



**GANGAKHED SUGAR
& ENERGY LIMITED**

Minimising Waste. Maximising Value.



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Minimising Waste. Maximising Value.

'Leave no waste unturned'

- The dictum by which we at Gangakhed Sugar & Energy Limited abide by to live our ethos of 'Minimising Waste and Maximising Value.'

Having little regard for the waste created through operations is no longer a viable option – financially or ethically. By integrating sustainability into our business and our DNA, we are charting responsible growth with greener footprints and, simultaneously, enhancing value for our stakeholders.



Be it in utilising bagasse, a by-product during manufacture of sugar, for generating surplus power; strengthening relations with farmers to improve quality of crop and productivity, or deploying advanced technology to reduce energy usage, we have demonstrated proactive willingness towards efficient and effective methods of operation. Our efforts are underpinned by the firm belief that doing more with less, implementing improved methods of functioning and having sustainable business practices is the right way to maximise value and build a better business.

In the pages to follow, you will read examples of our efforts towards minimising waste translating to higher productivity, environment sustainability, greater value creation and responsible growth. By embracing sustainable methods of operations, we are confident that the rewards can only get sweeter for all - the farmers, consumers, employees, investors, industry, and of course, the community.



CORPORATE SNAPSHOT

Gangakhed Sugar & Energy Limited (Gangakhed) is an integrated manufacturer of sugar, power and distillery products. The Company has a fully automated Integrated Cane Processing Plant (ICPP) located in the cane surplus region at Taluka Gangakhed, District Parbhani in Marathwada Division of Maharashtra State. This 480 crore plant situated across 200 acres of land enjoys the economic benefits of being in close proximity to road and water.

The Company's ICPP boasts of a cane crushing capacity of 6000 tonnes of sugarcane per day (TCD), Cogeneration Power Plant of 30 MW, and a multi-product Distillery Plant of a capacity of 60 kilo litres per day (KLPD) with a 1.8 MW Cogeneration Power Plant. With multiple revenue streams accruing from the manufacture of a variety of products, the Company has created a business model largely insulated from the cyclicity of the sugar industry and delivers robust performance.

Our Competitive Advantage



- ✓ State-of-the-art infrastructure
- ✓ Advanced technology for all operations
- ✓ Strong farmer relationship
- ✓ Multi-product manufacturer
- ✓ Location advantage
- ✓ Eligible to claim carbon credits
- ✓ Strong customer relationship
- ✓ Environment protection through Green Revolution

Values Inspiring Us TOWARDS SUSTAINABILITY

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.**



RETHINKING Waste

SUSTAINABILITY IN NUMBERS

Involving **30,000** farmers in sustainability.

ZERO effluent discharge from Distillery Plant.

Steam consumption per tonne of cane is around **38%** as against the industrial average of **45%**.

Moisture content of Bagasse at **48%** as compared to the industry average of **50-53%**, translating to more efficient boilers.

Captive consumption of power below **9%**.

Efficient planetary gears reducing sugar plant power consumption to **22kW/ton** of cane as against average industrial consumption of **26kW/ton**.

Pioneering the use of advanced decanter system leading to saving of **0.8%** bagasse, which is effectively utilised in cogeneration plant for additional revenue.

Through decanter system, pol loss in press mud is reduced to **0.012%** on cane as against the conventional vacuum filter pol loss of **0.06-0.08%**; press mud quantity is reduced from **3.5%** on cane to **0.92%** on cane.



Leaving No Waste Unturned

MULTIPLE PRODUCTS, INTEGRATED OPERATIONS

At Gangakhed we are very conscious of the waste we discard. The constant endeavour is to recover, reprocess, recycle and reuse leading to multiple by-products, higher revenues and our co-existence in harmony with the environment.



At the cusp of our integrated operations is the production of the sugar from sugarcane juice. The residue in the form of bagasse and molasses from the production of the primary product sugar re-enter the production chain as raw-materials in the next stage of our forward integration process.

While bagasse is used to generate green power from our co-gen operations, reducing our dependence on expensive fossil fuels, molasses is distilled to produce rectified spirit, extra neutral alcohol, denatured spirit and ethanol, important products serving the needs of alcohol, pharmaceuticals and chemical industries. Ethanol is also a valuable fuel for the automotive sector.

Press mud, the solid waste produced while processing sugarcane is rich in potassium, sodium, phosphorous and organic matters. The press mud is the base material for producing manure which is done by composting with spent wash, a liquid-waste generated out of distillery operations. Besides being soil-friendly, this manure replaces potash, a large

quantity of which is imported in the country, thus saving valuable foreign exchange.

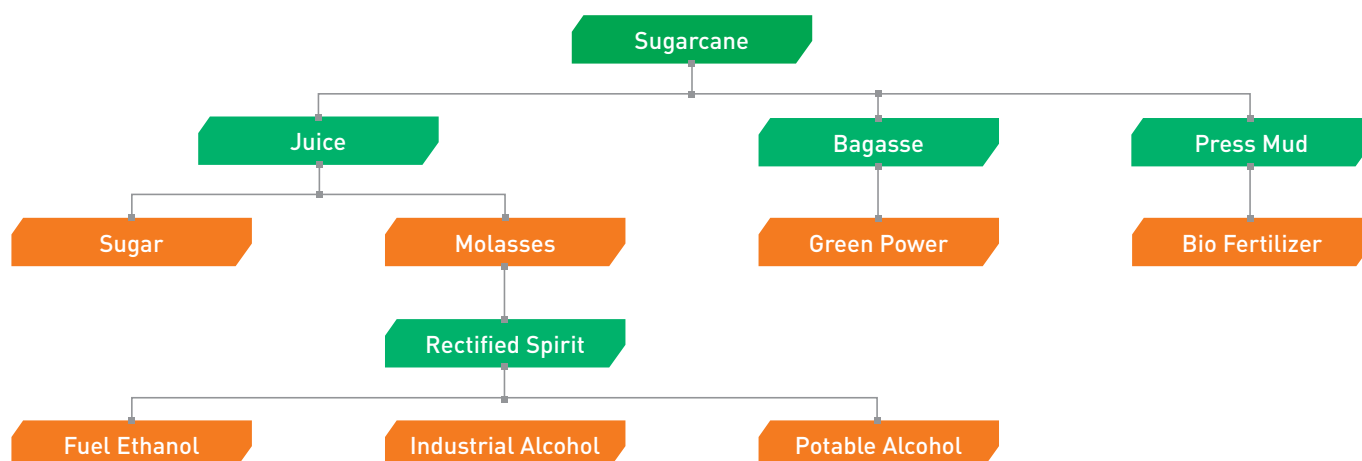
Our Cogeneration Plant is equipped with ESP (Electro Static Precipitate) equipment and collects all ashes from the cogeneration boiler flue gas emitting only 50mg/cum to atmosphere. Collected ash from the ESP is used to make bricks as building construction material.

Waste generated from the Distillery Plant is recycled to produce co-gen power and steam from the 1.8 MW Cogeneration Plant for captive purposes. In fact, the Plant gives Zero discharge of distillery effluent.

Waste water from all operations is filtered, recycled and reused for irrigation.

Finally, with all processes being integrated under one roof, the Company enjoys the flexibility to alter production according to demand, translating to less wastage overall.

The Product Chain



RESPONSIBLE BUSINESS OPERATIONS



Sugar

MAKING THE CULTIVATION SWEETER

SUGAR IS NOT A MERE COMMODITY FOR US. IT IS THE FOUNDATION FOR ALL SUBSEQUENT OPERATIONS WHICH COLLECTIVELY DEFINE OUR EXISTENCE. IT IS THEREFORE OF PARAMOUNT IMPORTANCE TO US THAT WE FOLLOW THE TENETS OF RESPONSIBILITY IN OUR SUGAR BUSINESS RIGHT FROM WHEN THE SAPLING IS SOWN TILL IT REACHES THE SUGAR PLANT AND THEN AGAIN IN THE PROCESSING OPERATIONS TILL IT REACHES THE SPOON OF OUR CUSTOMERS. OUR COMMITTED EFFORTS AND INITIATIVES HAVE ENABLED US TO MAXIMISE SUGAR RECOVERY, MINIMISE LOSSES AND TRANSPORT COST AND STRENGTHEN RELATIONS WITH THE MOST IMPORTANT STAKEHOLDERS OF OUR BUSINESS, THE FARMERS.



OUR RESPONSIBLE ACTIONS FROM SAPLING TO SUGAR PLANT

Training to Farmers: We have been pro-active in explaining the benefits of adopting scientific methods of cultivation to the farming community. Information on good agricultural practices and technical know-how has also been disseminated through development of village centers. This has resulted in enhanced and better quality yields for farmers from their holdings. Guiding and training them has also helped to extend the crushing season beyond the present day of average of 160 days without any loss in sugar recovery.

Drip Irrigation Program: We have implemented the State Government's plan for subsidised irrigation on 1000 acres of land.

Special Sampling Plantation: A 'Foundation Seeds Development Program' has been undertaken at area close to the plant to demonstrate best farming practices for improving sugarcane yield.

Satellite Mapping: Through satellite mapping, covering a radius of 100 km, we have been successful in tracking the quantity of crops cultivated in the particular region and also the new land available for cane cultivation. This program has been running effectively since last three years and has facilitated to increase the cultivation area by 20% every year.

Dedicated Software: The use of specialised software has helped to streamline all activities, starting from farmer registration to the delivery of cane to the sugar plant. A unique ID given to each farmer helps maintain record of all details related to his cultivation. Through this the Company can reinforce better quality control.

Financial Support: Financial assistance is provided to our farmers through nationalised banks for procuring fertilizers, advances for cane cultivation, farming equipment like tractors, trucks etc., and also for irrigation and harvesting facilities.

OUR RESPONSIBLE ACTIONS AT SUGAR PLANT

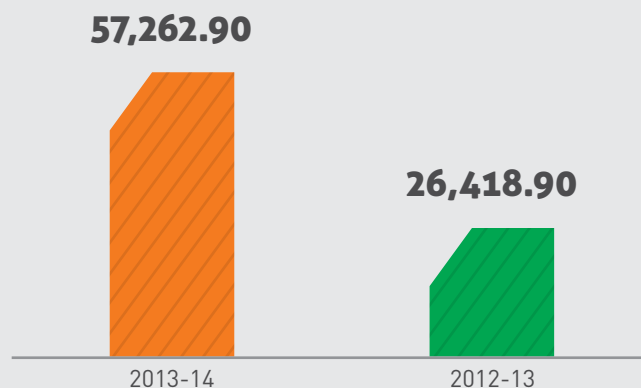
Better Technology: The Company has adopted the latest technology for crushing cane instead of a conventional technology. This reduces the cost of operations as well as improves recovery of sugar and reduces moisture content in bagasse.

Reducing Captive Consumption of Power: Variable frequency drive motors (VFD) and efficient planetary gears have helped reduce power consumption at the Plant. Reduced consumption of captive power implies that the Company has more co-gen power for Reduced consumption of captive power implies that the Company has more co-gen power for selling outside..

Decanter System: This installed system helps to save bagasse consumption at Sugar Plant which is effectively utilised in Cogeneration Plant for additional revenue. Also, this latest decanter system provides lesser pol loss in press mud, a valuable component of manure.

Sugar Effluent Treatment Plant (ETP): Aligned to its philosophy of minimising waste, a well-equipped ETP has been set up which treats sugar effluent effectively and also supports BOD (Biological Oxygen Demand) & COD (Chemical Oxygen Demand) removal from outlet water, thereby leaving the smallest possible environmental footprint.

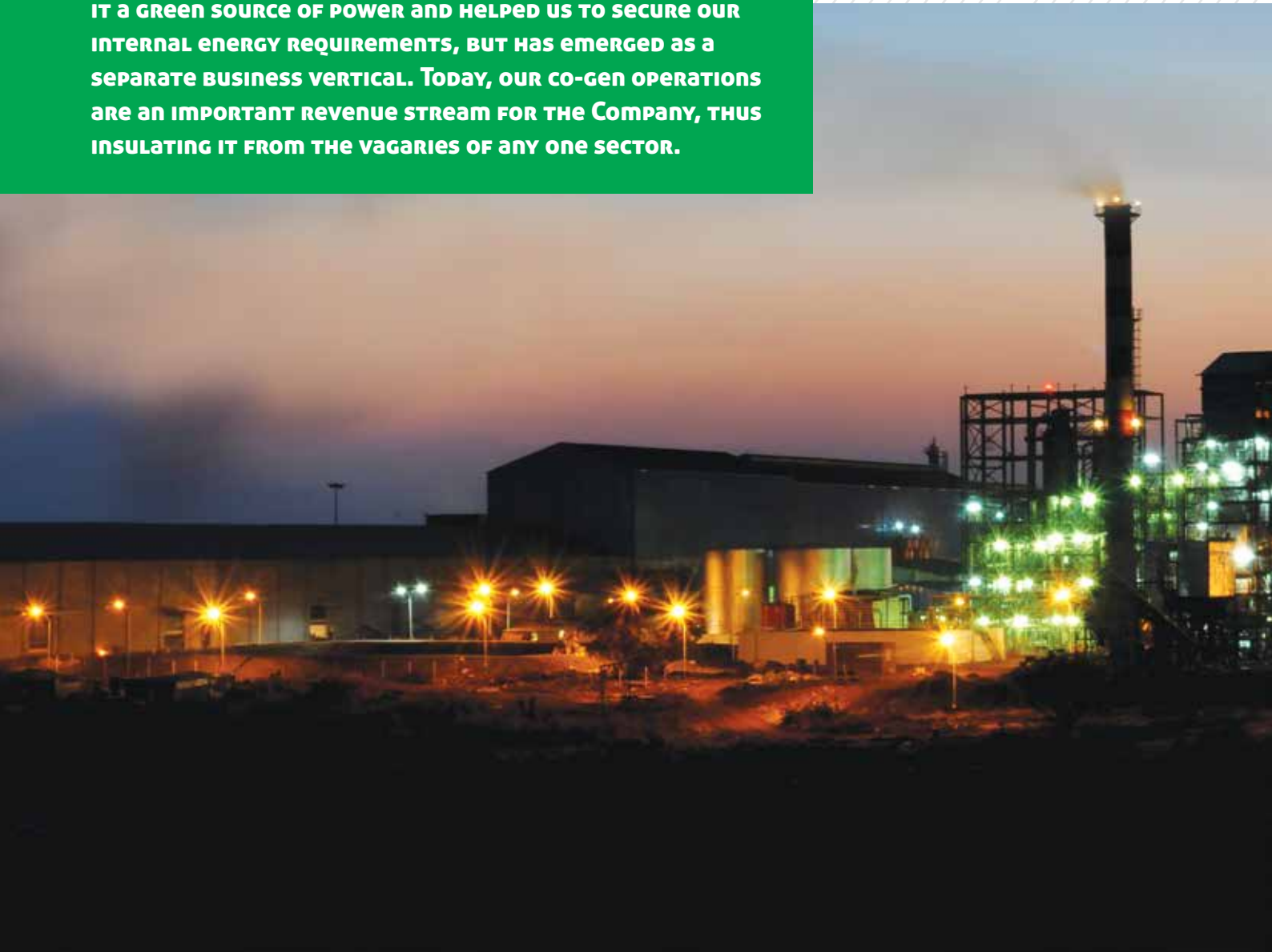
Revenue Mix (₹ in Lakhs)



Co-gen

Powering green energy

Our commitment to reducing waste and carbon emissions led us towards forward integration of our Sugar operations and develop Co-gen operations. Not only is it a green source of power and helped us to secure our internal energy requirements, but has emerged as a separate business vertical. Today, our co-gen operations are an important revenue stream for the Company, thus insulating it from the vagaries of any one sector.

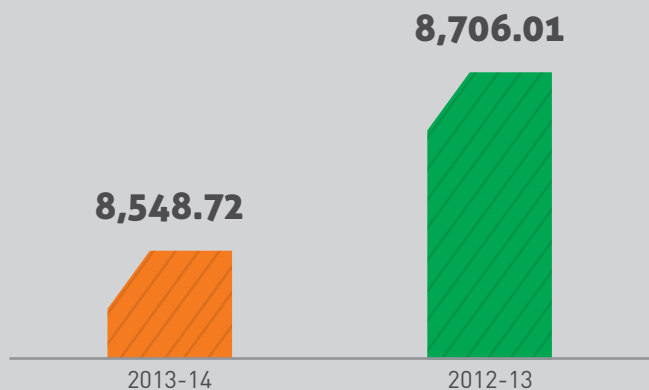


GSEL produces 30 MW of power from its Cogeneration Plant using renewable sources of fuel - namely bagasse. Even our distillery has its own power generation station and produces 1.8 MW of electricity. The Company has entered into a Power Purchase Agreement with MSEDCL, an arrangement that brings us a stabilised revenue stream.

The power produced through cogeneration substitutes the conventional thermal alternative and reduces greenhouse gas emission. As projects that reduce GHG (Green House Gases) are eligible for carbon credits under UN legislation "Kyoto Protocol", our co-gen power represents yet another source of revenue for our business.



Revenue Mix (₹ in Lakhs)



Our responsible actions for better power

Two Roller Mill Machinery: Co-gen operations can be improved by reducing moisture content at milling stage. The adoption of 'Two roller mill tandem' instead of the conventional milling tandem has helped us to maximise sugar recovery and reduce moisture in bagasse, thereby increasing our energy output.

Superior Boiler & Turbine:

The Co-generation Plant boiler and turbine combine a 110 kg/cm² pressure and a temperature of 535° Celsius to optimize co-gen power generation from renewable fuel sources.

Energy Optimising Devices: We have installed energy optimising devices at our Cogeneration Plants to maximise energy output from bagasse.

Latest Technology: The 1.8 MW Cogeneration Plant with our Distillery Unit is among the latest technology co-gen plant in the industry by utilising the Biomass of fuel of concentrated spent wash and Bagasse.

DISTILLERY

EXTRACTING DIVERSE PRODUCTS TO DERIVE BETTER VALUE

OUR DISTILLERY UNIT 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.

THE PLANT'S ECO-FRIENDLY CREDENTIALS COME FROM THE ADOPTION OF ZERO EFFLUENT DISCHARGE TECHNOLOGY AND THE SETTING UP OF A 1.8 MW COGENERATION PLANT TO MEET THE STEAM REQUIREMENT OF THE DISTILLERY.



Revenue Mix (₹ in Lakhs)

4,491.13

4,483.15

2013-14

2012-13

OUR RESPONSIBLE ACTIONS AT THE DISTILLERY PLANT

Independent Incineration Boiler: The use of an Independent incineration boiler system instead of composting ensures continuous running of distillery beyond 270 days.

Better Systems: A multi-functional micro processor based monitoring and control system (DCS) has been installed to achieve reliability and optimisation of equipments performance.

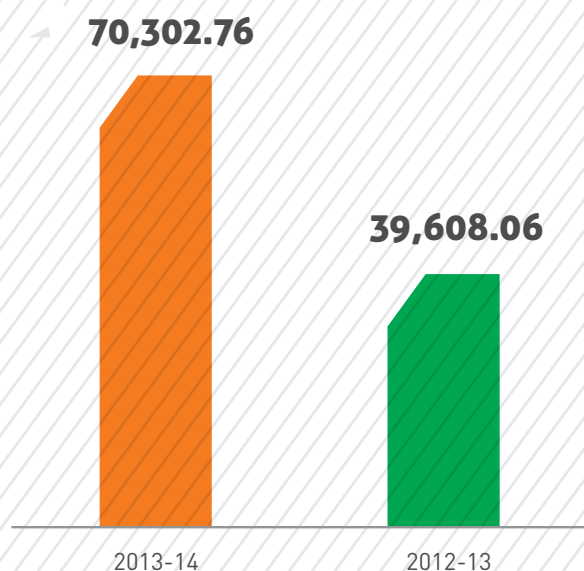
Zero-Discharge: The Plant is a Zero discharge facility. Waste generated from the distillery is recycled and reused to produce co-gen power and steam for the distillery itself.

Recover and Recycle FOR HIGHER RETURNS

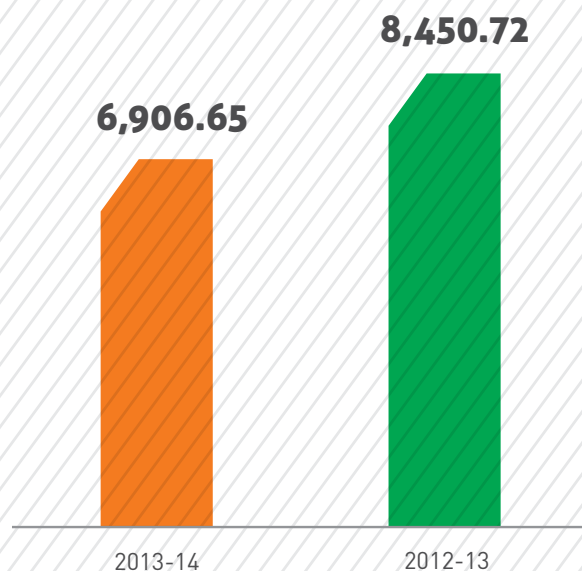
Financial Performance



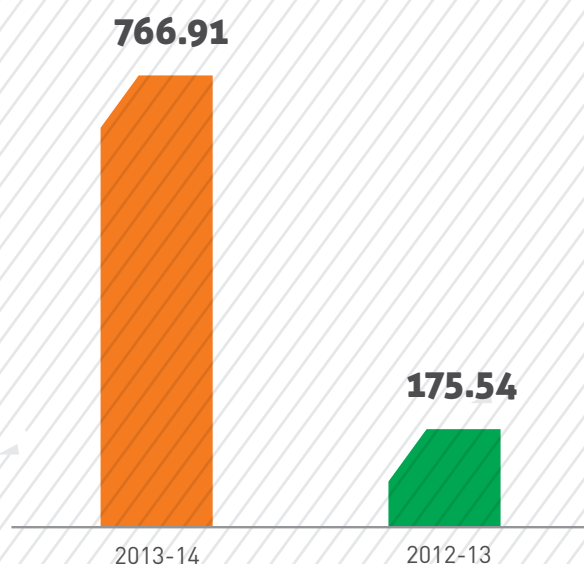
Total revenue (₹ in Lakhs)



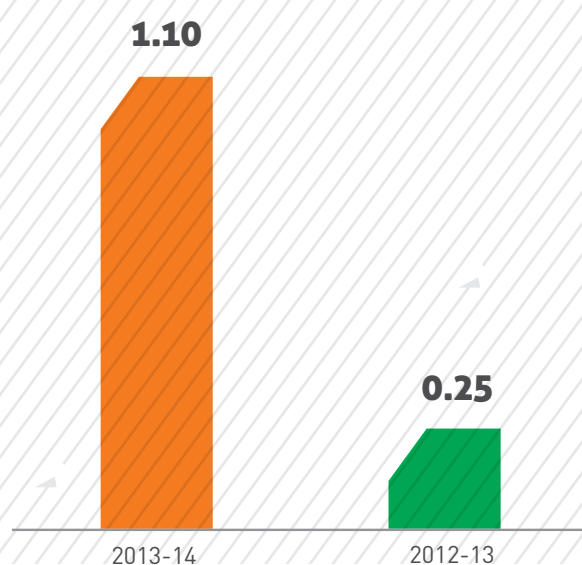
EBIDTA (₹ in Lakhs)



Net Profit (₹ in Lakhs)



EPS (₹)



CORPORATE SOCIAL RESPONSIBILITY

Value creation FOR ALL

AT GANGAKHED, WE FIRMLY BELIEVE THAT OUR LONG-TERM GROWTH POTENTIAL IS LINKED AS MUCH TO OUR SOCIAL AND ENVIRONMENTAL BOTTOM-LINE AS IT IS LINKED TO THE SUPERIORITY OF OUR PRODUCTS AND OUR FINANCIAL PERFORMANCE. BY CREATING VALUE FOR THE COMMUNITY AROUND OUR OPERATIONS AND CARING FOR OUR SILENT STAKEHOLDER - THE ENVIRONMENT, WE ARE STRENGTHENING THE FOUNDATION FOR BUILDING A SUSTAINABLE BUSINESS. ALIGNED TO OUR GOAL OF CREATING VALUE FOR ALL, WE HAVE EMBRACED SOCIAL RESPONSIBILITY INITIATIVES IN THE SPHERE OF EDUCATION, INFRASTRUCTURE, AWARENESS GENERATION, ENVIRONMENT, HEALTH AND SAFETY.

Education

Our activities in the field of education range from providing basic education facilities for children residing in the vicinity of our plant to imparting life skills which would ensure their holistic development. We have set up a primary school at our Plant site Shakarshala for providing education to 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 training and skills to the youth for gainful employment.



INFRASTRUCTURE

Gangakhed is committed to establishing the necessary infrastructure that foster community and economic development. Cognizant of the hardship faced by the farmers and the time lost due to the use of unpaved and kutchra roads, we have built roads to improve connectivity.



Awareness Generation

An important initiative undertaken by the Company is spreading awareness on good agricultural practices among the farming community. Our awareness drive disseminate information about better farming techniques, various sugar cane breed, utilisation of better quality of seeds, innovative methods of irrigation and new methods of cultivation that will enhance yield and crop quality as well as sugar recovery. This initiative consists of direct interactions with university scientists and agronomists from reputed agricultural universities. We conduct regular seminars in collaboration with various educational and technical institutes like the Vasant Dada Sugar Institute. We also provide access to competitive and modern technologies. These initiatives enable farmers to get better value for their cultivations, thereby improving their living standards and that of their families.



Environment

Our commitment to the environment is reflected in aligning systems and process in our operations so as to create a positive environment impact. Environment-friendly measures implemented include reduction in energy consumption, efficient water management system and use of advanced technology to minimise waste.



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 cancer and other diseases. We have commissioned and operate an ambulance service in the Plant that provides medical assistance in emergency situations.



Safety

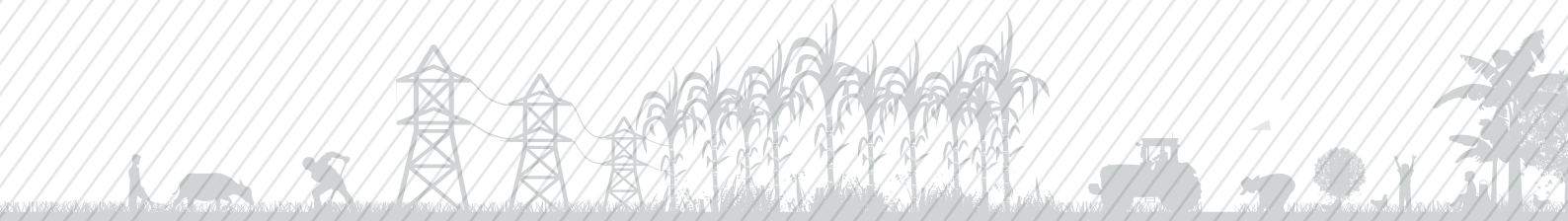
Workers' safety is an inseparable part of our work practices and we hold regular training sessions and safety seminars to ensure that our workers and factory employees work within the boundary of personal safety.



Chairman's Statement



**Our business model
is completely aligned
to ensuring minimal
waste through energy
efficiencies and
environmental
sustainability.**



Dear Friends,

In the contemporary transformed corporate environment of today, progress is no longer simply about profitable growth. It is, as importantly, about responsible growth.

The growth strategy at Gangakhed is rooted in such responsible growth. Our business model is completely aligned to ensuring minimal waste through energy efficiencies and environmental sustainability. The thinking that steers our strategy is founded on the ethos of delivering greater value to all our stakeholders through minimisation of waste across our business operations.

Armed with this business philosophy, we have created environmental and sustainable synergies across the entire value chain in our core business of Sugar, as also in our Co-gen operations.

We have incorporated many small and big measures into our bio-system to nurture sustainable and responsible growth. These initiatives have helped us create a new environment

for our business – one that is more focused on sustainable development for us and for our stakeholders, encompassing farmers, consumers, employees, investors, industry, and of course, the community at large.

It is, in my opinion, just a way of giving back to the society something of what we have earned from it. We owe it not only to ourselves but to the generations to come. This is one debt that we like paying, and in fact are proud to pay back.

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



2

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', 'Great Achiever in Industrial Excellence Award 2004', 'NCCL Entrepreneur of the Year 2007-08' and 'Bharat Vibhushan Samman Puraskar 2009' to name a few. During April 2011, he was honoured with the 'Marathwada Gaurav Award' by Shri Prithviraj Chavan, the Hon'ble Chief Minister of Maharashtra, in the presence of Hon'ble State and Central Ministers, for his significant contribution in the field of industry as well as social services.

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



3

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.

4

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 largescale 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.

DIRECTORS' REPORT

To,
The Members,
Gangakhed Sugar & Energy Limited

Your Directors have pleasure to present their Seventh Report which forms part of the annual financial statements of the company for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31st March, 2014 is summarized below:

		(₹ in Lacs)	
Particulars		2013-14	2012-13
Net Sale/Revenue from operations		61,671.98	29,596.92
Other Income (A)		952.04	444.29
Total Income		62624.02	30,041.21
Operating Profit		6906.65	8450.72
Interest & Finance Charges		5423.00	6165.84
Depreciation		2215.67	2165.59
Profit after depreciation and Finance Cost (B)		(732.02)	119.29
Profit Before Tax (A) + (B)		220.02	563.58
Tax		(546.89)	388.04
Profit After Tax		766.91	175.54
Surplus Transfer to Balance Sheet		766.91	175.54

OPERATIONAL REVIEW

"Your company has achieved turnover of ₹ 61,671.98 lacs despite the negative environment prevailing in the current financial year"

Maharashtra is one of the leading states in sugarcane production in India, but due to unfavorable rains and some connected geographical as well as economic conditions it showed a decline in the sugarcane production for FY 2013-14, this decline has ultimately affected Sugar production of the regional Sugar Industries. In such negative situations your company managed to achieve better financial results.

The Net Sales/Revenue from operations of your Company for the financial year ended on 31st March, 2014 is ₹ 61,671.98 lacs, whereas it was ₹ 29,596.92 lacs for the financial year ended on 31st March, 2013 which shows 108% (approx) incline in Net Sales.

Profit after tax is ₹ 766.91 lacs for the financial year ended on 31st March, 2014 whereas it was ₹ 175.54 lacs during the last financial year, which shows almost over Three Times increase in the profitability of the Company.

FUTURE PROSPECTS

Background

Sugar as a commodity in its own right can be traced back to several thousand years in China and India. A definite reference

dates to 510 B. C. when soldiers of the Persian Emperor Darius saw sugarcane growing on the banks of the River Indus. They called it the reeds which produce honey without bees. Much later it was grown in Persia and the Arabs took it to Egypt. The word sugar is itself derived from an Arabic word.

India is the second largest sugar producing country in the world. The sugar industry in India is a key driver of rural development, supporting India's economic growth. It provides direct employment to large number of people and indirect employment to millions. There are around 45 millions of sugar cane growers in India and a larger portion of rural laborers in the country largely rely upon this industry. It is the largest among the processing Industries and has significant contribution in the National GDP.

Sugar Industry Review

Global sugar industry continues to deal with a large sugar surplus accrued during the last few years. While production in Brazil is affected to a certain extent due to lower rainfall, crops in India and Thailand are in a good condition and are expected to be large. Domestic cane pricing is shifting to a revenue sharing model which should lead to stable operating margins going forward. The new Government has a very positive view on the industry development and this should expand considerably here onwards.

Sugarcane is cultivated in over 5 Million hectares in 2013-14, with Uttar Pradesh and Maharashtra accounting for a combined

63% of the total acreage. Despite a deficient monsoon, sugar production in the country is expected to go up by 4 per cent in the 2014-15 season as higher yields in Maharashtra and Karnataka and an increase in areas of cane cultivation in the two states make up for an overall decline in sugarcane acreage from the previous year, according to an industry body estimate.

Sugarcane use for production of sugar has steadily increased over time in preference to alternative sweeteners. 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%.

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, 2014.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the financial year ended on 31st March, 2014.

DIRECTORS

As per the provisions of the Companies Act, 1956 Mrs. Sudhamati R. Gutte is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered herself for reappointment. The Board of Directors recommends her reappointment by the members 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.

STATUTORY AUDITORS

The Statutory auditors of the company M/s. K.K Mankeshwar & Co., Chartered Accountants (ICAI FRN 106009W) are going to retire at the ensuing annual general meeting. Your Board of Directors has recommended their re-appointment at the ensuing annual general meeting of the company to hold office until the conclusion of next annual general meeting of the company. A consent letter under Section 139 of the Companies Act, 2013 for the said appointment has been obtained from the auditors of the company.

COST AUDITORS

Your Company is regular in conducting the audit of Cost records of the Company. The Board has appointed M/s. N. D. Chavan & Company, Cost Accountants (Mem. No. 10144) to conduct audit of cost records of the company.

DIRECTOR'S RESPONSIBILITY STATEMENTS

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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, 2014;
- 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;
- 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 who comes under the purview of the aforesaid section read with the aforesaid Rules for the financial year ended on 31st March, 2014.

Gangakhed Sugar & Energy Limited

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has incurred the following earnings and outgo in foreign currency during the financial year 2013-2014, the rupee equivalent of that amount has been given hereunder;

Particulars	₹ In lacs
Total Earning	Nil
Total Outgo	50

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
Director

Sunil Ratnakar Gutte
Director

Date: August 07, 2014
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	2013-2014	2012-2013
		01/04/2013- 31/03/2014	01/04/2012 - 31/03/2013
A Power & Fuel Consumption			
1 Electricity			
(a) Purchased	KWH	24,21,120.00	19,83,201.00
Total Amount	₹	2,78,36,009.00	3,02,62,892.00
Rate/KWH	₹	11.49	15.26
(b) Own Generation			
i) Thorough Diesel Generator Units	MW	14,787.00	32,014.00
Units/Ltr of Diesel		8,900.00	9,500.00
Oil	Ltrs.		
Total Cost	₹	6,79,485.00	5,00,718.00
Cost/Unit	₹	5.69	4.79
ii) Thorough Power Plant Units	MW	9,92,03,160.00	10,51,67,343.00
Total Cost	₹		34,51,80,812.00
Cost/Unit	₹	5.69	4.79
2 Coal	M.T.	9834.230	3862.18
	Amount	5,18,97,888.06	2,07,59,254.08
	Rate/MT	5277.270	5,375.01
B Consumption per unit of production			
Power			
Coal	M.T.	9834.230	4263.88
Sugar	Production (MTs)	54,950.00	91,474.70
	Unit/Production		

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

Date: August 07, 2014
Place: Nagpur

Ratnakar Manikrao Gutte
Director

Sunil Ratnakar Gutte
Director

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, 2014, 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 Unit in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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

- (a) Note No 22.1 "Employee benefit Expenses" regarding non provision of retirement benefits to employees.

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

- a. 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;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred under the Companies Act ("the Act") read with the General Circular 15/2003 dated 13th September, 2013 of the

Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, *except for Accounting Standard 15 on Employees Benefit*.

- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. 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
7th August 2014

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, 2014)

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:

- a) The Company is in the process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) 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.
- c) 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:

- a) The inventories 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. 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 registered maintained under section 301 of the Companies Act, 1956.

- a) 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 not taken any loan, secured or unsecured, from its director covered in the registers maintained in pursuance of Section 301 of the Companies Act, 1956.

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 or 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, 2014

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, 2014 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, 2014 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	579.30	Jan-2011 to Mar-2014	Commissioner of Customs, Central Excise & Service Tax

10. The Company has no accumulated losses as on 31st March, 2014 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

Nagpur, dated the
7th August 2014

Balance Sheet

as at March 31, 2014

		(Figures in lakhs)	
Particulars	Note No.	As on March 31, 2014	As on March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	6,957.42	6,957.42
(b) Reserves & surplus	2	5,399.92	4,633.01
2 Non-Current Liabilities			
(a) Long-term borrowings	3	19,492.46	24,000.37
(b) Deferred tax liabilities (Net)	4	427.77	1,020.77
(c) Other Long term liabilities	5	17,124.35	16,560.26
3 Current Liabilities			
(a) Short-term borrowings	6	19,536.38	18,387.28
(b) Trade payables	7	4,150.98	4,507.89
(c) Other current liabilities	8	6,076.03	5,537.07
(d) Short-term provisions	9	4.30	118.02
TOTAL		79,169.61	81,722.09
II. ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	40,464.17	42,256.76
(ii) Intangible assets	10	4.64	6.66
(ii) Capital work-in-progress	10	903.42	332.61
(b) Non-current investments	11	242.45	-
(c) Long-term loans and advances	12	2,200.09	799.82
2 Current Assets			
(a) Inventories	13	19,045.38	27,351.12
(b) Trade receivables	14	7,339.14	4,773.57
(c) Cash and cash equivalents	15	5,594.11	4,498.45
(d) Short-term loans and advances	16	3,376.21	1,703.10
Contingent Liabilities and Commitments	17		
Significant Accounting Policies	A		
TOTAL		79,169.61	81,722.09

As per our Report attached

Abhay Upadhye

Partner

Membership No. 049354

For and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

Firm Registration No: 106009W

Place: Nagpur

Date: August 7, 2014

For **Gangakhed Sugar & Energy Limited****Ratnakar Manikrao Gutte**

Director

Sunil Ratnakar Gutte

Director

Ajinkya R. Bannore

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2014

(Figures in lakhs)			
Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
I. REVENUE	18		
Sales		62,236.88	30,012.57
Less: Excise duty		(933.35)	(632.03)
Net revenue from operations		61,303.53	29,380.54
II SALES TAX REFUND (MEGA PROJECT BENEFIT)		368.45	216.37
Total revenue from operations		61,671.98	29,596.92
III OTHER INCOME	19	952.04	444.29
IV. TOTAL REVENUE		62,624.02	30,041.21
V. EXPENSES:			
Cost of materials consumed	20	14,735.17	23,243.73
Purchase of Stock in trade		26,979.53	3,024.97
Changes in Inventories of Finished Goods, work in progress and stock in trade	21	10,029.94	(10,219.02)
Employee benefits expense	22	1,089.45	1,097.17
Finance costs	23	5,423.00	6,165.84
Depreciation	10	2,215.67	2,165.59
Other expenses	24	1,931.24	3,999.35
Total expenses		62,404.00	29,477.63
VI. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		220.02	563.58
VII. EXCEPTIONAL ITEMS		-	-
VIII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		220.02	563.58
IX. EXTRAORDINARY ITEMS		-	-
X. PROFIT BEFORE TAX		220.02	563.58
XI. CURRENT TAX EXPENSES			
(1) Minimum Alternate Tax [A.Y. 2013-2013]		-	152.89
(2) Minimum Alternate Tax [A.Y. 2013-2014]		-	118.01
(2) Minimum Alternate Tax [A.Y. 2014-2015]		46.11	-
(3) Deferred tax		(593.00)	117.14
XII. PROFIT (LOSS) FOR THE YEAR		766.91	175.54
XIII. EARNINGS PER EQUITY SHARE:			
(1) Basic	25	1.10	0.25
(2) Diluted		1.10	0.25

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

Firm Registration No: 106009W

Ratnakar Manikrao Gutte

Director

Sunil Ratnakar Gutte

Director

Place: Nagpur

Date: August 7, 2014

Ajinkya R. Bannore

Company Secretary

Cash Flow Statement

for the year ended March 31, 2014

		(Figures in lakhs)	
Sr. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
		Amount	Amount
A	CASH FLOW FROM OPERATING ACTIVITIES		
	(a) Net Profit from operating activities before exceptional items, taxes and appropriations	220.02	563.58
	Adjustments:		
	Depreciation	2,215.67	2,165.61
	Interest and Finance costs (net)	5,423.00	6,165.85
	Preliminary Expenses written off	-	-
	(Profit)/Loss on sale of fixed assets	-	7.97
	(b) Working capital changes:		
	- Decrease in inventories	8,305.74	(8,743.51)
	- Decrease in trade receivables	(2,565.57)	(941.59)
	- Increase in short-term loans and advances	(1,673.11)	886.05
	- Decrease in other current assets	-	-
	- Increase in short term borrowings	1,149.10	471.79
	- Decrease in trade payables	(356.91)	223.43
	- Increase in other current liabilities	538.95	328.14
	- Increase in provisions	(159.84)	-
	Cash generated from operations	13,097.05	1,127.32
B	CASH FLOW FROM INVESTING ACTIVITIES		
	(a) Increase in Fixed assets, Capital work in progress	(991.87)	(1,813.44)
	(b) Investment	(242.45)	226.00
	(c) Sale proceeds of Fixed Assets		9.71
	Net cash used in Investing Activities	(1,234.32)	(1,577.73)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	(a) Proceeds from issue of share capital	-	-
	(b) Decrease in other long-term loans and advances	(1,400.27)	266.46
	(c) Capital Subsidy received	-	-
	(d) Repayment of Other Long Term Liabilities	(3,943.81)	6,624.33
	(f) Interest and other finance costs	(5,423.00)	(6,165.85)
	Net Cash used in Finacing Activities	(10,767.08)	724.94
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	1,095.65	274.54
	Add: Cash and cash equivalents at the beginning of the year	4,498.45	4,223.92
	Cash and cash equivalents at the end of the year	5,594.10	4,498.45

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 and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

Firm Registration No: 106009W

Place: Nagpur

Date: August 7, 2014

For **Gangakhed Sugar & Energy Limited**

Ratnakar Manikrao Gutte

Director

Sunil Ratnakar Gutte

Director

Ajinkya R. Bannore

Company Secretary

Notes “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 1 - SHARE CAPITAL

1.1 Particulars	As at March 31, 2014		As at March 31, 2013	
	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	69,574,188	6,957.42
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	69,574,188	6,957.42	69,574,188	6,957.42
Total	69,574,188	6,957.42	69,574,188	6,957.42

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
At the beginning of the year	69,574,188	6,957.42	69,569,388	6,956.94
Add : Shares issued during the year	-	-	4,800	0.48
At the end of the year	69,574,188	6,957.42	69,574,188	6,957.42

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, 2014		As at March 31, 2013	
	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	8,002,500	11.50
Mrs. Sudhamati R Gutte	8,002,500	11.50	8,002,500	11.50
Mr. Sunil R. Gutte	8,002,500	11.50	8,002,500	11.50
Mr. Vijay R. Gutte	8,002,500	11.50	8,002,500	11.50
Mrs. Swati Rajesh Phad	8,000,000	11.50	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	1,228,188	1.77
Total	69,574,188		69,574,188	

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 “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 2 - RESERVES AND SURPLUS

		(Figures in lakhs)	
2.1 Particulars		As at March 31, 2014	As at March 31, 2013
		Amount	Amount
a. Capital Subsidy			
Opening Balance		55.24	55.24
(+) Received during the year		-	-
(-) Written Back in Current Year			
Closing Balance		55.24	55.24
b. Securities Premium Reserve			
Opening Balance		4,202.52	4,198.20
Add : Securities premium credited on Share issued		-	4.32
Closing Balance		4,202.52	4,202.52
c. Profit/(Loss) in Statement of Profit and Loss			
Opening balance		375.25	199.71
(+) Net Profit/(Loss) for the current year		766.91	175.54
Closing Balance		1,142.16	375.25
Total		5,399.92	4,633.01

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.

NOTE 3 - LONG TERM BORROWINGS

		(Figures in lakhs)	
3.1 Particulars		As at March 31, 2014	As at March 31, 2013
		Amount	Amount
Secured			
Term Loans			
Long Term Loans from Bank		9,347.08	11,246.73
Long Term Loans from NBFC		-	478.33
Loan from Sugar Development Fund		3,145.38	4,274.80
Loan from Indian Renewable Energy Development Agency Limited		7,000.00	8,000.00
Vehicle Loan		0.00	0.51
Total		19,492.46	24,000.37

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 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.

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

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

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

- 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.)
- 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.)
- 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

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	587.17	-	-	4,387.17
	BOI	680.00	680.00	680.00	680.00	815.51	-	-	3,535.51
	UBI	20.00	20.00	20.00	20.00	34.73	-	-	114.73
	Andhra Bank	-	-	-	-	-	-	-	-
	OBC	220.00	220.00	220.00	220.00	220.00	105.47	-	1,205.47
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
NBFC	TATA	-	-	-	-	-	-	-	-
Crop loan	UBI	-	-	-	-	-	-	-	-
	UCO	1,123.96	-	-	-	-	-	-	1,123.96
	Ratnakar	498.96	-	-	-	-	-	-	498.96
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		5,705.38	3,535.09	3,535.09	3,241.09	2,734.50	1,182.56	1,077.09	21,010.81

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 4 - DEFERRED TAX LIABILITY

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

4.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Deferred Tax Asset - DTA		
Unabsorbed Depreciation	2,783.93	1,540.21
Interest Disallowed U/S 43B	122.98	-
Preliminary Expenses	3.65	6.97
Total DTA	2,910.56	1,547.18
Deferred Tax Liability - DTL		
Written down value	3,338.33	2,567.96
Total DTL	3,338.33	2,567.96
Net Deferred Tax Liability (DTL) as at 31st March, 2013	1,020.77	903.63
Net Deferred Tax Liability (DTL) Charged to Statement of profit and loss	593.00	(117.14)
Net Deferred Tax Liability (DTL) as at Balance Sheet date	427.77	1,020.77

NOTE 5 - OTHER LONG TERM LIABILITIES

Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Payable to related parties		
Sundry Creditors for fixed assets	2,059.10	4,068.44
Security Deposits	13,537.62	6,128.22
Other Payables	1,527.63	6,363.60
Total	17,124.35	16,560.26

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

NOTE 6 - SHORT TERM BORROWINGS

6.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Short Term Borrowings		
Secured Loans		
Loan Repayable on demand		
Cash credit from banks	14,941.30	14,748.26
Short Term Loans from Bank	4,500.00	3,550.00
Unsecured		
Security Deposits received	95.08	89.03
Total	19,536.38	18,387.28

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 passu charge (hypothecation) on movable fixed assets and current assets. The CC limit of ₹150 Crores, for which the Personal guarantee is given by chairman, and the other Directors.

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

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 ₹ 45 crores for Harvesting & Transportation for which personal guarantees of Chairman and other directors was given.

NOTE 7 - TRADE PAYABLES

7.1 Particulars	(Figures in lakhs)	
	As at	As at
	March 31, 2014	March 31, 2013
	Amount	Amount
Trade payable		
Sundry Creditors - Micro, Small and Medium Enterprises	409.35	90.92
Sundry Creditors - Other Creditors	3,741.63	4,416.97
Total	4,150.98	4,507.89

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	(Figures in lakhs)	
	As at	As at
	March 31, 2014	March 31, 2013
	Amount	Amount
Other liabilities		
Current maturities of long term debts	4,553.14	4,601.74
Interest accrued but not due on borrowings	361.80	105.09
Interest accrued and due on borrowings	-	241.32
Advance received from customers	620.90	338.97
Other payables		
Chief Minister's Relief Fund Payable	-	14.63
Allowances Payable to employees	0.72	0.70
Statutory Dues Payable	415.50	93.03
Water, Electricity & Telephone Charges payable	35.07	54.05
Salary Payable	88.90	87.56
Total	6,076.03	5,537.07

NOTE 9 - SHORT TERM PROVISIONS

Particulars	(Figures in lakhs)	
	As at	As at
	March 31, 2014	March 31, 2013
	Amount	Amount
Other Provision		
Provision for Income Tax (A.Y. 2009-2010) (Net of Advance tax and TDS)	-	0.00
Provision for Income Tax (A.Y. 2013-2014) (Net of Advance tax and TDS)	-	118.01
Provision for Income Tax (A.Y. 2014-2015) (Net of Advance tax and TDS)	4.30	-
Total	4.30	118.02

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 10 - FIXED ASSETS

(Figures in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at April 1, 2013	Additions	Disposals / Subsidy (Refer Note)	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation charge for the year	Balance as at March 31, 2014	Balance as at March 31, 2013
	₹	₹	₹	₹	₹	₹	₹	₹
A Tangible Assets								
Freehold Land	1,413.96	102.07	-	1,516.03	-	-	1,516.03	1,413.96
Factory Buildings	7,541.14	2.64	-	7,543.78	605.18	251.91	6,686.69	6,935.96
Office Building, Shed and Other building	5,548.05	2.78	-	5,550.83	210.55	90.47	5,249.81	5,337.50
Plant and Equipment	32,627.14	351.97	80.00	32,899.11	4,407.99	1,826.87	26,664.25	28,219.15
Furniture and Fixtures	66.93	-	-	66.93	9.16	4.24	53.53	57.77
Vehicles	310.42	38.98	-	349.40	50.21	32.02	267.17	260.21
Computers and Printers	49.24	2.62	-	51.86	17.02	8.14	26.70	32.22
Total A	47,556.88	501.06	80.00	47,977.94	5,300.12	2,213.65	40,464.17	42,256.76
B Intangible Assets								
Computer Software	12.48	-	-	12.48	5.82	2.02	4.64	6.66
Total B	12.48	-	-	12.48	5.82	2.02	4.64	6.66
C Capital Work In Progress								
Civil construction							532.65	332.61
Plant and Machinery				-	-	-	295.13	-
Fuel Handling System							75.64	-
Total C	-	-	-	-	-	-	903.42	332.61
Total (A+B+C)	47,569.36	501.06	80.00	47,990.42	5,305.94	2,215.67	41,372.23	42,596.03
Previous Year	46,016.67	1,904.24	351.56	47,569.36	3,145.42	2,165.61	42,596.01	42,965.86

NOTE:

₹ 80 lakhs 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 “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 11 : NON CURRENT INVESTMENTS

Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
Other Investments		
Investment in Equity instruments	242.45	-
Total	242.45	-

11.1 Details of Other Investments

Particulars	Nature of Control	(Figures in lakhs)					
		Number of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹)	
		31.3.2014	31.3.2013			31.3.2014	31.3.2013
Investment in Equity Instruments							
Mahatama Sugar And Power Limited	-	1,913,500	-	Unquoted	Fully Paid	191.35	-
Gangakhed Solar Power Limited	Subsidiary	9,999		Unquoted	Fully Paid	1.00	
Linus Traded Hongkong Limited	Wholly owned Subsidiary	7,989		Unquoted	Fully Paid	50.00	
Yogeshwari Hachiries Limited		1,000		Unquoted	Fully Paid	0.10	
Total						242.45	-

NOTE 12 - LONG TERM LOANS AND ADVANCES

12.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
Security Deposits		
Unsecured, considered good 2	349.56	114.91
Sub-total (a)	349.56	114.91
Loans & Advances to related parties		
Unsecured, considered good 3	516.74	16.74
Sub-total (b)	516.74	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)	24.56	24.57
Advance Tax & TDS (A.Y. 2013-14)	0.63	33.18
Balance with statutory authorities Long	585.65	252.75
H & T Contractor Advances Long	125.59	128.77
Incentive Receivable - Package Scheme of Incentive, 2007	584.82	216.37
Sub-total (c)	1,333.79	668.18
Total (a+b+c)	2,200.09	799.82

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

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

Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Loans to related parties include		
Due from RMG Ventures Private limited in which company director is director	16.74	16.74
Advance to related parties include :		
Capital Advance given to Yogeshwari Hacharies for purchase of Godwon	500.00	-

NOTE 13 - INVENTORIES

13.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Raw materials	993.34	101.50
Work in Process	24.22	21.00
Finished Goods:		
Sugar - Free	14,846.51	24,443.44
Sugar - Levy	0.82	72.05
Rectified Spirit	1,021.61	249.39
Impure Sprit	7.58	18.50
Extra Neutral Alcohol	365.09	669.69
Absolute Alcohol	-	-
Fusel Oil	1.96	1.26
Trading Goods	760.33	-
Stores and spares	792.17	720.14
By-Products:		
Molasses CL ST	67.08	427.23
Bagasse	130.36	601.72
Pressmud	34.31	25.21
Total	19,045.38	27,351.12

- 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	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Trade Receivables		
Outstanding for a period not exceeding six months from the date they are due for payment		
Unsecured, considered good 6	7,328.57	4,724.88
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good 6	10.57	48.69
Total	7,339.14	4,773.57

Notes “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 15 - CASH AND CASH EQUIVALENTS

15.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Balances with banks :		
On current accounts	410.41	1,388.64
Fixed Deposits (less than 12 months maturity)	5,175.36	3,103.13
Cash on hand	8.34	6.68
Total	5,594.11	4,498.45

NOTE 16 - SHORT TERM LOANS AND ADVANCES

16.1 Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
Other loans & advances		
Employee advances	85.44	82.24
Balance with statutory authorities Short	1,026.86	487.41
Prepaid expenses	35.04	38.46
H & T Contractor Advances Short	859.18	463.75
Cane Growers Advances	336.32	79.35
Advance to Suppliers	1,006.00	504.59
Advance to irrigation department	17.04	39.80
Other Advances	10.33	7.49
Total	3,376.21	1,703.10

NOTE 17 - CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Figures in lakhs)	
	As at March 31, 2014	As at March 31, 2013
	Amount	Amount
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	579.30	295.23
(b) Guarantees given by the Company to various Banks	6,855.14	6,808.14
	7,434.44	7,103.37
(ii) Capital Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

Note: The Company was in the process of providing guarantee in favor of UCO Bank to secure the short term loan amounting to ₹ 60,00,00,000/- granted by the UCO Bank to the sugarcane growing farmers associated with the company.

Notes “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 18 - REVENUE FROM OPERATIONS

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Sale of Products		
Finished Goods		
Sugar Sale	25,517.84	18,596.66
Power Sale	4,271.97	3,451.81
Spirit Sales	4,471.59	4,521.99
Traded Goods		
Maize Sales	15,809.25	-
Sugar	11,947.91	3,019.62
Fertilizers Sale	162.34	-
Other	-	11.31
Sale of By-Products		
Pressmud Sale	2.79	19.06
Other Sales	38.09	2.56
Molasses Sale	-	389.57
Impure Gas Sale	15.10	-
Gross revenue from operations	62,236.88	30,012.57
Less:		
Excise duty	(933.35)	(632.03)
Net revenue from operations	61,303.53	29,380.53
Revenue from other operations		
Sales Tax refund (Mega project benefit)	368.45	216.37
Total Revenue from operations	61,671.98	29,596.91

NOTE 19 - OTHER INCOME

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Income from Fixed Deposits	423.27	321.22
Miscellaneous Income	41.45	15.60
REC Income	480.08	-
Rent Received	3.42	0.92
Insurance Claim received	-	0.17
Foreign Exchange fluctuation Gain (Net)	3.82	43.66
Duty Drawback	-	62.72
Total	952.04	444.29

Notes “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 20 - COST OF MATERIALS CONSUMED

20.1 Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Raw Materials Consumed		
Opening stock	101.50	770.59
Add : Purchases	15,627.00	22,574.64
	15,728.50	23,345.23
Less : Closing stock	993.33	101.50
Cost of material consumed	14,735.17	23,243.73

20.2 DETAILS OF VARIOUS RAW MATERIALS

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Breakup of raw material consumed :		
Sugar Cane (including cane harvesting and transportation expenses)	12,997.66	20,901.68
Coal	967.15	1,482.41
Molasses	388.84	677.27
Baggasse	381.52	182.37
	14,735.17	23,243.73
Breakup of closing stock of raw material :		
Coal	660.86	31.82
Molasses	332.48	64.21
Baggasse	-	5.47
	993.33	101.50

NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

21.1 Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Opening Stock :		
Finished	26,508.49	15,530.40
In Process	20.99	780.05
Sub-total (a)	26,529.48	16,310.45
Closing Stock :		
Finished	16,475.32	26,508.48
In Process	24.22	21.00
Sub-total (b)	16,499.54	26,529.48
Net Increase/(Decrease) in Stocks (b-a)	(10,029.94)	10,219.02

Notes “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 22 - EMPLOYEE BENEFITS EXPENSE

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Salaries & Wages (Including Allowances)	1,014.14	1,017.75
Contribution to Provident, Superannuation & Other Funds	46.48	52.76
Staff and Labour Welfare Expenses	28.83	26.66
Total	1,089.45	1,097.17

22.1 As per the Companies policy, 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.

NOTE 23 - INTEREST AND FINANCE COSTS

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Interest on Long term borrowings	3,062.06	3,380.17
Interest on Short term Loans	524.90	613.00
Interest on Cash Credit	1,615.51	1,896.93
Finance and Placement Charges	25.53	150.82
Processing charges	195.00	124.93
Total	5,423.00	6,165.84

NOTE 24 - OTHER EXPENSES

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Other Manufacturing Expenses		
Chemicals & Consumables	216.69	423.61
Power, Fuel and Water Charges	316.78	364.84
Repairs and Maintenance - Buildings	4.36	4.52
Repairs and Maintenance - Plant & Machinery	263.00	514.30
Repairs and Maintenance - Sundries	10.23	25.36
Repairs and Maintenance - Others	59.23	108.06
Excise duty on year end inventory of Finished goods	(400.58)	389.68
Other Manufacturing Expenses	416.25	753.72
Administrative Expenses		
Insurance Charges	41.58	37.85
Rates and Taxes, excluding taxes on Income	9.86	11.05
Sales Tax and VAT Expenses	564.41	486.59
Office & Other Expenses	242.38	291.04
Godown Rent	110.00	-
Travelling and Conveyance	16.84	11.16
Selling and Distribution Expenses	13.12	204.72
Export Expenses	7.35	278.97
Professional and Legal Charges	31.24	78.84
Loss On Sale Of Fixed Asset	-	7.97

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

Particulars	(Figures in lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount	Amount
Payment to Auditors		-
For Audit Fees	5.75	5.00
Cost Audit Fees	2.51	1.90
For reimbursement of expenses	0.24	0.16
Total	1,931.24	3,999.35

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.

Particulars	(Figures in lakhs)	
	March 31, 2014	March 31, 2013
Reconciliation of earnings		
Net profit/(loss) after tax attributable to equity shareholders.	766.91	175.54
Reconciliation of number of shares		
Shares outstanding at the beginning of the period	695.74	695.69
Shares outstanding at the end of the period	695.74	695.74
Weighted average number of equity shares	695.74	695.74
Basic earnings per share	1.10	0.25
Diluted earnings per share	1.10	0.25
Face value ₹ 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 - 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 Sloar Power Private Limited
- x) R.M.G. Ventures Private Limited
- xi) Gangakhed Fertilizers (Partnership Firm)
- xii) Gangakhed Multistate Co-Operative Credit Society 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 “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

NOTE 28 - THE DETAILS OF TRANSACTION WITH THE RELATED PARTIES:-

Particulars	(Figures in lakhs)	
	March 31, 2014	March 31, 2013
Purchase of Goods – Companies under the same Management	89.68	Nil
Key Management Personnel	37.26	69.53
Purchase of Fixed Assets – Companies under the same Management	1,141.40	425.62
Sale of Goods		
Companies under the same Management	53.07	1,753.78
Key Management Personnel	1.24	-
Expenses		
Companies Under the same Management	145.37	
Key Management Personnel	18.64	15.66
(Payable)/Receivables		
Companies Under the same Management	1,205.48	(3,982.69)
Key Management Personnel	36.00	0.44

NOTE 29 - CAPITAL WORK IN PROGRESS DURING THE YEAR INCLUDES THE FOLLOWING:-

Civil construction Work in Progress of ₹ 532.65 Lakhs (Previous Year ₹ 332.61 lakhs), Plant and Machinery of ₹ 295.13 Lakhs and Fuel Handling System of ₹ 75.64 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”.

The company has identified business segment as the primary segment after considering all the relevant factors. The common asset and liabilities which are not identifiable to the specific segment are clubbed under “Unallocated Asset/Liabilities”.

(Figures in Lakhs)					
Sr. No.	Particulars	Sugar	Power	Spirit	Total
1	Revenue				
	Gross Sales to external customers	53,466.27	4,283.92	4,486.69	62,236.88
	P.Y.(2012-13)	22,038.77	3,451.82	4,521.99	30,012.58
	Excise Duty	857.87	-	75.48	933.35
	P.Y.(2012-13)	593.19	-	38.84	632.03
	Baggaess transferred to Power Division	3,314.11	-	-	3,314.11
	P.Y.(2012-13)	4,125.61	-	-	4,125.61
	Molasses transferred to Distillery Division	1,340.39	-	-	1,340.39
	P.Y.(2012-13)	847.71	-	-	847.71
	Power, Steam & Water transferred to sugar division	-	4,264.80	-	4,264.80
	P.Y.(2012-13)	-	5,194.31	-	5,194.31
	Power & Water transferred to Distillery Division	-	-	79.92	79.92
	P.Y.(2012-13)	-	59.88	-	59.88
	Total Segmenting Revenues (Net of Excise Duty)	57,262.90	8,548.72	4,491.13	70,302.76
	P.Y.(2012-13)	26,418.90	8,706.01	4,483.15	39,608.06
2	Segmental Results				
		273.89	2,101.75	3,267.39	5,643.03
	P.Y.(2012-13)	4,252.58	2,625.20	227.96	7,105.74
	Interest and Finance Cost	2,550.49	2,047.20	825.31	5,423.00
	P.Y.(2012-13)	3,674.29	1,799.86	678.68	6,152.83
	Profit before tax	(2,276.60)	54.55	2,442.08	220.03
	P.Y.(2012-13)	(244.40)	(286.73)	1,094.80	563.67

NOTES “1” to “31” attached to and forming part of the Financial Statements for the year ended March 31, 2014

(Figures in Lakhs)

Sr. No.	Particulars	Sugar	Power	Spirit	Total
3	Provision for tax				
	MAT Tax	-	-	-	46.12
	P.Y.(2012-13)				270.92
	Deffered Tax	-	-	-	(593.00)
	P.Y.(2012-13)				117.14
	Net Profit				766.91
	P.Y.(2012-13)				175.61
4	Other Information				
5	Segmental Assets	24,903.87	17,061.00	6,025.53	47,990.41
	P.Y.(2012-13)	24,546.90	17,094.14	5,928.31	47,569.35
	Unallocated Assets	-	-	-	38,700.80
	P.Y.(2012-13)				40,102.01
	Total Assets				86,691.21
	P.Y.(2012-13)				87,671.36
6	Segmental liabilities	539.64	9,000.00	1,094.74	10,634.38
	P.Y.(2012-13)	539.64	8,000.00	1,636.53	10,176.17
	Unallocated Liabilities	-	-	-	68,535.23
	P.Y.(2012-13)				71,545.92
	Total Liabilities	-	-	-	79,169.61
	P.Y.(2012-13)				81,722.09
7	Capital Expenditure During the Period (Including movements in CWIP & Capital Advance)	232.83	246.95	91.02	570.80
	P.Y.(2012-13)	2,145.07	70.26	21.54	2,236.87
8	Depreciation	1,187.30	753.01	275.37	2,215.67
	P.Y.(2012-13)	1,137.69	755.07	272.83	2,165.59

NOTE 31 - Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current's 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

Firm Registration No: 106009W

Ratnakar Manikrao Gutte

Director

Sunil Ratnakar Gutte

Director

Place: Nagpur

Date: August 7, 2014

Ajinkya R. Bannore

Company Secretary

NOTES attached and forming part of Financial Statements for the year ended March 31, 2014

NOTE A : SIGNIFICANT ACCOUNT POLICY

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 attached and forming part of Financial Statements for the year ended March 31, 2014

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

As per our Report attached

Abhay Upadhye

Partner

Membership No. 049354

For and on behalf of

K.K.Mankeshwar & Co.

Chartered Accountants

Firm Registration No: 106009W

Place: Nagpur

Date: August 7, 2014

For **Gangakhed Sugar & Energy Limited**

Ratnakar Manikrao Gutte

Director

Sunil Ratnakar Gutte

Director

Ajinkya R. Bannore

Company Secretary

Notes

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Notes

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Ratnakar Manikrao Gutte, *Chairman*
Mr. Sunil Ratnakar Gutte, *Director*
Mrs. Sudhamati Ratnakar Gutte, *Director*
Mr. Radheshyam R. Tiwari, *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, Dharampeth,
Nagpur- 440010

COST AUDITORS

N. D. Chavan & Co.
Cost Accountants
P.B. Deshpande, Flat No 4&5,
Hari Vitthal Plaza, Ahire Gate,
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



**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

CIN: U15421MH2007PLC174599

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