

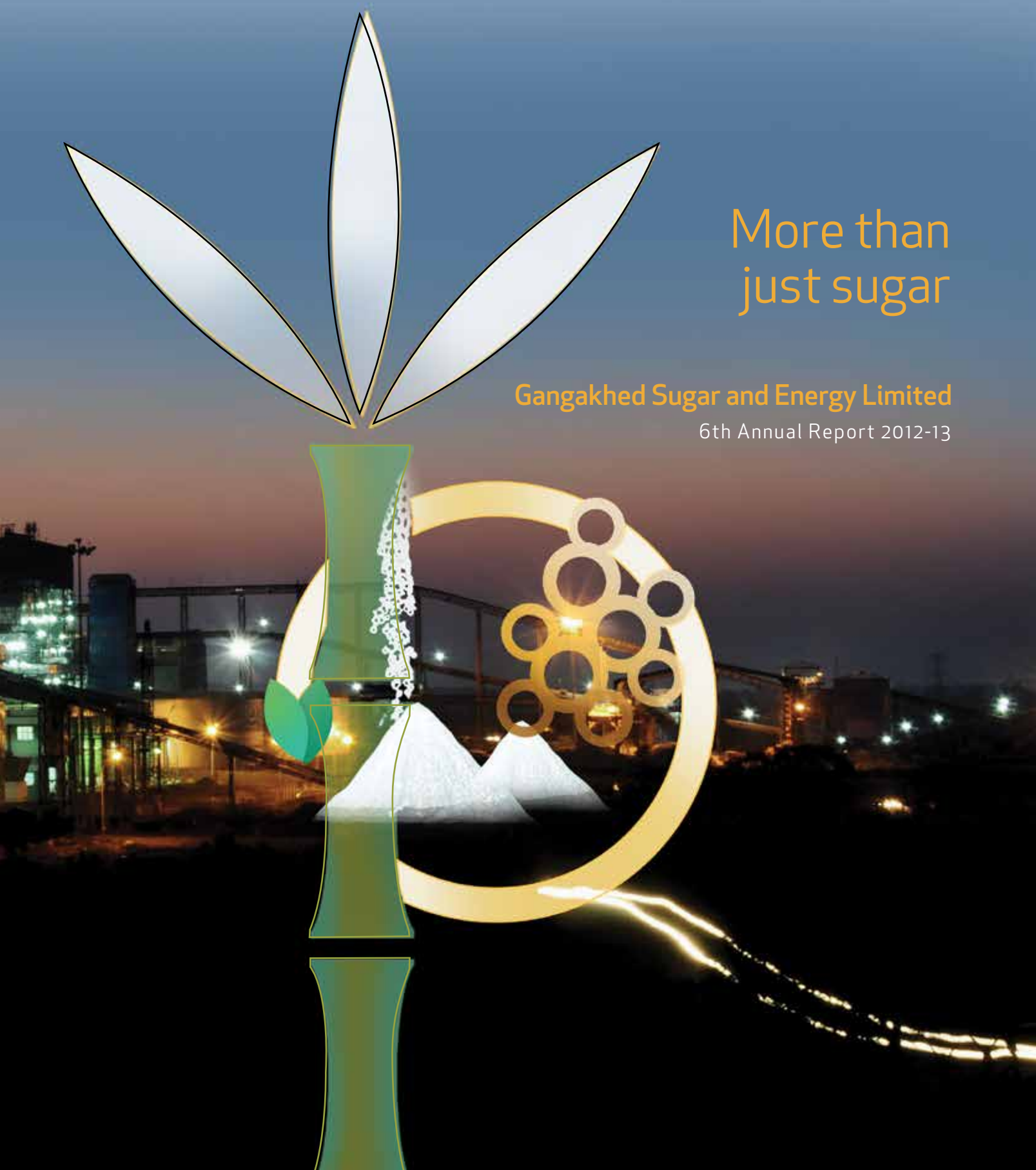


**GANGAKHED SUGAR
& ENERGY LIMITED**

More than
just sugar

Gangakhed Sugar and Energy Limited

6th Annual Report 2012-13



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2012-13 marks the completion of our second full year of operations. A period of intense learning and achievements. We overcame teething challenges and achieved satisfactory levels of operational efficiency and profit.



More than just sugar



Almost everyone has heard of multiple choice questions. Questions wherein you are given different answers to choose from and you have to select the right one.

Yet, in life there are also multiple choice answers.

These are questions wherein you are given a multiple choice of answers, and wherein each one of them is equally true.

One such question that we asked ourselves at Gangakhed was:
What can we produce with Sugarcane?



The first and most obvious answer was **Sugar**.

The extraction process of sugarcane juice led to multiple derivatives. Sugarcane juice Bagasse, mud paste and molasses.

Sugarcane juice can be used to derive sugar as well as molasses.

Molasses in turn is used to produce rectified alcohol with potable alcohol, industrial alcohol and ethanol fuel as its derivatives.

Bagasse could be used as fuel to fire boilers, which could in turn produce green electricity that could be sold to the grid.

Mudpaste is a useful bio fertiliser.

We addressed ourselves to each of these answers and went on to become a producer of alcohol, ethanol, electricity, and of course, Sugar.

There is much more to Gangakhed than just Sugar.

Sugar is the tip of the iceberg, with its mass hidden below the waterline.

This report explores below the surface to expose the multiple revenue streams that derive from sugarcane.



Our visiting card - Sugar Plus

GANGAKHED SUGAR & ENERGY LIMITED a manufacturer of SUGAR, POWER & DISTILLERY products. An Integrated Cane Processing Plant (ICPP) located at Taluka Gangakhed, District Parbhani in Marathwada Division of Maharashtra State (India).



Gangakhed Sugar and Energy Ltd. is a 450 crore Integrated Cane Processing Plant spread across 200 acres of land within close proximity to road and water. Its multiple revenue streams buttress it from the cyclicity of the sugar industry and delivers robust and predictable revenue streams.

Gangakhed's strengths include a customer-focussed work ethic, strong infrastructure, two roller mill technology, a fully automated plant and a variety of products.

Key numbers that define us



6,000 TCD Sugar plant

30 MW
Co-generation
Power plant

Distillery 60 KLPD
with 1.8 MW
Co-generation plant



VISION



To become leader in producing sustainable green co-gen power and bio-fuels like ethanol.

MISSION



Running the plants with BAST (best available systems and technology) efficiently and produce world class quality products, setting up benchmarks and delivering excellence on a continuous basis.

Our products

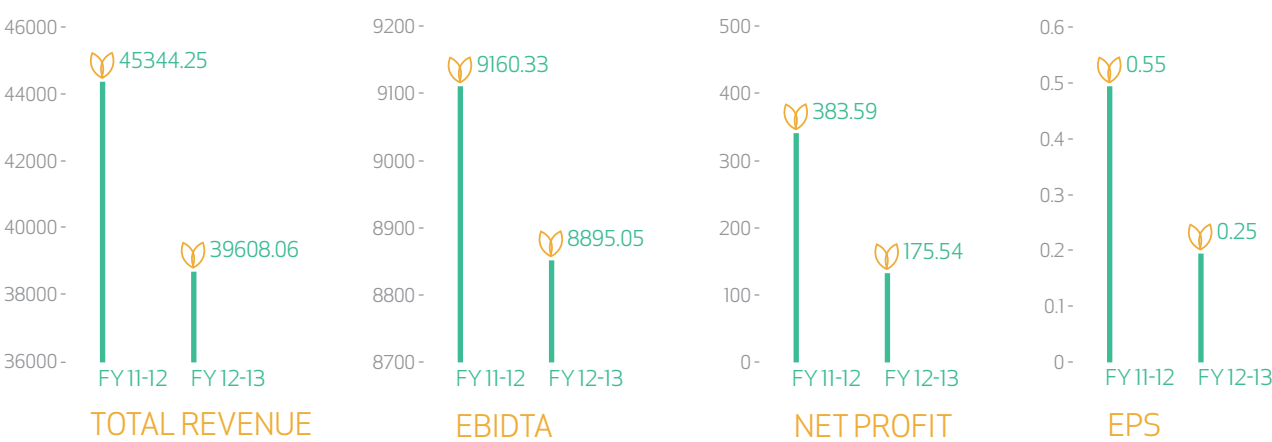
Our production is an integrated chain that is targeted at garnering revenues that are far beyond just sugar. Each by-product leads to another robust revenue stream that adds to our bottom line.

Every aspect of the cane is useful. Its juice makes sugar, the residue in the form of molasses makes ethanol and spirits, and bagasse is used to produce power. It brings prosperity to farmers, revenues to the sugar mills, sweetness to the consumer, power for the industry, and ethanol as fuel for the automotive sector. Through our co-gen operations and production of ethanol, we reduce dependence on fossil fuels and reduce our carbon footprint. We reuse and recycle. Waste water is filtered, recycled and reused for irrigation.

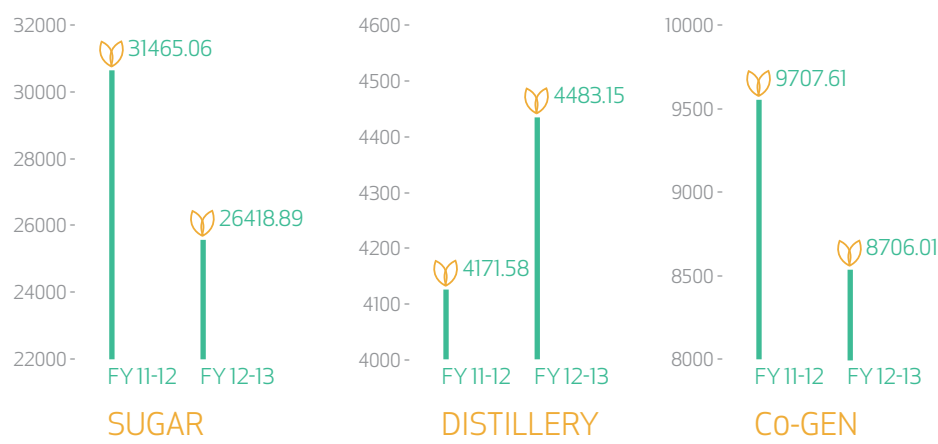


Our Financial Performance

Our financial performance over the past three years reiterates our vision of being a company that is more than just sugar. Our revenues from our derivative streams are increasing year-on-year, derisking our enterprise from the cyclicity of sugar and delivering visibility in our income in more ways than one.



Revenue mix



Sugar



Deriving more from our sugar operations

Sugarcane is the bedrock of our operations. It is the source of our raw materials that go into the manufacture of our distillery products and it provides us with the feedstock to fuel our power generation plants.

Promoting the sugar business is central to our perspective and we have undertaken many initiatives that help both the farmers and ourselves. Our initiatives are oriented towards maximising sugar recovery, minimising wastage and transport losses and towards maintaining harmonious relationships with our framing community.

Our initiatives include the implementation of a government subsidised drip irrigation programme that covers 1000 acres, a special sampling plantation that is used to promote best practices in cane farming, financial support to the farming community to increase mechanisation, access better quality seeds and fertilisers and promote advanced irrigation methods. We also undertake satellite mapping of the land across 100 kms from our plant to analyse cultivation and availability of cane. We have also developed specialised software to streamline all our interaction with our farmer partners’ right from registration to collection of the cane at the factory gate. All these measures cumulatively help us increase the efficiency of our operations and increase the yield of our farmer community.

Sugar	Operating Days	FY 2011-12	FY 2012-13
		177 Days	164 Days
Total Cane Crushed	MT	8,21,263	7,94,294
Sugar Recovery	%	12.06%	11.52%
Sugar Production	MT	99,057	91,474.7
Sugar Sales	MT	2,896.21	2,341.28
Sugar Net Sales	₹/MT	2,768.73	2,167.10

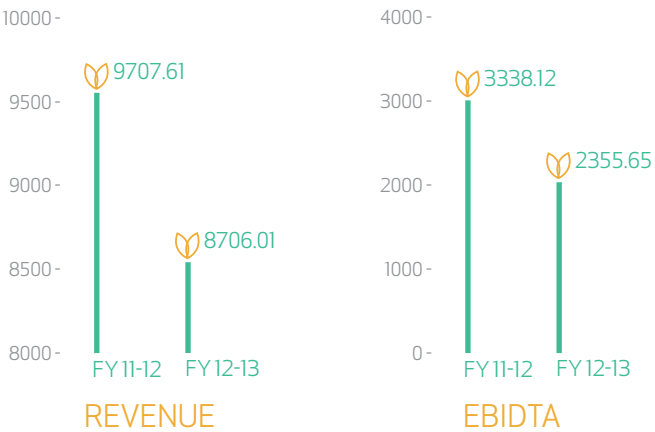
	FY 2011-12	FY 2012-13
Revenue	31,465.06	26,418.89
EBIDTA	5,257.28	4,393.52
Days Crushed	177 Days	164 Days
Crushing	8,21,263	7,94,294
Recovery (%)	12.06%	11.52%
Total Gain / Loss (%)	-1.88	-1.91



Co-gen

Diversifying revenue streams with co-generation

	FY 12	FY 13
Gross Power Generation	13,05,39,590 KWH	10,51,67,343 KWH
Net Power Export Grid	9,77,30,645.30 KWH	7,20,62,800 KWH



Co-generated green power is emerging as an important revenue stream for the Company. Gangakhed produces 30 MW of power from its co-generation plant using renewable sources of fuel - namely bagasse. Even our distillery has its own power generation station and produces 1.8 MW of electricity. The Company has entered into a Power Purchase Agreement with MSEDCL, an arrangement that brings us a stabilised revenue stream. The co-generation plant is equipped with ESP (Electro Static Precipitate) equipment that collects ashes from the co-generation boiler flue gas. Collected ash from the ESP is used to make bricks as a building construction material. Waste generated from the distillery is also channelled to produce co-gen power and steam for the distillery itself. The co-generation is also eligible to carbon credits under the Kyoto Protocol which represents yet another stream of revenue from our operations.

The co-generation is also eligible to carbon credits under the Kyoto Protocol as well as REC's from MEDA both of which are yet another stream of revenue from our operations.

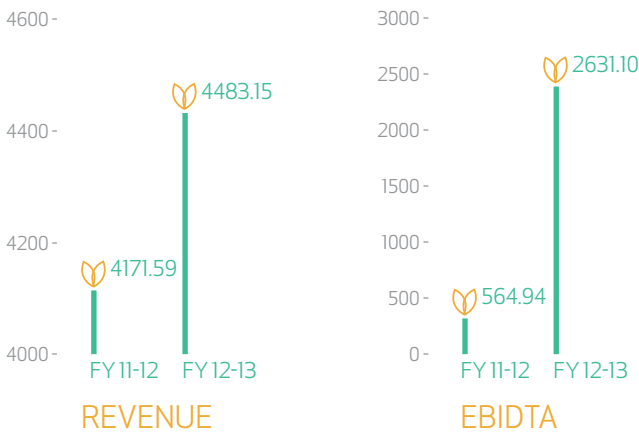
Distillery

Generating revenues from green fuel and alcohol

Molasses a by-product of sugar production is distilled to produce rectified spirit, extra neutral alcohol, denatured spirit and ethanol, which finds applications in the alcohol, pharmaceutical and chemical industries. Ethanol is also a valuable alternative fuel.

Our distillery operations are environment-friendly and the Company has adapted the latest technology by concentrating the entire spentwash (distillery effluent) as slop that is used to fire the boiler. This method ensures zero discharge while contributing to the generation of 1.8 MW of additional co-gen power in addition to meeting the process steam requirement of the distillery.

	FY 2011-12	FY 2012-13
Ethanol production	5.19 Lac Litre	3.81 Lac Litre
Rectified spirit, extra neutral alcohol and denatured spirit production	114.83 Lac Litre	123.40 Lac Litre



CSR

Our focus goes beyond our products and revenue streams. Not only are we about more than sugar, we are also about more than business. We are social impact sensitive in our operations and this is evident in our initiatives in ensuring minimal environmental impact. We are equally concerned about our impact on the communities within which we work and ensure that we leave a positive impact. Our CSR activities spearhead our initiatives to make a positive impact in our environment.



Education

We believe in fostering an **enabling educational environment** that begins with basic education and leads on to imparting **life skills** that will enable our students to become contributing members of the society. Our **primary school** at our plant site **Shakarshala** is aimed at imparting education to the children of cane harvesters, workers and villagers. We have also established an **ITI institute and a Polytechnic college** within a **25 km radius** from our plant to impart income earning skill sets to youngsters from the vicinity. As part of our **educational initiatives** we also hold farmer awareness programmes across **300 villages** in the vicinity of our plant. These educational programmes deliver information about **better farming techniques**, utilisation of better quality of seeds, innovative methods of irrigation and new methods of cultivation that will enhance yield and crop quality. We conduct regular **seminars in collaboration** with various educational and technical institutes like the **Vasant Dada Sugar Institute**, with an aim to enhance awareness about various sugar breeds, and other **advanced technical aspects**.



Infrastructure

Infrastructure is the essence of **economic development**. We recognised that our **sugarcane farmers** were forced to use unpaved and kutchra roads to transport their crop to the factory resulting in a waste of both time and money. In response to this situation, we built road infrastructure that **enables fast and hassle free** transportation to the plant.



Awareness

We believe that awareness is the **first step to positive change**. To promote awareness and its consequent change, we hold crop seminars to disseminate information and **techniques of modern farming**. This initiative consists of direct interactions with university scientists, agronomists, from **reputed agricultural universities**.



Health care

Our health care initiatives include both preventive as well as **curative initiatives**. We regularly hold **eye check-up camps** with the aid of qualified doctors, and conduct **blood donation** drives for the betterment of medical care. We also conduct medical camps for detection and cure of diseases like **cancer and other diseases**. We have commissioned and operate an **ambulance service** in the plant that caters to the need for **medical assistance** in emergency situations.



Safety

Workers' safety is an inseparable part of our work practices and we hold regular **training sessions** and **safety seminars** to ensure that our workers and factory employees work within the **boundary of personal safety**.

Financial Assistance

We provide **financial assistance** to our farmers through nationalised banks and also assist them in their endeavours to **procure tractors, trucks and other vehicles**.



Operations

Sugarcane is the foundation of all our revenue streams. We recognise that improving the operations of our sugarcane farmers is key to our **survival and growth**. To this end, we support and manage a host of activities that help enhance the **farm operations of our farmer partners**.

These include a **drip irrigation programme** under which we have implemented the **government initiative** to institute subsidised drip irrigation across **1000 acres** of land. We draw water from the Godavari river to address the water requirements of cane fields. We have also appointed **technically**

competent people to manage the irrigation programmes. We have also set up a sample plantation in a plot of land adjoining our plant to **demonstrate best practices** to improve **sugarcane yield**. We also implemented a satellite mapping system that covers **100 km** of plantation area. This enables us to keep track of land availability, as well as volume of crop cultivated. We have also developed a **custom built software** that streamlines all our operations starting from farmer registration to delivery of cane to the factory gate. The software enables us to undertake extensive age analysis of cane, **strengthening our quality control** ability.



Chairman's Statement

Dear Friends,

The Integrated Cane Processing Plant at Gangakhed is 'a sweet deal' for all parties involved. The Company benefits from the synergies of being in a cane surplus region and addressing the entire sugar value chain. The farmers and skilled workers in the region gain an alternative source of income and overall growth of the region in terms of revenue generation, taxes, logistics etc.

Gangakhed Sugar & Energy Limited has a co-generation power plant capacity of 30 MW, sugar processing capacity of 6,000 TCD and Distillery capacity of 60 KLPD with slop fired 1.8 MW co-generation power plant.

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Thus besides the primary produce, sugar, electricity and ethanol from molasses sugarcane juice. Surplus water available from the sugarcane is also recovered and used. Additionally, the crushing and off-season coincides with the period of peak demand for power which enables the Company to earn higher revenue from the sale of excess co-gen power.

Since all the processes are integrated under one roof, the ICPP enjoys the flexibility to alter production according to market dynamics.

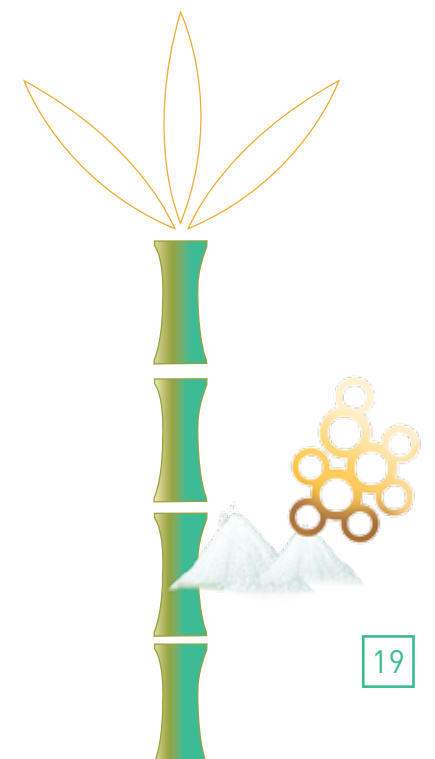
The Company is proactive in investing in the local farming community. A drip irrigation programme and an innovative satellite mapping system have been put in place to improve quality of the crop productivity.

The Company has also made efforts to include the farmers as stakeholders of the

Company; currently around 13,000 farmers are stakeholders. Gangakhed's efforts to continually strengthen its relationship with the farmers ensure an uninterrupted supply of raw material.



Regards,
Ratnakar M. Gutte
Chairman



Directors' Profile



1

1. Mr. Ratnakar Manikrao Gutte (Chairman)

Mr. Ratnakar Manikrao Gutte has enriched Gangakhed Sugar & Energy Limited with his rich experience in the field of project execution - fabrication, erection, testing and commissioning of power plants - and helped transform the Company into one of the few ICPP Players in Maharashtra.

He has deep knowledge and practical experience of the domestic power sector, having closely worked with leading companies in the Energy business. Being a first generation entrepreneur, he possesses excellent on-the-job knowledge of engineering, the intricacies of civil construction, machinery installation, finance, banking, taxation, general management and commercial matters.

He is passionate about the Energy sector. It not only makes good business sense but also provides gainful employment to the skilled workers and farmers of the economically impoverished Vidarbha region. With growing awareness of Climate change, he has embarked upon a plan to set up an Integrated Green Energy project in Parbhani district.

Under his supervision and control, two other group companies Sunil Hitech Engineers Limited and Seam Industries Limited has registered significant growth in a short period of time. Sunil Hitech Engineers Limited is one of the leading infrastructure companies working in power sector in India. Seam Industries Ltd. is also gradually augmenting its customers' base and is on the path of success and growth.

In recent years, he was awarded with various prestigious awards like 'Life Time Udyog Achievement Award 2004',



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2. Mr. Sunil Ratnakar Gutte (Director)

Sunil R. Gutte, Director of the Company, has been serving the Company since its incorporation. He is a Mechanical Engineer from Pune and underwent rigorous training at BHEL's Welding Research Institute in Tiruchirapalli and a training programme in Project Management from IIM, Ahmedabad. He possesses sound technical, managerial, and interpersonal skill. He has imparted the employees with zeal, eagerness to work for the organisation, a sense of belonging among them and to contribute their best towards the development of the organisation as a whole and strengthen the Company to meet the future challenges and opportunities strategically.

He played a key role in broadening the Company's market. He pioneered paradigmatic changes in the management structure, reporting standards, structured decision making, HR policies and Corporate Governance practices. He played a key role in transforming the Company into among only a few ICPP players in Maharashtra.

In addition to this, he is also managing the affairs of the group companies, which have registered phenomenal growth under his supervision and control. With his strategic leadership and governance qualities, analytical skill and team building, he has solidified his presence in the corporate sector.

3. Mrs. Sudhamati Ratnakar Gutte (Director)

Mrs. Sudhamati Ratnakar Gutte, working in the capacity of Director, has comprehensive hands-on experience in handling the Company's overall management and administration. She has been serving the Company from its inception. She, with her foresight, efficient team-building and sound managerial skill developed the culture of timeliness and loyalty in the organisation. She interacts with the employees and knows their weaknesses, problems they are facing in the organisation and suggests remedial measures and helps overcome them so that the employee can utilise himself optimally in the organisation. In addition to the above, she regularly participates in social activities to fulfil the Company's Corporate Social Responsibility, contributing to large-scale societal development. She regularly interacts with the underprivileged and takes various initiatives for their welfare like providing them with educational, medical and farming facilities.

4. Mr. Radheshyam R. Tiwari (Director)

Mr. Radheshyam Tiwari is a post-graduate in Commerce and a Master of Business Administration. He has rich experience in handling accounts and finance functions. He is overseeing purchase and fund management activities for all the group companies. He has been associated with the group from over 10 years. He is thoroughly conversant with MIS and direct and indirect tax compliances and other accounts and finance aspects.



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Directors' Report

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

Your Directors are pleased to present their Sixth report for the financial year ended on 31st March, 2013.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31st March, 2013 is summarized below:

(Amt. in Lacs)		
Particulars	2012-13	2011-12
Net Sale/Revenue	29,594.36	35,986.60
Other Income	446.85	468.41
Total Income	30,041.21	36,455.01
Operating Profit	8895.04	9160.32
Interest & Finance Charges	6165.85	6152.83
Depreciation	2165.61	2054.61
Profit Before Tax	563.58	952.88
Tax	388.04	569.29
Profit After Tax	175.54	383.59
Amount transferred to General Reserve	-	-
Surplus Transfer to Balance Sheet	175.54	383.59

PERFORMANCE REVIEW

"Your company succeeded in capitalizing on the opportunities that prevailed even in the overall negative environment to report turnover of ₹ 29,594.36 lacs in the current fiscal"

Maharashtra is one of the leading states in sugarcane production, but due to unfavorable rains and some connected geographical conditions it showed a decline in the sugarcane production for FY 2012-13, this decline in the Sugarcane has declined Sugar production of the regional Sugar Industry. In this negative condition your company manages to achieve better financial results.

The Net Sales/Revenue from Operations of your Company for the financial year ended as on 31st March, 2013 is ₹ 29,594.36 lacs, whereas it was ₹ 35,986.60 lacs for the financial year ended as on 31st March, 2012 which shows 18% (approx) decline in Net Sales. Profit before tax for the financial year ended as on 31st March, 2013 is ₹ 563.58 lacs, whereas it was ₹ 952.88 lacs for the financial year ended as on 31st March, 2012.

Profit after tax is ₹ 175.54 lacs for the financial year ended as on 31st March, 2013 and during the financial year ended as on 31st March, 2012 it was ₹ 383.59 lacs.

BACKGROUND

India is the second major sugar producing country in the world after Brazil. Sugar industry occupies an important

place among organized industries in India. The sugar industry provides direct employment to large number of people and indirect employment to millions. It is the largest among the processing Industries. It is one of the emerging industries which helps the economy to grow and flourish and contributing over 1% to National GDP.

Sugar has been manufactured in India since time immemorial. India regarded as the original home of sugarcane and being the largest producer of sugarcane has considerable potential for the development of sugar industry to meet domestic demand and part of the overseas demand. The sugar industry which holds a vital position among the Agro-industries of India and makes significant contribution to India's export earnings.

General Economic Review

India's economic growth rate this fiscal is estimated to be sharply lower at 5 %, lowest in a decade, on account of impact of the global financial woes, poor performance of manufacturing, agriculture and services sector. The growth in GDP (Gross Domestic Product) during 2012-13 is estimated at 5 % as compared to a growth rate of 6.2 % in 2011-12," according to the Advanced Estimates released today by the Central Statistical Organization (CSO). Improvement in performance of agriculture and manufacturing sectors is expected to push the economic growth rate to 6.4% in 2013-14. "Economy will grow at higher rate from now. We projected growth rate of 6.4% in the current fiscal".

Sugar Industry Review

The Indian sugar industry is characterized by the coexistence of private, cooperative and public sector. It is inherently inclusive, supporting over 50 million farmers and their families. It is rural centric and hence a key driver of village level wealth creation. Sugar is India's second largest agro-based industry after Textiles. It has tremendous transformational opportunities to meet food, fuel and power needs and earn carbon credit.

Growth in sugar demand is driven by the rising consumption in sectors such as confectionaries, sweets and soft-drinks. CRISIL research expects industrial demand to grow at a CAGR of around 4% while household demand increase is felt lower at 2.5% over the next 5 years. Accordingly the share of indirect demand in overall sugar consumption is projected to go upto 62% by 2015-16 from the current level of 60%.

Sugarcane as a cash crop remains to be the major contributor to Indian economy and employment generation for rural youth in the country. Sugar Industry contributes about 2500 crore rupees as tax to both central and state governments. The industry size in terms of capital is more than ₹ 40,000 crore. Almost 50 million people depend on sugar industry for their livelihood. During last few decades several studies have

been conducted by committees headed by Mahajan, Tuteja, ISMA, Rangarajan and others on sugar sector in India. In all the studies major emphasis was on integration of stakeholders viz., technologists, researchers, breeders, farm and process equipment manufacturers, logistic players, traders, distillers, bankers, policy makers etc. and to bring them on a common platform for the inclusive growth of Indian sugar industry.

A paradigm shift in sugarcane husbandry research is desirable to achieve reduction in cost of production, optimization of cane crop cycle, enhanced physiological efficiency by reducing germination period and rapid tillering, efficient and balanced use of nutrients, improved cultural operations, efficient irrigation techniques etc. Bio-intensive technology module for diseases and insect-pests management for reducing chemical load in the agro-eco system and cane culture manipulation based on behavioural studies of insect-pests could be more appropriate strategy for crop protection in time to come. To minimize the adverse effects of labour shortage and to reduce costs of production, mechanization in sugarcane need to be further intensified, encompassing planting, intercultural & harvesting operations, GIS assisted farm layout and field planning and improving efficiency of transport system.

Better infrastructure in irrigation, power and proper roads for transportation of sugarcane from field to mills are areas where policy makers should take decisions for well-being of the sugar sector. The prosperity of the sugar industry is also closely linked to continuous modernization and technology upgradation for cost cutting and taking advantage of economies of scale. The technology upgradation of the industry is important to ensure its global competence and it should be driven by enhanced capital output ratio, improvement in plant efficiencies, energy conservation, optimizing cost of consumables and impact of sugar quality on price realization. The transport component of the sugarcane supply chain is one area where significant savings can be realized at a relatively low cost. One of the main cause of the inefficiency is the lack of a single centre to coordinate the system holistically and that need introduction of dynamic vehicle scheduling to avoid excessive queuing times, large numbers of no-cane-stops and poor vehicle utilization.

A high level of cooperation is required between farmers, harvest contractors, transport contractors and mill managers to ensure that the mill receives a steady stream of fresh cane. As small farmers constitute majority of growers base, the industry should take initiative for sharing of high cost farm equipments and harvesting by grower owned co-operatives. Last but not the least, the continuous upgradation of human resource skills through training and other programmes inclusive of motivation and reward should be the focus of strategy aimed to enrich manpower and knowledge skills critical for holistic development of the sugar industry.

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 31st March, 2013.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the financial year ended on 31st March, 2013.

DIRECTORS

As per the provisions of the Companies Act, 1956, Mr. Radheshyam Tiwari is liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offered himself for reappointment. The Board of Directors recommends his reappointment subject to the approval of shareholders at the ensuing annual general meeting.

AUDIT COMMITTEE

Your Board of Directors has constituted an Audit Committee of the Board, comprising of Mr. Radheshyam Tiwari (as a Chairman), Mr. Sunil R. Gutte and Mrs. Sudhamati R. Gutte (as members), Directors of the Company, to meet the requirements of Section 292A of the Companies Act, 1956. All the members of the Committee have good knowledge of finance, accounts and other related taxation & legal aspects.

Audit Committee is entrusted with the powers as well as duties and responsibilities as mentioned in the provisions of Section 292A of the Companies Act, 1956 and as may be entrusted by the Board of Directors from time to time.

Functions of Audit Committee:

- Discussions with the auditors periodically about internal control systems.
- Discussions with the auditors periodically about scope of audit including the observations of the auditors.
- Review the quarterly, half-yearly and annual financial statements before submission to the board.
- Ensure compliance of internal control systems.
- Recommendation to the Board on various issues.
- Perform any activity as may be entrusted by the Board from time to time.

ALLOTMENT OF SHARES

Following allotment has been made during F.Y. 2012-13 :

Sr. No.	Date of Allotment	No. of Shares Allotted	Face Value	Premium
1.	21.05.2012	4,800	10/-	90/-

The paid up capital of the Company as on date of report is ₹ 695,741,880/- being 69,574,188 shares of ₹ 10/- each.

STATUTORY AUDITORS

M/s. K.K Mankeshwar & Co., Chartered Accountants, (having ICAI FRN 106009W), shall hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Board recommends the reappointment of M/s. K.K Mankeshwar & Co., Chartered Accountants, subject to the approval of Shareholders in the ensuing Annual General Meeting.

COST AUDITORS

In order to comply with the provisions of Section 233B, your Board of Directors at its meeting held on 24/04/2013 appointed M/s. N. D. Chavan & Company, Cost Accountants (M. No. 10144) as Cost Auditors to conduct Audit of Cost records of the Company for the financial year 2013-14 subject to the Approval of the Central Government. A Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

APPOINTMENT OF MANAGER

Your Board of Directors at their meeting held on 18th October 2012 has appointed Mr. T. S. Bhalerao as a Manager of the Company in order to comply with the provisions of Section 269 of the Companies Act, 1956. Mr. T. S. Bhalerao is Production Engineer by profession and having 15 years experience in Sugar, Co-generation and Distillery. Your Board seeks approval of members at the forthcoming Annual General meeting for confirmation of his appointment.

DIRECTOR’S RESPONSIBILITY STATEMENTS

Pursuant to section 217(2AA) of the Companies Act 1956, your Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any.
- ii) Appropriate accounting policies have been selected and applied consistently, and have 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 for the period ended on 31st March, 2013;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) The annual accounts have been prepared on a going concern basis.

DIRECTORS EXPLANATIONS/INFORMATIONS ON AUDITORS’ QUALIFICATIONS

Auditors’ Query: Regarding non provision of retirement benefits for employees.

Management Reply: The Company has already initiated steps for getting the actuarial valuation done, for the purpose of retirement benefits of the employees.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 there is no Employee which comes under the purview of the aforesaid section read with the aforesaid Rules for the financial year ended on 31st March, 2013.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has incurred the following earnings and expenses in foreign currency during the financial year 2012-2013, the rupee equivalent of that amount has been given hereunder;

Particulars	₹ In Lacs
Total Earning	3,386/-
Total Expenditure	Nil

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forms part of this report.

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 Manikrao Gutte **Sunil Ratnakar Gutte**
Director Director

Date: May 15, 2013
Place: Nagpur

Annexure to Directors’ Report

CONSERVATION OF ENERGY

Your Company realizes the importance of energy conservation. Your Company is regularly taking initiatives to ensure optimum utilization of energy available in its day to day operations.

Total energy consumption and energy consumption per unit of production is as below:

Particulars	Units	2012-2013	2011-2012
		01/04/2012-31/03/2013	01/04/2011 - 31/03/2012
A Power & Fuel Consumption			
1 Electricity			
(a) Purchased	KWH	1,983,201.00	16,39,800.00
Total Amount	₹	30,262,892.00	2,11,01,000.00
Rate/KWH	₹	15.26	12.87
(b) Own Generation			
i) Through Diesel Generator Units	MW	32,014.00	27,250.00
Units/Ltr of Diesel		9,500.00	9,089.00
Oil	Ltrs.		-
Total Cost	₹	500,718.00	4,09,000.00
Cost/Unit	₹		-
ii) Through Power Plant Units	MW	105,167,343.00	13,05,39,590.00
Total Cost	₹	345,180,812.00	76,09,32,000.00
Cost/Unit	₹	4.79	5.76
2 Coal	M.T.	3,862.18	30,957.00
	Amount	20,759,254.08	15,11,78,000.00
	Rate/MT	5,375.01	4,883.49
B Consumption per unit of production			
Power			
Coal	M.T.	4,263.88	3,17,000.00
Sugar	Production (MTs)	91,474.70	99,057.00
	Unit/Production		

By the order of the Board
For **Gangakhed Sugar & Energy Limited**

Ratnakar Manikrao Gutte **Sunil Ratnakar Gutte**
Director Director

Date: May 15, 2013
Place: Nagpur

Independent Auditors’ Report

To,
The Members of,
Gangakhed Sugar and Energy Limited,
Gangakhed, District Parbhani.

1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/s Gangakhed Sugar and Energy Limited** (“the Company”), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

2. MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control 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.

3. AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with notes 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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. REPORT ON OTHER LEGAL AND REGULATORY MATTERS

As required by the Companies (Auditor’s Report) Order, 2003, as amended by the companies Act (Auditor’s Report) (Amendment) Order 2004 (together referred as the ‘Order’) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (The ‘Act’) and on the basis of such checks of the books and records of the company, we enclose in the Annexure ‘A’ statement on the matter specified in paragraphs 4 and 5 of the said Order.

6. FURTHER TO OUR COMMENTS IN THE ANNEXURE REFERRED TO IN PARAGRAPH 5 ABOVE ATTENTION IS DRAWN TO:

- Point No. III (b) of note no 18 “Significant Accounting Policies and Note to Financial Statements”, regarding non provision of retirement benefits to employees.

7. AS REQUIRED BY SECTION 227(3) OF THE ACT, WE REPORT THAT:

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

- The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable 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
15th May 2013

Annexure ‘A’ To Independent Auditors’ Report

(The Annexure referred to in our report of even date to the members of Gangakhed Sugar and Energy Limited (‘the Company’) on the financial statements for the year ended 31st March 2013)

In terms of the information and explanations given to us and books and records examined by us in the normal course of audit and to the best of our information and belief, we state that:

1. In respect of Fixed Assets:

- The Company is in the process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- Since, the company is in the process of maintaining proper records pertaining to fixed assets, the physical verification of Fixed Assets was not carried out during the year.
- In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year and going concern status of the Company is not affected.

2. In respect on inventories:

- The inventories were physically verified during the year by the Management at reasonable intervals.

In our opinion, the frequency of verification is reasonable.

- 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.
- The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. In respect of loans, secured or unsecured, granted or taken by the company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- The Company has not granted any loan, secured or unsecured, to or from Companies, firms or other parties covered in the registers maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, clauses (a) to (d) of paragraph 4(iii) of the Companies (Auditor’s Report) Order are not applicable to the Company.

- b) The Company has taken unsecured loan, from one of its directors covered in the registers maintained in pursuance of Section 301 of the Companies Act, 1956. The maximum outstanding balance at any time during the year is ₹ 60 Lakhs and year-end balance is Nil.
- c) The rate of interest and other terms and conditions of the loan taken during the year by the company, are not prima facie prejudicial to the interest of the company.
- d) The principal amount has been fully repaid during the year by the company and there was no overdue amount during the year.
4. There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods, except having regard to the explanation that certain items purchased/ services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations. During the course of our audit, no major weakness has been noticed in the internal control system.
5. **In respect of the transactions entered in the registers maintained in pursuance of Section 301 of the Companies Act, 1956:**
- a) The transaction made in pursuance of contracts or arrangements, that needed to be entered in to the register maintained under section 301 of the companies Act, 1956 have been so entered.
- b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under the section 301 of the Companies Act, 1956 and exceeding the value of Rs five lakhs in respect of any part during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
6. The company has not accepted any deposit from public within the meaning of section 58A and 58AA. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account 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 209 (1) (d) of the Companies Act, 1956 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.

9. In respect of statutory dues:

- a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no undisputed amounts payables in respect of the aforesaid dues as on 31st March 2013 for a period of more than six months from the date of becoming payable.
- b) No disputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty and excise duty were outstanding, as on 31st March, 2013 for a period of more than six months from the date they became payable, except the particular of dues of Excise duty, as on 31st March, 2013 which have not been deposited on account of disputes have been stated below.

Sr. No.	Nature of Statute	Nature of Dues	Amount (Lakhs)	Period	Forum where dispute is pending
1	Central Excise & Tariff Act, 1985	Excise Duty	295.13	Jan-2011 to Sept-2012	Commissioner of Customs, Central Excise & Service Tax

10. The Company has no accumulated losses as on 31st March 2013 and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are, in our opinion, not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments hence clause 4(xiv) of the companies [Auditors Reports] order 2003 is not applicable to the company.

15. The Company has given guarantee to banks for farmer's loans and the terms and condition of the same are not prejudicial to the interest of the company.
16. On an overall basis, the term loans taken and/ or utilized during the year have been applied for the purpose for which they were obtained, other than temporary deployment of such funds.
17. On the basis of an overall examination of the Balance Sheet of the Company, there are no funds raised on a short-term basis which have been used for long-term investment other than temporary deployment of such funds.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any secured debentures during the year.

20. The Company has not raised any money by way of public issues during the year. Accordingly reporting on paragraph 4(xx) of Companies (Auditor's Report) order, 2003 is not applicable to the company.
21. 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 we have 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

Place: Nagpur
Date: May 15, 2013

Balance Sheet

as at March 31, 2013

[₹ in Lakhs]			
Particulars	Note No.	As on March 31, 2013	As on March 31, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	6,957.42	6,956.94
(b) Reserves & surplus	2	4,633.01	4,453.15
2 Share Application Money Pending Allotment		-	4.80
3 Non-Current Liabilities			
(a) Long-term borrowings	3	30,128.58	28,356.61
(b) Deferred tax liabilities (Net)	4	1,020.77	903.63
(c) Other Long term liabilities	5	10,432.04	5,579.68
4 Current Liabilities			
(a) Short-term borrowings	6	18,387.29	17,915.50
(b) Trade payables	7	4,507.89	4,284.46
(c) Other current liabilities	8	5,537.10	5,208.96
(d) Short-term provisions	9	301.04	30.14
TOTAL		81,905.14	73,693.87
II. ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	42,256.74	42,866.95
(ii) Intangible assets	10	6.66	4.29
(iii) Capital work-in-progress	10	332.61	94.62
(b) Non-current investments	11	-	226.00
(c) Long-term loans and advances	12	982.86	1,249.32
2 Current Assets			
(a) Inventories	13	27,351.13	18,607.62
(b) Trade receivables	14	4,773.57	3,831.99
(c) Cash and cash equivalents	15	4,498.45	4,223.92
(d) Short-term loans and advances	16	1,703.12	2,589.16
Contingent Liabilities and Commitments	17		
Significant Accounting Policies & Notes to Financial Statements	18		
TOTAL		81,905.14	73,693.87

As per our Report attached

Abhay Upadhye

Partner

Membership No. 049354

For and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

FRN: 106009W

Place: Nagpur

Date: May 15, 2013

For Gangakhed Sugar & Energy Limited

Ratnakar M. Gutte

Director

Sunil R. Gutte

Director

Shrikant C. Rikhe

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2013

[₹ in Lakhs]			
Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I. REVENUE	19		
Sales		30,010.02	36,098.07
Less: Excise duty		(632.03)	(533.89)
Net revenue from operations		29,377.99	35,564.17
II. SALES TAX REFUND (MEGA PROJECT BENEFIT)		216.37	422.42
Total revenue from operations		29,594.36	35,986.60
III. OTHER INCOME	20	446.85	468.41
IV. TOTAL REVENUE		30,041.21	36,455.00
V. EXPENSES:			
Cost of materials consumed	21	23,243.73	22,909.23
Purchase of Stock in trade		3,024.97	3,414.91
Changes in Inventories of Finished Goods, work in progress and stock in trade	22	(10,219.03)	(2,900.94)
Employee benefits expense	23	1,097.17	1,104.56
Finance costs	24	6,165.85	6,152.83
Depreciation	10	2,165.61	2,054.61
Other expenses	25	3,999.33	2,766.92
Total expenses		29,477.63	35,502.12
VI. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (V-VI)		563.58	952.88
VII. EXCEPTIONAL ITEMS		-	-
VIII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (VI - VII)		563.58	952.88
IX. EXTRAORDINARY ITEMS		-	-
X. PROFIT BEFORE TAX		563.58	952.88
XI. CURRENT TAX EXPENSES			
(1) Minimum Alternate Tax (A.Y. 2012-2013)		152.89	30.14
(2) Minimum Alternate Tax (A.Y. 2013-2014)		118.01	-
(3) Deferred tax		117.14	539.15
XII. PROFIT (LOSS) FOR THE YEAR		175.54	383.59
XIII. EARNINGS PER EQUITY SHARE:			
(1) Basic	26	0.25	0.55
(2) Diluted		0.25	0.65

As per our Report attached

Abhay Upadhye

Partner

Membership No. 049354

For and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

FRN: 106009W

Place: Nagpur

Date: May 15, 2013

For Gangakhed Sugar & Energy Limited

Ratnakar M. Gutte

Director

Sunil R. Gutte

Director

Shrikant C. Rikhe

Company Secretary

Cash Flow Statement
for the year ended March 31, 2013

[₹ in Lakhs]			
Sr. No	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
		Amount	Amount
A	CASH FLOW FROM OPERATING ACTIVITIES		
	(a) Net Profit from operating activities before exceptional items, taxes and appropriations	563.58	952.88
	Adjustments:		
	Depreciation	2,165.61	2,054.61
	Interest and Finance costs (net)	6,165.85	6,152.84
	Preliminary Expenses written off	-	
	(Profit)/Loss on sale of fixed assets	7.97	(0.02)
	(b) Working capital changes:		-
	- Increase in inventories	(8,743.51)	(4,415.05)
	- Increase in trade receivables	(941.59)	(3,824.46)
	- Increase in short-term loans and advances	886.05	(486.08)
	- Increase in short term borrowings	471.79	2,283.21
	- Decrease in trade payables	223.43	2,133.22
	- Increase in other current liabilities	328.14	200.39
	- Increase in provisions	-	(42.74)
	Cash generated from operations	1,127.32	5,008.80
B	CASH FLOW FROM INVESTING ACTIVITIES		
	(a) Increase in Fixed assets, Capital work in progress	(1,813.44)	(1,097.02)
	(b) Investment	226.00	(226.00)
	(c) Sale procedes of Fixed Assets	9.71	-
	Net cash used in Investing Activities	(1,577.73)	(1,323.02)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	(a) Proceeds from issue of share capital	-	3,502.60
	(b) Decrease in other long-term loans and advances	266.46	1,089.91
	(c) Capital Subsidy received	-	55.24
	(d) Repayment of Other Long Term Liabilities	6,624.33	(1,425.71)
	(f) Interest and other finance costs	(6,165.85)	(6,152.84)
	Net Cash used in Finacing Activities	724.94	(2,930.80)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	274.53	754.99
	Add: Cash and cash equivalents at the beginning of the year	4,223.92	3,468.94
	Cash and cash equivalents at the end of the year	4,498.45	4,223.92

- NOTES
- The above statement has been prepared following the Indirect Method.
 - 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.
 - Cash and Cash Equivalents represent Cash,Bank Balances and Fixed Deposit (less than 12 months).
 - Previous year’s figure have been regrouped/reclassified wherever necessary to confirm with the current year’s classification/ disclosure.

As per our Report attached
Abhay Upadhye
Partner
Membership No. 049354

For **Gangakhed Sugar & Energy Limited**

For and on behalf of
K.K.Mankeshwar & Co.
Chartered Accountants
FRN: 106009W

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

Place: Nagpur
Date: May 15, 2013

Shrikant C. Rikhe
Company Secretary

Notes “1” to “18”
attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 1 - SHARE CAPITAL

[₹ in Lakhs]				
1.1 Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	105,000,000	10,500.00	105,000,000	10,500.00
Issued				
Equity Shares of ₹ 10 each	69,574,188	6,957.42	69,569,388	6,956.94
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	69,574,188	6,957.42	69,569,388	6,956.94
Total	69,574,188	6,957.4	69,569,388	6,956.94

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
At the beginning of the year	69,569,388	6,956.94	65,983,788	6,598.38
Add : Shares issued during the year	4,800	0.48	3,585,600	358.56
At the end of the year	69,574,188	6,957.42	69,569,388	6,956.94

1.3 Terms of Equity Shares

The Company has only one class of Shares referred to as Equity Shares having a par value of ₹ 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 March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Promoter & promoter Groups				
Sunil Hitech Engineers Limited	19,500,000	28.03	19,500,000	28.03
Mr. Ratnakar M. Gutte	8,002,500	11.50	10,002,500	14.38
Mrs. Sudhamati R Gutte	8,002,500	11.50	10,002,500	14.38
Mr. Sunil R. Gutte	8,002,500	11.50	10,002,500	14.38
Mr. Vijay R. Gutte	8,002,500	11.50	10,002,500	14.38
Mrs. Swati Rajesh Phad	8,000,000	11.50	-	-
Kundan Goods Private Limited	5,336,000	7.67	5,336,000	7.67
Jaypee Development Corporation Limited	3,500,000	5.03	3,500,000	5.03
Others	1,228,188	1.77	1,223,388	1.76
Total	69,574,188		69,569,388	

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.

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 2 - RESERVES AND SURPLUS

2.1 Particulars	As at	As at
	March 31, 2013	March 31, 2012
	Amount	Amount
a. Capital Subsidy		
Opening Balance	55.25	-
(+) Received during the year	-	55.25
Closing Balance	55.25	55.25
b. Securities Premium Reserve		
Opening Balance	4,198.20	971.16
Add : Securities premium credited on Share issued during the year	4.32	3,227.04
Closing Balance	4,202.52	4,198.20
c. Profit/(Loss) in Statement of Profit and Loss		
Opening balance	199.70	(183.89)
(+) Net Profit/(Loss) for the current year	175.54	383.59
Closing Balance	375.24	199.70
Total	4,633.01	4,453.15

- 2.2 The Capital subsidy represents ₹ 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.
- 2.3 The Company has credited ₹ 4.32 lakhs (4800 equity shares at ₹ 90 each) to securities premium Reserve during the year. Previous year ₹ 3227.04 lakhs (35,85,600 equity shares at ₹ 90 each)

NOTE 3 - LONG TERM BORROWINGS

3.1 Particulars	As at	As at
	March 31, 2013	March 31, 2012
	Amount	Amount
Secured		
Term Loans		
Long Term Loans from Bank	17,374.94	13,430.58
Long Term Loans from NBFC	478.33	1,298.00
Loan from Sugar Development Fund	4,274.80	4,582.48
Loan from Indian Renewable Energy Development Agency Limited	8,000.00	9,000.00
Vehicle Loan	0.51	45.55
Total	30,128.58	28,356.61

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

- a) Long term loans from UCO Bank, Union Bank, Oriental Bank Of Commerce, Bank of India, Andhra Bank is under consortium are secured by way of first Pari Passu equitable mortgage charge amongst consortium member bank over land situated at mouza Makhani Wagdewadi Akoli 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.
- b) Loan from The Ratnakar Bank Limited of ₹ 998 lakhs is taken during the year for sugar cane growers (i.e. Farmers) under the sceheme known as Agriculture Credit under single window scheme to Sugar cane growers associated with the Company for which the company has given a corporate gaurantee and personal gaurantee of Chairman & Director.
- 3.3 Loan from NBFC is the Long term loan from Tata Capital Limited of ₹ 2500 lakhs (Two thousand five hundred lakhs) is secured against first and exclusive charge by the way of equitable mortgage of property as may be acceptable to Tata Capital Limited at its sole discretion having value not less than ₹ 1000 Lakhs. First and exclusive charge on cranes having value not less than

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

₹ 1000 lakhs. Unconditional and irrecoverable personal guarantee of Chairman and other Directors of the company and the Corporate gaurantee of Sunil Hitech Engineers Limited.

3.4 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 ₹ 2940 lakhs for which the company has provided a bank guarantee for ₹ 3558 lakhs. The loan is repayable in 7 years and 6 months (including 3 years of moratorium period.)
- b) The Sugar Development Fund Loan includes loan taken for distillery division for ₹ 2189 lakhs for which the company has provided a bank guarantee for ₹ 2505 lakhs. The loan is repayable in 4 years and 6 months (including 1 years of moratorium period.)
- c) The Sugar development fund Loan includes loan taken during the year for Cane development of ₹ 539 lakhs for which the company has provided a bank guarantee of ₹ 712 lakhs. The Loan is repayable in Ten years (including a moratorium period of three years.)

3.5 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.

3.6 Details of Vehicle Loan secured against vehicle:

Vehicle loan represents loan taken from Kotak Mahindra Bank which is hypothicated against vehicle.

3.7 Repayment Schedule of Long term borrowings:

(₹ in Lakhs)										
Year		2014-15	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	950.00	587.17	-	-	5,337.17
	BOI	680.00	680.00	680.00	680.00	680.00	815.51	-	-	4,215.51
	UBI	20.00	20.00	20.00	20.00	20.00	34.73	-	-	134.73
	Andhra Bank	28.00	28.00	28.00	28.00	21.84	-	-	-	133.84
	OBC	220.00	220.00	220.00	220.00	220.00	220.00	105.47	-	1,425.48
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	588.00	294.00	-	-	-	2,646.00
	Distillery	547.37	541.79	-	-	-	-	-	-	1,089.16
NBFC	TATA	478.33	-	-	-	-	-	-	-	478.33
Crop loan	UBI	2,882.38	-	-	-	-	-	-	-	2,882.38
	UCO	1,123.96	1,123.96							2,247.91
	Ratnakar	498.96	498.96	-	-	-	-	-	-	997.92
IREDA		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	8,000.00
Vehicle Loan		0.51	-	-	-	-	-	-	-	0.51
TOTAL		9,017.51	5,727.80	3,563.09	3,563.09	3,262.93	2,734.50	1,182.56	1,077.09	30,128.58

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 4 - DEFERRED TAX LIABILITY

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

4.1 Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Deferred Tax Asset - DTA		
Unabsorbed Depreciation	1,540.21	1,047.35
Preliminary Expenses	6.97	10.71
Total DTA (A)	1,547.18	1,058.06
Deferred Tax Liability - DTL		
Higher depreciation claimed under income tax laws	2,567.95	1,961.69
Total DTL (B)	2,567.95	1,961.69
Net Deferred Tax Liability (DTL) as at 31st March 2012	903.63	364.47
Net Deferred Tax Liability (DTL) Charged to Statement of profit and loss	117.14	539.16
Net Deferred Tax Liability (DTL) as at Balance Sheet date (B-A)	1,020.77	903.63

NOTE 5 - OTHER LONG TERM LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Payable to related parties		
Sundry Creditors for fixed assets	4,068.44	5,028.10
Other Payables	6,363.60	551.58
	10,432.04	5,579.68

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

NOTE 6 - SHORT TERM BORROWINGS

6.1 Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Short Term Borrowings		
Secured Loans		
Loan Repayable on demand		
Cash credit from banks	14,748.26	13,137.22
Short Term Loans from Bank	3,550.00	4,390.97
Unsecured		
Security Deposits received	89.03	387.31
Total	18,387.29	17,915.50

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 Orintal 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 ₹ 150 Crores, for which the Personal gaurantee is given by chairman, and the other Directors.

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

6.3 Details of Short Term Loans from Bank availed by the company and description of the security provided for such loans.

Loan from Union Bank of India of ₹ 35.50 crores for Harvesting & Transportation for which personal gaurantees of Chairman and other directors was given.

NOTE 7 - TRADE PAYABLES

7.1 Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Trade payable		
Sundry Creditors - Micro, Small and Medium Enterprises	90.92	79.60
Sundry Creditors - Other Creditors	4,416.97	4,204.86
Total	4,507.89	4,284.46

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 ₹ Nil.
- Interest due on the delayed payment is ₹ Nil

NOTE 8 - OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Other liabilities		
Current maturities of long term debts	4,601.74	4,011.84
Interest accrued but not due on borrowings	105.09	131.76
Interest accrued and due on borrowings	241.32	-
Advance received from customers	338.97	146.07
Other payables		
Incentives Payable to H&T Contractors	-	676.44
Chief Minister's Relief Fund Payable	14.63	16.43
Share Application Money Refundable	-	1.71
Allowances Payable to employees	0.70	0.66
Statutory Dues Payable	93.03	80.82
Water, Electricity & Telephone Charges payable	54.06	26.58
Salary Payable	87.56	116.65
Total	5,537.10	5,208.96

NOTE 9 - SHORT TERM PROVISIONS

Particulars	(₹ in Lakhs)	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Other Provision		
Provision for Income Tax (A.Y. 2012-2013)	183.03	30.14
Provision for Income Tax (A.Y. 2013-2014)	118.01	-
Total	301.04	30.14

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 10 – FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at April 1, 2012	Additions	Disposals / Subsidy (Refer Note)	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	Balance as at March 31, 2013	Balance as at March 31, 2012
A Tangible Assets								
Freehold Land	1,413.96	-	-	1,413.96	-	-	1,413.96	1,413.96
Factory Buildings	7,474.34	66.80	-	7,541.14	354.54	250.64	6,935.96	7,119.80
Office Building, Shed and Other building	5,235.78	312.26	-	5,548.04	124.72	85.83	5,337.49	5,111.06
Plant and Equipment	31,503.09	1,452.85	328.80	32,677.14	2,621.75	1,786.25	28,219.14	28,881.34
Furniture and Fixtures	53.03	13.90	-	66.93	5.54	3.62	57.77	47.49
Vehicles	280.08	53.10	22.76	310.42	26.46	28.83	260.21	253.62
Computers and Printers	47.91	1.33	-	49.24	8.23	8.80	32.21	39.68
Total A	46,008.19	1,900.24	351.56	47,556.87	3,141.24	2,163.97	42,256.74	42,866.95
B Intangible Assets								
Computer Software	8.48	4.00	-	12.48	4.18	1.64	6.66	4.29
Total B	8.48	4.00	-	12.48	4.18	1.64	6.66	4.29
C Capital Work In Progress								
Civil construction	-	-	-	-	-	-	332.61	94.62
Total C	-	-	-	-	-	-	332.61	94.62
Total (A+B+C)	46,016.67	1,904.24	351.56	47,569.35	3,145.42	2,165.61	42,596.01	42,965.86
Previous Year	45,014.96	1,017.71	16.00	46,016.67	1,092.54	2,054.60	42,965.86	

NOTE:
₹. 3,28,80,132 includes ₹ 3,00,00,000 received during the year as capital subsidy from Maharashtra Energy Development Agency for installing a HT line from Factory to MSETCL Substation for 30MW Co-gen Project

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 11 : NON CURRENT INVESTMENTS

Particulars	₹ in Lakhs	
	As at March 31, 2013	As at March 31, 2012
Other Investments		
Investment in Equity instruments	-	226.00
Total	-	226.00

11.1 Details of Other Investments

Particulars	Nature of Control	Number of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Amount ₹	
		31.3.2013	31.3.2012			31.3.2013	31.3.2012
Investment in Equity Instruments							
VRG Digital Corporation Private Limited (formrely known as Purple Haze Motions Private Limited)	Controlled Special Purpose Entity	-	226,000	Unquoted	Fully Paid	-	226.00
Total						-	226.00

NOTE 12 - LONG TERM LOANS AND ADVANCES

12.1 Particulars	₹ in Lakhs	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Security Deposits		
Unsecured, considered good	114.91	80.80
Sub-total (a)	114.91	80.80
Loans & Advances to related parties		
Unsecured, considered good	16.74	16.74
Sub-total (b)	16.74	16.74
Other loans & advances		
Unsecured, Considered good		
Advance Tax & TDS (A.Y. 2010-11)	12.54	12.54
Advance Tax & TDS (A.Y. 2012-13)	207.60	24.36
Advance Tax & TDS (A.Y. 2013-14)	33.18	-
Balance with statutory authorities	252.75	373.43
H & T Contractor Advances	128.77	319.03
Incentive Receivable - Package Scheme of Incentive, 2007	216.37	422.42
Sub-total (c)	851.21	1,151.78
Total (a+b+c)	982.86	1,249.32

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

Particulars	As at	
	March 31, 2013	March 31, 2012
	Amount	Amount
Loans to related parties include		
Due from RMG Ventures Private limited in which company director is director	16.74	16.74

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 13 - INVENTORIES

13.1 Particulars	[₹ in Lakhs]	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Raw materials	101.50	770.59
Work in Process	21.00	780.05
Finished Goods:		
Sugar - Free	24,443.44	12,827.90
Sugar - Levy	72.05	1,420.12
Rectified Spirit	249.39	28.75
Impure Sprit	18.50	27.62
Extra Neutral Alcohol	669.69	493.61
Absolute Alcohol	-	28.05
Fusel Oil	1.26	0.20
Stores and spares	720.14	1,526.58
By-Products:		
Molassess	427.23	489.46
Bagasse	601.72	162.53
Pressmud	25.21	52.16
Total	27,351.13	18,607.62

- 13.2 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

14.1 Particulars	[₹ in Lakhs]	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Trade Receivables		
Outstanding for a period not exceeding six months from the date they are due for payment		
Unsecured, considered good	4,724.88	3,821.57
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	48.69	10.42
Total	4,773.57	3,831.99

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 15 - CASH AND CASH EQUIVALENTS

15.1 Particulars	[₹ in Lakhs]	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Balances with banks :		
On current accounts	1,388.64	680.37
Fixed Deposits (less than 12 months maturity)	3,103.13	3,524.75
Cash on hand	6.68	18.80
Total	4,498.45	4,223.92

NOTE 16 - SHORT TERM LOANS AND ADVANCES

16.1 Particulars	[₹ in Lakhs]	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
Other loans & advances		
Employee advances	82.24	12.95
Balance with statutory authorities	487.41	912.40
Prepaid expenses	38.46	55.77
H & T Contractor Advances	463.75	1,081.06
Cane Growers Advances	79.35	145.14
Advance to Suppliers	504.59	313.35
Advance to irrigation department	39.83	62.49
Other Advances	7.49	6.00
Total	1,703.12	2,589.16

NOTE 17 - CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	[₹ in Lakhs]	
	As at March 31, 2013	As at March 31, 2012
	Amount	Amount
(i) Contingent Liabilities (to the extent		
(a) Claims against the company not acknowledged as debt	295.23	131.39
(b) Guarantees given by the Company to various Banks	6,808.14	6,125.92
	7,103.37	6,257.31
(ii) Capital Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	193.20
	-	193.20

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 18 :

I. COMPANY OVERVIEW

The Company is in the business of Manufacturing of sugar, spirit and generation of power.

II. 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 211(3C) of the Companies Act, 1956.

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:

- 1) Depreciation is provided on straight line method in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- 2) Fixed asset individually costing ₹ 5000 or less are depreciated 100%, except when they are part of larger capital investment program.

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.

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

I) 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 sec 78(2) of the companies Act, 1956.

III. NOTES TO FINANCIAL STATEMENTS

- a) 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.

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

c) 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) SHEL Investments Consultancy Private Limited
 - ix) Kundan Goods Pvt. Ltd.
 - x) Infrastructure Construction & Operations Management Institute (Sec. 25 Company)
 - xi) Yogeshwari Hatchries Private Limited
 - xii) S R Mechanicals Pvt. Ltd.
 - xiii) MSMC Adkoli Natural Resources Limited
 - xiv) True Mercantile Private Limited
 - xv) R.M.G. Ventures Private Limited
 - xvi) Ratnakar Gutte Textiles Private Limited
(Under process of Striking off)
 - xvii) Sunil hitech India Infra Private Limited
 - xviii) Gangakhed Multistate Co-Operative Credit Society Limited
 - xix) RSV and Associates
 - xx) RMG Commodities Private 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

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

d) The details of transaction with the related parties:-

(Figures in Lakhs)		
Particulars	31st March, 2013	31st March, 2012
Purchase of Goods – Companies under the same Management	Nil	1,443.54
Key Management Personnel	69.53	Nil
Purchase of Fixed Assets – Companies Under the same Management	425.62	Nil
Sale of Goods		
Companies under the same Management	1,753.78	Nil
Expenses		
Key Management Personnel	15.66	Nil
(Payable)/Receivables		
Companies Under the same Management	(3,982.69)	(5,114.79)
Key Management Personnel	0.44	(1.77)

e) Capital work in Progress during the year includes the following:-

Civil construction Work in Progress of ₹ 332.61 Lakhs (Previous Year ₹ 94.62 lakhs)

f) 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.

(₹ in Lakhs)					
Sr. No.	Particulars	Sugar	Power	Spirit	Total
1	Revenue				
	Gross Sales to external customers	22,038.77	3,451.82	4,521.99	30,012.58
	P.Y.(2011-12)	27,291.30	4,681.30	4,203.73	36,176.33
	Excise Duty	593.19	-	38.84	632.03
	P.Y.(2011-12)	(506.11)		(27.78)	(533.89)
	Baggaess transferred to Power Division	4,125.61	-	-	4,125.61
	P.Y.(2011-12)	3,928.45			3,928.45
	Molasses transferred to Distillery Division	847.71	-	-	847.71
	P.Y.(2011-12)	575.33			575.33
	Power, Steam & Water transferred to sugar division	-	5,194.31	-	5,194.31
	P.Y.(2011-12)		4,930.70		4,930.70
	Power & Water transferred to Distillery Division	-	59.88	-	59.88
	P.Y.(2011-12)		95.61		95.61
	Total Segmenting Revenues (Net of Excise Duty)	26,418.89	8,706.01	4,483.15	39,608.06
	P.Y.(2011-12)	31,465.06	9,707.61	4,171.58	45,344.25
2	Segmental Results				
	P.Y.(2011-12)	3,245.26	1,600.58	1,883.68	6,729.52
	Interest and Finance Cost	3,489.66	1,887.31	788.88	6,165.85
	P.Y.(2011-12)	3,674.29	1,799.86	678.68	6,152.84
	Profit before tax	(244.40)	(286.73)	1,094.80	563.67
	P.Y.(2011-12)	578.29	825.33	(450.72)	952.88
3	Provision for tax				
	MAT Tax	-	-	-	270.92
	P.Y.(2011-12)				30.14

Notes “1” to “18”

attached to and forming part of the Balance Sheet as at March 31, 2013

(₹ in Lakhs)					
Sr. No.	Particulars	Sugar	Power	Spirit	Total
	Deffered Tax	-	-	-	117.14
	P.Y.(2011-12)				539.15
	Net Profit				175.61
	P.Y.(2011-12)				383.59
4	Other Information				
5	Segmental Assets				
	P.Y.(2011-12)	24,546.90	17,094.14	5,928.31	47,569.35
	Unallocated Assets	-	-	-	40,102.01
	P.Y.(2011-12)				28,221.73
	Total Assets	22,755.12	17,325.97	5,935.58	86,118.68
	P.Y.(2011-12)				74,254.40
6	Segmental liabilities				
	Unallocated Liabilities	-	-	-	21,299.51
	P.Y.(2011-12)				16,051.08
	Total Liabilities	-	-	-	21,299.51
	P.Y.(2011-12)				16,051.08
7	Capital Expenditure During the Period (Including movements in CWIP & Capital Advance)				
	P.Y.(2011-12)	2,145.07	70.26	21.54	2,236.87
	P.Y.(2011-12)	815.21	250.95	46.18	1,112.33
8	Depreciation				
	P.Y.(2011-12)	1,137.69	755.07	272.83	2,165.61
	P.Y.(2011-12)	1,050.54	735.98	268.09	2,054.61
9	Total Liabilities Excludes				
	Secured Loans	-	-	-	48,757.19
	P.Y.(2011-12)				45,884.80
	Deferred Tax Liabilities	-	-	-	1,020.77
	P.Y.(2011-12)				903.63

g) Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the currents year's classification/disclosure.

Notes “19” to “26”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 19 - REVENUE FROM OPERATIONS

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Sale of Products		
Finished Goods		
Sugar	18,596.66	23,785.51
Power	3,451.81	4,681.30
Spirit	4,521.99	4,203.73
Sale of By-Products		
Pressmud Sale	19.06	4.62
Molasses	389.57	-
Revenue from sales of manufactured goods	26,979.09	32,675.16
Less:		
Excise duty	(632.03)	(533.89)
Net revenue from sales of manufactured goods	26,347.06	32,141.27
Traded Goods		
Maize	-	3,234.55
Sugar	3,019.62	-
Other	11.31	188.36
Revenue from traded goods	3,030.93	3,422.91
Net revenue from operations	29,377.99	35,564.18
Revenue from other operations		
Sales Tax refund (Mega project benefit)	216.37	422.42
Total revenue from operations	29,594.36	35,986.60

NOTE 20 - OTHER INCOME

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Income from Fixed Deposits	321.22	237.85
Miscellaneous Income	15.60	46.60
Rent Received	0.92	1.10
Insurance Claim received	0.17	104.58
Profit on sale of Fixed Assets	-	0.02
Foreign Exchange fluctuation Gain (Net)	43.66	-
Duty Drawback	62.72	-
Sale of Scrape	2.56	78.26
Total	446.85	468.41

Notes “19” to “26”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 21 - COST OF MATERIALS CONSUMED

21.1 Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Raw Materials Consumed		
Opening stock	770.58	187.70
Add : Purchases	22,574.65	23,492.11
	23,345.23	23,679.81
Less : Closing stock	101.50	770.58
Cost of material consumed	23,243.73	22,909.23

21.2 DETAILS OF VARIOUS RAW MATERIALS

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Breakup of raw material consumed :		
Sugar Cane (including cane harvesting and transportation expenses)	20,901.68	18,803.54
Coal	1,482.41	3,061.65
Molasses	677.27	864.08
Baggasse	182.37	179.95
	23,242.73	22,909.23
Breakup of closing stock of raw material :		
Coal	31.82	426.77
Molasses	64.21	330.39
Baggasse	5.47	13.42
	101.50	770.58

NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

22.1 Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Opening Stock :		
Finished	15,530.40	13,132.65
In Process	780.05	276.86
Sub-total (a)	16,310.45	13,409.51
Closing Stock :		
Finished	26,508.48	15,530.40
In Process	21.00	780.05
Sub-total (b)	26,529.48	16,310.45
Net Increase/(Decrease) in Stocks (b-a)	10,219.03	2,900.94

Notes “19” to “26”

attached to and forming part of the Balance Sheet as at March 31, 2013

NOTE 23 - EMPLOYEE BENEFITS EXPENSE

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Salaries & Wages (Including Allowances)	1,017.75	1,011.61
Contribution to Provident, Superannuation & Other Funds	52.76	64.53
Staff and Labour Welfare Expenses	26.66	28.42
Total	1,097.17	1,104.56

NOTE 24 - INTEREST AND FINANCE COSTS

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Interest on Long term borrowings	3,380.17	3,644.25
Interest on Short term Loans	613.00	460.32
Interest on Cash Credit	1,896.93	1,557.95
Interest on Debenture Loan	-	99.31
Finance and Placement Charges	150.82	245.58
Processing charges	124.93	145.42
Total	6,165.85	6,152.83

NOTE 25 - OTHER EXPENSES

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Other Manufacturing Expenses		
Chemicals & Consumables	423.61	382.90
Power, Fuel and Water Charges	364.84	325.30
Repairs and Maintenance - Buildings	4.52	18.37
Repairs and Maintenance - Plant & Machinery	514.30	311.53
Repairs and Maintenance - Sundries	25.36	83.24
Repairs and Maintenance - Others	108.06	133.17
Excise duty on year end inventory of Finished goods	389.68	(37.27)
Other Manufacturing Expenses	753.72	603.85
Administrative Expenses		
Insurance Charges	37.85	41.28
Rates and Taxes, excluding taxes on Income	11.05	12.21
Sales Tax and VAT Expenses	486.59	422.42
Office & Other Expenses	291.03	244.09
Travelling and Conveyance	11.16	26.88

Notes “19” to “26”

attached to and forming part of the Balance Sheet as at March 31, 2013

Particulars	[₹ in Lakhs]	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Selling and Distribution Expenses	204.72	115.08
Export Expenses	278.97	-
Professional and Legal Charges	78.84	74.10
Loss On Sale Of Fixed Asset	7.97	-
Payment to Auditors		
For Audit Fees	5.00	5.00
Cost Audit Fees	1.90	3.80
For reimbursement of expenses	0.16	0.97
Total	3,999.33	2,766.92

NOTE 26 - EARNING PER SHARE

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

Particulars	[₹ in Lakhs]	
	31st March, 2013	31st March, 2012
Reconciliation of earnings		
Net profit/(loss) after tax attributable to equity shareholders.	175.54	383.59
Reconciliation of number of shares		
Shares outstanding at the beginning of the period	69,569,388	64,921,500
Shares outstanding at the end of the period	69,574,188	65,983,788
Weighted average number of equity shares	69,573,530	69,562,345
Basic earnings per share	0.25	0.55
Diluted earnings per share	0.25	0.65
Face value ₹ 10/- per share		

As per our Report attached

Abhay Upadhye

Partner

Membership No. 049354

For and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

FRN: 106009W

Place: Nagpur

Date: May 15, 2013

For **Gangakhed Sugar & Energy Limited**

Ratnakar M. Gutte

Director

Sunil R. Gutte

Director

Shrikant C. Rikhe

Company Secretary

Notes

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Notes

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BOARD OF DIRECTORS

Mr. Sunil Ratnakar Gutte
Director

Mr. Radheshyam R. Tiwari
Director

COMPANY SECRETARY

STATUTORY AUDITORS

COST AUDITORS

R & T AGENTS

DEPOSITORIES

BANKERS

REGISTERED OFFICE

CORPORATE OFFICE

PLANT LOCATION



GANGAKHED SUGAR & ENERGY LIMITED

Gangakhed Sugar & Energy Limited

Registered Office:

Vijaynagar, Makhani,
Kodri Road, Gangakhed,
Dist.: Parbhani (Maharashtra) - 431514
India

Corporate Office:

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

Email: info@gangakhedicpp.com

Website: www.gangakhedicpp.com