



NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Company will be held at Bapuji Auditorium, M.C.Colony "B" Block, Davangere, on **Saturday, the 20th September, 2014 at 10.45 a.m.** to transact the following business:

I. ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Directors' Report and the audited Profit and Loss Account for the year ended 31st March, 2014 and the audited Balance Sheet as at that date together with report of Auditors thereon;
2. To appoint a director in place of **Smt. Rekha Ganesh**, who retires by rotation, being eligible, offers herself for re-appointment;
3. To appoint a director in place of **Sri. Abhijith G. Shamanur** who retires by rotation, being eligible, offers himself for re-appointment;
4. To appoint auditors M/s. SANTHAPPA & CO., (ICAI FR No. 003564S) to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

Place : Davangere
Date : 18-08-2014

By the order of the Board
of Davangere sugar Company limited.

(S.S. Ganesh)
Managing Director



ನೋಟೀಸು

ಕಂಪನಿಯ ಸದಸ್ಯರ 43 ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯನ್ನು ಬಾಪೂಜಿ ಸಭಾಂಗಣ, ಎಂ.ಸಿ.ಸಿ. 'ಬ' ಬ್ಲಾಕ್, ದಾವಣಗೆರೆಯಲ್ಲಿ ದಿನಾಂಕ 20-09-2014 ನೇ ಶನಿವಾರ ಬೆಳಿಗ್ಗೆ 10-45 ಘಂಟೆಗೆ ಈ ಕೆಳಗಿನ ವಿಷಯಗಳನ್ನು ವ್ಯವಹರಿಸಲು ಸಮಾವೇಶಗೊಳಿಸಲಾಗುವುದು.

ಸಾಮಾನ್ಯ ಕಲಾಪ

1. ದಿನಾಂಕ 31-3-2014 ರಂದು ಇದ್ದಂತೆ ಪರಿಶೋಧಿಸಲಾದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಪಟ್ಟಿ ಹಾಗೂ ಇದೇ ಅವಧಿಗೆ ಕೊನೆಗೊಂಡ ಆಸ್ತಿ-ಹೊಣೆ ಪಟ್ಟಿ ಹಾಗೂ ಈ ಬಗ್ಗೆ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಹಾಗೂ ನಿರ್ದೇಶಕರ ವರದಿಯೊಂದಿಗೆ ಸ್ವೀಕಾರ ಮತ್ತು ಅಂಗೀಕಾರ ;
2. ಸರದಿ ಮೇರೆಗೆ ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತರಾಗುತ್ತಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್‌ನೇಮಕ ಬಯಸುತ್ತಿರುವ ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್ , ಇವರ ಸ್ಥಾನದಲ್ಲಿ ಒಬ್ಬ ನಿರ್ದೇಶಕರನ್ನು ನೇಮಿಸುವುದು;
3. ಸರದಿ ಮೇರೆಗೆ ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತರಾಗುತ್ತಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್‌ನೇಮಕ ಬಯಸುತ್ತಿರುವ ಶ್ರೀ ಅಭಿಜಿತ್ ಜಿ. ಶಾಮನೂರು ಇವರ ಸ್ಥಾನದಲ್ಲಿ ಒಬ್ಬ ನಿರ್ದೇಶಕರನ್ನು ನೇಮಿಸುವುದು;
4. ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ಇಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಿಂದ ಕಂಪನಿಯ ಮುಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ಮುಕ್ತಾಯದವರೆಗೂ ಶ್ರೀ ಶಾಂತಪ್ಪ ಅಂಡ್ ಕೋ. (ICAI FR No. 003564S) ಅವರನ್ನು ನೇಮಕ ಮಾಡುವುದು ಹಾಗೂ ಅವರ ಸಂಭಾವನೆಯನ್ನು ನಿಗದಿಪಡಿಸುವುದು.

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ
ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 18-08-2014

ಎಸ್.ಎಸ್. ಗಣೇಶ್
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು

**NOTES TO NOTICE**

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
- b) The Members are requested to intimate any change in their address to the Company.
- c) The share transfer books and the Register of Members of the Company will remain closed on 20th September, 2014.
- d) Members desiring to have any clarification on any matter in the Balance Sheet and Profit & Loss Account are requested to forward such query in advance to the Registered office, so that the clarifications can be given at the Annual General Meeting.
- e) As per section 257(1) of the Companies Act, 1956, any nomination for directorship or intention to propose anybody as Director should be deposited in writing at the Registered Office of the Company 14 days before the date of meeting, i.e., on or before 7th September, 2014 along with a deposit of Rs.500/- which will be refunded to the successful contestants.
- f) Additional Information on Directors Retire by rotation at the Annual General Meeting as required by the Listing Agreement is as under :

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

Name of Director	Smt. Rekha Ganesh	Sri. Abhijith G. Shamanur
Age	49 Years	25 Years
Date of Appointment	29-06-2009	08-11-2012
Qualification	Graduate	Graduate
Expertise in specific functional areas	-	-
Directorship held in other public limited companies	-	-
Committee positions held in other Companies	-	-
Relationship with other Directors	Business	Business
Number of Shares held as on 31.3.2014	6086200 Shares	6914724 Shares

By the order of the Board
for Davangere sugar company limited

Place : Davangere
Date : 18-08-2014

S.S. Ganesh
Managing Director



ನೋಟೀಸಿಗೆ ಟಿಪ್ಪಣಿ

- ಎ. ಮಹಾಸಭೆಯಲ್ಲಿ ಭಾಗವಹಿಸಲು ಮತ್ತು ಮತದಾನ ಮಾಡಲು ಹಕ್ಕಿರುವ ಪ್ರತಿ ಸದಸ್ಯರು ತಮ್ಮ ಬದಲು ಬೇರೊಬ್ಬರನ್ನು ಪ್ರತಿನಿಧಿಯಾಗಿ ನೇಮಕ ಮಾಡಲು ಹಕ್ಕನ್ನು ಪಡೆದಿರುತ್ತಾರೆ. ಹೀಗೆ ನೇಮಕಗೊಳ್ಳುವ ಪ್ರತಿನಿಧಿಯು ಕಂಪನಿಯ ಸದಸ್ಯರೇ ಆಗಿರಬೇಕೆಂಬ ನಿಯಮವಿರುವುದಿಲ್ಲ. ಸಭೆಯಲ್ಲಿ ದಾಖಲಾಗಲು ಪ್ರಾತಿನಿಧ್ಯ ಪತ್ರವನ್ನು ಮಹಾಸಭೆ ಜರುಗುವ ಕನಿಷ್ಠ 48 ಘಂಟೆಗಳ ಮುನ್ನ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ತಲುಪಿಸತಕ್ಕದ್ದು.
- ಬಿ. ಕಂಪನಿಯ ಸದಸ್ಯರು ತಮ್ಮ ವಿಳಾಸದಲ್ಲಿ ಬದಲಾವಣೆಯಾಗಿದ್ದಲ್ಲಿ ಕೂಡಲೇ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ತಿಳಿಸತಕ್ಕದ್ದು.
- ಸಿ. ಷೇರು ವರ್ಗಾವಣೆ ಪುಸ್ತಕ ಮತ್ತು ಕಂಪನಿಯ ಸದಸ್ಯರ ರಿಜಿಸ್ಟರ್‌ನ್ನು ದಿನಾಂಕ 20-09-2014 ರಂದು ಮುಚ್ಚಿರಲಾಗುವುದು.
- ಡಿ. ಆಸ್ತಿ-ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ-ನಷ್ಟದ ಪಟ್ಟಿಯ ಬಗ್ಗೆ ಯಾವುದೇ ಮಾಹಿತಿಯನ್ನು ಹೊಂದಲು ಇಚ್ಛಿಸುವ ಸದಸ್ಯರು ತಮ್ಮ ಪ್ರಶ್ನೆಗಳನ್ನು ಮುಂಚಿತವಾಗಿ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಗೆ ಕಳುಹಿಸಲು ಕೋರಲಾಗಿದೆ. ಸದರಿ ಮಾಹಿತಿಯನ್ನು ಸಭೆಯಲ್ಲಿ ಕೊಡಲಾಗುವುದು.
- ಇ. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 1956ರ ಕಲಂ 257(1)ರ ಪ್ರಕಾರ ನಿರ್ದೇಶಕರ ಸ್ಥಾನಕ್ಕೆ ನಾಮಪತ್ರಗಳನ್ನು ಅಥವಾ ಬೇರೊಬ್ಬರ ಹೆಸರನ್ನು ಸೂಚಿಸುವ ನಾಮಪತ್ರಗಳನ್ನು ಲಿಖಿತ ರೂಪದಲ್ಲಿ ಮಹಾಸಭೆಯ ದಿನಾಂಕಕ್ಕಿಂತ 14 ದಿನಗಳ ಮುಂಚೆ ಅಂದರೆ ದಿನಾಂಕ 7-09-2014 ಅಥವಾ ಅದಕ್ಕೂ ಮುಂಚೆ ಠೇವಣಿ ರೂ. 500/- ಗಳೊಂದಿಗೆ ಕಂಪನಿಯ ನೋಂದಾಯಿತ ಕಛೇರಿಯಲ್ಲಿ ಸಲ್ಲಿಸತಕ್ಕದ್ದು. ನಂತರ ಅಂಚೆ ಅಥವಾ ಬೇರೆ ಯಾವುದೇ ವಿಧದಲ್ಲೇ ಆಗಲಿ ತಲುಪಿಸುವ ನಾಮಪತ್ರಗಳನ್ನು ಸ್ವೀಕರಿಸಲಾಗುವುದಿಲ್ಲ. ಆಯ್ಕೆ ಆದ ಅಭ್ಯರ್ಥಿಗಳಿಗೆ ಸದರಿ ರೂ. 500/- ಗಳನ್ನು ಹಿಂದಿರುಗಿಸಲಾಗುವುದು.
- ಎಫ್. ಲಿಸ್ಟಿಂಗ್ ಒಪ್ಪಂದದ ಪ್ರಕಾರ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಸರದಿ ಮೇರೆಗೆ ನಿವೃತ್ತರಾಗುತ್ತಿರುವ ನಿರ್ದೇಶಕರ ಬಗ್ಗೆ ಹೆಚ್ಚುವರಿ ಮಾಹಿತಿ ಈ ಕೆಳಗಿನಂತಿರುತ್ತದೆ.

ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಸರದಿ ಮೇರೆಗೆ ನಿವೃತ್ತರಾಗುತ್ತಿರುವ ನಿರ್ದೇಶಕರ ಬಗ್ಗೆ ಹೆಚ್ಚುವರಿ ಮಾಹಿತಿ :

ನಿರ್ದೇಶಕರ ಹೆಸರು	ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್	ಶ್ರೀ ಅಭಿಜಿತ್ ಜಿ. ಶಾಮನೂರು
ವಯಸ್ಸು	49 ವರ್ಷ	25 ವರ್ಷ
ನೇಮಕಾತಿಯ ದಿನಾಂಕ	29-06-2009	8-11-2012
ವಿದ್ಯಾರ್ಹತೆ	ಪದವೀಧರರು	ಪದವೀಧರರು
ನಿರ್ದಿಷ್ಟ ತ್ರಿಯಾತ್ಮಕ ಪ್ರದೇಶಗಳಲ್ಲಿ ಪರಿಣಿತಿ	-----	-----
ನಿರ್ದೇಶಕರಾಗಿರುವ ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳು	-----	-----
ಇತರ ಸಾರ್ವಜನಿಕ ನಿಯಮಿತ ಕಂಪನಿಗಳ ಸಮಿತಿಗಳಲ್ಲಿ ಸ್ಥಾನಮಾನ	-----	-----
ಇತರ ನಿರ್ದೇಶಕರ ಜೊತೆ ಸಂಬಂಧ	ವ್ಯವಹಾರ	ವ್ಯವಹಾರ
ದಿನಾಂಕ 31-3-2014ರಂದು ಹೊಂದಿರುವ ಷೇರುಗಳ ಸಂಖ್ಯೆ	6086200 ಷೇರುಗಳು	6914724 ಷೇರುಗಳು

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ
ದಾವಣಗೆರೆ ಪುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 18-08-2014

ಎಸ್.ಎಸ್. ಗಣೇಶ್
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು



DIRECTORS' REPORT

DEAR MEMBERS,

As you are aware that, your Company has successfully completed the forty three operating years since from inception of the Company. The Directors of your company have an immense pleasure in presenting before you the 43rd Annual Report and the Audited Accounts for the year ended 31st March, 2014.

We, as the Directors of your Company, are very eager to share the ups and downs in Company's affairs during the operating year 2013-14. We are presenting before you, the significant information as per the requirements of Section 217 of the Companies Act, 1956.

1. STATE OF COMPANY'S AFFAIRS:

As per the requirements of section 217 (1)(a) of the Company's Act, information relating to the state of Company's affairs have been furnished.

a. Financial Results

(Rs. In lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Profit before Interest, Depreciation and Tax	2789.03	2872.78
Less: Interest	968.15	793.40
Depreciation	1183.12	840.40
Income tax and deferred tax	100.06	97.76
NET PROFIT	537.70	1,141.22

b. Crushing Operations and Sugar Produced:

The Crushing operations were started on 17th October, 2013 and closed on 28th February, 2014 Your Company crushed 4,54,550 MTs of sugarcane during the financial year 2013-2014.

Year	Sugarcane Crushed (MTs)	Sugar Produced (Qtls)	Recovery (%)
2013-14	4,54,550	4,15,450	9.19
2012-13	4,77,813	4,14,750	8.70

The Company is anticipating to crush about 7,00,000 MTs of Sugarcane for the ensuing season 2014-15.

c. Area covered under sugarcane cultivation :

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

Year	Area under sugarcane cultivation (in acres)
2011-12	13,779
2012-13	11,758
2013-14	12,935
2014-15	15,050
2015-16 (estimated for ensuing year)	21,000

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



d. Sugar Export :

Due to various regulatory constraints and domestic demand for cane sugar, Company did not have any export earning during the year under review.

e. Co-gen and Power Export :

During the year the Company has exported 12,77,25,600 units of power to KPTCL compared to the previous year's export of 11,15,47,200 units and import of 2,77,200 units of power from KPTCL against import of 1,23,600 units during the previous year. The Co-gen unit has worked for 294 days during the year against 343 days during previous year.

2. Reserves and Surplus:

The entire profit for the Financial Year has been shown under the general reserve under a separate head. the statement as per the requirement of Section 217(1)(a) of the Companies Act, 1956.

3. Material Changes and Commitments:

No material changes and commitments, affecting the financial position of the Company have been occurred between the end of the financial year to the date of report in terms of section 217 (1) (d) of the Companies Act, 1956.

4. Conservation of energy, technology absorption & Foreign exchange:

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

4.b Technology absorption : The management is adopting the latest technologies in sugar production process stage by stage. The information as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in FORM – B annexed to this report.

4.c Foreign Exchange Earnings and Outgo :

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

Out goings: The Company has imported 44,000 MTs of Steaming Coal for its Co-generation Unit and used USD 34,55,320 (Equivalent to INR 1934.97 lakhs)

5. NO CHANGE IN THE NATURE OF BUSINESS:

In terms of section 217(2) of the Companies Act, 1956, there is no material for the appreciation of the state of affairs of the Company which in the opinion of the Board is harmful to the business of the Company due to change in the nature of company's business.

6. EMPLOYEE'S REMUNERATION:

In terms of section 217(2A) of the Companies Act, 1956, there is no employee receiving the remuneration exceeding the limit as specified in the clauses of this section.

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

- i) In the Preparation of the annual accounts, the applicable accounting standards have been followed.
 - ii) The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the Profits of the Company for the year under review.
 - iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - iv) The Directors have prepared the accounts for the financial year ended 31st March, 2014 on a "going concern" basis.
8. There is no matter to be reported with reference to Section 217(2B) of the Companies Act, 1956 as such matter does not exist during the financial year.
9. There is no matter to be reported with reference to Section 217(3) of the Companies Act, 1956 as such matter does not arise.
- 10. SUGAR INDUSTRY OVERVIEW :** The Sugar Industry scenario for the ensuing Season 2014-15 is not so encouraging. During the previous year 2013-14 there was a drastic decrease in the sugar prices and the Company has incurred losses in the sugar segment. The policy of the Government has also not encouraging for the Sugar Industry. The International market for sugar is also weak and there is no scope for export of Sugar from India since the global production of Sugar is surplus. Any drastic steps on the part of the Government to encourage the sugar factories during the ensuing season 2014-15 may help the industry to recover from the past losses.
- 11. GOVERNMENT MEASURES:** The Government has decontrolled the Sugar Industry relaxing from Levy quota and monthly release mechanism in view of huge piling up of sugar stock, which was almost amounting to Rs. 12700 crore during the current season. All the State Governments have been authorized to buy the Sugar from the open market for Public Distribution System.
- 12. SUGAR POLICY:** The Central Government's dual policy of Sugar distribution has been done away during the season 2013-14. Now the open market policy is prevailing.
- 13. GOVERNMENT POLICY ON POWER SECTOR :** The Government of Karnataka does not have a stable energy procurement policy. Consequently the Independent Power Producers are in state of dilemma or confusion. The energy sector needs a firm and remunerative policy by the State Government of Karnataka to sustain the stable and remunerative operation of Independent power producers including Co-gen power plants.
- 14. EFFLUENT TREATMENT PLANT:** Company's Effluent has been brought down to the standards prescribed by the Karnataka State Pollution Control Board and the same has been informed to the said Board. The Company has renewed the licenses under both the Water and Air pollution control Act, from the Pollution Control Board.
- 15. UPGRADATION OF TECHNOLOGY :** The Management believes in the principle that the change is inevitable, and the Company should be equipped to face the challenges on account of the inevitable changes. As has been done in the past, the Company is looking for upgrading its plant for increasing the efficiency in production and to produce quality sugar.

**16. MANAGEMENT OUT LOOK FOR 2014-15**

The production of sugar for the ensuing season 2014-15 will be in surplus due to good rain. The quantum of cane availability is more. The Management is not expecting any sharp increase in the domestic sugar prices for the next year because of surplus production of sugar in India. Even though the Central Government has increased import duty of Raw Sugar, the domestic prices are not picking up.

17. MANAGEMENT POLICY:

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

18. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report and a report on the Corporate Governance are given as Annexure A & B respectively to this report.

19. LISTING FEES :

The Equity shares of the company continue to be listed with Bangalore Stock Exchange. The listing fee for the year 2013-14 has been paid.

20. AUDITORS:

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

21. BOARD OF DIRECTORS:

Smt. Rekha Ganesh and Sri. Abhijit G. Shamanur, directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment pursuant to Section 256 of the Companies Act, 1956. Mr. S. Shivashankarappa resigned from directorship w.e.f., 15-05-2013 and further no changes in the Board.

22. INDUSTRIAL RELATIONS:

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

23. ACKNOWLEDGEMENTS:

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

By the order of the Board
for Davangere sugar company limited

Place : Davangere
Date : 18-08-2014

S.S. Ganesh
Managing Director



ನಿರ್ದೇಶಕರ ವರದಿ

ಸನ್ಮಾನ್ಯ ಸದಸ್ಯರೇ,

ನಿಮಗೇ ಲ್ಲಾ ತಿಳಿದಿರುವಂತೆ ನಿಮ್ಮ ಸಂಸ್ಥೆಯು ತನ್ನ ಪ್ರಾರಂಭದಿಂದ ಇದುವರೆಗೂ ತನ್ನ ಯಶಸ್ವೀ ಕಾರ್ಯನಿರ್ವಹಣೆಯ ನಲವತ್ತೆ ಮೂರು ವರ್ಷಗಳನ್ನು ಪೂರೈಸಿದೆ. ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಿಗೆ, ಈ 43 ನೇ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಮತ್ತು 31ನೇ ಮಾರ್ಚ್ 2014 ಕೊನೆಗೊಂಡ ವರ್ಷದ ಪರಿಶೋಧಿಸಿದ ಲೆಕ್ಕ ಪತ್ರಗಳನ್ನು ತಮ್ಮ ಮುಂದೆ ಮಂಡಿಸಲು ಅತೀವ ಸಂತೋಷವೆನಿಸುತ್ತದೆ.

ನಿಮ್ಮ ಕಂಪನಿಯ ನಿರ್ದೇಶಕರಾಗಿ ನಾವು ನಿಮ್ಮ ಕಂಪನಿಯ 2013-2014ನೇಯ ವರ್ಷಾವಧಿಯ ಕಾರ್ಯಾಚರಣೆಯ, ಕೆಲಸಕಾರ್ಯಗಳ ನಿರ್ವಹಣೆಯಲ್ಲಿನ ಏಳುಬೀಳುಗಳನ್ನು ಅತ್ಯಂತ ಆಸಕ್ತಿಯಿಂದ ನಿಮ್ಮೊಂದಿಗೆ ಹಂಚಿಕೊಳ್ಳಲಿಚ್ಛಿಸುತ್ತೇವೆ. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956ರ ಕಲಂ 217ರಡಿ ಅವಶ್ಯಕವಾದ ಮಹತ್ವದ ಮಾಹಿತಿಯನ್ನು ತಮ್ಮ ಮುಂದಿಡುತ್ತಿದ್ದೇವೆ.

1. ಕಂಪನಿಯ ವಸ್ತು ಸ್ಥಿತಿ :

ಕಂಪನಿಗಳ ಕಾಯ್ದೆಯ ಕಲಂ 217(1) (ಎ) ಮೇರೆಗೆನ ಅವಶ್ಯಕತೆಗಳಿಗನುಗುಣವಾಗಿ ಕಂಪನಿಯ ವಸ್ತು ಸ್ಥಿತಿಗತಿಗಳ ಬಗ್ಗೆ ಮಾಹಿತಿ ಪೂರೈಕೆ (ಎ) ಆರ್ಥಿಕ ಫಲಿತಾಂಶಗಳು

ವಿವರಗಳು	31-03-2014 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ	31-03-2013 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ
ಬಡ್ಡಿ, ಸವಕಳಿ ಮತ್ತು ತೆರಿಗೆಗೆ ಮುಂಚಿನ ಲಾಭ ಕಡಿತ :	2789.03	2,872.78
ಹಣಕಾಸಿನ ಬಿರ್ಚು	968.15	793.40
ಸವಕಳಿ	1183.12	840.40
ಮ್ಯಾಟ್, ಪ್ರಿಂಟ್ ಬೆನಿಫಿಟ್		
ತೆರಿಗೆಗೆ ಅವಕಾಶ	100.06	97.76
ನಿಷ್ಕಳ ಲಾಭ	537.70	1,141.22

(ಬಿ) ಕಬ್ಬು ಅರೆಯುವಿಕೆ ಕಾರ್ಯ ಮತ್ತು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ :

2013-2014 ವರ್ಷದ ಕಬ್ಬು ಅರೆಯುವಿಕೆಯು ದಿನಾಂಕ 17ನೇ ಆಕ್ಟೋಬರ್ 2013 ರಂದು ಪ್ರಾರಂಭಗೊಂಡು 28ನೇ ಫೆಬ್ರವರಿ 2014 ರಲ್ಲಿ ಅಂತ್ಯಗೊಂಡಿತು. ಹಣಕಾಸಿನ ವರ್ಷ 2013-2014ರಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು 4,54,550 ಮೆಟ್ರಿಕ್ ಟನ್ ಕಬ್ಬು ಅರೆದಿರುತ್ತದೆ.

ವರ್ಷ	ಕಬ್ಬು ಅರೆದಿರುವುದು ಮೆ.ಟನ್	ಸಕ್ಕರೆ ಉತ್ಪಾದನೆ (ಕಿಂ.)	ಇಳುವರಿ
2013-14	4,54,550	4,15,450	9.19
2012-13	4,77,813	4,14,750	8.70

ಕಂಪನಿಯು 2014-15ನೇ ಸಾಲಿನಲ್ಲಿ 7,00,000 ಮೆಟ್ರಿಕ್‌ಟನ್ ಕಬ್ಬನ್ನು ಅರೆಯುವ ನಿರೀಕ್ಷೆಯಿದೆ.

(ಸಿ) ಕಬ್ಬು ಬೆಳೆಪುದೇಶದ ವಿಸ್ತೀರ್ಣ :

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

ವರ್ಷ	ಕಬ್ಬಿನ ಬೆಳೆಯ ವಿಸ್ತೀರ್ಣ (ಎಕರೆಗಳಲ್ಲಿ)
2011-12	13,779
2012-13	11,758
2013-14	12,936
2014-15	15,050
2015-16 (ಮುಂಬರುವ ವರ್ಷ)	21,000

(ಡಿ) ಸಕ್ಕರೆ ರಫ್ತು :

ಹಲವಾರು ವಿಧಿಬದ್ಧ ತೂಡಕುಗಳು ಹಾಗೂ ದೇಶೀಯ ಬೇಡಿಕೆ ಹೆಚ್ಚಾಗಿದ್ದ ಕಾರಣ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಕಂಪನಿಯು ಸಕ್ಕರೆಯನ್ನು ರಫ್ತು ಮಾಡಿರುವುದಿಲ್ಲ.

(ಇ) ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ (CO-GEN) ಮತ್ತು ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿರ್ಯಾತ :

ಹಿಂದಿನ ವರ್ಷದ 11,15,47,200 ಯೂನಿಟ್‌ಗಳ ವಿದ್ಯುತ್ ರಫ್ತಿಗೆ ಹೋಲಿಸಿದರೆ ಪ್ರಸಕ್ತ ವರ್ಷ ಕಂಪನಿಯು ಕೆ.ಪಿ.ಟಿ.ಸಿ.ಎಲ್.ಗೆ ಮತ್ತು ಇತರರಿಗೆ 12,77,25,600 ಯೂನಿಟ್ ವಿದ್ಯುತ್ ರಫ್ತು ಮಾಡಿದೆ ಮತ್ತು ಹಿಂದಿನ ವರ್ಷ ಕೆ.ಪಿ.ಟಿ.ಸಿ.ಎಲ್.ನಿಂದ 1,23,600 ಯೂನಿಟ್ ವಿದ್ಯುತ್ ಅಮದಿಸಿರುವುದಕ್ಕೆ ಹೋಲಿಸಿದರೆ ಪ್ರಸಕ್ತ ವರ್ಷ 2,77,200 ಯೂನಿಟ್ ವಿದ್ಯುತ್ ಅಮದು ಮಾಡಿಕೊಂಡಿದೆ. ಕಳೆದವರ್ಷ ಕೋಜನ್ ಘಟಕವು 343 ದಿನಗಳ ಕಾಲ ಕಾರ್ಯ ನಿರ್ವಹಿಸಿದ್ದು ವರದಿ ವರ್ಷದಲ್ಲಿ 294 ದಿನಗಳು ಕಾರ್ಯನಿರ್ವಹಿಸಿರುತ್ತದೆ.

2. ಸಾಮಾನ್ಯ ಕಾಯ್ದಿಟ್ಟ ನಿಧಿ :

ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದ ಸಂಪೂರ್ಣ ಲಾಭವನ್ನು ಸರ್ವ ಸಾಮಾನ್ಯ ಕಾಯ್ದಿಟ್ಟ ನಿಧಿಯಲ್ಲಿ ಪ್ರತ್ಯೇಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯಡಿ ತೋರಿಸಲಾಗಿದೆ. ಕಲಂ 217 (1) (ಎ) ನಡಿ ಅವಶ್ಯಕವಾಗಿರುವಂತೆ ವಿವರ ಇದೆ.

3. ಭೌತಿಕ ಬದಲಾವಣೆ ಮತ್ತು ಕಟ್ಟುಪಾಡುಗಳು :

ಕಂಪನಿ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರುವಂತಹ ಯಾವ ಪ್ರಮುಖ ಬದಲಾವಣೆಗಳು ಮತ್ತು ಕಟ್ಟುಪಾಡುಗಳು ಕಲಂ 217 (1) (ಡಿ) ಅನ್ವಯ ಹಣಕಾಸು ವರ್ಷ ಕೊನೆಯಂದಿನಿಂದ ಈ ವರದಿಯ ದಿನದವರೆಗೂ ಆಗಿರುವುದಿಲ್ಲ.

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

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

(ಬಿ) ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ : ಈ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯ ಹಂತಹಂತವಾಗಿ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ತೀರ ಇತ್ತೀಚಿನ ತಾಂತ್ರಿಕತೆಯನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುತ್ತಿದೆ. ಕಂಪನಿಗಳ (ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ವರದಿಯಲ್ಲಿ ವಿವರಗಳ ಪ್ರಕಟಣೆ) ನಿಯಮ 1988ರ ನಿಯಮ 2ರ ಮೇರೆಗೆ ಅವಶ್ಯಕವಾಗಿರುವ ಮಾಹಿತಿಯನ್ನು ಈ ವರದಿಗೆ ಜೋಡಿಸಿರುವ 'ಫಾರ್ಮ್-ಎ' ಯಲ್ಲಿ ಕೊಡಲಾಗಿರುತ್ತದೆ.

(ಸಿ) ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ವೆಚ್ಚ :

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

ಖರ್ಚು ವೆಚ್ಚ : ಕಂಪನಿಯು ಕೋಜನ್ ಘಟಕಕ್ಕೆ 44,000 ಮೆ. ಟನ್ ಕಲ್ಲಿದ್ದಲನ್ನು ಅಮದು ಮಾಡಿಕೊಂಡಿದ್ದು ಈ ಬಾಬು 34,55,320 ಅಮೇರಿಕನ್ ಡಾಲರ್ ಅಥವಾ ರೂ. 1,934.97 ಲಕ್ಷಗಳಾಗಿರುತ್ತದೆ.

5. ಕಂಪನಿ ವ್ಯವಹಾರದ ಯಥಾಸ್ಥಿತಿ :

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ರ ಕಲಂ 217 (2) ರ ಷರತ್ತುಗಳಿಗೊಳಪಟ್ಟಂತೆ ಆಡಳಿತ ಮಂಡಳಿಯ ಅಭಿಪ್ರಾಯದಲ್ಲಿ ಕಂಪನಿಯ ವ್ಯವಹಾರದ ಸ್ವರೂಪದಲ್ಲಿ ಕಂಪನಿಯ ವ್ಯವಹಾರಕ್ಕೆ ಧಕ್ಕೆಯಾಗುವಂತಹ ಯಾವ ಬದಲಾವಣೆಗಳೂ ಅಲ್ಲದೆ ಕಂಪನಿಯ ಕಾರ್ಯಚಟುವಟಿಕೆಯಲ್ಲಿ ಗಣನೆಗೆ ಬರುವಂತಹ ಯಾವ ಪ್ರಮುಖ ಬದಲಾವಣೆಗಳೂ ಇರುವುದಿಲ್ಲ.

6. ನೌಕರರ ಸಂಭಾವನೆ :

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ರ ಕಲಂ 217 (2ಎ) ಮೇರೆಗೆ ಈ ಕಲಂನ ವಾಖ್ಯಾಂಗಳಲ್ಲಿ ವಿಧಿಸಿರುವ ಮಿತಿಗಿಂತ ಹೆಚ್ಚಿನ ಸಂಭಾವನೆಯನ್ನು ಯಾವ ನೌಕರನಿಗೂ ಕೊಡಲಾಗಿರುವುದಿಲ್ಲ.

7. ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿ - ಹೇಳಿಕೆ :

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

(ii) 31ರ ಮಾರ್ಚ್ 2014 ಕ್ಕೆ ಇರುವಂತೆ ಕಂಪನಿಯ ವಸ್ತುಸ್ಥಿತಿಗಳ ಬಗ್ಗೆ ಮತ್ತು ಪರಿಶೀಲನೆಗೆ ಒಳಪಟ್ಟಿರುವ ಈ ವರ್ಷದ ಕಂಪನಿಯ ಲಾಭಗಳ ಪರಿಗಣನೆಗಾಗಿ, ನಿರ್ದೇಶಕರು ಕೌಶಲ್ಯಯುತ ಲೆಕ್ಕಪತ್ರಗಳ ಮಟ್ಟವನ್ನು ಆರಿಸಿಕೊಂಡಿದ್ದು ಅವುಗಳನ್ನು ಸುಸಂಗತ ರೀತಿಯಲ್ಲಿ ಅನ್ವಯಿಸಿ ಅದರಂತೆ ಸಮಂಜಸ ಹಾಗೂ ಯುಕ್ತಾಯಕ್ತ ಪರಿಚ್ಛಾನವುಳ್ಳ ರೀತಿಯಲ್ಲಿ ವಿವೇಚಿಸಿ ಮತ್ತು ಅಂದಾಜು ಮಾಡಿ ಆ ರೀತಿಯಲ್ಲಿ ಅಳವಡಿಸಿಕೊಂಡಿರುತ್ತದೆ.

(iii) ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ರಡಿ ಕೊಡಮಾಡಿರುವ ಅವಕಾಶಗಳನ್ವಯ ಕಂಪನಿಯ ಆಸ್ತಿ ರಕ್ಷಣೆಗಾಗಿ ಮತ್ತು ವಂಚನೆ ಅಕ್ರಮಗಳನ್ನು ತಪ್ಪಿಸಲು ಹಾಗೂ ಪತ್ತೆ ಮಾಡಲು ನಿರ್ದೇಶಕರು ಸರಿಯಾದ ಮತ್ತು ಸಾಕಷ್ಟು ಎಚ್ಚರಿಕೆಯಿಂದ ಕೂಡಿರುವಂತಹ ಯಥೋಚಿತ ಲೆಕ್ಕಪತ್ರ ದಾಖಲೆಗಳನ್ನು ಸಂರಕ್ಷಣೆ ಮಾಡಿರುತ್ತಾರೆ.

(iv) 'ನಡೆಯುತ್ತಿರುವ ವ್ಯಾಪಾರಿ ಸಂಸ್ಥೆ' (GOING CONCERN) ತಳಹದಿಯ ಮೇಲೆ ನಿರ್ದೇಶಕರು 31 ಮಾರ್ಚ್ 2014 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸಿರುತ್ತಾರೆ.

8. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ರಡಿ ಕಲಂ 217 (2ಬಿ) ಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ವರದಿ ಸಲ್ಲಿಸಬೇಕಾದ ವಿಷಯಗಳಾವೂ ಇರುವುದಿಲ್ಲ ಮತ್ತು ಅಂತಹ ವಿಷಯಗಳು ಈ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಅಸ್ತಿತ್ವಕ್ಕೆ ಬಂದಿರುವುದಿಲ್ಲ.

9. ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ರಡಿ ಕಲಂ 217 (3) ಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ವರದಿ ಸಲ್ಲಿಸಬೇಕಾದ ವಿಷಯಗಳಾವೂ ಇರುವುದಿಲ್ಲ ಹಾಗಾಗಿ ವರದಿ ಮಾಡಿಲ್ಲ.

10. ಸಕ್ಕರೆ ಉದ್ಯಮದ ಸಂಕ್ಷಿಪ್ತ ವರದಿ : 2013-2014

ಮುಂಬರುವ ಹಂಗಾಮು 2014-15 ರಲ್ಲಿ ಸಕ್ಕರೆ ಉದ್ಯಮದ ಚಿತ್ರಣವು ಅಷ್ಟೇನು ಆಶಾದಾಯಕವಾಗಿಲ್ಲ. ಕಳೆದ ವರ್ಷ 2013-14 ರಲ್ಲಿ ಸಕ್ಕರೆ ಬೆಲೆಯಲ್ಲಿ ತೀವ್ರ ಕುಸಿತ ಉಂಟಾಗಿ ಕಂಪನಿಯು ಸಕ್ಕರೆ ಕ್ಷೇತ್ರದಲ್ಲಿ ನಷ್ಟವನ್ನು ಅನುಭವಿಸಿದೆ. ಸರ್ಕಾರದ ಕಾನೂನು ನೀತಿಗಳೂ ಸಹ ಸಕ್ಕರೆ ಉದ್ಯಮಕ್ಕೆ ಪ್ರೋತ್ಸಾಹದಾಯಕವಾಗಿರುವುದಿಲ್ಲ. ಅಂತರಾಷ್ಟ್ರೀಯ ಮಾರುಕಟ್ಟೆಯೂ ದುರ್ಬಲವಾಗಿದ್ದು, ಜಾಗತಿಕ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಲ್ಲಿ ಹೆಚ್ಚಳವಾಗಿರುವುದರಿಂದ ಸಕ್ಕರೆ ರಫ್ತು ಮಾಡಲೂ ಸಹ ಯಾವ ಅವಕಾಶಗಳು ಇಲ್ಲವಾಗಿವೆ. ಈ ಸನ್ನಿವೇಶದಲ್ಲಿ ಸರ್ಕಾರವೇ ಏನಾದರೂ ಪರಿಣಾಮಕಾರಿ ಕ್ರಮಗಳನ್ನು ತೆಗೆದುಕೊಂಡಲ್ಲಿ ಸಕ್ಕರೆ ಕಾರ್ಖಾನೆಗಳು ನಷ್ಟದಿಂದ ಹೊರಬರಲು ಸಹಾಯ ಮಾಡಿದಂತಾಗುತ್ತದೆ.

11. ಸರ್ಕಾರಿ ಮಾನದಂಡ :

ಕೇಂದ್ರ ಸರ್ಕಾರವು ಸಕ್ಕರೆ ಉದ್ಯಮವನ್ನು ಲೆವಿ ಕೋಟಾ ಮತ್ತು ಪ್ರತಿ ತಿಂಗಳ ಮುಕ್ತ ಮಾರುಕಟ್ಟೆ ಸಕ್ಕರೆಯನ್ನು ಬಿಡುಗಡೆ ಮಾಡುತ್ತಿದ್ದ ಪದ್ಧತಿಯಿಂದ ಮುಕ್ತ ಮಾಡಿರುತ್ತದೆ. ಕೇಂದ್ರ ಸರ್ಕಾರವು ಸಾರ್ವಜನಿಕ ಪಡಿತರ ವಿತರಣಾ ಪದ್ಧತಿಯಲ್ಲಿ ವಿತರಿಸಲು ಸಕ್ಕರೆಯನ್ನು ಮುಕ್ತ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿ ಖರೀದಿಸಬೇಕೆಂದು ಎಲ್ಲಾ ರಾಜ್ಯ ಸರ್ಕಾರಗಳಿಗೆ ನಿರ್ದೇಶನ ನೀಡಿರುತ್ತದೆ.

12. ಸಕ್ಕರೆ ಕಾರ್ಯನೀತಿ (ಪಾಲಿಸಿ)

2013-14 ನೇ ಹಂಗಾಮಿನಲ್ಲಿ ಕೇಂದ್ರ ಸರ್ಕಾರವು ಸಕ್ಕರೆ ವಿತರಣೆಗೆ ಅನುಸರಿಸುತ್ತಿದ್ದ ಇಬ್ಬಗೆ ನೀತಿಯನ್ನು ರದ್ದುಗೊಳಿಸಿರುತ್ತದೆ. ಈಗ ಮುಕ್ತ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿ ಸಕ್ಕರೆ ಮಾರುವ ನೀತಿಯು ಚಾಲ್ತಿಯಲ್ಲಿರುತ್ತದೆ.

13. ವಿದ್ಯುಚ್ಛಕ್ತಿ ಉತ್ಪಾದನೆ ಬಗ್ಗೆ ಸರ್ಕಾರದ ಕಾರ್ಯನೀತಿ

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

14. ಹೊರಸೂಸುವಿಕೆ ನಿರ್ವಹಣಾ ಯಂತ್ರೋಪಕರಣ (EFFLUENT TREATMENT PLANT)

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



15. ತಾಂತ್ರಿಕತೆ ಉನ್ನತೀಕರಣ

ಆಡಳಿತ ಮಂಡಳಿಯು “ಬದಲಾವಣೆಯ ಅನಿವಾರ್ಯ” ಎಂಬ ತತ್ವದಲ್ಲಿ ನಂಬಿಕೆಯನ್ನಿರಿಸಿದ್ದು, ಕಂಪನಿಯು ಅಂತರ ಅನಿವಾರ್ಯ ಬದಲಾವಣೆಗಳನ್ನು ಎದುರಿಸುವ ತಂತ್ರಜ್ಞಾನ ಆಧಾರವನ್ನು ಸ್ವೀಕರಿಸಿ ಸಜ್ಜುಗೊಳಿಸಬೇಕಿದೆ. ಹಿಂದೆ ಮಾಡಿರುವಂತೆ, ಕಂಪನಿಯು ತನ್ನ ಯಂತ್ರೋಪಕರಣಗಳನ್ನು ಆಧುನಿಕತೆಗೆ ತಕ್ಕಂತೆ ಹಾಗೂ ಕಾರ್ಯಕ್ಷಮತೆ ಹೆಚ್ಚಿಸಲು ಬದಲಾವಣೆ ಮಾಡಲು ಇಚ್ಛಿಸುತ್ತದೆ.

16. 2014-15 ನೇ ಹಂಗಾಮಿನ ಮುನ್ನೋಟ

ಸದ್ಯದ ಪರಿಸ್ಥಿತಿಯಲ್ಲಿ ಚೆನ್ನಾಗಿ ಮಳೆ ಆಗುತ್ತಿರುವುದರಿಂದ 2014-15 ನೇ ಹಂಗಾಮಿಗೆ ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯು ಹೆಚ್ಚುವ ಸಂಭವವಿದೆ. ಕಬ್ಬು ದೊರಕುವ ಪ್ರಮಾಣವು ಹೆಚ್ಚಾಗಲಿದೆ. ಮುಂದಿನ ವರ್ಷ ಹೆಚ್ಚು ಸಕ್ಕರೆ ಉತ್ಪಾದನೆಯಾಗುವುದರಿಂದ ಆಡಳಿತ ಮಂಡಳಿಯು ಸಕ್ಕರೆ ಬೆಲೆಯಲ್ಲಿ ಗುರುತರವಾದಂತಹ ಏರಿಕೆ ಆಗುವುದಿಲ್ಲವೆಂದು ಭಾವಿಸುತ್ತದೆ.

ಕೇಂದ್ರ ಸರ್ಕಾರವು ಕಚ್ಚಾ ಸಕ್ಕರೆ ಅಮದಿನ ಮೇಲೆ ಅಮದು ಸುಂಕವನ್ನು ಹೆಚ್ಚಿಸಿದ್ದರೂ ಸಹ ಅಂತರಿಕ ಸಕ್ಕರೆ ಬೆಲೆಯಲ್ಲಿ ಅಂತಹ ಏರಿಕೆ ಆಗಿರುವುದಿಲ್ಲ.

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

18. ಸಾಂಸ್ಥಿಕ ಆಡಳಿತ : ಲಿಸ್ಟಿಂಗ್ ಅಗ್ರೀಮೆಂಟ್ ನ 49ನೇ ವಾಕ್ಯಾಂಗಾನುಸಾರ, ಸಮುದಾಯ ಆಡಳಿತ ವರದಿ ಹಾಗೂ ಆಡಳಿತಾತ್ಮಕ ಚರ್ಚೆ ಮತ್ತು ವಿಶ್ಲೇಷಣಾ ವರದಿಗಳನ್ನು ಕ್ರಮವಾಗಿ ಅನೇಕ್ಸರ್ ‘ಎ’ ಮತ್ತು ‘ಬಿ’ಗಳಲ್ಲಿ ಈ ವರದಿಯೊಂದಿಗೆ ಕೊಡಲಾಗಿದೆ.

19. ಲಿಸ್ಟಿಂಗ್ ಶುಲ್ಕ (LISTING FEES) : ಕಂಪನಿಯ ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ಬೆಂಗಳೂರು ಸ್ಟಾಕ್ ಎಕ್ಸ್ಚೇಂಜ್‌ನಲ್ಲಿ ಲಿಸ್ಟ್ ಮಾಡುವುದನ್ನು ಮುಂದುವರಿಸಿದೆ. 2013-14 ನೇ ವರ್ಷದ ಲಿಸ್ಟಿಂಗ್ ಶುಲ್ಕವನ್ನು ಪಾವತಿಸಲಾಗಿರುತ್ತದೆ.

20. ಲೆಕ್ಕ ಪರಿಶೋಧಕರು (AUDITORS) : ಮೆಸರ್ಸ್ ಶಾಂತಪ್ಪ ಅಂಡ್ ಕಂಪನಿ, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ದಾವಣಗೆರೆ ಇವರನ್ನು ಕಂಪನಿಯ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರನ್ನಾಗಿ ಹಿಂದಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ನೇಮಿಸಿದ್ದು, ಈ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ಮುಕ್ತಾಯದವರೆಗೂ ಅಧಿಕಾರ ಉಳ್ಳವರಾಗಿರುತ್ತಾರೆ. ಅವರು, ಸದಸ್ಯರು ಮತ್ತು ಗೊತ್ತುಪಡಿಸುವ ಸಂಭಾವನೆ ಮೇಲೆ ಪುನಃ ನೇಮಕಗೊಳ್ಳಲು ಅರ್ಹರಾಗಿರುತ್ತಾರೆ.

21. ಆಡಳಿತ ಮಂಡಳಿ : ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 1956 ಕಲಂ 256ರ ಪ್ರಕಾರ ಈ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಶ್ರೀಮತಿ ರೇಖಾ ಗಣೇಶ್ ಹಾಗೂ ಶ್ರೀ ಅಭಿಜಿತ್ ಜಿ. ಶಾಮನೂರು ಇವರು ಮುಂಬರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ನಿವೃತ್ತರಾಗಲಿದ್ದು ಹಾಗೂ ಅರ್ಹತೆ ಹೊಂದಿದ್ದು ಪುನರ್‌ನೇಮಕ ಬಯಸಿರುತ್ತಾರೆ. ಶ್ರೀ ಎಸ್. ಶಿವಶಂಕರಪ್ಪನವರು ದಿನಾಂಕ 15-05-2013 ರಂದು ನಿರ್ದೇಶಕರ ಸ್ಥಾನಕ್ಕೆ ರಾಜೀನಾಮೆ ನೀಡಿರುತ್ತಾರೆ ಮತ್ತು ಬೇರಾವ ಬದಲಾವಣೆಗಳು ಆಗಿರುವುದಿಲ್ಲ.

22. ಔದ್ಯಮಿಕ ಬಾಂಧವ್ಯಗಳು :

ಕಾರ್ಮಿಕರೊಂದಿಗಿನ ಔದ್ಯಮಿಕ ಸಂಬಂಧ ಹೈತ್ಯೂರ್ವಕವಾಗಿ ಹಾಗೂ ತೃಪ್ತಿಕರವಾಗಿ ಮುಂದುವರೆದಿದೆ. ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ ಸಿಬ್ಬಂದಿಯವರ ಸಹಕಾರಕ್ಕೆ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಮ್ಮ ಗೌರವಾದರಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ.

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

ಆಡಳಿತ ಮಂಡಳಿ ಅಪ್ಪಣೆ ಮೇರೆಗೆ
ದಾವಣಗೆರೆ ಷುಗರ್ ಕಂಪನಿ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸ್ಥಳ : ದಾವಣಗೆರೆ
ದಿನಾಂಕ : 18-08-2014

ಎಸ್.ಎಸ್. ಗಣೇಶ್
ಅಧ್ಯಕ್ಷರು



ANNEXED TO DIRECTORS' REPORT

FORM –A

Form for Disclosure of Particulars with respect to Conservation of Energy

		Current Year 2013-2014	Previous Year 2012-2013
A			
1 Electricity			
i Purchased			
Units		277200	123600
Total amount -	Rs.	4385304	1982805
Rate / Unit -	Rs.	15.82	16.04
ii Own Generation :			
1. Through Diesel Generator :			
Units		5670	6834
Units / Ltr. Of diesel Oil -		2.56	2.28
Cost per Unit -	Rs.	23.82	20.19
2. Through Steam Turbine :			
Units produced		151506200	170995100
Units per MT of Multifuel consumed		457.14	460.38
Cost per Unit – average	Rs.	5.02	5.08
B Consumption per unit of production (per Qtl of Sugar)			
Standards (if any)		Current Year 2013-14	Previous Year 2012-13
Products (with details) Unit - sugar in Qtls		415450	414750
Electricity consumption per qtl of sugar (Units)		30.42	32.58
Furnace Oil		Nil	Nil
Others			
Bagasse consumption per Qtl of sugar (MTs)		0.38	0.42
Fire Wood consumption per Qtl of sugar (MTs)		0.00	0.00

For and on behalf of the Board

Place : Davangere
Date : 18-08-2014

S.S. Ganesh
Managing Director



ANNEXED TO DIRECTORS REPORT

FORM - B

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

1	Specific areas in which R & D carried out by the Company	NA
2	Benefits derived as a result of the above R & D	NA
3	Future Plan of action	NA
4	Expenditure on R & D	NA
	a Capital	NA
	b Recurring	NA
	c Total	NA
	d Total R&D expenditure as a percentage of total turnover	NA

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	Latest & New Technology has been adopted in Sugar Refinery Unit.
2	Benefits derived as result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.,	High Quality sugar in both crystal Sugar & Refinery Sugar
3	In case of imported technology(imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
	a Technology imported :	From TATE & LYLE process technology for process of Refined sugar.
	b Year of Import :	2008-09
	c Has technology been fully absorbed?	Under Implementation
	d If not fully absorbed, areas where this has not taken place, reasons therefore and future plans	--

For and on behalf of the Board

Place : Davangere
Date : 18-08-2014

S.S. Ganesh
Managing Director



ANNEXURE A CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Corporate Governance Report

The principles of Corporate Governance introduced by SEBI through Clause 49 of the Listing Agreement with Stock Exchanges and amended from time to time is complied in all respects by the Company. The policies, procedures and processes of the Company are at all times directed in furtherance of following the best practices and institutionalizing the code of corporate governance.

Company's philosophy on Corporate Governance

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

2. Board of Directors

(a) **Composition:** As at the end of the year 31st March, 2014 the Board of Directors had Seven members comprising of one Managing Director and one Executive Director and Five Non-Executive Directors. The Non-Executive Directors included two Directors who are Independent Directors and three promoter directors.

(b) **Attendance of each Director at the Board Meetings during the Financial Year 2013-14. Nine (9) Board Meetings were held.** The attendance of each of the Directors at the said Board Meetings is given below :

Name of Director Sriyuths	Category of Directorship	No. of Meetings attended	% of total Meetings during the tenure as a Director
1. S.S. Ganesh	MD	9	100%
2. Abhijith Ganesh Shamanur	ED	9	100%
3. S.S. Mallikarjun	NED	5	60%
4. S.S. Jayanna	NED	9	100%
5. K.V. Somashekar	NED	9	100%
6. A.C. Jayanna	NED	9	100%
7. Smt. Rekha Ganesh	NED	9	100%

NED - Non Executive Director

ED - Executive Director

MD - Managing Director

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

Name of Director Sriyuths	No. of other companies in which Director (Including alternate/nominee Director)	No. of committees (other than Davangere Sugar Co., Ltd) in which Member
1. S.S. Ganesh	4	0
2. Abhijith G. Shamanur	0	0
3. S.S. Mallikarjun	3	0
4. S.S. Jayanna	0	0
5. K.V. Somashekar	0	0
6. A.C. Jayanna	0	0
7. Smt. Rekha Ganesh	0	0

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

Nine (9) Board meetings were held during the financial year ended 31.03.2014. The dates on which the said meetings were held are given below:

13.05.2013	29.09.2013
06.06.2013	10.10.2013
15.08.2013	15.11.2013
21.09.2013	23.11.2013
	12.02.2014

3. Audit Committee :**(a) Terms of Reference :**

- i. To investigate any activity within the Company.
- ii. To seek information from any employee of the Company.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it is considered necessary.

It is clarified that the role of the Audit Committee includes matters specified under clause 49 II (D) of the Listing Agreement entered into between the Company and The Stock Exchange, Bangalore, on which the Company's shares are listed.

(b) Composition, names of members and Chairperson :

As on 31st March, 2014, the Audit Committee comprised of one Executive Director namely Sri. S.S. Ganesh and two Non-Executive Directors namely Sri. A.C. Jayanna and Sri. K.V. Somashekar. The Statutory Auditors M/s Santhappa and Co., the Internal Auditor M/s G.Gangadhar & Co., being permanent invitees and two members of the Committee are Independent Directors. In that Sri. A.C. Jayanna is the Chairman of the Audit Committee.

(c) Meetings and Attendance during the year :

Four meetings were held during the financial year ended 31st March, 2014. The First meeting on 13th May, 2014 the second meeting on 15th August, 2013 the third meeting on 15th November, 2013 and the fourth meeting on 12th February, 2014. The attendance of each member of the committee is given below:

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

4. Cost Audit Committee:

The Cost Audit Committee is constituted consisting of M/s. GNV & Associates, Bangalore, who have been appointed as our Company Cost Auditors under section 218 of the Companies Act, 1956. The committee consists of Sri A.C. Jayanna and Sri K.V. Somashekhar who are the independent directors, as the members of the committee.

(a) Terms of Reference

- (i) to facilitate carryout of the cost audit of accounting records of our company, in terms of the Companies Act, 1956
- (ii) to identify the costs to the extent possible cost centre wise.
- (iii) to guide the management on significant variations in the costs of a cost centre year on year basis.

The cost audit of our Company for the Financial Year 2013-14 is completed.

**5. Remuneration Committee****(a) Terms of Reference**

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

(b) Composition, names of members and Chairperson

As on 31st March, 2014, the Remuneration Committee comprised of three Non-Executive Directors namely Sri. S.S. Ganesh, Sri. A.C. Jayanna and Sri. K.V. Somashekar, and two members of the Committee are Independent Directors.

(c) Remuneration Policy

The remuneration is being paid to the Managing Director, and Executive Director. No sitting fees is paid to any Director. The Managing Director and Executive Director are paid remuneration as approved by the members in their General Body Meeting from time to time.

- (d)** Details of Remuneration to all directors, as per format in main report : The Managing Director is being paid a remuneration of Rs. 3.00 lakhs per month (consolidated and all inclusive) w.e.f., 24th September, 2011 and to the Executive Director Rs. 1.62 lakhs per month w.e.f., 8th November, 2012, as approved in the General Body Meeting.

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

As on 31st March, 2014, Transfer & Shareholders' / Investors' Grievance Committee comprised of one Executive Director Namely Sri S.S. Ganesh and two Non-Executive Directors namely Sri. A.C. Jayanna and Sri. K.V. Somashekar. Both the Non Executive Director members of the Committee are Independent Directors.

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

7 General Body Meetings

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

Location	Date	Time
i. Bapuji Auditorium, M.C. Colony, "B" Block, Davangere	23.11.2013	10.45 a.m.
ii. Bapuji Auditorium, M.C.Colony, "B" Block, Davangere	08.11.2012	10.45 a.m.
iii. Bapuji Auditorium, M.C.Colony, "B" Block, Davangere	19.09.2011	10.45 a.m.

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

8. Disclosure

- (a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large **NONE**



- (b) Details of non-compliances by the company, Penalties, Strictures imposed on the Company by such Exchange or SEBI or any statutory authority, or any matter related to capital products, during last three years. NONE

9. Means of Communication

- (a) Half yearly report sent to each household of shareholders -

Half yearly report is not sent to households of Shareholders, as the results of the Company are published in local newspapers having circulation in the entire District of Davangere, Shivamogga and Chitradurga.

- (b) Quarterly results Newspapers in which results are normally published :

Period	Financial Results	News paper
	Date of publication	
30.06.2013	17.08.2013	Nagaravani
30.09.2013	17.11.2013	Nagaravani
31.12.2013	16.02.2014	Nagaravani
31.03.2014	17.05.2014	Nagaravani

any website, where displayed : None
 Whether it also displays official news release : Not applicable
 The presentations made to Institutional investors or to the analysts : None

- (c) Whether Management Discussion & Analysis Report will be a part of Annual Report or not : Yes, Part of the directors' Reports as Annexure – 'B'

10. General Shareholder Information

- (a) AGM DATE AND TIME : 20th September, 2014 at 10.45 a.m.
 VENUE : Bapuji Auditorium
 M.C.Colony "B" Block, DAVANGERE
- (b) Financial calendar : i) April, 2014 to March, 2015
 ii) First Quarter 2014-15 financial results
 2nd week of August, 2014
 iii) Second quarter 2014-15 financial results
 2nd Week of November, 2014
 iv) Third quarter 2014-15 financial results
 2nd Week of February, 2015
 v) Results for the year ended 31st March, 2015
 2nd Week of May, 2015.
- (c) Date of Book closure : 20th September, 2014
- (d) Dividend payment date(s) : N.A.
- (e) Listing on : Bangalore Stock Exchange
 The Company has paid the Listing Fees for the year 2013-14
- (f) (i) Stock code – Physical : Nil
 (ii) Demat ISIN Number for NSDL & CDSL : INE179G01011
- (g) Market price data: High/Low during each month in last Financial year : Not traded through Stock Exchange.
- (h) Stock performance in comparison to broad based indices such as BSE Senses, BSE 2000, Nifty. : Not applicable
- (i) Registrar and Transfer Agents : M/s. Integrated Enterprises(India) Ltd.,
 30, Ramana residency, 4th Cross, Sampige Road
 Malleswaram, BANGALORE – 560 003



(j) Share Transfer System

M/s Integrated Enterprises (India) Ltd., has been authorized to approve the transfer of shares which is done within the time limit stipulated by the listing agreement. The said transfers are then reported to the subsequent Board Meeting.

(K) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014

NUMBER OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
Upto 500	9928	97.34	943251	2.56
501-1000	91	0.89	64555	0.18
1001-2000	52	0.51	85131	0.23
2001-3000	57	0.56	148059	0.40
3001-4000	19	0.19	74000	0.20
4001-5000	24	0.24	118750	0.32
5001-10000	10	0.10	71100	0.19
10001 and above	18	0.18	35351611	95.92
TOTAL	10199	100.00	3,68,56,457	100.00

(l) De-materialization of shares and liquidity

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

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

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

(n) Plant Locations: Sugar Unit & Co-generation Unit

Kukkuwada Village. Davangere taluk & District, Karnataka State – 577 525

(o) Address for Correspondence: Secretary (I/c)

Davangere Sugar Co.Ltd., Kukkuwada Village.

Davangere taluk & District, Karnataka State- 577 525

(B) NON MANDATORY REQUIREMENTS

Board : The tenure of Independent Directors exceeded 9 years from the date when the new Clause 49 became effective.

Shareholders' right : The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders:

As the company's quarterly results are published in local newspaper having circulation in the entire districts of Davangere, Shimoga and Chitradurga, the same are not sent to the shareholders individually. Normally there would be no second half yearly results as the audited results are taken on record by the Board and then communicated to the shareholders through Annual Report.

Additional Disclosures : The Company has no unclaimed shares that require to be credited to a suspense account. Accordingly disclosures under Clause 5A of the Listing Agreement are not applicable.

No loan or advance in the nature of loan was made during or outstanding at the close of the year to Associates or Firms/ Companies in which a director of the company is interested. Accordingly no disclosure in terms of Clause 32 on this score is applicable.

Postal Ballot : No resolutions requiring postal ballot as contained for matters under Clause 4 of the Companies (passing of the resolution by Postal Ballot) Rules, 2001 have been placed for shareholders' approval at the meeting.

Place : Davangere

Date : 18-08-2014

For and on behalf of the Board

S.S. Ganesh

Managing Director



ANNEXURE B

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report covering performance and outlook as a part of annual report is given below:

(a) Industry Structure and Developments:

Indian Sugar:

The Indian sugar Industry is characterised by the co-existence of private, co-operative and public sector. There are 453 sugar mills in India. Co-operative sector has 252 mills and private sector has 134 mills. Public sector of around 67 mills. Sugar Industry is supporting over 65 million farmers and their families directly or indirectly. It is rural centric and hence a key drive for economic up-liftment of sugarcane growing farmers and wealth creation at village level. It has tremendous transformational opportunities to meet food, fuel and power needs.

India has surplus production of sugar in the past three years commencing from 2011-12 to 2013-14. There is carried forward stock of 7.5 million MTs of sugar from the previous years to the sugar season 2014-15 commencing from Sept-Oct 2014. The expected production of sugar during sugar season 2014-15 is at 24.50 million MTs. But the domestic consumption level is expected to be at 23 million MTs. The expected level of surplus of sugar for the sugar season 2014-15 is expected to be around 8 to 9 million MTs.

Sugar Prices:

Since from April, 2013 the sugar price is moving in downward direction, due to the lifting of levy sugar obligation and monthly release mechanism. But it may take time to stabilise the sugar prices in the long run. Raw Sugar is being continuously imported during the FY 2013-14 leading sugar refinery units in India, The industry expects that, the Central Government should take steps to curb the import of raw sugar and cane sugar by increasing the levy of import duty and should encourage the export of sugar by announcing some incentives to stabilise the domestic sugar prices in way to benefit both industry and farmers.

Government Policies:

The Central Government has announced significant sugar policies to rationalise the sugar industry:

01. The levy obligation has been removed
02. The monthly release control mechanism has been lifted.
03. Government has increased the import duty on raw sugar and white sugar from 15% to 25%.
04. State Governments have been delegated authority to take decision on sugarcane pricing.
05. Blending of 10% Ethanol with petrol by OMCs is made mandatory.
06. Central Government has fixed FRP at 2100/- per MT of Sugar cane.

(b) Opportunities and Threats:

Sugar business is subject to cyclical variations. The domestic sugar prices are subject to influence of so many factors like cane availability in the country, Government policies on sugarcane price fixation, sugar export and import policies, surplus or deficit of sugar in the international market etc. Since the past three years sugar is not the major



contributor to the bottom line of the sugar industries. But Co-generation and Ethanol bring much desired value addition to by-products and help to soften the adverse impact of the sugar cycles.

Opportunities and threat to the sugar industry is the outcome of the changing Government Policies. Central Government should take appropriate steps to create an environment which is both beneficial to the farmers and industries.

The Central Government should rationalise the sugarcane price fixing. The political biased and unilateral decisions taken by the State Governments in sugarcane price fixing without having rational base, have heavily lead to huge financial losses of the sugar industries. Suitable long term import and export policies are solicited to encourage the sugar industry to earn more profit and in turn to give remunerative prices to the farmers.

The Government should encourage production of Ethanol by increasing the blending up to 10% by OMCs, which is going to give a big boost to the sugar industries. Similarly suitable long term policies have to be formulated by the State Governments on Co-generation of power by the sugar industries by rewarding more prices per unit of power export as special measure to encourage the non-conventional energy sources.

(c) Outlook:

The future outlook for the sugar industry is depending on the rational Government Policies. In this direction the Government has taken steps by announcing some significant policies recently. But some more policies are expected from the Central Government and State Governments to create a favourable environment for the growth of sugar industries.

(d) Risks and Concerns:

Sugar industry being agro based and vulnerable to commodity cycles. The company is exposed to diverse business risks and the company is trying to mitigate these through good strategies. Sugar Industry is expecting some rational policies from the Central Government which is going to mitigate the risks attached to the industry to the maximum extent.

(e) Internal Control Systems and their adequacy:

An independent internal audit function is an important element of the Company's internal control system. The company maintains an adequate and effective internal control system commensurate with its size and complexity. This internal control system provide, among other things, a reasonable assurance that transactions are executed with management authorisation and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and the assets of the company are adequately safeguarded against significant misuse or loss. The internal control systems are supplemented through an extensive internal audit program and periodic review by management.

(f) Discussions on Financial Performance with respect to Operation Performance

During the financial year 2013-14 the company could crush only 4,54,550 MTs of sugarcane as against 477813 MTs during the previous year. A profit margin for the FY 2013-14 has come down heavily to selling of sugar below the cost of production.



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I declare that the Company has received affirmation of compliance with the " Code of Business conduct for Directors and Senior Executives " laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st March, 2014.

Place: Davangere
Date : 28.08.2014

Sd/-
S S GANESH
MANAGING DIRECTOR

CEO/CFO CERTIFICATION

(Under Clause 49 of Listing Agreement)

To

The Board of Directors,
M/s.Davangere Sugar Company Limited,
Davangere- 577004

I/We S S Ganesh, Managing Director and Chief Financial Officer of the Company hereby certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March 2014 and that to the best of our knowledge and belief;
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated the Auditors and the Audit Committee
 - i) Significant changes in internal control over financial reporting during the year,
 - ii) Significant changes in Accounting policies during the year and that the same have been disclosed in the notes to the financial statements and instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an Employee having a significant role in the Company's internal Control System over financial reporting.

Place: Davangere
Date: 18.08.2014

Sd/-
S.S. GANESH
MANAGING DIRECTOR

Sd/-
ONKARAPPA P.
CHIEF FINANCIAL OFFICER



Santhappa & Co.,
Chartered Accountants

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

AUDITORS' CERTIFICATE

To the Members of Davangere Sugar Company Limited

We have examined the compliance of conditions of Corporate Governance by Davangere Sugar Company Limited, for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bangalore Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the record maintained by the Share Registrars and reviewed by the Share holders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SANTHAPPA & CO.**
Chartered Accountants
ICAI FRNo. 003564S
Sd/-
MUNDAS VEERENDRA
Partner
M.No. 216317

Place : Davangere
Date : 18-08-2014



Santhappa & Co.,
Chartered Accountants

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

AUDITORS' REPORT

To,
The Members of Davangere Sugar Company Limited

1. We have audited the attached Balance Sheet of **M/S DAVANGERE SUGAR COMPANY LIMITED, No.73/1, Post Box No.312, Shamanur Road, Davangere-577 004**, as at 31st March 2014 and also the Profit Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, 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 it appears from our examination of such books;
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors of the Company as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 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. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with notes thereon as appearing in Schedule of Accounting Policies and notes on Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to the criteria of following uniform accounting policy with regards to depreciation of fixed assets as required under Accounting Standard – 14 which is narrated in para 6 of note 26 forming part of the accounts in case of:
 - I) the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
 - II) the Profit and Loss Account, of the **Profit** for the year ended on that date; and
 - III) the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : Davangere
Date : 18-08-2014

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

Mundas Veerendra
Partner
Membership No: 216317



**Annexure Referred to in Paragraph 3 of the Auditor's Report to the members of
Davangere Sugar Company Limited on the accounts for the year ended 31st March 2014**

As required by the Companies (Auditor's Report) Order, 2003 and according to information and explanation given to us during the course of the audit and on the basis of such checks we considered appropriate, we report that:

1. In respect of its Fixed assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the Management during the year which in our opinion is reasonable having regard to the size of the Company and Nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed of substantial part of the fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of Inventories :

- (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year. The frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and are adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of the inventory. We are informed that no material discrepancies were noticed on physical verification of inventory and same was properly dealt with in the accounts.

3. The Company has neither taken nor granted any loans, secured or unsecured covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed continuing failure to correct major weaknesses in internal controls.

5. In respect of transactions covered under section 301 of the Companies Act, 1956:

- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Companies Act and exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Company's Act 1956 and the Rules framed there under.

Contd.....



7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by 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 in respect of Sugar manufacturing and power generation activities of the Company and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanation given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31.03.2014 for a period of more than six months from the date of becoming payable.
10. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
11. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the Company is not a chit fund or nidhi / mutual fund / society. Therefore, Clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
13. The Company is not dealing or trading in shares, securities, debentures and other investments.
14. According to the information and explanations given to us, the Company has given continuous guarantee to State Bank of Mysore, ADB Branch, Davangere for loans taken for advancing agricultural crop loans to farmers for cultivating sugar cane for the benefit of the Company. According to the Information and explanations given to us, we are of the opinion to that the terms and conditions there of are not prima facie prejudicial to the interest of the Company.
15. The Company has raised new Term Loan during the year. The Term Loan outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
16. According to the information and explanations given to us, fund raised on short term basis have not been used for long term investments nor long term funds used for short term investments.
17. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
18. During the year, the Company has not issued any debentures.
19. The Company has not raised any money through a public issue during the year.
20. As represented to us by the Management and based on our examinations in the normal course of audit, no material frauds on or by the Company has been noticed or reported during the year.

For SANTHAPPA & CO.
Chartered Accountants
ICAI FRNo. 003564S
sd/-
MUNDAS VEERENDRA
Partner
M.No. 216317

Place : Davangere
Date : 18-08-2014



31-03-2014 ರ ಅಂತ್ಯಕ್ಕೆ ಇದ್ದಂತೆ ಆಸ್ತಿ ಮತ್ತು ಹೊಣೆ ತಃಖ್ತೆ
BALANCE SHEET AS AT 31.03.2014

All Figures in Rs.

ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2014 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2014	31-03-2013 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2013
I ಈಕ್ವಿಟಿ ಮತ್ತು ಹೊಣೆಗಳು I EQUITY AND LIABILITIES			
1. ಷೇರುದಾರರ ನಿಧಿಗಳು 1 SHAREHOLDERS' FUNDS			
ಎ) ಷೇರು ಬಂಡವಾಳ a) Share Capital	1	368564570.00	368564570.00
ಬಿ) ಮೀಸಲು ನಿಧಿ ಮತ್ತು ಮಿಗತೆ b) Reserves and Surplus	2	611472251.60	557701335.99
		980036821.60	926265905.99
2. ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೊಣೆಗಳು 2 NON-CURRENT LIABILITIES			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು a) Long Term Borrowings	3	472854201.91	371251627.93
ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಳು b) Deferred Tax Liabilities	4	---	---
ಸಿ) ಇತರ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು c) Other Long Term Liabilities	5	103028462.58	28313084.58
ಡಿ) ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು d) Long Term Provisions	6	---	---
3. ಚಾಲ್ತಿ ಹೊಣೆಗಳು 3 CURRENT LIABILITIES			
ಎ) ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು a) Short Term Borrowings	7	1189755769.84	1273647785.03
ಬಿ) ಕೊಡಬೇಕಾಗಿರುವ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು b) Trade Payables	8	35838919.00	76254237.51
ಸಿ) ಇತರ ಚಾಲ್ತಿ ಹೊಣೆಗಳು c) Other Current Liabilities	9	126191754.20	223126411.29
ಡಿ) ಅಲ್ಪಾವಧಿ ಹವಣಿಕೆಗಳು d) Short Term Provisions	10	12816626.63	---
TOTAL ಒಟ್ಟು ಮೊತ್ತ		2920522555.76	2898859052.33



All Figures in Rs.

ವಿವರ Particulars	ಅನುಸೂಚಿ Note No.	31-03-2014 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2014	31-03-2013 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2013
I ಆಸ್ತಿಗಳು ASSETS			
1 ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು NON-CURRENT ASSETS			
ಎ) ಸ್ಥಿರ ಆಸ್ತಿಗಳು			
a) Fixed Assets	11		
1. ವಾಸ್ತವಿಕ ಆಸ್ತಿಗಳು Tangible Assets		1194353196.50	1237472365.19
2. ನಿರ್ಮಾಣದ ಹಂತದಲ್ಲಿರುವ ಸ್ಥಿರಾಸ್ತಿಗಳು Capital Work in Progress		96519343.26	50205531.81
ಬಿ) ಚಾಲ್ತಿ ಅಲ್ಲದ ಹೂಡಿಕೆಗಳು			
b) Non-Current investments	12	545900.00	545900.00
2. ಚಾಲ್ತಿ ಆಸ್ತಿಗಳು CURRENT ASSETS			
ಎ) ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು			
a) Long Term Loans and Advances	13	68041807.63	50400008.00
ಬಿ) ದಾಸ್ತಾನುಗಳು			
b) Inventories	14	770531488.73	1030838222.35
ಸಿ) ಬರಬೇಕಾದ ವ್ಯಾಪಾರದ ಬಾಕಿಗಳು			
c) Trade Receivables	15	290708798.71	279389352.46
ಡಿ) ನಗದು ಮತ್ತು ಸಮಾನಾಂತರಗಳು			
d) Cash and cash equivalents	16	250893551.60	23424299.08
ಇ) ಅಲ್ಪಾವಧಿ ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳು			
e) Short-term loans and advances	17	177450658.41	146131463.52
ಎಫ್) ಇತರೆ ಚಾಲ್ತಿಯಲ್ಲದ ಆಸ್ತಿಗಳು : ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು			
f) Other Non Current assets: Deferred Tax Asset	4	71477810.92	80451909.92
TOTAL ಒಟ್ಟು ಮೊತ್ತ		2920522555.76	2898859052.33

As per our Audit Report of even date annexed

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

For and on behalf of the Board of Directors

Mundas Veerendra
Partner
M.No. : 216317

ABHIJITH G SHAMANUR
Executive Director

S.S.GANESH
Managing Director



31-3-2014 ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ವರ್ಷದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆ
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2014

All Figures in Rs.

ವಿವರ PARTICULARS	ಅನುಸೂಚಿ Note No.	31-03-2014 ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2014	31-03-2013ಕ್ಕೆ ಇದ್ದಂತೆ As At 31.03.2013
I ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳು ಒಟ್ಟು ಮೊತ್ತ REVENUE FROM OPERATIONS (GROSS)	18	2466189089.10	1922002142.46
ಅಬಕಾರಿ ತೆರಿಗೆ ಕಳೆದದ್ದು Less: Excise Duty		69493294.00	48393783.00
ವ್ಯಾಪಾರ ವಹಿವಾಟುಗಳ ನಿವ್ವಳ ಮೊತ್ತ Revenue from Operations (Net)		2396695795.10	1873608359.46
II ಇತರ ಆದಾಯಗಳು Other Income	19	13709136.64	6898878.10
III ಒಟ್ಟು ವಹಿವಾಟು Total Revenue		2410404931.74	1880507237.56
IV ಖರ್ಚುಗಳು EXPENSES			
ಎ) ಬಳಕೆ ಮಾಡಿದ ಸರಕು ಸಾಮಗ್ರಿಗಳ ವೆಚ್ಚ a) Cost of Materials Consumed	20	1529712234.46	1836644160.83
ಬಿ) ತಯಾರಾದ ಸರಕುಗಳ ಖರೀದಿ b) Purchase of Traded Goods	21	---	---
ಸಿ) ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯಕ್ಕೆ ಇರುವ ಸಿದ್ಧ ಮತ್ತು ಕಚ್ಚಾ ದಾಸ್ತಾನುಗಳ ಬದಲಾವಣೆ ಮೊತ್ತ c) Changes in inventories of finished goods and stock in process	22	365628600.00	-480623782.00
ಡಿ) ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚ d) Employees Benefit Expenses	23	67519505.94	66946930.12
ಇ) ಹಣಕಾಸು ವೆಚ್ಚ e) Finance Costs	24	96815349.09	85884546.68
ಎಫ್) ಸವಕಳಿ f) Depreciation		118312765.11	84040094.79
ಜಿ) ಇತರ ವೆಚ್ಚಗಳು g) Other Expenses	25	168638576.53	163716753.78
TOTAL EXPENSES ಒಟ್ಟು ವೆಚ್ಚಗಳು		2346627031.13	1756608704.20



V	ವಿಶೇಷ ಮತ್ತು ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆ ಮೊದಲಿನ ಲಾಭ PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)	63777900.61	123898533.36
VI	ಪ್ರತಿಷೇಧ ಬಾಬುಗಳು Exceptional Items	---	---
VII	ವಿಶೇಷ ಬಾಬುಗಳು ಮತ್ತು ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)	63777900.61	123898533.36
VIII	ವಿಶೇಷ ಬಾಬುಗಳು Extraordinary Items	---	---
IX	ತೆರಿಗೆಯ ಮೊದಲಿನ ಲಾಭ PROFIT BEFORE TAX (VII-VIII)	63777900.61	123898533.36
X	ತೆರಿಗೆ ವೆಚ್ಚಗಳು TAX EXPENSES		
	ಎ) ಮ್ಯಾಟ್ ತೆರಿಗೆ ಮೇಲೆ ಬಡ್ಡಿ a) Interest on MAT	1032886.00	2115356.70
	ಬಿ) ಮುಂದೂಡಿದ ತೆರಿಗೆ b) Deferred Tax	8974099.00	7661241.00
	ಒಟ್ಟು Total	10006985.00	9776597.70
XI	ಅವಧಿಯಲ್ಲಿ ಬಂದಿರುವ ಲಾಭ PROFIT FOR THE PERIOD (IX-X)	53770915.61	114121935.66
XII	ಪ್ರತಿ ಷೇರಿಗೆ ಗಳಿಕೆ (ಮೂಲ ಮತ್ತು ನಿಷ್ಕಾರ) Earnings per Share (Basic and diluted) Rs.	1.46	3.10

As per our Audit Report of even date annexed

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

Mundas Veerendra
Partner
M.No. : 216317

For and on behalf of the Board of Directors

ABHIJITH G SHAMANUR
Executive Director

S.S.GANESH
Managing Director



ಹಣಕಾಸಿನ ತಃಖ್ತೆಗಳಿಗೆ ಟಿಪ್ಪಣಿಗಳು
NOTES TO FINANCIAL STATEMENTS

NOTE 1 : SHARE CAPITAL ಷೇರು ಬಂಡವಾಳ : (All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಅಧಿಕೃತ ಷೇರು ಬಂಡವಾಳ : 6,00,00,000 ಈಕ್ವಿಟಿ ಷೇರುಗಳು ಪ್ರತಿಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ Authorised Share Capital : 6,00,00,000 Equity Shares of Rs. 10/- each	600000000.00	600000000.00
ವಿತರಿಸಿದ, ಆಜ್ಞಿಸಿದ ಮತ್ತು ಪಾವತಿಸಲ್ಪಟ್ಟ ಬಂಡವಾಳ 3,68,56,457 ಈಕ್ವಿಟಿ ಪ್ರತಿ ಷೇರಿಗೆ ರೂ. 10/- ರಂತೆ Issued , Subscribed and Paid-up Capital : 3,68,56,457 Equity Shares of Rs. 10/- each	368564570.00	368564570.00
ಒಟ್ಟು TOTAL	368564570.00	368564570.00

Disclosures :

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

Sl. No.	Name of the Share Holder	No. of Shares	No. of Shares
1	S S GANESH	15522378	15521818
2	ABHIJITH GANESH SHAMANUR	6914724	6914724
3	REKHA GANESH	6086200	6086200
4	B R SHETTY	2001650	2001650

ಮೀಸಲು ಮತ್ತು ಮಿಗತೆ

NOTE 2 : RESERVES AND SURPLUS (All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
1 ಬಂಡವಾಳ ಮೀಸಲು : Capital Reserve: ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	407160.33	407160.33
2 ಷೇರು ಪ್ರೀಮಿಯಮ್ ಮೀಸಲು : Securities Premium Reserve : ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	24946750.00	24946750.00



3 ಸಾಮಾನ್ಯ ಮೀಸಲು : General Reserve :		
ವರ್ಷಾರಂಭ ಮತ್ತು ಅಂತ್ಯದಲ್ಲಿನ ಶಿಲ್ಕು Balance at the beginning and end of the year	5995836.32	5995836.32
4 ಮಿಗತೆ : Surplus :		
ವರ್ಷಾರಂಭಕ್ಕೆ Balance brought forward from previous year	526351589.34	412229653.68
ವರ್ಷದ ಲಾಭ ನಷ್ಟ ತಃಖ್ತೆಯಿಂದ Add: Transfer from the Statement of Profit and Loss Account for the year	53770915.61	114121935.66
ವಿನಿಯೋಗಗಳ ಸಲುವಾಗಿ ಉಳಿಕೆಯಾದ ಮೊತ್ತ Balance available for Appropriations	580122504.95	526351589.34
ವಿನಿಯೋಗಗಳು : Appropriations :		
ಮುಂದಿನ ವರ್ಷಕ್ಕೆ ಮುಂದುವರಿದ ಶಿಲ್ಕು Balance carried forward to next year	580122504.95	526351589.34
ಒಟ್ಟು TOTAL	611472251.60	557701335.99

ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು

NOTE 3 : LONG TERM BORROWINGS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ ASAT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ ASAT 31.03.2013
ಎ. ಆಧಾರ ಸಹಿತ Secured :		
ಅವಧಿ ಸಾಲಗಳು		
1 Term Loans :		
i ಭಾರತ ಸರ್ಕಾರದ ಸಕ್ಕರೆ ಅಭಿವೃದ್ಧಿ ನಿಧಿಯಿಂದ From Sugar Development Fund-Govt. of India	34817890.42	66974066.42
ii ಇಂಡಿಯನ್ ರಿನಿವಬಲ್ ಎನರ್ಜಿ ಡೆವಲಪ್‌ಮೆಂಟ್ ಏಜೆನ್ಸಿ ಲಿ., ನವದೆಹಲಿ ಇವರಿಂದ From Indian Renewable Energy Development Agency Ltd. New Delhi	---	8042.00
iii ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ಉಗ್ರಾಣ ನಿರ್ಮಾಣ (ನಾಬಾರ್ಡ್ ಗ್ರಾಮಾಂತರ ಉಗ್ರಾಣ ಯೋಜನೆ ಅಡಿಯಲ್ಲಿ) ಸಾಲ Term Loan for sugar godown from SBI	3600000.00	---
iv ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು ದಾವಣಗೆರೆ ಇವರಿಂದ ಬಯರ್ಸ್ ಕ್ರೆಡಿಟ್ ಬಾಬು iv State Bank of Mysore, Davangere towards Buyers' Credit	208340500.00	---



v	ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು, ದಾವಣಗೆರೆ ಇವರಿಂದ ಕಂಪನಿಯ ರಿಫೈನರಿ ಯುನಿಟ್‌ಗೆ From State Bank of Mysore, Davangere for Refinery Project	94701304.00	139068742.00
vi	ಎಸ್‌ಆರ್‌ಇಐ ಎಕ್ವಿಪ್‌ಮೆಂಟ್ ಫೈನಾನ್ಸ್ ಪ್ರೈ ಲಿ. ಕೊಲ್ಕತ್ತಾ From Srei Equipment Finance Private Limited, Kolkata	20910948.53	32101271.55
vii	ಮಿಲ್‌ನ್ನು ವಿಸ್ತರಿಸಲು ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಮೈಸೂರು, ದಾವಣಗೆರೆ ಇವರಿಂದ From State Bank of Mysore, Davangere for Mill Expansion Project	99384053.00	122000000.00

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

B ಆಧಾರ ರಹಿತ**B Un Secured :**

1	ಕರ್ನಾಟಕ ಸರ್ಕಾರದಿಂದ ಕಬ್ಬು ಖರೀದಿ ತೆರಿಗೆ ಬಡ್ಡಿ ರಹಿತ ಸಾಲವಾಗಿ ಪರಿಗಣಿಸಿರುವುದು. From Government of Karnataka (Purchase Tax payable on Sugar Cane purchases treated as Interest-Free Loan)	11099505.96	11099505.96
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ಒಟ್ಟು TOTAL 472854201.91 371251627.93

Disclosures:**A Secured:**

1. Loan from Sugar Development Fund (Government of India) availed for modernisation/expansion of sugar Unit amounting to Rs.669.74 lakhs (Rs.1333.84 lakhs) is secured by way of exclusive second charge of the movable and immovable properties of both Sugar and Co-generation Units of the Company. The loan carries interest at the rate of 4% and to be repaid in 5 yearly installments commencing from 09.6.2011 and 1.10.2011 for each disbursement of Rs.608.84 lakhs. No installment is overdue as on the reporting date.
2. Buyers' credit arrangement with SBM, Davangere amounting to Rs. 2083.40 lakhs is secured by the hypothecation of goods i.e. steaming coal imported from Indonesia and personal guarantee of two directors of the company. The credit arrangement carries interest rate of (For 6 months LIBOR + 30 basis points)
3. Term Loan From State Bank of Mysore, Davangere Rs. 1390.68 lakhs (Rs.2500 lakhs) is secured by way of hypothecation of plant and machinery purchased for the unit out of bank finance. Second charge over current assets of the company inclusive of stocks, receivables and other current assets and extension of III charge over fixed assets of the company on pari passu basis with other consortium members. The term loan carries interest rate at 12.65% per annum and repayable in 24 quarterly installments. There are no overdues as on the date of reporting.
4. Term loan from SREI Equipment Finance Private Limited, Kolkata for purchase of helicopter is secured by exclusive charge by way of hypothecation on the asset together with all refurbishments, modifications, additions, performance enhancements, installations after delivery including all parts, materials, tools replacements and alternations thereto. The term loan carries interest rate of 14% and repayable in 60 monthly instalments. The last installment is to be paid on 15.07.2016. There are no overdues as on the date of reporting.
5. Term loan from State Bank of Mysore, Davangere Rs. 1400.00 lakhs (Rs.Nil) is secured by way of hypothecation of plant and machinery purchased for the unit out of bank finance. Second charge over current assets of the company inclusive of stocks, receivables and other current assets and third charge over fixed assets of the company on pari passu basis with other consortium members. The term loan carries interest rate at 12.65% per annum and repayable in 24 quarterly installments. There are no over dues as on the date of reporting.



ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆಗಳು

NOTE 4 : DEFERRED TAX LIABILITIES

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

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
1. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ 1 Deferred Tax Liability/Asset ಸ್ಥಿರ ಆಸ್ತಿಗಳ ಸವಕಳಿಯ ಅವಧಿಯ ವ್ಯತ್ಯಾಸದಿಂದ On account of Timing differences in Depreciation of Fixed Assets	---	---
2. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಆಸ್ತಿಗಳು Deferred Tax Assets	-80451909.92	- 88113150.92
3. ನಿವ್ವಳ ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹೊಣೆ / ಆಸ್ತಿ Net Deferred Tax Liabilities / (Assets) thereon	---	---
4. ಕಳೆಯಿರಿ : ಹಿಂದಿನ ವರ್ಷದಲ್ಲಿ ಹೊಂದಿಸಿದ್ದು Less : Provided for in the previous year	-80451909.92	- 88113150.92
5. ಮುಂದೂಡಿದ ತೆರಿಗೆ ಹವಣಿಸಿರುವುದು (ಹಿಮ್ಮರಿಸಿಕೆ) Deferred Tax Provided / (Reversed)	8974099.00	7661241.00
ಒಟ್ಟು TOTAL	-71477810.92	-80451909.92

ಇತರೆ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು

NOTE 5 : OTHER LONG TERM LIABILITIES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು a) Trade Payables:	23028462.58	28313084.58
ಬಿ) ಅಂತರ ಕಂಪನಿ ಠೇವಣಿ b) Inter Corporate Deposit (ICD)	80000000.00	80000000.00
ಒಟ್ಟು TOTAL	103028462.58	108313084.58



ದೀರ್ಘಾವಧಿ ಹವಣಿಕೆಗಳು

NOTE 6 : LONG TERM PROVISIONS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ನೌಕರರ ಸೌಲಭ್ಯಗಳಿಗೆ ಒದಗಿಸಿಕೊಟ್ಟ ಮೊತ್ತ		
a) Provisions for Employees Benefits	---	---
ಬಿ) ಇತರೆ		
b) Others :	---	---
ಒಟ್ಟು TOTAL	---	---

ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು

NOTE 7 : SHORT TERM BORROWINGS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಆಧಾರ ಸಹಿತ :		
A Secured :		
ಕನ್ಸೋರ್ಟಿಯಂ ಬ್ಯಾಂಕ್‌ಗಳಿಂದ ಪಡೆದಿರುವ ಕ್ಯಾಷ್ ಕ್ರೆಡಿಟ್ ಸಾಲ Loans repayable on demand Cash Credit Loans from Consortium Banks	623764440.84	697712943.03
ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ದಾವಣಗೆರೆ ಇವರಿಂದ ಸಕ್ಕರೆ ದಾಸ್ತಾನಿನ ಮೇಲೆ From State Bank of India, Davangere Against Pledge of Sugar Stocks	---	324700000.00
ಬಿ) ಆಧಾರ ರಹಿತ :		
B Un Secured :		
ಕಬ್ಬು ಕಟಾವು ಮತ್ತು ಸಾಗಾಣಿಕೆ ಮುಂಗಡ ವಸೂಲಿ Liability on account of sugarcane and H&T farmers(recoveries)	565991329.00	251234842.00
TOTAL	1189755769.84	1273647785.03

Disclosures :

A Secured :

1 Cash Credit Loan sanctioned by State Bank of Mysore in consortium consists of State Bank of Mysore, Canara Bank, Indian Bank, Union Bank of India and I D B I Bank are secured by hypothecation of Stock of Sugar, Stock of Molasses, Consumable Stores and receivables. Further the same is secured by personal guarantee of three directors of the Company and Pari passu III Charge over fixed assets of the Company. The above Cash Credit Loan carries interest varies from individual Bank base rates and time to time changes as per the regulations of R B I. the present rate of interest is being 12.50% per annum.

B Un Secured :

1. Recoveries from H & T Farmers who have taken loan from Banks for harvesting and supply of Sugarcane is secured by personal Guarantee of three Directors of the Company. The loan carries interest at the rate of 10.25% per annum and there are no overdues as on the date of reporting.



NOTE 8 : ಕೊಡಬೇಕಾದ ವ್ಯವಹಾರ ಬಾಕಿಗಳು TRADE PAYABLES (All figures in Rupees)		
	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
A ಆಧಾರ ಸಹಿತ Secured :		
ಖರೀದಿ ಮತ್ತು ಸೇವೆಗಳ ಬಾಬು		
On purchases and Services	35838919.00	76254237.51
TOTAL	35838919.00	76254237.51

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

NOTE 9 : ಇತರೆ ಚಾಲ್ತಿ ಹೊಣೆಗಳು OTHER CURRENT LIABILITIES (All figures in Rupees)		
	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಅವಧಿ ಮುಗಿದಿರುವ ಚಾಲ್ತಿ ದೀರ್ಘಾವಧಿ ಹೊಣೆಗಳು		
a) Current maturities of Long Term Liabilities	110884000.00	104668000.00
ಬಿ) ಸಾಲಗಳ ಮೇಲಿನ ಕೋಡಿಕರಿಸಿದ ಬಡ್ಡಿ		
b) Interest accrued and due on Borrowings	2856485.00	20172.00
ಸಿ) ಮಾರಾಟ ಬಾಬು ಮುಂಗಡ		
c) Advance against Sales	1872011.00	22158209.73
ಡಿ) ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳು		
d) Statutory Remittances	2642368.00	2457635.00
ಇ) ವ್ಯವಹಾರ ಅಥವಾ ಭದ್ರತಾ ಠೇವಣಿ ಪಡೆದಿರುವುದು		
e) Trade or Security Deposits received	5218121.00	790225.00
ಎಫ್) ಇತರೆ		
f) Others	2718769.20	13032169.56
TOTAL	126191754.20	143126411.29

NOTE 10 : SHORT TERM PROVISIONS (All figures in Rupees)		
	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಅಲ್ಪಾವಧಿ ಹವಣಿಕೆಗಳು		
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆಗೆ		
For Minimum Alternate Tax	12816626.63	---
TOTAL	12816626.63	---



ಚಾಲ್ತಿ ಅಲ್ಲದ ಆಸ್ತಿಗಳು

NOTE 11 : NON - CURRENT ASSETS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಸ್ಥಿರ ಆಸ್ತಿಗಳು Fixed Assets		
	'ಲಗತ್ತಿಸಿದೆ' 'ANNEXED'	

ಚಾಲ್ತಿಯಲ್ಲದ ಹೂಡಿಕೆಗಳು

NOTE 12 : NON - CURRENT INVESTMENTS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಚಾಲ್ತಿ ವ್ಯವಹಾರದಲ್ಲಿ ಇಲ್ಲದ್ದು (ಘೋಷಿತ ಬೆಲೆಗೆ) A NON-TRADE (QUOTED- AT COST)	---	---
ಬಿ) ಚಾಲ್ತಿ ವ್ಯವಹಾರದಲ್ಲಿ ಇಲ್ಲದ್ದು (ಅಘೋಷಿತ ಬೆಲೆಗೆ) B NON-TRADE (UN QUOTED- AT COST)		
I ಸರ್ಕಾರದ ಆಧಾರ ಪತ್ರಗಳು IN GOVERNMENT SECURITIES:	19900.00	19900.00
II ಇತರೆ ಹೂಡಿಕೆಗಳು OTHER INVESTMENTS		
ಎ) ಡಿಎಸ್‌ಸಿಎಲ್ ಎಂಪ್ಲಾಯಿಸ್ ಕೋ-ಆಪ್ ಸೊಸೈಟಿಯಲ್ಲಿನ ಷೇರುಗಳು a) Shares with DSCL Employee's Co-operative Society (500 Shares of Rs.10/- each)	5000.00	5000.00
ಬಿ) ಬಾಪೂಜಿ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್‌ನ ಷೇರುಗಳು b) Shares with Bapuji Co-operative Bank Limited, (200 Shares of Rs.50/- each)	10000.00	10000.00
ಸಿ) ದಾವಣಗೆರೆ ಹರಿಹರ ಅರ್ಬನ್ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್ ಲಿ. ನ ಷೇರುಗಳು c) Shares with Davangere Harihar Urban Co-operative Bank Limited, (501 Shares of Rs.1000/- each)	501000.00	501000.00
ಡಿ) ಚಿತ್ರದುರ್ಗ ಡಿಸ್ಟ್ರಿಕ್ಟ್ ಕೋ-ಆಪ್ ಬ್ಯಾಂಕ್ ಲಿ. ನ ಷೇರುಗಳು d) Shares with Chitradurga District Co-operative Bank Limited, (200 Shares of Rs.50/- each)	10000.00	10000.00
III ಇತರೆ ಹೂಡಿಕೆಗಳು OTHER INVESTMENTS	---	---
TOTAL	545900.00	545900.00



FIXED ASSETS SCHEDULE AS ON 31.03.2014

PARTICULARS	COST				DEPRECIATION				WRITTEN-DOWN VALUE		
	AS ON 01.04.2013	ADDITIONS	Withdrawal	AS ON 31.03.2014	UPTO 01.04.2013	RATE %	PROVIDED	Withdrawal	UPTO 31.03.2014	AS ON 31.03.2013	AS ON 31.03.2014
	LAND	47280186.92	6766806.00		54046992.92						47280186.92	54046992.92
BUILDINGS,ROADS & YARDS	336173457.91			336173457.91	177933058.48	5.10	14082492.56	0.00	19201555.104	158240399.43	144157906.87
PLANT & MACHINERY	1808319279.15	437920603.55	389531742.13	1856708140.57	797482953.87	15.33	95930297.94	163603.33	883249648.50	621631789.83	963458492.09
WELL & WATER WORKS	1494040.95	213590.00		1707630.95	709333.96	5.00	50491.72	0.00	759825.68	784706.99	947805.27
FURNITURE & FIXTURES	2460234.11	23136.00		2483370.11	2238908.11	18.10	42614.27	0.00	2281522.38	221326.00	201847.73
VEHICLES	34968819.76	10186597.00		45155416.76	1979560.60	25.89	6679662.26	0.00	26059222.86	15589259.16	19066193.90
OFFICE EQUIPMENTS	1415679.95	21800.00		1437479.95	1147744.91	13.91	37455.73	0.00	1185200.64	267935.04	252279.31
LIBRARY	41213.03			41213.03	40763.94	18.10	81.29	0.00	40845.23	449.09	367.80
CANTEEN EQUIPMENTS	140783.82			140783.82	132662.26	25.88	2096.79	0.00	134778.95	8101.56	6004.87
COMPUTERS	2925518.55	1683424.00		4608942.55	2757493.25	40.00	685083.59	0.00	3442576.84	168025.30	1166365.71
WATER STORAGE TANK	18262048.95	7909382.00		26171430.95	14186399.13	15.33	966092.37	0.00	15152491.50	4075649.82	11018939.45
TOTAL	2253481263.10	464725338.55	389531742.13	2328674859.52	1016008988.51		118476368.44	163603.33	113432166.62	1237472394.61	1194353195.90
Previous Years	1475099939.45	779681724.65	1290301.00	2253481263.10	933021207.82		84040094.79	1052404.10	1016008988.51	542068631.65	1237472364.59



ದೀರ್ಘಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

NOTE 13 : LONG TERM LOANS AND ADVANCES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಕನಿಷ್ಠ ಪರ್ಯಾಯ ತೆರಿಗೆ ಮುಂಬರುವ ಆದಾಯ ತೆರಿಗೆ ಹೊಂದಾಣಿಕೆಗಾಗಿ ಇರುವ ಮೊತ್ತ		
I M A T Credit Entitlement	68041807.63	50400008.00
TOTAL	68041807.63	50400008.00

ದಾಸ್ತಾನು

NOTE 14 : INVENTORIES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ. ಸಿದ್ಧ ದಾಸ್ತಾನು		
A. FINISHED GOODS :		
(Value at lower of cost or net realisable value and as certified by the Managing Director)		
I SUGAR ಸಕ್ಕರೆ	408535300.00	797341260.00
II MOLASSES ಕಾಕಂಬಿ	54846720.00	31669360.00
ಬಿ. ಕಷ್ಟಾ ಸಾಮಗ್ರಿಗಳು		
B. CONSUMABLE STORES	71749951.76	243679055.84
ಕಲ್ಲಿದ್ದಲು ದಾಸ್ತಾನು		
STOCK OF COAL	235399516.97	0.00
TOTAL	770531488.73	1030838222.35

ಬರಬೇಕಾದ ವ್ಯಾಪಾರ ಬಾಕಿಗಳು

NOTE 15 : TRADE RECEIVABLES:

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ. ಆಧಾರರಹಿತ ಖಾತ್ರಿಯಾಗಿ ಪರಿಗಣಿಸಿರುವುದು		
A UN SECURED CONSIDERED GOOD		
I ಆರು ತಿಂಗಳಿಗೂ ಮೇಲ್ಪಟ್ಟು ಬಾಕಿ ಉಳಿದಿರುವುದು Out standing for a period exceeding six months	22463321.60	88844636.99
II ಇತರೆ ಬರಬೇಕಾದ ಬಾಕಿಗಳು Other Receivables	268245477.11	190544715.47
TOTAL	290708798.71	279389352.46



ನಗದು ಮತ್ತು ನಗದಿಗೆ ಸಮಾನಂತರವಾದುದು

NOTE 16 : CASH AND CASH EQUIVALENTS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ. ನಗದು		
A. CASH ON HAND	3642637.14	332700.29
ಬಿ. ಬ್ಯಾಂಕುಗಳಲ್ಲಿನ ಶಿಲ್ಕು		
B. BALANCE WITH BANKS :		
I ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕುಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ In Current Account with Schedule Banks	138862203.61	18488247.71
II ನಾನ್ ಷೆಡ್ಯೂಲ್ ಬ್ಯಾಂಕ್‌ಗಳ ಚಾಲ್ತಿ ಖಾತೆಯಲ್ಲಿ In Current Account with Non Schedule Banks	492355.08	326106.08
III ಬ್ಯಾಂಕುಗಳಲ್ಲಿರುವ ಅವಧಿ ಠೇವಣಿಗಳು Time Deposits with Banks	107896355.77	4277245.00
TOTAL	250893551.60	23424299.08

ಅಲ್ಪಾವಧಿ ಸಾಲಗಳು ಮತ್ತು ಮುಂಗಡಗಳು

NOTE 17 : SHORT TERM LOANS AND ADVANCES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
I ಠೇವಣಿಗಳು Sundry Deposit	263608.30	263608.30
II ಅಬಕಾರಿ ತೆರಿಗೆ ಇಲಾಖೆಯಲ್ಲಿ ಠೇವಣಿ In Deposit with Central Excise Department	18361958.00	703587.00
III ನಗದು ಅಥವಾ ವಸ್ತುಗಳ ರೂಪದಲ್ಲಿ ಬರಬೇಕಾದ ಮುಂಗಡ ಹಣ Advances recoverable in cash or in kind	158825092.11	145164268.22
IV ಮುಂದೂಡಿದ ವೆಚ್ಚಗಳು Deferred Revenue Expenditure	---	---
TOTAL	177450658.41	146131463.52



ವ್ಯವಹಾರದಿಂದ ಬಂದ ಆದಾಯ

NOTE 18 : REVENUE FROM OPERATIONS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಉತ್ಪನ್ನಗಳ ಮಾರಾಟ		
A. SALE OF PRODUCTS		
I ಸಕ್ಕರೆ Sugar	1524947684.10	894866762.94
II ಕಾಕಂಬಿ Molasses	109686770.00	95401868.00
III ವಿದ್ಯುತ್ Power	741812841.00	879766060.52
ಬಿ) ಇತರೆ ವ್ಯವಹಾರದಿಂದ ಆದಾಯ		
B. OTHER OPERATING INCOME		
1. ಗುಜರಿ ಮಾರಾಟದಿಂದ Sale of Scrap	---	593668.00
2. ವಾಯುಯಾನ ಬಾಡಿಗೆ Aviation Receipts	20248500.00	2980000.00
TOTAL	2396695795.10	1873608359.46

ಇತರೆ ಆದಾಯ

NOTE 19 : OTHER INCOME

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಬಡ್ಡಿಯ ಆದಾಯ		
A INTEREST INCOME		
I ಸಾಲ ಮತ್ತು ಮುಂಗಡಗಳಿಂದ From Loans and Advances	10031483.00	4639669.00
I ಠೇವಣಿಗಳಿಂದ From Deposits	3352071.64	1916051.00
ಬಿ) ಹೂಡಿಕೆಗಳಿಂದ ಡಿವಿಡೆಂಡ್		
B DIVIDEND FROM INVESTMENTS	166517.00	1500.00
ಸಿ) ಇತರೆ ಕಾರ್ಯಚಟುವಟಿಕೆಯಲ್ಲದ ಆದಾಯ		
C OTHER NON OPERATING INCOME		
I ಆಸ್ತಿ ಮಾರಾಟದಿಂದ ಬಂದ ಲಾಭ Profit on sale of Assets	---	317658.10
II ಸ್ವೀಕರಿಸಿದ ಬಾಡಿಗೆ Rent received	24000.00	24000.00
III ಕಮೀಷನ್ Commission	135065.00	--
TOTAL	13709136.64	6898878.10



NOTE 20 : COST OF MATERIALS CONSUMED		(All figures in Rupees)	
	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013	
ಎ) ಕಬ್ಬು ಖರೀದಿ ಮತ್ತು ಬಳಕೆ (ಇತರೆ ಸರಬರಾಜು ವೆಚ್ಚ ಮತ್ತು ಕಬ್ಬು ಖರೀದಿ ಕರ ಸೇರಿ)			
A Sugar Cane purchased and consumed (Inclusive of Cane purchase Tax and Other procurement Charges)	1110683664.96	1348532400.73	
ಬಿ) ಕಚ್ಚಾ ಸಕ್ಕರೆ ಖರೀದಿಸಿ ಬಳಕೆ ಮಾಡಿರುವುದು (ತೆರಿಗೆ, ಸಾರಿಗೆ ಮತ್ತು ಇತರೆ ಸಾಗಾಣಿಕೆ ವೆಚ್ಚಗಳು ಸೇರಿ)			
B Raw Sugar purchased and consumed (Inclusive of Taxes, Transportation and other procurement Charges)	---	---	
ಸಿ) ಕಲ್ಲಿದ್ದಲು ಖರೀದಿ ಮತ್ತು ಬಳಕೆ (ಸುಂಕ ಮತ್ತು ಸಾಗಾಣಿಕೆ ಸೇರಿ)			
C Steaming Coal purchased and consumed (Inclusive of Duties and Transportation Charges)	419028569.50	488111760.10	
TOTAL	1529712234.46	1836644160.83	

ಮಾರಾಟ ಸಿದ್ಧ ವಸ್ತುಗಳ ಖರೀದಿ		(All figures in Rupees)	
	AS AT 31.03.2014	AS AT 31.03.2013	
(ಅನ್ವಯಿಸುವುದಿಲ್ಲ) Not Applicable			
TOTAL	---	---	

ದಾಸ್ತಾನಿನಲ್ಲಿ (ಏರಿಕೆ / ಇಳಿಕೆ)		(All figures in Rupees)	
	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013	
ಎ) ಸಿದ್ಧ ವಸ್ತುಗಳು			
A FINISHED GOODS			
ಪ್ರಾರಂಭಿಕ ದಾಸ್ತಾನು			
a) Opening Stock:			
ಸಕ್ಕರೆ			
Sugar	797341260.00	323152398.00	
ಕಾಕಂಬಿ			
Molasses	31669360.00	25234440.00	
Total	829010620.00	348386838.00	



ಬಿ) ಅಖೈರು ದಾಸ್ತಾನು b) Closing Stock:		
ಸಕ್ಕರೆ Sugar	408535300.00	797341260.00
ಕಾಕಂಬಿ Molasses	54846720.00	31669360.00
Total	463382020.00	829010620.00
(a) - (b)	365628600.00	-480623782.00
ಎ) ಉತ್ಪಾದನಾ ಹಂತದಲ್ಲಿರುವ ದಾಸ್ತಾನುಗಳು : A WORK IN PROGRESS:		
ಎ) ಪ್ರಾರಂಭಿಕ ದಾಸ್ತಾನು a) Opening Stock:		
ಸಕ್ಕರೆ Sugar	---	---
ಕಾಕಂಬಿ Molasses	---	---
Total	---	---
ಬಿ) ಅಖೈರು ದಾಸ್ತಾನು b) Closing Stock:		
ಸಕ್ಕರೆ Sugar	---	---
ಕಾಕಂಬಿ Molasses	---	---
Total	---	---
(a) - (b)	---	---
GRAND TOTAL	365628600.00	-480623782.00

ನೌಕರರ ಸೌಲಭ್ಯಗಳ ವೆಚ್ಚಗಳು

NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಸಂಬಳ, ಮಜೂರಿ ಮತ್ತು ಭತ್ಯೆಗಳು A Salaries, wages and allowances	57343299.54	56522020.30
ಬಿ) ಭವಿಷ್ಯನಿಧಿ ಮತ್ತು ಇತರೆ ನಿಧಿಗಳಿಗೆ ಪಾವತಿಸಿರುವುದು B Contribution to Provident fund and Other funds	7760321.00	8147647.00
ಸಿ) ಸಿಬ್ಬಂದಿ ಕ್ಷೇಮಾಭ್ಯುದಯ ಖರ್ಚುಗಳು C Staff Welfare Expenses	2415885.40	2277262.82
TOTAL	67519505.94	66946930.12



ಹಣಕಾಸು ವೆಚ್ಚಗಳು

NOTE 24 : FINANCE COSTS

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಎ) ಬಡ್ಡಿ ವೆಚ್ಚ		
A Interest Expenses	92651521.98	79340714.20
ಬಿ) ಇತರೆ ಸಾಲಗಳಿಗೆ ವೆಚ್ಚ		
B Other Borrowings Costs	4163827.11	6543832.48
TOTAL	96815349.09	85884546.68

ಇತರೆ ಖರ್ಚುಗಳು

NOTE 25 : OTHER EXPENSES

(All figures in Rupees)

	31.03.2014 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2014	31.03.2013 ಕ್ಕೆ ಇದ್ದಂತೆ AS AT 31.03.2013
ಸ್ಪೋರ್ಸ್ ಮತ್ತು ಬಿಡಿಭಾಗಗಳ ಬಳಕೆ		
Consumption of Stores and spares	26974731.07	25707745.13
ವಿದ್ಯುಚ್ಛಕ್ತಿ ಮತ್ತು ಇಂಧನ		
Power and Fuel	2439851.00	32718653.02
ಖಾಲಿ ಚೀಲಗಳು ಮತ್ತು ದಾಸ್ತಾನಿನ ಖರ್ಚುಗಳು		
Packing and storage expenses	22432030.96	22880924.71
ನೀರಿನ ಕರ		
Water Charges	212738.35	100116.43
ಬಾಡಿಗೆ		
Rent	2969570.00	2506369.00
ಕಾನೂನು ಮತ್ತು ಸೇವಾ ಖರ್ಚುಗಳು		
Legal and Professional Charges	3896099.00	1038139.00
ದುರಸ್ತಿ ಮತ್ತು ನಿರ್ವಹಣೆ :		
Repairs and Maintenance:		
ಕಟ್ಟಡಗಳಿಗೆ		
on Buildings	7554880.79	4046272.53
ಯಂತ್ರೋಪಕರಣಗಳಿಗೆ		
on Plant and Machinery	58279419.77	32107166.44
ಇತರೆ		
on Others	250718.00	28760.00
ಸರಬರಾಜು ಮತ್ತು ವಿತರಣಾ ಖರ್ಚುಗಳು		
Supply and Distribution Expenses	21355097.27	27082610.66
ಪ್ರಯಾಣ ಭತ್ಯೆ ಖರ್ಚುಗಳು		
Travelling and Conveyance	6185861.00	674662.00



ಬಾಡಿಗೆ ಮತ್ತು ಸಾಗಾಣಿಕೆ ವೆಚ್ಚಗಳು Freight and Forwarding	1950715.39	1899364.00
ಅಂಚೆ ಮತ್ತು ದೂರವಾಣಿ ಖರ್ಚುಗಳು Postage and Telephone Expenses	703269.26	756966.64
ಮುದ್ರಣ ಮತ್ತು ಲೇಖನಿ ಖರ್ಚುಗಳು Printing and Stationery	712547.74	468189.02
ವಿಮೆ Insurance	2909196.00	3113581.00
ವಾಹನಗಳ ನಿರ್ವಹಣೆ Vehicle Maintenance	3600119.33	2457080.20
ಪ್ರಚಾರ Advertisement	9500.00	27500.00
ನಿರ್ದೇಶಕರುಗಳ ಪ್ರವಾಸದ ಖರ್ಚುಗಳು Travelling Expenses to Directors	309884.00	---
ಆಡಿಟ್ ಶುಲ್ಕ : Audit Fee :		
ಕಾಯ್ದೆ ಬದ್ಧ ಆಡಿಟ್‌ಗೆ For Statutory Audit	137360.00	100000.00
ಕಾಸ್ಟ್ ಆಡಿಟ್‌ಗೆ For Cost Audit	40000.00	---
ಇತರೆ ಸೇವೆಗಳಿಗೆ For Other Services	277335.00	282108.00
ಇತರೆ ಖರ್ಚುಗಳನ್ನು ಭರಿಸಿದ್ದು For Reimbursement of Expenses	3000.00	---
ಇತರೆ ಖರ್ಚುಗಳು Other Expenses	5434652.60	5720546.00
TOTAL	168638576.53	163716753.78

**NOTE 26 :****NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014****1. Accounting Policies:**

As per the requirements of the **Accounting Standard-1**, The financial statements are prepared under the convention of historical cost in accordance with the Generally Accepted Accounting Principles (GAAP) and as per the provisions of the Companies Act, 1956 as adopted consistently by the company

2. Valuation of Inventories :

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

2.1 Closing stock of finished goods, i.e. Sugar and Molasses have been valued at lower of cost or net realizable value (market value) and as certified by the management. The levy sugar is valued on the basis of prevailing rate as fixed and announced by the Central Government as on the date of valuation.

2.2 Stock of stores and spares has been valued at cost.

3. Cash Flow Statement:

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

4. Events after Balance Sheet date:

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

5. Prior period items and changes in Accounting Policies:

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

6. Depreciation Accounting:

Depreciation has been calculated on written down value method at the rates specified in Schedule XIV read with section 350 of the Companies Act, 1956.

The above method of depreciation is consistently followed by the company from year to year. There are no changes in the depreciation rates as specified in the Schedule XIV of the Companies Act, as compared to the previous year. No asset has been revalued during the financial year.

7. Revenue recognition:

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

**8. Accounting for fixed assets:**

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

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

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

9. Foreign Currency Transactions:

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

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

(i) **Earnings :** Nil

(ii) **Outgoings :** The Company has imported 44,000 MTs of Steaming (Non-coking)Coal for its Co-generation Unit and used USD 34,55,320(Equivalent to INR 1934.97 lakhs)

10. Accounting for Investments:

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

11. Employees retirement benefits:

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

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

12. Borrowing Costs:

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

13. Segment Reporting:

Company is having two segments, one is sugar segment and another is co-gen segment. Segmental report is furnished as per the requirements of **Accounting Standard-17** in Annexure-2

**14. Related party disclosure:**

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

Rupees in Lakhs

Name	Sale Of Sugar	Sale Of Molasses	Purchase of provision for canteen
M/s Shamanur Kallappa & Sons	49.98	-	0.48
M/s Shamanur Sugars Limited	-	368.86	-
M/s. Sri Kalleswara Traders	-	-	5.93
M/s. Shivashankar Associates	-	-	1.98

15. Earnings per share :

As per requirement of **Accounting Standard – 20**, the earning per share for the financial year ended works out to be Rs 1.46 (previous financial year is Rs 3.10) per equity share of Rs.10 each.

16. Taxes on income :

Current Income Tax Liability does not arise on account of claiming exemption U/s 80IA of the Income Tax Act on income from Co-generation Unit. But provision for Minimum Alternative Tax of Rs. 128.16 Lacs is provided as per the provisions of section 115 JB of income tax act 1961.

17. Deferred tax:

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

18. Interim Financial Reporting:

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

19. Intangible assets:

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

20. Impairment of assets:

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

21. Debtors and Creditors balances:

Debtors and Creditors balances for the financial year ended as shown in the books of accounts are subject to confirmation from the parties. Based on the information available with the Company in respect of **MSME** (as defined in The Micro Small and Medium Enterprises Development Act,2006) there were no delays in payment of dues to such creditors and there are no dues to such creditors at the end of the year.

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

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

1. Bapuji Co-operative Bank Limited	....	Rs.	17,366.26
2. Karnataka State Co-Operative Apex Bank Limited	....	Rs.	2,072.00
3. Davangere Harihar Urban Co-op Bank Limited	....	Rs.	4,30,422.12
4. Shimoga District Central Co-operative Bank Ltd	....	Rs.	36,627.00
5. The Davangere Urban Co-operative Bank Limited	....	Rs.	5,867.70

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

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

24. Remuneration to Auditors :

During the financial year provision of Rs. 1,25,000.00 has been made towards remuneration to the auditors.

25. Managerial remuneration :

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

26. During the financial year there are no exceptional income and expenses as observed.**27. In the opinion of the management, the current assets, loan and advances have been valued at not less than the value at which they are stated in the balance sheet, if realized in the ordinary course of business.****28. Provision for contingent liability or assets :**

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

* The Company has given a consolidated continuing guarantee of Rs. 100 lakhs in favour of State Bank of Mysore, ADB, Branch, Davangere, covering Sugarcane crop loans advanced by the Bank to the Company's sponsored loan applications under the direct agricultural financing scheme. Total out standings as on 31.03.2014 covered under the guarantee was Rs. nil.

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

* No interest has been provided by the Company on the loan of Rs. 15.00 lakhs from M/s KAIC Ltd., which is since repaid, as it was agreed to be converted to Equity as per the earlier package of relief. However, interest as per earlier package of relief has been provided up to the date of receipt of money by M/s KAIC Ltd., from the Government of Karnataka for the purpose of conversion of the loan to Equity and loan has been converted to equity during the year 1988, approved by BIFR, the Corporation has to fund the interest and receive the same after the Institutional dues are cleared by the Company. As against the dues of Rs. 14.20 lakhs, Rs. 14.00 lakhs has been paid. But, M/s KAIC Ltd., are demanding for payment of Rs. 20.74 lakhs, which is under reconciliation.

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

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



30. CASH FLOW STATEMENT ANNEXED TO ANNUAL REPORT FOR THE YEAR ENDED ON 31.03.2014

(Rs. Lakhs)

	As at 31.03.2014	As at 31.03.2013
A Cash flow from Operating activities:		
Net profit after tax	537.71	1141.22
Adjustment for provision for taxation	0.00	0.00
	<u>537.71</u>	<u>1141.22</u>
Adjustment for depreciation	1183.12	840.40
Operating profit before working capital adjustment	1720.83	1981.62
Adjustment for :		
Inventories	2603.07	-4387.72
Sundry Debtors & trade receivables	-113.19	-581.24
Trade payables	-404.15	-131.19
Deferred Revenue Expenditure	89.74	76.61
Others	10.33	21.15
Net cash flow from operating activities	3906.63	-3041.92
B Cash flow from Investing Activities:		
Sale of Fixed Assets	0.00	0.00
Purchase of Fixed Assets	-751.93	-7794.42
From capital work in progress	-463.14	3013.26
	<u>-1215.07</u>	<u>-4781.16</u>
From Investment	0.00	0.00
Net Cash flow from Investing activities	-1215.07	-4781.16
C Cash flow from Financing activities:		
Proceeds from share allotment	0.00	0.00
Proceeds from share premium & Capital reserve	0.00	0.00
Proceeds from working capital loan	-739.48	5175.35
Proceeds from Short Term Borrowings	-99.44	3747.00
Proceeds from Long Term Borrowings	1016.03	-1299.50
Proceeds from Other Current Liabilities	747.15	-471.90
Proceeds from Long Term Loans and Advances	-176.42	-202.64
Proceeds from Other Current Liabilities	-969.35	-87.88
Proceeds from Short Term Provisions	117.84	-203.11
Proceeds from Short Term Loans and Advances	-313.19	1016.68
Proceeds from unsecured loan	0.00	0.00
Net cash flow from financing activity	-416.86	7674.01
Net cash used in cash & cash equivalents (A+B+C)	2274.70	-149.07
Cash & cash equivalents at the beginning of the year	234.24	383.31
Cash & cash equivalents at the end of the year	2508.94	234.24

For and on behalf of the Board of Directors

ABHIJITH G SHAMANUR
Executive Director

S.S.GANESH
Managing Director

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of M/s. Davangere Sugar Company Limited, derived from the audited financial statements & the books & records maintained by the company for the year ended on 31.03.2014 and found the same to be in agreement therewith.

Place : Davangere
Date : 18-08-2014

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



NOTE 27 : QUANTITATIVE DETAILS

		Unit	As at 31.03.2014	As at 31.03.2013
A	Particulars of Capacity			
	i) Licenced Capacity			
	Co Gen		24.45 M W	24.45 M W
	Sugar		5500 TCD	5500 TCD
	ii) Installed Capacity			
	Co Gen		24.45 M W	24.45 M W
	Sugar		4750 TCD	4750 TCD
B	Actual Production			
	Co Gen	KWH	151506200	170995100
	Sugar	Qtls.	415450	414750
	Molasses	MTs.	25294.000	24340.000
C	Details of Turnover			
	Co Gen			
	Quantity	KWH	127725600	143599200
	Value	Rs.	741812841.00	879766060.52
	Sugar			
	Quantity	Qtls.	548620	303684
	Value	Rs.	1524947684.10	894866762.94
	Molasses			
	Quantity	MTs.	21784.940	24834.140
	Value	Rs.	109686770.00	95401868.00
D	Opening Stock			
	Sugar (Finished Goods)			
	Quantity	Qtls.	267116	156050
	Value	Rs.	797341260.00	323152398.00
	Molasses			
	Quantity	MTs.	7917.340	8411.480
	Value	Rs.	31669360.00	25234440.00
E	Closing Stock			
	Sugar (Finished Goods)			
	Quantity	Qtls.	133946	267116
	Value	Rs.	408535300.00	797341260.00
	Molasses			
	Quantity	MTs.	11426.400	7917.340
	Value	Rs.	54846720.00	31669360.00
F	Processing Loss			
	Quantity	Qtls.	0	0
G	Consumption of Raw Materials			
	i) Sugar Cane			
	Quantity	MTs.	454550.000	477813.000
	Value	Rs.	1058719715.00	1348532400.73
	ii) Non Coking Steam Coal			
	a) Imported			
	Quantity	MTs	68927.00	70626.00
	Value	Rs.	419028569.00	436605228.10
	b) Indigenous			
	Quantity	MTs	2022.740	33129.140
	Value	Rs.	4045484.00	51506532.00
H	Value of Stores & Spares consumed			
	Co-Gen			
	a) Imported	Rs.	0.00	0.00
	b) Indigenous	Rs.	13257453.00	14181588.25
	Sugar			
	a) Imported	Rs.	0.00	0.00
	b) Indigenous	Rs.	87306193.00	133443028.87



NOTE 28 :

Segment information for the year ended 31st March, 2014

Rs. In lakhs

	SUGAR	POWER	AVIATION	TOTAL
<i>Primary :</i>				
1. External revenues	16357.44	7418.12	191.39	23966.95
Total	16357.44	7418.12	191.39	23966.95
2. Segment expenses (excluding interest) :				
Cost of material consumed	11106.83	4190.28	---	15297.12
Employees Cost	526.07	96.94	52.20	675.20
Other Expenses	1206.85	408.75	70.79	1686.38
Provision for Taxation	100.06	---	---	100.06
Stock Adjustment	3656.28	---	---	3656.29
Total	16596.09	4695.97	122.99	21415.05
5. Segment results	-238.65	2722.15	68.40	2551.90
6. Add: Un allocated revenue	128.71	8.38	---	137.09
7. Operating profit	-109.95	2730.53	68.40	2688.99
8. Less: Interest expenses	941.70	26.45	---	968.15
9. Total	-1051.65	2704.08	68.40	1720.83
10. Segment assets	23228.98	21276.93	---	28839.43
11. Segment liabilities	23228.98	21276.93	---	28839.43
12. Depreciation	882.84	300.29	---	1183.13
13. Net cash expenses other than depreciation	17537.80	4722.42	122.99	22383.21
Profit as per Books	-1934.49	2403.79	68.40	537.70

As per our Audit Report of even date annexed

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

For and on behalf of the Board of Directors

Mundas Veerendra
 Partner
 M.No. : 216317

Abhijith G. Shamanur
 Executive Director

S.S. Ganesh
 Managing Director