of molasses through increase in sugar cane production and sugar mills capacity. Thus the distillery industry is destined to play a very important and vital role in the nation's economic and industrial scenario in the near future.

The distillery unit at Gangakhed Sugar & Energy Limited has an installed capacity of 60 KLPD and produces rectified spirit, extra neutral alcohol, denatured spirit and ethanol from the by-product molasses obtained from sugar production. These products finding applications in the alcohol, pharmaceutical and chemical industries further add to the company's top-line.

Central government in December 2014 approved a mechanism for ethanol blend at a fixed price band of Rs. 48.50 to Rs. 49.50 / ltr for delivery at the depots of OMCs. As a further fillip to the ethanol blending programme, the centre has also decided to totally exempt excise duty on ethanol from October 2015.

### **CO-GENERATION**

Combined Heat and Power (CHP), also known as cogeneration, is the simultaneous production of electricity and heat from a single fuel source, such as: natural gas, biomass, biogas, coal, waste heat, or oil. The sugar industries consume their own bagasse to generate power to run their plants and export the Surplus energy. Because less fuel is burned to produce each unit of energy output, CHP reduces air pollution and greenhouse gas emissions. Recently Co-generation has been emerged as alternate method of generation of electricity which has less impact on environment.

The current problems of power in the country lend further validity to cogeneration as one option that could help to quickly fill the gap between power demand and supply. Due to depleting nature of conventional reserves the necessity of renewable source and energy conservation is very much necessary to meet energy demand. Cogeneration emerges as a promising method of energy conservation and bagasse as a renewable energy source.

### **DIVIDEND**

In view of growth and expansion prospects, your Board of Directors has decided to plough back the profits of the company, thus has not recommended dividend for the financial year ended on 31<sup>st</sup> March, 2015.

### **PUBLIC DEPOSITS**

The Company has not accepted any deposits during the financial year ended on 31<sup>st</sup> March, 2015.

There is no deposit remained unpaid/unclaimed at the end of the financial year.

### **DIRECTORS**

Mr. Ravikant S. Bohra (DIN: 02620221) and Mr. Mandar M. Tambe (DIN:00192499) were appointed as Independent Directors of the Company with effect from March 19, 2015. The Board seeks confirmation by the members for these appointments at the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013 Mr. Sunil R. Gutte (DIN:00165822) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for reappointment. The Board of Directors recommends his reappointment by the members at the ensuing annual general meeting.

### **AUDIT COMMITTEE**

Pursuant to Section 177 of the Companies Act, the Board has constituted Audit Committee. The Committee comprises of three directors. As required under the Act majority of members of Audit Committee are Independent Directors.

#### **Composition of Audit Committee**

Sr. No.	Name of Member	Category
1.	Mr. Ravikant S. Bohra	Chairman
2.	Mr. Ratnakar M. Gutte	Member
3.	Mr. Mandar M. Tambe	Member

The role of audit committee includes the following.

- 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;
- to do any other act as may be required under the provisions of Act.

### **STAKEHOLDER RELATIONSHIP COMMITTEE**

Pursuant to Section 178(5) of the Companies Act, the Board has constituted Stakeholder Relationship Committee who shall consider and resolve the grievances of security holders of the Company.

#### **Composition of Stakeholder Relationship Committee**

Sr. No.	Name of Member	Category
1.	Mr. Radheshyam R. Tiwari	Chairman
2.	Mr. Sunil R. Gutte	Member
3.	Mrs. Sudhamati R. Gutte	Member

### **NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178 (1) Companies Act, 2013 which comprises of three Non-Executive Directors including two independent directors.

**Composition of Nomination and Remuneration Committee**

Sr. No.	Name of Member	Category
1.	Mr. Radheshyam R. Tiwari	Chairman
2.	Mr. Ravikant S. Bohra	Member
3.	Mr. Mandar M. Tambe	Member

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Company's Policy on Directors Appointment and Remuneration****Appointment of Directors****Appointment Policy**

- a. The Nomination and Remuneration Committee (Committee) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.
- b. A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**Criteria for selection of Director**

- a) Directors would be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- b) In case of appointment of independent directors, the Committee will satisfy itself with regard to the independent nature of the directors vis-à-vis the Company conforming in entirety to the conditions specified under Section 149 of the Act read with Schedule IV thereto and the Rules made thereunder and the Listing Agreement.
- c) The Committee will ensure that the candidate identified

for appointment as a director is not disqualified in any manner under Section 164 of the Act.

- d) In the case of reappointment of non-independent directors, the Board will take into consideration the performance evaluation of the director and his engagement level.

**DIRECTORS' REMUNERATION****Remuneration policy****1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2. Remuneration to Non- Executive / Independent Director:**

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as maybe recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i. The Services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3. Remuneration to Key Managerial Personnel and Senior Management:**

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to provisions of Section 135 of the Companies Act, 2013 the Board has constituted Corporate Social Responsibility Committee (CSR Committee) which consists of three directors out of which one is Independent Director.

**Composition of Corporate Social Responsibility Committee**

Sr. No.	Name of Member	Category
1.	Mr. Ravikant S. Bohra	Chairman
2.	Mr. Ratnakar M. Gutte	Member
3.	Mr. Sunil R. Gutte	Member

The Committee has developed a CSR Policy and uploaded on the website of the Company at [www.gangakhedicpp.com](http://www.gangakhedicpp.com). CSR reporting required under Companies (Corporate Social Responsibility Policy) Rules, 2014 enclosed as a part of this report in Annexure-A.

Brief outline of Company's CSR policy

**1. Skill Development for sustainable income generation & Livelihood**

- a. Skill development training for unemployed youth for better employability & to promote self-employment.
- b. Vocational/ technical/professional training for youth for ultimate support to the projects for hiring skilled youth.
- c. Promote enterprise development.
- d. Promote self-help groups.

**2. Literacy / Education**

- a. Construction/repair of school buildings & facilities including boundary walls, separate toilets for boys & girls and provision of drinking water.
- b. Provision of uniforms, books, stationery, computer & Laboratory equipment etc., to schools.
- c. Scholarships/fellowships to deserving students to encourage education.
- d. Promotion of adult education with focus on women's education etc.
- e. Reducing the drop-out rate of students & absenteeism through counseling & other means.
- f. Promote computer literacy and technology assisted learning.
- g. To set up/ promote higher education through special coaching/inputs to bridge the gap.
- h. To promote Technical/ professional/ medical education by giving financial assistance / opening institutions through Organizations/ infrastructural support.

**3. Safe Drinking Water /Health care & Sanitation**

- a. Provide safe drinking water by sinking bore wells, tube wells, establishment of water treatment plants etc.
- b. Preventive and promote health care through mobile medical vans etc.,
- c. Nutritional supplements to lactating mothers, children, adolescent girls and pregnant women.
- d. Health awareness campaigns on serious/chronic diseases.
- e. OP/IP treatment including operations at project hospitals.
- f. Organising periodic health camps.
- g. Offering specialized support services to the physically handicapped and mentally challenged people.
- h. Veterinary medical support.
- i. Promotion of sanitation through proper drainage system and construction of toilets.
- j. Assistance for establishment of Hospitals/Medical Colleges etc.

**4. Agriculture & Infrastructure Development**

- a. To promote water shed development /water harvesting water conservation measures.
- b. Development of roads, bridges, markets, transport facilities, community welfare centres beautification of towns, cities, other civic amenities etc.

- c. Promote use of non-conventional energy.
- d. Electrification of Public buildings in villages.

**5. Women empowerment:-**

- a. Creation of primary group of women producer.
- b. Federation of women producer groups and facilitation of its financial linkages.
- c. Facilitation of new agri technology and other resources to improve per hectare production especially to women farmers.
- d. Literacy and training programs for women farmers to ensure they inculcate basis business traits.
- e. Health check up camps for women and children.

**6. Environment and sustainability:-**

- a. Plantation drives around within and outside the factory area.
- b. Training program for CBO's to improve energy conservations and increasing dependency upon secondary energy resources.

**VIGIL MECHANISM**

In pursuance to provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Policy on Vigil Mechanism has been uploaded on the website of the Company at [www.gangakhediccpg.com](http://www.gangakhediccpg.com).

**ANTI-SEXUAL HARASSMENT POLICY**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint on sexual harassment was received during the FY 2014-15.

**KEY MANAGERIAL PERSONNEL**

During the year Mr. Tulshiram S. Bhalerao ceased to be the Manager of the Company w.e.f. 1<sup>st</sup> June, 2014 and Mr. Ajinkya R. Bannore ceased to be Company Secretary of the Company w.e.f. 14.08.2015.

During the year Mr. Rajendra D. Dongare has been appointed as a Chief Executive Officer and Mr. Dattatray R. Gaikwad has been appointed as a Chief Financial Officer of the Company w.e.f. 02.06.2014. Mr. Ashish V. Sharma (Mem. No. ACS36098) has been appointed as Company Secretary of the Company w.e.f. 01.09.2014.

**INDEPENDENT DIRECTORS**

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

**TRAINING OF INDEPENDENT DIRECTORS**

Whenever new non-executive and independent directors are inducted in the Board they are introduced to our company culture through appropriate orientation session and they are also introduced to our organization structure, our business constitution, board procedures, our major risks and management strategy. They are provided with Company brochures, annual reports, company booklets, etc.

**FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The evaluation was done on parameters such attendance at board meetings and general meetings, level of active participation in the board deliberations, contribution and independence of judgment thereby safeguarding the interest of the Company. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**NUMBER OF BOARD MEETINGS HELD:**

The Board of Directors duly met 11 times during the financial year from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015. The dates on which the meetings were held are as follows:

2<sup>nd</sup> May, 2014; 9<sup>th</sup> May, 2014; 2<sup>nd</sup> June, 2014; 7<sup>th</sup> August, 2014; 1<sup>st</sup> September, 2014; 17<sup>th</sup> October, 2014; 25<sup>th</sup> November, 2014; 30<sup>th</sup> December 2014; 27<sup>th</sup> January, 2015; 20<sup>th</sup> February, 2015 and 19<sup>th</sup> March, 2015.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company had laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company periodically submits the Risk Management Review Report to the Board for the review and suggestions.

The Board being responsible for framing, implementing and monitoring the risk management plan for the company has laid down the framework for risk assessment and mitigation procedures. It has set out detailed framework to deal with key areas of risks encompassing raw material risk, product price risk, regulatory risk, finance risk and risk specific to the company. It has put in place adequate system to keep its key operating team aware and beware of the likely risk factors. Internal control systems and internal audit checks help the company continuously monitor emerging risks and take timely corrective action.

## RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act 2013, directors of your Company hereby state and confirm that:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year 2014-15 and of the Profit of the Company.
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts of the Company on a going concern basis.
- v) They have laid down internal financial controls in the Company that are adequate and were operating effectively.
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating efficiently.

## AUDITORS

### a. Statutory auditors

The Statutory auditors of the company M/s. K.K Mankeshwar & Co., Chartered Accountants(ICAI FRN 106009W) shall retire at the ensuing annual general meeting and being eligible offers themselves for re-appointment.

### b. Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder the Board has appointed M/s Manish Pande & Co., Company Secretaries (ICSI Mem. No. 5004) as Secretarial Auditor of the Company to conduct the secretarial audit of the company for the Financial Year 2014-15.

Secretarial audit report for the F.Y. 2014-15 as required by Section 204(1) of the Companies Act, 2013 is attached as per Annexure-B.

### c. Cost Auditors

The Board has appointed M/s. N. D. Chavan & Company, Cost Accountants (ICWAI Mem. No. 10144) to conduct audit of cost records of the company for Financial Year 2014-15.

### d. Internal Auditor

M/s S.S. Shinde & Associates, Chartered Accounts has been appointed as Internal Auditor of the Company for Financial Year 2014-15 and their report is reviewed by Audit Committee from time to time.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are set out below;

### (A) Conservation of energy-

#### (i) the steps taken or impact on conservation of energy;

- Usage of second body evaporator condensate for superheated wash system.
- Raw juice heating using vapour condensate on plate type heat exchanger.
- Vapour line juice heater for raw juice heating on pan body vapours.
- Mechanical circulators for 'A' Batch pans to reduce steam consumption.

#### Proposals under consideration

- Considering energy audit throughout the plant.
- Two- stage rotary screening of juice, SRTC & Decanter to improve ISUMSA.

#### Impact of above measures:-

- Power:- 500 units per hour
- Steam:- 4 % on cane

#### (ii) the steps taken by the company for utilizing alternate sources of energy;

The company primarily uses bagasse and other available bio-fuel and produces green power, for captive consumption and surplus power is supplied to external customers.

#### (iii) the capital investment on energy conservation equipments;

No new investment on energy conservation of equipments has been made by the Company during the current financial year.

### (B) Technology absorption-

- i) the efforts made towards technology absorption;



- DCH for sulphur & clear juice heating to reduce steam consumption.
  - Atomization of condensers.
  - Low temperature difference Evaporative module (Heating surface – 12000 M<sup>2</sup>) to be installed to achieve addition of steam saving (10 % on cane).
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- Due to Distributed Control System (DCS)
    - a) smooth operation of plant
    - b) power saving & ultimately more power exporting
  - Due to Direct Contact Heater (DCH) Steam saving encouraged.
  - Low Temperature Difference Evaporation Module (LTDEM) caused Steam saving & ultimately power generation & export
  - Due to Fluidize Bed Dryer (FBD) –
    - a) Reduction in moisture of sugar
    - b) power saving
    - c) quality sugar production
  - Short Retention Time Clarifier (SRTC) caused Clarification of juice to improve colour of sugar in terms of ICUMSA

- Decanter - a) Bagasse saving b) Reduction in sugar loss

(iv) imported technology- Nil

(v) the expenditure incurred on Research and Development- Nil

**(C) Foreign exchange earnings and Outgo-**

The Company has following earnings and Outgoing foreign currency during the Financial Year 2014-15. The rupee equivalent of that amount has been given hereunder.

Particulars	Rs. in Lacs
Total Outgo	5.62
Total Earning	0.00

**ACKNOWLEDGEMENT**

The Directors of your Company express their gratitude for the valuable support extended by shareholders, employees, customers, bankers and other persons associated with your Company. With the whole hearted support of the Shareholders, Employees, Customers, Bankers and all other persons concerned, your company will reach the new limits of success and growth.

By the order of the Board

For **Gangakhed Sugar & Energy Limited**

Ratnakar M. Gutte  
**Director**

Sunil R. Gutte  
**Director**

Place: Nagpur

Date: May 14, 2015

## ANNEXURE-A

## Corporate Social Responsibility

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section Corporate Social Responsibility above
2.	The Composition of the CSR Committee	Mr. Ratnakar M. Gutte, Mr. Sunil R. Gutte and Mr. Ravikant S. Bohra
3.	Average net profit of the company for last three financial years (Rs. in Lacs)	597.24
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (Rs. in Lacs)	11.94
5.	Details of CSR spent during the financial year 2014-15	
a)	Total amount to be spent for the financial year 2014-15 (Rs. in Lacs)	16.36
b)	Amount unspent, if any	Nil
c)	Manner in which the amount spent during the financial year is detailed below:	

Sl. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs. in Lacs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs. in Lacs.)	Cumulative Expenditure upto the reporting period i.e. FY 2014- 2015 (Rs. in Lacs)	Amount Spent Direct or through implementing Agency
1.	Safe Drinking Water /Health care & Sanitation	Clause I	Gangakhed Dist. Parbhani Maharashtra	4.35	4.35	16.36	Direct
2.	Agriculture & Infrastructure Development	Clause X	Gangakhed Dist. Parbhani Maharashtra	7.89	7.89		Direct
3.	Environment and sustainability	Clause IV	Gangakhed Dist. Parbhani Maharashtra	3.89	3.89		Direct
				<b>16.36</b>	<b>16.36</b>	<b>16.36</b>	

**Ratnakar M. Gutte**  
Director

**Ravikant S. Bohra**  
Chairman, CSR Committee

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED AS ON 31/03/2015

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

To,  
The Members,  
**Gangakhed Sugar & Energy Limited,**  
**CIN: U15421MH2007PLC174599**

Vijay Nagar, Kodri Road,  
Makhani, Gangakhed,  
Maharashtra-431514

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gangakhed Sugar & Energy Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Gangakhed Sugar & Energy Limited** ("The Company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:
  - The Companies Act, 2013 (**the Act**) and the Rules made there under;
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - The Company being an unlisted Company during the year under Secretarial Audit, the various Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.
  - Other laws applicable as per the representations made by the management such as :
    - Income Tax Act, 1961
    - VAT Laws
    - Central Excise Act, 1944
    - Professional Tax, 1975
    - Central Sales Tax Laws
    - Factories Act, 1948
    - The Payment of Wages Act, 1936
    - The Minimum Wages Act, 1948
    - Employees Provident Fund and Misc. Provisions Act, 1952
    - Industrial Disputes Act, 1947
    - The Payment of Bonus Act, 1965
    - The Maternity Benefits Act, 1961
    - The Apprentices Act, 1961
    - The Indian Stamp Act, 1999

The Negotiable Instrument Act, 1881  
 The Environment (Protection) Act, 1986  
 The Water (Prevention & Control of Pollution) Act, 1974  
 The Air (Prevention & Control of Pollution) Act, 1981  
 The Indian Boilers Act, 1923

2. In view of Secretarial Standards issued by The Institute of Company Secretaries of India and the Company being unlisted during the year under consideration, the compliance under :
  - i) Secretarial Standards issued by The Institute of Company Secretaries of India
  - ii) The Listing Agreements are not applicable.
3. As per the explanations and representations received from the Management of the Company, the Company during the period under review has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
  - a) The Company has maintained all the statutory registers and documents and have made all the necessary entries therein.
  - b) The company did not close its Register of Members during the reporting period.
  - c) The forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government have been duly filed. *However there has been a delay in filing certain forms and resolutions.*
  - d) The provisions with regard to service of documents by the Company on its Members, Auditors and the Registrar of Companies have been duly complied with.
  - e) The notices of Board meetings and Committee meetings of Directors have been served appropriately.
  - f) The Company has complied with the provisions related to the Board of Directors Meeting during the year. The Audit Committee Meetings, Corporate Social Responsibility Committee Meeting and Nomination and Remuneration Committee Meetings have been duly held.
  - g) The 7<sup>th</sup> Annual General Meeting of the Company was duly held on 29<sup>th</sup> September, 2014 for the financial year ending 31/03/2014.
  - h) The approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, have been taken, wherever required.
  - i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - j) The Company by far is not in practice of payment of remuneration to its Directors including the Managing Director and Whole-time Directors and thus, the provisions thereof do not apply.
  - k) The Company has complied with the provisions with regard to appointment and remuneration of Statutory Auditors.
  - l) There has been no transfer and transmission of the Company's shares during the year.
  - m) The Company has no provision for declaration and payment of dividend.
  - n) The Company has established a Vigil Mechanism and provides to complainants, if any, unhindered access to the Chairman of the Audit Committee.
  - o) The Company has complied with the provisions with regard to borrowings and registration, modification and satisfaction of charges wherever applicable.
  - p) The Company has complied with the provisions with regard to investment of the Company's funds including investments and loans to others.
  - q) During the period under review, the Company has obtained approval of the members under Section 188 of the Companies Act, 2013 by way of special resolution for entering into related party transactions.
  - r) The Company has complied with the provisions of the Act with regard to form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act.
  - s) The Company has complied with the provisions with regard to report of the Board of Directors for the financial year ended 31/03/2014.
  - t) The Company has complied with the provisions with regard to contracts, common seal, registered office and publication of name of the Company; and

- u) Generally, the Company has complied with the provisions with regard to all other applicable provisions of the Act and the Rules made under the Act.
  - v) The Company has undertaken and spent the amount as prescribed under Section 135 of the Companies Act, 2013 and the rules framed there under, relating to Corporate Social Responsibility.
4. We further report that:
- a) As informed by the management of the Company, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - b) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
  - c) The Company has obtained all necessary approvals under the various provisions of the Act.
  - d) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SCRA, Depositories Act, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - e) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, they being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the bye laws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities.
6. We further report that the Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable.
7. We further report that:
- a) The Company has complied with the provisions of Income Tax Act, 1961 and Professional Tax.
  - b) The Company has complied with the provisions of Central Sales Tax Laws and Value Added Tax Laws.
  - c) The Company has complied with the provisions of Indian Boilers Act, 1923.
8. We further report that:
- a) The Company has complied with all the provisions of The Factories Act, 1948, The Industrial Disputes Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Employees' Compensation Act, 1923, The Industrial Employment (Standing Orders) Act, 1946, The Apprentices Act, 1961, The Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
  - b) The Company has complied with Environment (Protection) Act, 1986, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981.
9. We further report that:
- a) Based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
  - b) The Company has complied with all the other laws specifically applicable to the Company.

For **MANISH PANDE & CO.**

**Manish Pande**  
**Membership No. 5004**  
**C.P. No. 3424**

Place: Nagpur

Date: 12/05/2015

This report is to be read with our letter of even date which is annexed as '**ANNEXURE I**' and forms an integral part of this report.

To,  
The Members,  
**Gangakhed Sugar & Energy Limited,**  
**CIN: U15421MH2007PLC174599**

Vijay Nagar, Kodri Road,  
Makhani, Gangakhed,  
Maharashtra-431514

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MANISH PANDE & CO.**

**Manish Pande**  
**Membership No. 5004**  
**C.P. No. 3424**

Place: Nagpur  
Date: 12/05/2015

## ANNEXURE-C

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2015

[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	U15421MH2007PLC174599
ii.	Registration Date	28.09.2007
iii.	Name of the Company	Gangakhed Sugar & Energy Limited
iv.	Category / Sub-Category of the Company	Public Limited Company- Limited by shares
v.	Address of the Registered office and contact details	Vijay Nagar, Kodri Road, Makhani, Gangakhed, Dist. Parbhani-431514 Tel: 02453-261001 E-mail: info@gangakhedicpp.com
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel.:022-40430200 Email: info@bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	10721	89.19%

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

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Gangakhed Solar Power Private Limited.	U40300MH2013PTC242315	Subsidiary	99.99	2(87)(ii)
2	Linus Trade Hong King Limited	-	Subsidiary	100	2(87)(ii)

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/ HUF	40010000	0	40010000	57.51	40010000	0	40010000	57.51	0.00
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	24836000	40000	24876000	35.75	24836000	40000	24876000	35.75	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>64846000</b>	<b>40000</b>	<b>64886000</b>	<b>93.26</b>	<b>64846000</b>	<b>40000</b>	<b>64886000</b>	<b>93.26</b>	<b>0.00</b>

**GANGAKHED SUGAR & ENERGY LIMITED**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>64886000</b>	<b>0</b>	<b>64886000</b>	<b>93.26</b>	<b>64886000</b>	<b>0</b>	<b>64886000</b>	<b>93.26</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	3500000	3500000	5.03	0	3500000	3500000	5.03	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	0	1188188	1188188	1.71	0	1188188	1188188	1.71	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others	0	0	0	0.00	0	0	0	0.00	0.00
i) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
ii) Clearing Member	0	0	0	0.00	0	0	0	0.00	0.00
iii) Directors/Relatives	0	0	0	0.00	0	0	0	0.00	0.00
iii) NRI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>4688188</b>	<b>4688188</b>	<b>6.74</b>	<b>0</b>	<b>4688188</b>	<b>4688188</b>	<b>6.74</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>4688188</b>	<b>4688188</b>	<b>6.74</b>	<b>0</b>	<b>4688188</b>	<b>4688188</b>	<b>6.74</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>64846000</b>	<b>4728188</b>	<b>69574188</b>	<b>100.00</b>	<b>64846000</b>	<b>4718188</b>	<b>69574188</b>	<b>100.00</b>	<b>0.00</b>



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ratnakar Manikrao Gutte	8002500	11.50	10.06	8002500	11.50	10.06	0.00
2	Sudhamati Ratnakar Gutte	8002500	11.50	10.06	8002500	11.50	10.06	0.00
3	Sunil Ratnakar Gutte	8002500	11.50	10.06	8002500	11.50	10.06	0.00
4	Vijay Ratnakar Gutte	8002500	11.50	10.06	8002500	11.50	10.06	0.00
5	Swati R. Gutte	8000000	11.498	0	8000000	11.498	0	0.00
6	Sunil Hitech Engineers Limited	19500000	28.03	28.03	19500000	28.03	28.03	0.00
7	Seam Industries Limited	40000	0.06	0	40000	0.06	0	0.00
8	Kundan Goods Private Limited	5336000	7.67	6.08	5336000	7.67	6.08	0.00
	<b>Total</b>	<b>64886000</b>	<b>93.26</b>	<b>74.35</b>	<b>64886000</b>	<b>93.26</b>	<b>74.35</b>	<b>0.00</b>

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					
1	Ratnakar M. Gutte	8002500	11.50	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	8002500	11.50	31.03.2015			-	-
2	Sunil R. Gutte	8002500	11.50	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	8002500	11.50	31.03.2015	-		-	-
3	Sudhamati R. Gutte	8002500	11.50	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	8002500	11.50	31.03.2015	-		-	-
4	Vijay R. Gutte	8002500	11.50	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	8002500	11.50	31.03.2015	-		-	-
5	Swati R. Gutte	8000000	11.498	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	8000000	11.498	31.03.2015	-		-	-
6	Sunil Hitech Engineers Limited	19500000	28.03	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	19500000	28.03	31.03.2015	-		-	-
7	Seam Industries Limited	40000	0.06	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	40000	0.06	31.03.2015	-		-	-
8	Kundan Goods Private Limited	5336000	7.67	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	5336000	7.67	31.03.2015	-		-	-

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					
1	Jaypee Development Corporation Limited	3500000	5.03	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	3500000	5.03	31.03.2015	-		-	-
2	Abhay Kumar	16667	0.024	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	16667	0.024	31.03.2015	-		-	-
3	Alok Ranjan	10000	0.014	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	10000	0.014	31.03.2015	-		-	-
4	Anurag Prasad	7000	0.0101	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	7000	0.0101	31.03.2015	-		-	-
5	Sanjay Kumar Jha	1000	0.0014	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	1000	0.0014	31.03.2015	-		-	-
6	Jayram Vitthal Fadtare	1000	0.0014	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	1000	0.0014	31.03.2015	-		-	-
7	Kumar Purushottam	833	0.0012	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	833	0.0012	31.03.2015	-		-	-
8	Abasaheb Maganrao Gaikwad	500	0.0007	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	500	0.0007	31.03.2015	-		-	-
9	Anant Shankarrao Deshmukh	500	0.0007	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	500	0.0007	31.03.2015	-		-	-
10	Shilesh Manikrao Garkal	500	0.0007	01.04.2014	-	Nil movement during the year	-	-
	At the end of year	500	0.0007	31.03.2015	-		-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ratnakar M. Gutte, Chairman	8002500	11.50	01.04.2014	0	Nil movement during the year		
		8002500	11.50	31.03.2015				
2	Sudhamati R. Gutte Director	8002500	11.50	01.04.2014	0	Nil movement during the year		
		8002500	11.50	31.03.2015				
3	Sunil R. Gutte Director	8002500	11.50	01.04.2014	0	Nil movement during the year		
		8002500	11.50	31.03.2015				
4	Radheshyam R. Tiwari Director	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				
5	Ravikant S. Bohra Director	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				
6	Mandar M. Tambe Director	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				
7	Rajendra D. Dongare CEO	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				
8	Dattatray R. Gaikwad CFO	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				
9	Ashish V. Sharma Company Secretary	0	0	01.04.2014	0	Nil movement during the year		
		0	0	31.03.2015				

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

(Rs. In lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	38933.76	0	0	38933.76
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	361.80	0	0	361.80
<b>Total (i+ii+iii)</b>	39295.56	0	0	39295.56
<b>Change in Indebtedness during the financial year</b>				
- Addition	0	0	0	0
- Reduction	1061.24	0	0	1061.24
<b>Net Change</b>	(1061.24)	0	0	(1061.24)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	38191.21	0	0	38191.21
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	43.11	0	0	43.11
<b>Total (i+ii+iii)</b>	38234.32	0	0	38234.32

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		*Tulshiram S. Bhalerao	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.8	1.8
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others		
5	Others	0	0
	<b>Total (A)</b>	1.8	1.8
	<b>Ceiling as per the Act</b>		<b>270.53</b>

\*Note:

1) Mr. Tushiram S. Bhalerao ceased to be Manager of the Company w.e.f. 01.09.2014.

## B. Remuneration to other Directors

## 1. Non-Executive Directors

(Rs. In lacs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Ratnakar M. Gutte	Sunil R. Gutte	Sudhamati R. Gutte	Radheshyam R. Tiwari	Ravikant S. Bohra	Mandar M. Tambe	
1	<b>Independent Directors</b>					0	0	0
	• Fee for attending board / committee meetings	-	-	-	-	0	0	0
	• Commission	-	-	-	-	0	0	0
	• Others	-	-	-	-	0	0	0
	<b>Total (1)</b>	-	-	-	-	0	0	0
2	<b>OtherNon-Executive Directors</b>							
	• Fee for attending board / committee meetings	0	0	0	0	-	-	-
	• Commission	0	0	0	0	-	-	-
	• Others	0	0	0	0	-	-	-
	<b>Total (2)</b>	0	0	0	0	-	-	-
	Total B= (1)+(2)	0	0	0	0	0	0	0
	<b>Total Managerial Remuneration</b>	0	0	0	0	0	0	<b>1.8</b>
	<b>Overall Ceiling as per the Act</b>							<b>270.53</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD****(Rs. In lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Rajendra D. Dongare (CEO)	Ashish V. Sharma (Company Secretary)	Dattatray R. Gaikwad (CFO)	Ajinkya R. Bannore (Company Secretary)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.94	1.46	4.52	0.67	14.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	0	0	0	0	0
	- others	0	0	0	0	0
5	Others	0	0	0	0	0
	<b>Total</b>	<b>7.94</b>	<b>1.46</b>	<b>4.52</b>	<b>0.67</b>	<b>14.59</b>

**Note:**

- 1) Mr. Rajendra D. Dongare has been appointed as CEO w.e.f. 02.06.2014
- 2) Mr. Dattatray R. Gaikwad has been appointed as CFO w.e.f. 02.06.2014
- 3) Mr. Ashish V. Sharma has been appointed as Company Secretary w.e.f. 01.09.2014
- 4) Mr. Ajinkya R. Bannore has ceased to be Company Secretary w.e.f. 02.06.2014

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

## **INDEPENDENT AUDITOR'S REPORT**

**To,  
The Members of Gangakhed Sugar & Energy Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of Gangakhed Sugar and Energy Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

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 judgement, 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 controls 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 whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date.

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

As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Abhay Upadhye**

*Partner*

Membership No. 049354

For and on Behalf of

**K. K. Mankeshwar & Co.**

*Chartered Accountants*

FRN: 106009W

Nagpur, dated the,

14<sup>th</sup> August, 2015

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

The annexure referred to in our independent auditor's report to the members of Gangakhed Sugar and Energy Limited ("the Company"), on the Financial Statements for the year ended 31<sup>st</sup> March 2015, we report that:

- i. In respect of Fixed Assets:
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) Fixed assets disposed off during the year were not substantial, and therefore do not affect the going concern assumption.
  - c) *The fixed assets were not physically verified during the year by the management of the company.*
- ii. In respect on Inventories:
  - a) The inventories (excluding stocks with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
  - b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company is maintaining proper records of inventory. There were no material discrepancies noticed on verification between the physical stocks as compared to the book records.
- iii. In respect of loans, secured or unsecured, the company has not granted any loans to Companies, Firms or other parties covered in the registers maintained under section 189 of the Companies Act, 2013
- iv. In our opinion, the Company has an adequate internal control system, which is commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Also, there is no major weakness in internal control system.
- v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore the said clause is not applicable to the company.
- vi. We have broadly reviewed the books and records maintained by the Company relating to the products of the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, cess, value added tax and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31<sup>st</sup> March 2015 for a period more than six months from the date of becoming payable.
  - b) The disputed statutory dues pending to be deposited as on 31<sup>st</sup> March 2015 in respect of Central Excise Duty is as under:

Name of statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise & Tariff Act, 1985	Excise Duty	8,86,194	Sep-10	Commissioner of Appeals, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	19,00,800	Nov-10 to Dec-10	CESTAT Mumbai
Central Excise & Tariff Act, 1985	Excise Duty	1,31,29,410	Jan-11 to Oct-11	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	43,45,567	Mar-11	Addl. Commissioner, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	1,01,56,830	Nov-11 to Mar-12	Commissioner of Central Excise, Aurangabad



Name of statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise & Tariff Act, 1985	Excise Duty	53,442	FY 2011-12 To Dec-2012	Commissioner of Central Excise, Nagpur
Central Excise & Tariff Act, 1985	Excise Duty	62,26,350	Apr-12 to Sep-12	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	1,87,22,310	Oct-12 to Sep-13	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	2,71,527	Aug-10 to Nov-12	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	1,289	Aug-10 to Nov-12	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	26,846	Jan-13 to Mar-13	Commissioner of Central Excise, Nagpur
Central Excise & Tariff Act, 1985	Excise Duty	88,45,219	Jul-12 to Dec-12	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	8,16,653	Aug-10 to Nov-12	Addl. Commissioner, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	14,000	2009-10 to 2013-14	Superintendent Range II, Parbhani
Central Excise & Tariff Act, 1985	Excise Duty	1,89,84,960	Oct-13 to Mar-14	Commissioner of Central Excise, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	2,23,342	Aug-10 to Nov-12	Addl. Commissioner, Aurangabad
Central Excise & Tariff Act, 1985	Excise Duty	4,25,139	Aug-10 to Nov-12	Addl. Commissioner, Aurangabad
<b>TOTAL</b>		<b>8,27,91,856</b>		

- c) There is no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013.
- viii. The Company has no accumulated losses as on 31<sup>st</sup> March 2015, and it has not incurred any cash losses for the current financial year ended on or in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- x. The Company has given guarantees to banks for loans taken by farmers and the terms and conditions for the same are not prejudicial to the interests of the company.
- xi. The term loans taken and/or utilised during the year have been applied for the purpose for which they were obtained.
- xii. In accordance with the Generally Accepted Accounting Practices in India, and in accordance to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**Abhay Upadhye**

*Partner*

Membership No. 049354

For and on Behalf of

**K. K. Mankeshwar & Co.**

*Chartered Accountants*

FRN: 106009W

Nagpur, dated the,

14<sup>th</sup> August, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Figures in Rs. Lakhs)

Particulars		Note No.	As on 31st March 2015	As on 31st March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share capital	1	6,957.42	6,957.42
	(b) Reserves & surplus	2	6,380.57	5,399.92
<b>2</b>	<b>NON-CURRENT LIABILITIES</b>			
	(a) Long-term borrowings	3	17,435.00	19,492.46
	(b) Deferred tax liabilities (Net)	4	1,384.25	427.77
	(c) Other Long term liabilities	5	19,505.59	17,136.39
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(a) Short-term borrowings	6	20,756.21	19,441.30
	(b) Trade payables	7	4,344.17	4,125.32
	(c) Other current liabilities	8	9,630.26	6,171.11
	(d) Short-term provisions	9	64.70	4.30
	<b>TOTAL</b>		<b>86,458.17</b>	<b>79,155.99</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
<b>1</b>	<b>1 (a) Fixed assets</b>			
	(i) Tangible assets	10	38,891.48	40,464.17
	(ii) Intangible assets	10	0.02	4.64
	(iii) Capital work-in-progress	10	1,431.50	903.42
	(b) Non-current investments	11	245.38	242.45
	(c) Long-term loans and advances	12	2,165.71	1,614.44
<b>2</b>	<b>2 CURRENT ASSETS</b>			
	(a) Inventories	13	22,991.09	19,045.38
	(b) Trade receivables	14	7,138.57	7,339.14
	(c) Cash and cash equivalents	15	6,418.69	5,594.11
	(d) Short-term loans and advances	16	7,175.73	3,948.24
	Contingent Liabilities and Commitments	17		
	Significant Accounting Policies	A		
	<b>TOTAL</b>		<b>86,458.17</b>	<b>79,155.99</b>

As per our Report attached

**Abhay Upadhye**  
*Partner*  
 Membership No. 049354

**Ratnakar M. Gutte**  
**Director**

**Sunil R. Gutte**  
**Director**

For and on behalf of  
**K.K.Mankeshwar & Co.**  
*Chartered Accountants*  
 Firm Registration No: 106009W

**Nagpur, dated the,**  
 14th May, 2015

**Ashish V. Sharma**  
**Company Secretary**

**Dattatray R. Gaikwad**  
**Chief Financial Officer**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

(Figures in Rs. Lakhs)

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I. Revenue	18		
Sales		84,451.43	62,236.88
Less: Excise duty		(814.48)	(933.35)
Net revenue from operations		83,636.95	61,303.53
II Sales Tax refund (Mega project benefit)		570.63	368.45
Total revenue from operations		<b>84,207.58</b>	61,671.98
III Other income	19	1,064.55	952.04
<b>IV. Total Revenue</b>		<b>85,272.13</b>	<b>62,624.02</b>
V. Expenses:			
Cost of materials consumed	20	23,475.18	14,735.17
Purchase of Stock in trade		50,065.69	26,979.53
Changes in Inventories of Finished Goods, work in progress and stock in trade	21	(2,885.04)	10,029.94
Employee benefits expense	22	1,097.89	1,089.45
Finance costs	23	4,472.98	5,423.00
Depreciation	10	2,328.67	2,215.67
Other expenses	24	4,257.43	1,931.24
<b>Total expenses</b>		<b>82,812.80</b>	<b>62,404.00</b>
<b>VI. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,459.33</b>	<b>220.02</b>
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>2,459.33</b>	<b>220.02</b>
<b>VIII. Profit before tax</b>		<b>2,459.33</b>	<b>220.02</b>
IX. Current Tax expenses			
(1) Minimum Alternate Tax		522.20	46.11
(2) Deferred tax		956.48	(593.00)
<b>X. Profit (Loss) for the year</b>		<b>980.65</b>	<b>766.91</b>
XI. Earnings per equity share:			
(1) Basic	25	1.41	1.10
(2) Diluted		1.41	1.10

As per our Report attached

**Abhay Upadhye**  
*Partner*  
 Membership No. 049354

**Ratnakar M. Gutte**  
**Director**

**Sunil R. Gutte**  
**Director**

For and on behalf of  
**K.K.Mankeshwar & Co.**  
*Chartered Accountants*  
 Firm Registration No: 106009W

**Nagpur, dated the,**  
 14th May, 2015

**Ashish V. Sharma**  
**Company Secretary**

**Dattatray R. Gaikwad**  
**Chief Financial Officer**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

(Figures in Rs. Lakhs)

Sr. No	PARTICULARS	For the year ended 31st March 2015 Amount	For the year ended 31st March 2014 Amount
<b>A</b>	<b><u>Cash flow from Operating activities</u></b>		
	(a) Net Profit from operating activities before exceptional items, taxes and appropriations	2,459.33	220.02
	Adjustments:		
	Depreciation	2,328.67	2,215.67
	Interest and Finance costs (net)	4,472.98	5,423.00
	<b><u>(b) Working capital changes:</u></b>		
	- Increase in inventories	(3,945.71)	8,305.74
	- Decrease in trade receivables	200.57	(2,565.58)
	- Increase in short-term loans and advances	(3,227.49)	(2,245.13)
	- Increase in short term borrowings	1,314.91	1,054.03
	- Increase in trade payables	218.85	(382.57)
	- Increase in other current liabilities	3,459.15	634.02
	- Decrease in provisions	(461.80)	(159.83)
	<b>Cash generated from operations</b>	<b>6,819.45</b>	<b>12,500.38</b>
<b>B</b>	<b><u>Cash flow from Investing Activities</u></b>		
	(a) Increase in Fixed assets, Capital work in progress	(1,279.45)	(991.86)
	(b) Investment	(2.93)	(242.45)
	<b>Net cash used in Investing Activities</b>	<b>(1,282.38)</b>	<b>(1,234.31)</b>
<b>C</b>	<b><u>Cash flow from Financing activities</u></b>		
	(a) Increase in other long-term loans and advances	(551.27)	(814.63)
	(b) Increase of Other Long Term Liabilities	311.75	(3,931.79)
	(c) Interest and other finance costs	(4,472.98)	(5,423.00)
	<b>Net Cash used in Finacing Activities</b>	<b>(4,712.50)</b>	<b>(10,170.42)</b>
	<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>824.57</b>	<b>1,095.65</b>
	<b>Add: Cash and cash equivalents at the beginning of the year</b>	<b>5,594.11</b>	<b>4,498.45</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>6,418.68</b>	<b>5,594.11</b>

**NOTES**

1. The above statement has been prepared following the Indirect Method.
2. Increase in Fixed Assets are stated inclusive of movements of Capital work in progress and Capital advances between the beginning and the end of the year.
3. Cash and Cash Equivalents represent Cash, Bank Balances and Fixed Deposit.

As per our Report attached

**Abhay Upadhye**  
Partner  
Membership No. 049354

**Ratnakar M. Gutte**  
Director

**Sunil R. Gutte**  
Director

For and on behalf of  
**K.K.Mankeshwar & Co.**  
Chartered Accountants  
Firm Registration No: 106009W

**Nagpur, dated the,**  
14th May, 2015

**Ashish V. Sharma**  
Company Secretary

**Dattatray R. Gaikwad**  
Chief Financial Officer

## NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

**A SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting:**

The financial statements are prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India and comply with Accounting Standards referred to in Section 133 read with Rule 7 of Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies' Act, 2013.

**b) Use of Estimates:**

Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumption to be made that affect the reported amounts of assets and liabilities and disclosure relating to the contingent liabilities on the date of financial statements and reported amount of revenues and expenses during the reported year.

**c) Fixed Assets:**

Fixed assets are stated at cost of acquisition (net of CENVAT & VAT), installation or construction including financing costs till commencement of commercial production, other direct expenses incurred to bring the assets to its present location and condition, less accumulated depreciation thereon.

**d) Impairment of Assets:**

The company applies the test of Impairments of certain assets as provided in accounting standard 28 "Impairment of Assets".

**e) Depreciation/ Amortization:**

- a) Depreciation is provided on Straight Line Method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- b) In respect of additions or extensions forming an integral of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective assets.

**f) Revenue Recognition:**

- 1) Revenue from sale of goods is recognized when all significant risk and rewards of ownership of products are transferred to the buyers, which is usually at the time of dispatch to customers. Sales are net of discounts and returns.
- 2) Revenue from services is recognized as and when the services are rendered.
- 3) Revenue is recognized when there is reasonable certainty of its realization.

**g) Investments:**

- 1) Long term investments are stated at cost and Current investments are stated at cost or realizable value, whichever is lower.
- 2) Investments that are readily realizable and intended to be held for not more than a year are classified as current investment.

**h) Inventories are valued as follows:**

- 1) Raw materials, stores and spares, packing materials and chemicals are valued at cost.
- 2) Finished goods and Work in Process are valued at cost or net realizable value which ever is lower. In case of finished goods and work in progress cost comprises of material, direct labor and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- 3) By product are valued at net realizable value.

**i) Foreign Currency Transaction:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions and/or restatements are dealt with in the Statement of Profit and Loss as income or expenses of the year in which they arise.

**j) Employee Benefits:**

These are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the period in which the related services are rendered.

**k) Taxes on Income:**

- 1) Current Tax on income is accounted on the basis of the provision of the Income Tax Act, 1961.
- 2) Deferred tax resulting from timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

**l) CENVAT, Service Tax and VAT Credit :**

CENVAT, Service Tax and VAT credits receivable/availed are treated as an asset with relevant expenses being accounted net of such credits, and the same are reduced to the extent of their utilizations.

**m) Earnings Per Share:**

- 1) Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for the event of bonus issue.
- 2) For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to the equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effect of all dilutive potential equity shares.

**n) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the revenue. Financing costs till commencement of commercial production is charged to respective fixed assets.

**o) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**p) Securities Premium Account Utilization**

Securities premium account will be utilized as permitted by the provisions of the Companies Act, 2013.

## NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

## Note 1 - Share Capital

(Figures in Rs. Lakhs)

1.1 Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10 each	1,050.00	10,500.00	1,050.00	10,500.00
<b>Issued</b>				
Equity Shares of Rs 10 each	695.74	6,957.42	695.74	6,957.42
<b>Subscribed and Paid up</b>				
Equity Shares of Rs 10 each fully paid	695.74	6,957.42	695.74	6,957.42
<b>Total</b>	<b>695.74</b>	<b>6,957.42</b>	<b>695.74</b>	<b>6,957.42</b>

## 1.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>At the beginning of the year</b>	<b>695.74</b>	<b>6,957.42</b>	<b>695.74</b>	<b>6,957.42</b>
Add : Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>695.74</b>	<b>6,957.42</b>	<b>695.74</b>	<b>6,957.42</b>

## 1.3 Terms of Equity Shares

The Company has only one class of Shares referred to as Equity Shares having a par value of Rs 10 per share. Share holders are eligible to vote per share held.

## 1.4 Details of Shares in the company held by each shareholders.

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Promoter &amp; promoter Groups</b>				
Sunil Hitech Engineers Limited	195.00	28.03	195.00	28.03
Mr. Ratnakar M. Gutte	80.03	11.50	80.03	11.50
Mrs. Sudhamati R Gutte	80.03	11.50	80.03	11.50
Mr. Sunil R. Gutte	80.03	11.50	80.03	11.50
Mr. Vijay R. Gutte	80.03	11.50	80.03	11.50
Mrs. Swati Rajesh Phad	80.00	11.50	80.00	11.50
<b>Kundan Goods Private Limited</b>	53.36	7.67	53.36	7.67
<b>Jaypee Development Corporation Limited</b>	35.00	5.03	35.00	5.03
<b>Others</b>	12.28	1.77	12.28	1.77
<b>Total</b>	<b>695.74</b>		<b>695.74</b>	

## 1.5 Calls unpaid by Directors and Officers

- The Equity Shares issued to the directors are Fully Paid Up and there are no unpaid calls to be received
- The company has not issued Equity Shares to its officers.

**Note 2 - Reserves and surplus**
**(Figures in Rs. Lakhs)**

2.1 Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>a. Capital Subsidy</b>		
Opening Balance	55.24	55.24
(+) Received during the year	-	-
(-) Written Back in Current Year		
<b>Closing Balance</b>	<b>55.24</b>	<b>55.24</b>
<b>b. Securities Premium Reserve</b>		
Opening Balance	4,202.52	4,202.52
Add : Securities premium credited on Share issued	-	-
<b>Closing Balance</b>	<b>4,202.52</b>	<b>4,202.52</b>
<b>c. Profit/(Loss) in Statement of Profit and Loss</b>		
Opening balance P&L	1,142.16	375.25
(+) Net Profit/(Loss) for the current year	980.65	766.91
<b>Closing Balance</b>	<b>2,122.81</b>	<b>1,142.16</b>
<b>Total</b>	<b>6,380.57</b>	<b>5,399.92</b>

**2.2** The Capital subsidy represents Rs 55.24 lakhs received in 2011-2012 from Ministry of New and Renewable Energy, New Delhi against the scheme for implementation of Grid Interactive Biomass Power and Bagasse Cogeneration projects.

**Note 3 - Long Term Borrowings**
**(Figures in Rs. Lakhs)**

3.1 Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Secured Term Loans</b>		
Long Term Loans from Bank	9,425.47	9,347.08
Loan from Sugar Development Fund	2,009.53	3,145.38
Loan from Indian Renewable Energy Development Agency Limited	6,000.00	7,000.00
<b>Total</b>	<b>17,435.00</b>	<b>19,492.46</b>

**3.2 Details of Long Terms Loans from Bank availed by company are stated as under:**

- Long term loans from UCO Bank, Union Bank, Oriental Bank Of Commerce, Bank of India, is under consortium are secured by way of first Pari Passu equitable mortgage charge amongst consortium member bank over land situated at mouza Makhani Wegdwadi Akloi Taluka, Gangakhed District parbhani. Building and other immovable fixed Assets (existing and proposed); Hypothication of movable assets; Pledge of shares to the extent of 51% held in the name of promoters of the company in favour of consortium member bank on first paripassu charge basis.
- Long term loans taken under SEFASU Scheme from Union Bank of India, Oriental Bank of Commerce, UCO Bank and Bank of India is under consortium and are secured by way of first Pari Passu equitable mortgage charge amongst consortium member banks over land situated at Mouza Makhani, Pokharni Wangewadi, Akoli Taluka, Gangakhed, Parbhani District. Building and other immovable fixed Assets (existing and proposed); Hypothication of movable assets; Pledge of shares to the extent of 51% held in the name of promoters of the company in favour of consortium member bank on first paripassu charge basis.



**3.3 Details of Loan from Sugar Development Fund availed by company are as under:**

- (a) The Sugar Development Fund Loan includes loan for co-gen division of Rs. 2940 lakhs for which the company has provided a bank guarantee for Rs. 3558 lakhs. The loan is repayable in 7 years and 6 months (including 3 years of moratorium period), commencing from 2nd March, 2010.
- (b) The Sugar Development Fund Loan includes loan taken for distillery division for Rs. 2189 lakhs for which the company has provided a bank guarantee for Rs. 2505 lakhs. The loan is repayable in 4 years and 6 months (including 1 years of moratorium period), commencing from 23rd June, 2011.
- (c) The Sugar development fund Loan includes loan taken during the year for Cane development of Rs. 539 lakhs for which the company has provided a bank guarantee of Rs 712 lakhs. The Loan is repayable in 10 years (including a moratorium period of three years), commencing from 24th May, 2012.

**3.4 Details of Loan from Indian Renewable Energy Development Agency Ltd. availed by company is as under:**

Long term loan from Indian Renewable Energy Development Agency Limited (IREDA) are secured by way of Mortgage of Immovable properties, Hypothecation of movable assets, Pledge of shares (51%) in the name of share holders of the company, 1st Pari Passu equitable mortgage charge in favour of consortium lending members bank viz. UCO Bank, Bank of India, Andhra Bank, Union Bank of India and Oriental Bank of Commerce over building and other immovable fixed assets embedded to earth at Gangakhed, Parbhani, Maharashtra, both existing and proposed. 2nd Pari-Passu charge on current assets of the company. first charge on FDR to the extent of two installments of IREDA loan and interest and Personal gurantee of Chairman and other directors of the company.

**3.7 Repayment Schedule of Long term borrowings**

Year		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Loan from Banks	UCO	950.00	950.00	950.00	950.00	507.00	-	-	4,307.00
	BOI	680.00	680.00	680.00	680.00	399.00	-	-	3,119.00
	UBI	-	20.00	20.00	20.00	34.73	-	-	94.73
	OBC	236.00	220.00	220.00	220.00	220.00	105.47	-	1,221.47
Sugar development fund	Cane Development	77.09	77.09	77.09	77.09	77.09	77.09	77.09	539.64
	Co-gen	588.00	588.00	588.00	294.00	-	-	-	2,058.00
	Distillery	547.37	-	-	-	-	-	-	547.37
Crop loan	UCO	1,123.96	-	-	-	-	-	-	1,123.96
	Ratnakar	498.96	-	-	-	-	-	-	498.96
SEFASU		-	-	6.99	6.99	6.99	-	-	20.97
IREDA		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	7,000.00
Vehicle Loan		-	-	-	-	-	-	-	-
TOTAL		5,701.38	3,535.09	3,542.08	3,248.08	2,244.81	1,182.56	1,077.09	20,531.10

**Note 4 - Deferred Tax Liability**

The Deferred tax liability comprises timing differences on account of:-

(Figures in Rs. Lakhs)

4.1 Particulars	As at 31st March 2015 Amount	As at 31st March 2014 Amount
<b>Deferred Tax Asset - DTA</b>		
Unabsorbed Depreciation	2,405.83	2,783.93
Interest Disallowed U/S 43B	14.65	122.98
Preliminary Expenses	3.66	3.65
<b>Total DTA</b>	<b>2,424.14</b>	<b>2,910.56</b>
<b>Deferred Tax Liability - DTL</b>		
Written down value	3,808.39	3,338.33
<b>Total DTL</b>	<b>3,808.39</b>	<b>3,338.33</b>
Net Deferred Tax Liability (DTL) as at 31st March 2014	427.77	1,020.77
Net Deferred Tax Liability (DTL) Charged to Statement of profit and loss	956.48	593.00
<b>Net Deferred Tax Liability (DTL) as at Balance Sheet date</b>	<b>1,384.25</b>	<b>427.77</b>

**Note 5 - Other Long Term Liabilities**

(Figures in Rs. Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount	Amount
<b>Payable to related parties</b>		
Sundry Creditors for fixed assets	3,963.40	2,059.10
Security Deposits	14,347.24	12,132.69
Other Payables	1,194.95	2,944.60
	<b>19,505.59</b>	<b>17,136.39</b>

5.1 Sundry creditors for fixed assets represents amount payable to Sunil Hitech Engineers Limited.

**Note 6 - Short term borrowings**

6.1	Particulars	As at 31 March 2015	As at 31 March 2014
		Amount	Amount
	<b>Short Term Borrowings</b>		
	<b>Secured Loans</b>		
	<b>Loan Repayable on demand</b>		
	Cash credit from banks	15,953.60	14,941.30
	Short Term Loans from Bank	4,802.61	4,500.00
	<b>Total</b>	<b>20,756.21</b>	<b>19,441.30</b>

**6.2 Details of cash credit (secured) availed from bank and description of security and name of guarantors provided for such loans.**

- Working capital loan is a consortium finance availed from bankers that include UCO Bank (Lead Banker), IDBI, Union Bank of India and Oriental Bank of Commerce. The loan is secured by way of hypothecation of stocks & book debts both present & future of the Company, first pari pasu charge (hypothecation) on movable fixed assets and current assets. The CC limit of Rs. 150 Crores, for which the Personal guarantee is given by chairman, and the other Directors.
- Pledge loan of Rs. 10 Crores has been availed from Union Bank of India which is secured by way of Pledge against warehouse receipts of approved warehouses covering Agricultural Commodities.

**Note 7 - Trade Payables**

(Figures in Rs. Lakhs)

7.1	Particulars	As at 31st March 2015	As at 31st March 2014
		Amount	Amount
	<b>Trade payable</b>		
	Sundry Creditors - Micro, Small and Medium Enterprises	259.32	409.35
	Sundry Creditors - Other Creditors	4,084.85	3,715.97
	<b>Total</b>	<b>4,344.17</b>	<b>4,125.32</b>

**7.2 The Disclosures required under the Micro, Small and Medium Development Act, 2006 (The Development Act).**

- The delayed payment due as at the end of the year on account of principal is Rs Nil.
- Interest due on the delayed payment is Rs. Nil

**Note 8 - Other Current Liabilities**

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Other liabilities</b>		
Current maturities of long term debts	4,073.61	4,553.14
Security Deposits received	547.81	95.08
Interest accrued but not due on borrowings	43.11	361.80
Interest accrued and due on borrowings	44.42	-
Advance received from customers	4,072.36	620.90
<b>Other payables</b>		
Allowances Payable to employees	0.75	0.72
Statutory Dues Payable	703.02	415.50
Water, Electricity & Telephone Charges payable	30.73	35.07
Salary Payable	114.45	88.90
<b>Total</b>	<b>9,630.26</b>	<b>6,171.11</b>

**Note 9 - Short Term Provisions**

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Other Provision</b>		
Provision for Income Tax (A.Y. 2014-2015) (Net of Advance tax and TDS)	0.06	4.30
Provision for Income Tax (A.Y. 2015-2016)	64.64	-
<b>Total</b>	<b>64.70</b>	<b>4.30</b>

Note 10 - Fixed Assets

(Figures in Rs. Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1st April 2014	Additions	Disposals / Subsidy (Refer Note)	Balance as at 31st March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Depreciation on Disposals	Balance as at 31st March 2015	Balance as at 31st March 2014
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>A Tangible Assets</b>									
Freehold Land	1,516.03	33.07	-	1,549.10	-	-	-	1,549.10	1,516.03
Factory Buildings	7,543.78	4.71	-	7,548.49	857.09	237.73	-	6,453.66	6,686.69
Office Building, Shed and Other building	5,550.83	0.83	-	5,551.66	301.02	212.40	-	5,038.24	5,249.81
Plant and Equipment	32,899.11	488.63	40.00	33,347.74	6,234.86	1,783.93	-	25,328.95	26,664.25
Furniture and Fixtures	66.93	-	-	66.93	13.40	7.22	-	46.32	53.53
Vehicles	349.40	257.34	-	606.74	82.23	60.07	-	464.44	267.17
Computers and Printers	51.86	6.78	-	58.64	25.16	22.70	-	10.78	26.70
<b>Total A</b>	<b>47,977.94</b>	<b>791.36</b>	<b>40.00</b>	<b>48,729.30</b>	<b>7,513.77</b>	<b>2,324.05</b>		<b>38,891.48</b>	<b>40,464.17</b>
<b>B Intangible Assets</b>									
Computer Software	12.48	-	-	12.48	7.84	4.62	-	0.02	4.64
<b>Total B</b>	<b>12.48</b>	<b>-</b>	<b>-</b>	<b>12.48</b>	<b>7.84</b>	<b>4.62</b>	<b>-</b>	<b>0.02</b>	<b>4.64</b>
<b>C Capital Work In Progress</b>									
Civil construction								690.82	532.65
Plant and Machinery				-	-	-	-	295.13	295.13
Fuel Handling System								445.55	75.64
<b>Total C</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,431.50</b>	<b>903.42</b>
<b>Total (A+B+C)</b>	<b>47,990.42</b>	<b>791.36</b>	<b>40.00</b>	<b>48,741.78</b>	<b>7,521.61</b>	<b>2,328.67</b>	<b>-</b>	<b>40,323.00</b>	<b>41,372.23</b>
<b>Previous Year</b>	<b>47,569.36</b>	<b>501.06</b>	<b>80.00</b>	<b>47,990.42</b>	<b>5,305.94</b>	<b>2,215.67</b>	<b>-</b>	<b>41,372.23</b>	<b>42,596.03</b>

## Note 11 : Non Current Investments

(Figures in Rs. Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Other Investments</b>		
Investment in Equity instruments	245.38	242.45
<b>Total</b>	<b>245.38</b>	<b>242.45</b>

(Figures in Rs. Lakhs)

## 11.1 Details of Other Investments

Particulars	Nature of Control	Number of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Amount (Rs)	
		31.3.2015	31.3.2014			31.3.2015	31.3.2014
<b>Investment in Equity Instruments</b>							
Mahatama Sugar and Power Limited	-	1,913,500	1,913,500	Unquoted	Fully Paid	191.35	191.35
Gangakhed Solar Power Private Limited	Subsidiary	9,999	9,999	Unquoted	Fully Paid	1.00	1.00
Linus Trade Hong Kong Limited	Wholly owned Subsidiary	8,487	7,989	Unquoted	Fully Paid	53.03	50.00
Yogeshwari Hatcheries Limited		-	10,000	Unquoted	Fully Paid	-	0.10
<b>Total</b>		<b>1,931,986</b>	<b>1,941,488</b>			<b>245.38</b>	<b>242.45</b>

## Note 12 - Long Term Loans and Advances

(Figures in Rs. Lakhs)

12.1 Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Security Deposits</b>		
Unsecured, considered good	562.88	349.56
<b>Sub-total (a)</b>	<b>562.88</b>	<b>349.56</b>
<b>Loans &amp; Advances to related parties</b>		
Unsecured, considered good	516.74	516.74
<b>Sub-total (b)</b>	<b>516.74</b>	<b>516.74</b>
<b>Other loans &amp; advances</b>		
<b>Unsecured, Considered good</b>		
Advance Tax & TDS (A.Y. 2010-11)	12.54	12.54
Advance Tax & TDS (A.Y. 2012-13)	24.57	24.56
Advance Tax & TDS (A.Y. 2013-14)	0.63	0.63
H & T Contractor Advances Long	126.25	125.59
Incentive Receivable - Package Scheme of Incentive, 2007	922.10	584.82
<b>Sub-total (c)</b>	<b>1,086.09</b>	<b>748.14</b>
<b>Total (a+b+c)</b>	<b>2,165.71</b>	<b>1,614.44</b>

## 12.2 Details of Unsecured Loans &amp; Advances (considered good) to related parties:

(Figures in Rs. Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Advance to related parties include :</b>		
Capital Advance given to Yogeshwari Hatcheries for purchase of Godown	516.74	516.74

**Note 13 - Inventories**
**(Figures in Rs. Lakhs)**

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
Raw materials	1,808.07	993.34
Work in Process	417.00	24.22
Finished Goods:		
Sugar - Free	14,768.96	14,846.51
Sugar - Levy	-	0.82
Rectified Spirit	660.02	1,021.61
Impure Sprit	38.63	7.58
Extra Neutral Alcohol	804.68	365.09
Fusel Oil	0.23	1.96
Trading Goods	740.39	760.33
Stores and spares	1,058.05	792.17
By-Products:		
Molasses	1,150.55	67.08
Bagasse	1,448.03	130.36
Pressmud	96.48	34.31
<b>Total</b>	<b>22,991.09</b>	<b>19,045.38</b>

- a) Raw Material, Stores & Spare parts, chemical etc., are valued at cost.
- b) Finished goods and Work in Process are valued at cost or net realizable value which ever is lower.
- c) In case of finished goods and work in progress cost comprises of material, direct labor and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- d) By products are valued at net realizable value.

**Note 14 - Trade receivables**
**(Figures in Rs. Lakhs)**

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Trade Receivables</b>		
<b>Outstanding for a period not exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	6,811.13	7,328.57
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	327.44	10.57
<b>Total</b>	<b>7,138.57</b>	<b>7,339.14</b>

**Note 15 - Cash and Cash equivalents**
**(Figures in Rs. Lakhs)**

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Balances with banks :</b>		
On current accounts	2,027.44	410.41
Fixed Deposits (less than 12 months maturity)	4,377.81	5,175.36
Cash on hand	13.44	8.34
<b>Total</b>	<b>6,418.69</b>	<b>5,594.11</b>

**Note 16 - Short term loans and advances**

(Figures in Rs. Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount	Amount
<b>Other loans &amp; advances</b>		
Employee advances	114.56	85.44
Balance with statutory authorities Short	1,649.25	1,612.51
Prepaid expenses	39.73	35.04
H & T Contractor Advances Short	2,417.45	845.55
Cane Growers Advances	551.69	336.32
Advance to Suppliers	2,392.22	1,006.00
Advance to irrigation department	-	17.04
Other Advances	10.83	10.33
<b>Total</b>	<b>7,175.73</b>	<b>3,948.24</b>

**Note 17 - Contingent Liabilities and commitments**

(Figures in Rs. Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount	Amount
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	8 27.92	579.30
(b) Guarantees given by the Company to various Banks	6,855.14	6,855.14
	<b>7,683.05</b>	<b>7,434.44</b>
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

**Note 18 - Revenue from operations**

(Figures in Rs. Lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
<b>Sale of Products</b>		
<b>Finished Goods</b>		
Sugar Sale	22,999.89	25,517.84
Power Sale	4,806.26	4,271.97
Spirit Sales	4,299.76	4,471.59
<b>Traded Goods</b>		
Maize Sales	-	15,809.25
Sugar	52,238.97	11,947.91
Fertilizers Sale	70.12	162.34
<b>Sale of By-Products</b>		
Pressmud Sale	2.94	2.79
Other Sales	19.13	38.09
Impure Gas Sale	14.36	15.10

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
Gross revenue from operations	84,451.43	62,236.88
<b>Less:</b>		
Excise duty	(814.48)	(933.35)
Net revenue from operations	83,636.95	61,303.53
<b>Revenue from other operations</b>		
Sales Tax refund (Mega project benefit)	570.63	368.45
<b>Total revenue from operations</b>	<b>84,207.58</b>	<b>61,671.98</b>

**Note 19 - Other income**
**(Figures in Rs. Lakhs)**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
Income from Fixed Deposits	457.55	423.27
Miscellaneous Income	275.87	41.45
REC Income	326.40	480.08
Rent Received	4.73	3.42
Foreign Exchange fluctuation Gain (Net)	-	3.82
<b>Total</b>	<b>1,064.55</b>	<b>952.04</b>

**Note 20 - Cost of materials consumed**
**(Figures in Rs. Lakhs)**

<b>20.1</b>	<b>Particulars</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
		<b>Amount</b>	<b>Amount</b>
	<b>Raw Materials Consumed</b>		
	Opening stock	993.33	101.50
	Add : Purchases	24,289.92	15,627.00
		25,283.25	15,728.50
	Less : Closing stock	1,808.07	993.33
	<b>Cost of material consumed</b>	<b>23,475.18</b>	<b>14,735.17</b>

**20.2 Details of various raw materials**
**(Figures in Rs. Lakhs)**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
<b>Breakup of raw material consumed :</b>		
Sugar Cane (including cane harvesting and transportation expenses)	22,378.04	12,997.66
Coal	558.39	967.15
Molasses	146.95	388.84
Baggasse	391.80	381.52
	<b>23,475.18</b>	<b>14,735.17</b>
<b>Breakup of closing stock of raw material :</b>		
Coal	1,746.04	660.86
Molasses	62.03	332.48
	<b>1,808.07</b>	<b>993.33</b>



**Note 21 - Changes in inventories of finished goods, work-in-progress and stock in trade**

(Figures in Rs. Lakhs)

21.1	Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
		Amount	Amount
	Opening Stock :		
	Finished OP	16,475.32	26,508.49
	In Process OP	24.22	20.99
	<b>Sub-total (a)</b>	<b>16,499.54</b>	<b>26,529.48</b>
	Closing Stock :		
	Finished	18,967.58	16,475.32
	In Process	417.00	24.22
	<b>Sub-total (b)</b>	<b>19,384.58</b>	<b>16,499.54</b>
	<b>Net Increase/(Decrease) in Stocks (b-a)</b>	<b>2,885.04</b>	<b>(10,029.94)</b>

**Note 22 - Employee benefits expense**

(Figures in Rs. Lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
Salaries & Wages (Including Allowances)	1,016.49	1,014.14
Contribution to Provident, Superannuation & Other Funds	56.06	46.48
Staff and Labour Welfare Expenses	25.34	28.83
<b>Total</b>	<b>1,097.89</b>	<b>1,089.45</b>

**Note 23 - Interest and Finance costs**

(Figures in Rs. Lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
Interest on Long term borrowings	2,488.03	3,062.06
Interest on Short term Loans	360.95	524.90
Interest on Cash Credit	1,462.08	1,615.51
Finance and Placement Charges	13.66	25.53
Processing charges	148.26	195.00
<b>Total</b>	<b>4,472.98</b>	<b>5,423.00</b>

**Note 24 - Other expenses**

(Figures in Rs. Lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	Amount	Amount
<b>Other Manufacturing Expenses</b>		
Chemicals & Consumables	266.71	216.69
Power, Fuel and Water Charges	254.78	316.78
Repairs and Maintenance - Buildings	3.42	4.36
Repairs and Maintenance - Plant & Machinery	280.20	263.00
Repairs and Maintenance - Sundries	8.96	10.23
Repairs and Maintenance - Others	50.25	59.23
Excise duty on year end inventory of Finished goods	279.05	(400.58)
Other Manufacturing Expenses	758.40	416.25
<b>Administrative Expenses</b>		
Insurance Charges	28.87	41.58
Rates and Taxes, excluding taxes on Income	17.56	9.86
Sales Tax and VAT Expenses	689.73	564.41
Office & Other Expenses	286.67	242.38
Godown Rent	1.32	110.00
Travelling and Conveyance	36.62	16.84
Selling and Distribution Expenses	491.74	13.12
Export Expenses	2.32	7.35
Professional and Legal Charges	59.62	31.24
Trading Expenses	732.44	-
<b>Payment to Auditors</b>		
For Audit Fees	5.75	5.75
Cost Audit Fees	2.51	2.51
For reimbursement of expenses	0.51	0.24
<b>Total</b>	<b>4,257.43</b>	<b>1,931.24</b>

**Note 25 - Earning per Share**

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

(Figures in Rs. Lakhs)

Particulars	31st March, 2015	31st March, 2014
<b>Reconciliation of earnings</b>		
Net profit/(loss) after tax attributable to equity shareholders.	980.65	766.91
<b>Reconciliation of number of shares</b>		
Shares outstanding at the beginning of the period	695.74	695.74
Shares outstanding at the end of the period	695.74	695.74
Weighted average number of equity shares	695.74	695.74
<b>Basic earnings per share</b>	<b>1.41</b>	<b>1.10</b>
<b>Diluted earnings per share</b>	<b>1.41</b>	<b>1.10</b>
Face value Rs 10/- per share		

**Note - 26**

Certain Bank Accounts, debtors, loans and advances and creditors are subject to reconciliation, however they will not have any significant impact on the profit for the year and on the net worth of the company as on the balance sheet date.

**Note - 27**

The company is in process of getting actuarial valuation for Retirement benefits of employees.

**Note - 28 List of related Parties:**

- 1) Controlled Special Purpose Entity
  - i) Sunil HiTech Engineers Limited
  - ii) Trimurti Towers Private Limited
  - iii) Gutte Infra Private Limited
  - iv) Shanti Laxmi Contractors Private Limited
  - v) SEAM Industries Limited
  - vi) VRG Digital Corporation Private Limited (Earlier known as Purple Haze Motion Pictures Private Limited)
  - vii) Sunil Hi tech Energy Private Limited
  - viii) Yogeshwari Hatchries Private Limited
  - ix) Gangakhed Solar Power Private Limited
  - x) R.M.G. Ventures Private Limited
  - xi) Gangakhed Fertilizers (Partnership Firm)
  - xii) Gangakhed Multistate Co-Operative Credit Society Limited
  - xiii) RSV and Associates
  - ix) Sunil Hi-Tech India Infra Private Limited
  - x) Sunil Hi-Tech Solar (Dhule) Private Limited
  - xi) Linus Trade Hong Kong Limited
- 2) Key Management personnel
  - i) Mr. Ratnakar Gutte
  - ii) Mrs. Sudhamati Gutte
  - iii) Mr. Sunil R. Gutte
  - iv) Mr. Radheshyam Tiwari
- 3) Relative of Directors
  - i) Mrs Swati Phad
  - ii) Mr. Vijay R. Gutte
- 4) The details of transaction with the related parties:-

(Figures in Rs. Lakhs)

Particulars	31st March, 2015	31st March, 2014
<b>Purchase of Goods –</b>		
Companies under the same Management	83.16	89.68
Key Management Personnel	27.60	23.99

<b>Purchase of Fixed Assets –</b>		
Companies under the same Management	-	1,127.65

<b>Sale of Goods</b>		
Companies under the same Management	44.47	-
Key Management Personnel	3.84	-

<b>Paid For Expenses</b>		
Companies Under the same Management	534.55	123.75
Key Management Personnel	51.08	-

<b>(Payable)/Receivables</b>		
Companies Under the same Management	(2,686.98)	(1,546.65)
Key Management Personnel	62.98	35.67

**Note - 29 Capital work in Progress during the year includes the following:-**

Civil construction Work in Progress of Rs 690.81 Lakhs (Previous Year Rs. 532.64 lakhs), Plant and Machinery of Rs. 295.13 Lakhs and Fuel Handling System of Rs. 445.54 Lakhs.

**Note - 30 Segment Reporting**

The Company has identified business segment as the primary segment after considering all the relevant factors. The common assets and liabilities, which are not identifiable to a specific segment are clubbed under "Unallocated Assets/Liabilities".

Sr. No.	Particulars	Sugar	Power	Spirit	Total
<b>1</b>	<b><u>Revenue</u></b>				
	Gross Sales to external customers	75,325.71	4,811.60	4,314.12	84,451.43
	P.Y.(2013-14)	53,466.27	4,283.92	4,486.69	62,236.88
	Excise Duty	788.67	-	25.81	814.48
	P.Y.(2013-14)	857.87	-	75.48	933.35
	Baggaess transferred to Power Division	4,744.29	-	-	4,744.29
	P.Y.(2013-14)	3,314.11	-	-	3,314.11
	Molasses transferred to Distillery Division	1,248.38			1,248.38
	P.Y.(2013-14)	1,340.39	-	-	1,340.39
	Power, Steam & Water transferred to sugar division		6,749.53		6,749.53
	P.Y.(2013-14)	-	4,264.80	-	4,264.80
	Power & Water transferred to Distillery Division			58.68	58.68
	P.Y.(2013-14)	-	-	79.92	79.92
	<b>Total Segmenting Revenues (Net of Excise Duty)</b>	<b>82,107.05</b>	<b>4,811.60</b>	<b>4,339.93</b>	<b>91,258.58</b>
	P.Y.(2013-14)	<b>57,262.90</b>	<b>8,548.72</b>	<b>4,491.13</b>	<b>70,302.75</b>

<b>2</b>	<b><u>Segmental Results</u></b>	612.80	3,575.06	2,744.45	6,932.31
	P.Y.(2013-14)	273.88	2,101.75	3,267.39	5,643.02
	Interest and Finance Cost	2,055.70	1,728.80	688.48	4,472.98
	P.Y.(2013-14)	2,550.49	2,047.20	825.31	5,423.00
	<b>Profit before tax</b>	<b>(1,442.90)</b>	<b>1,846.26</b>	<b>2,055.97</b>	<b>2,459.33</b>
	P.Y.(2013-14)	<b>(2,276.61)</b>	<b>54.55</b>	<b>2,442.08</b>	<b>220.02</b>

<b>3</b>	<b><u>Provision for tax</u></b>				
	MAT Tax				522.20
	P.Y.(2013-14)				46.11
	Deffered Tax				956.48
	P.Y.(2013-14)				(593.00)
	<b>Net Profit</b>				980.65
	P.Y.(2013-14)				766.91

**Other Information**

<b>4</b>	<b><u>Segmental Assets</u></b>	55,636.56	17,599.17	8,978.18	82,213.91
	P.Y.(2013-14)	21,000.66	14,387.00	5,081.15	40,468.81
	Unallocated Assets				4,244.26
	P.Y.(2013-14)				38,687.17
	<b>Total Assets</b>				<b>86,458.17</b>
	P.Y.(2013-14)				<b>79,155.98</b>

Sr. No.	Particulars	Sugar	Power	Spirit	Total
<b>5</b>	<b>Segmental liabilities</b>	539.64	7,000.00	547.37	8,087.01
	P.Y.(2013-14)	539.64	8,000.00	1,094.74	9,634.38
	Unallocated Liabilities				78,371.16
	P.Y.(2013-14)				69,521.61
	<b>Total Liabilities</b>				<b>86,458.17</b>
	P.Y.(2013-14)				<b>79,155.99</b>
<b>6</b>	Capital Expenditure During the Period (Including movements in CWIP & Capital Advance)	157.51	48.07	322.51	528.09
	P.Y.(2013-14)	232.84	246.95	91.02	570.81
<b>7</b>	<b>Depreciation</b>	550.49	401.09	1,377.09	2,328.67
	P.Y.(2013-14)	1,187.30	753.01	275.37	2,215.68

**Note - 31** Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current year's classification/disclosure.

**Abhay Upadhye**  
*Partner*  
 Membership No. 049354

**Ratnakar M. Gutte**  
**Director**

**Sunil R. Gutte**  
**Director**

For and on behalf of  
**K.K.Mankeshwar & Co.**  
*Chartered Accountants*  
 Firm Registration No: 106009W

**Nagpur, dated the,**  
 14th May, 2015

**Ashish V. Sharma**  
**Company Secretary**

**Dattatray R. Gaikwad**  
**Chief Financial Officer**

## Notes

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Ratnakar M. Gutte, Chairman  
Mr. Sunil R. Gutte, Director  
Mrs. Sudhamati R. Gutte, Director  
Mr. Radheshyam R. Tiwari, Director  
Mr. Ravikant S. Bohra, Independent Director  
Mr. Mandar M. Tambe, Independent Director

### **COMPANY SECRETARY**

Mr. Ashish V. Sharma  
97, East High Court Road,  
Ramdaspath, Nagpur-440010  
E-mail: cs@gangakhedicpp.com

### **STATUTORY AUDITORS**

K. K. Mankeshwar & Co.  
Chartered Accountants  
243, "Shrika Residency",  
Central Road, Dharampath,  
Nagpur- 440010

### **COST AUDITORS**

N. D. Chavan & Co.  
Cost Accountants  
P.B.Deshpande ,Flat No 4&5, HariVitthal Plaza,  
AhireGate,Sr. No. 14/1,NDA Gate, Shivane,  
Pune-411 052.

### **R & T AGENTS**

M/s. Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E), Mumbai- 400072  
Tel: 022-40430200  
Email: info@bigshareonline.com

### **DEPOSITORIES**

National Securities Depositories Limited

### **BANKERS**

Bank of India  
IDBI Bank  
Oriental Bank of Commerce  
Union Bank of India  
Andhra Bank  
UCO Bank  
IREDA

### **REGISTERED OFFICE**

Vijay Nagar, Kodri Road,  
Makhani, Gangakhed,  
Dist. Parbhani-431514  
E-mail: info@gangakhedicpp.com

### **CORPORATE OFFICE**

97, East High Court Road,  
Ramdaspath, Nagpur-440010

### **PLANT LOCATION**

Vijay Nagar, Kodri Road,  
Makhani, Gangakhed,  
Dist. Parbhani-431514  
www.gangakhedicpp.com

**BY SPEED POST / REGISTERED POST / COURIER**

If undelivered please return to :

**M/s. Bigshare Services Pvt. Ltd.**  
**(Unit : Gangakhed Sugar & Energy Limited)**

E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.  
Tel. : 2847 0652 / 4043 0200  
Fax : 022-2847 5207