

2015-16

*Bhairavnath Sugar Works Ltd*  
*Annual Report*



BHAIRAVNATH SUGAR WORKS LIMITED

# Auditors' Report

2015-16

S No 84/2E/1/5 to 7, 9 to 12, Sawant Corner, Pune-Mumbai Bypass, Katraj, Pune. 411046

Ref. No. :

Date :

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
Bhairavnath Sugar Works Limited,  
Pune - 411046

### Report on the Financial Statements

We have audited the accompanying financial statements of **Bhairavnath Sugar Works Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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



#### Branch Office:

##### 1. At Sangli

Pandurang Bungalow,  
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Maharashtra, India.  
Off.: +91-0233-2329290  
Mob.: +91-7588588518.

##### 2. At Bangalore

Flat No. 09, No. 68/2/50,  
Ramaiah Layout,  
Behind BBMP Office,  
Begur Road,  
Bommanahalli,  
Bangalore - 560 068

##### 3. At Belgaum

S-1, Herambha Plaza,  
2nd Floor, Civil Hospital Road,  
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Mob.: +91-9448230590

##### 4. At Khanapur

H. No. 1119,  
Samadevi Galli,  
Khanapur - 591 302  
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Off.: +91-8336-222432  
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### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the Provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2016;
- (b) In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Companies Act, 2013 we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The clause is not applicable as the branch office of the company is not audited by a person other than the company's auditor.

(d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(e) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under section 133 the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) There are no such observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company:

(g) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2016, from being appointed as a director in terms of section 164(2) of the Act.

(h) There is no such qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

(i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**'.

(j) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our knowledge and belief and according to the information and explanations given to us :

- i. The company does not have any pending litigation which would impact its financial position.



- ii. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.


Place : Pune

Date : 01/09/2016

For P. C. PATIL & ASSOCIATES  
Chartered Accountants

FRN: 123467W



  
CA. Premchand Patil  
Partner

Membership Number: 113836

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bhairavnath Sugar Works Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of



material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place : Pune

Date : 01/09/2016

For P. C. PATIL & ASSOCIATES  
Chartered Accountants

FRN: 123467W



CA. Premchand Patil  
Partner

Membership Number: 113836



## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Bhairavnath Sugar Works Limited ('the Company')

1. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. Reporting under clause 3(iv) of the Order is not applicable as the Company has not entered into any transaction which falls under the purview section 185 and 186 of the Companies Act, 2013. However the company has given guarantees for benefit of member farmers to avail bank loans for cultivation of sugar cane which will be supplied to factories.



5. The Company has not accepted any deposits and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
6. As per information and explanations given by the management, maintenance of cost records has been prescribed by the Central Government under sub section (1) of section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
7. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, income tax, sales tax, service tax, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on March 31, 2016 for the period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of excise and value added tax as applicable to the company which had not been deposited on account of any dispute.
8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of dues to the financial institution, banks, Government etc. The company has not issued any debentures.
9. Based on our audit procedures and on the information and explanations given by the management, we report that, the term loans were applied for the purpose for which the loans were obtained. Further the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).



10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

Place : Pune

Date : 01/09/2016

For P. C. PATIL & ASSOCIATES  
Chartered Accountants  
FRN: 123467W



CA Premchand Patil  
Partner

Membership Number: 113836



**BHAIRAVNATH SUGAR WORKS LTD.**

**AUDITED FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR**

**2015-16**

## PART I - Form of the BALANCE SHEET

Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED

Balance Sheet As At 31/03/2016

	Particulars	Note No	Figures for Current reporting Period	Figures for previous reporting Period
	1	2	3	4
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's funds</b>			
a	Share Capital	1	1305350300.00	1030000000.00
b	Reserves & Surplus	2	29082953.10	24284720.64
<b>2</b>	Share Application money pending allotment	3	0.00	275260300.00
<b>3</b>	<b>Non-current liabilities</b>			
a	Long Term Borrowings			
	From Banks	4	705144770.85	886415858.57
	From Government : SDF Assistance	5	256509115.00	200968450.00
	From Others	6	0.00	17971393.00
	From Related Parties	7	1357966587.61	274799450.00
b	Deferred Tax Liabilities (Net)		0.00	0.00
c	Other Long Term Liabilities		0.00	0.00
d	Long Term Provisions		0.00	0.00
<b>4</b>	<b>Current Liabilities</b>			
a	Short Term Borrowings		3098939450.13	2864402785.60
b	Trade Payables	8	598233202.26	261056454.22
c	Other Current Liabilities	9	256963611.60	1258037703.83
d	Current Maturities of Long Term Debts	10	281034165.09	317090744.00
e	Branch & Divisions		0.00	0.00
f	Short Term Provisions	11	16436453.64	24417013.00
	<b>TOTAL</b>		<b>7905660609.28</b>	<b>7434704872.86</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
a	Fixed Assets			
	(i) Tangible Assets	12	3261198394.29	3100815518.91
	(ii) Intangible Assets		0.00	0.00
	(iii) Capital Work in Progress		0.00	0.00
	(iv) Intangible assets under development		0.00	0.00
b	Non Current Investments			
	Deposits		0.00	0.00
c	Deferred Tax Assets (Net)		13811026.00	11338849.00
d	Long Term Loans & Advances		0.00	0.00
e	Other Non current assets			
	Miscellaneous Expenditure	13	357044173.90	383555402.08
<b>2</b>	<b>Current Assets</b>			
a	Current Investments		119256007.55	138185014.45
b	Inventories	14	2947384200.00	2926147612.00
c	Trade receivables	15	129306543.65	188339094.38
d	Cash & Cash equivalents	16	184440681.39	153819576.23
e	Short Term Loans & advances	17	778075700.26	408374743.97
f	Other Current Assets	18	115143882.24	124129061.84
	<b>TOTAL</b>		<b>7905660609.28</b>	<b>7434704872.86</b>

The schedules and notes to accounts referred above form an integral part of Financial statements

As per our report of even date

For P.C Patil &amp; Associates

Chartered Accountants

FRN 123467W

Partner

P.C. Patil &amp; Associates

Membership No. 113836

Place: Pune

Date : 01/09/2016

For Bhairavnath Sugar Works Limited

Shri Tanaji J. Sawant  
ChairmanShri. Ravindranath Shelar  
Managing DirectorShri. Ravindra Sawant  
Chief Executive OfficerMrs. Priyanka Shitole  
Company Secretary

**PART II - Form of STATEMENT OF PROFIT AND LOSS**  
**Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED**

**Profit and loss statement for the year ended 31/03/2016**

	Particulars	Note No	Figures for Current reporting Period	Figures for previous reporting Period
	1	2	3	4
I	Revenue from operations	19	3083380077.79	4713580063.14
II	Other Income		23295997.66	13510583.12
III	Total Revenue ( I + II )		3106676075.45	4727090646.26
IV	Expenses			
	Cost of material consumed ( a - b )		1878934357.15	3651675754.82
a	Purchases		1900170945.15	4120264130.82
b	Changes in inventories of finished goods, work in progress and stock in trade	20	21236588.00	468588376.00
c	Employee benefits expenses		173327155.00	139991627.00
d	Finance Cost		480695482.31	336357067.60
e	Depreciation and amortisation expenses	21	415661403.18	436219491.18
f	Other Expenses	22	150408364.35	152511365.31
	Total Expenses		3099026761.99	4716755305.91
V	Profit before exceptional and extraordinary items and tax ( III - IV )		7649313.46	10335340.35
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax ( V - VI )		7649313.46	10335340.35
VIII	Extraordinary Items		0.00	0.00
IX	Profit Before Tax ( VII - VIII )		7649313.46	10335340.35
X	Tax Expenses		2851081.00	4846381.00
	1 Current Tax		5323258.00	4846381.00
	2 Deferred Tax		-2472177.00	0.00
XI	Profit for the period from continuing operations ( IX - X )		4798232.46	5488959.35
XII	Profit from discontinuing operations		0.00	0.00
XIII	Tax expenses of discontinuing operations		0.00	0.00
XIV	Profit from discontinuing operations after tax ( XII - XIII )		0.00	0.00
XV	Profit for the period ( XI + XIV )		4798232.46	5488959.35
XVI	Earnings per equity share			
	1 Basic		0.05	0.05
	2 Diluted		0.05	0.05

The schedules and notes to accounts referred above form an integral part of Financial statements

As per our report of even date

For P.C Patil & Associates

Chartered Accountants

FRN/123467W

For Bhairavnath Sugar Works Limited

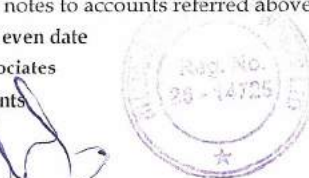
Partner

CA Premchand Patil

Membership No. 113836

Place : Pune

Date : 01/09/2016



Shri Tanaji J. Sawant  
Chairman

Shri. Ravidranath Shelar  
Managing Director

Shri. Ravindra Sawant  
Chief Executive Officer

Mrs. Priyanka Shitole  
Company Secretary

Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED

Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		7649313.46		10335340.35
<i>Adjustments for:</i>				
Depreciation and amortisation	415661403.18		436219491.18	
Finance costs	480695482.31		336357067.60	
Deferred Tax Asset credited to P & L	-2472177.00		-1070691.00	
Interest income	-8739328.62		-2009573.29	
		885145379.87		769496294.49
Operating profit / (loss) before working capital changes		892794693.33		779831634.84
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-21236588.00		-468588376.00	
Trade receivables	59032550.73		-131304421.76	
Short-term loans and advances	-369700956.29		-394174788.36	
Current Investments	18929006.90		-9242366.81	
Other current assets	8985179.60		-19097959.93	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	337176748.04		-131534466.76	
Other current liabilities	-1001074092.23		978973208.65	
Short-term provisions	-7980559.36		7747935.00	
Long-term provisions	0.00		0.00	
		-975868710.61		-167221235.97
		-83074017.28		612610398.87
Cash flow from extraordinary items		0.00		0.00
Cash generated from operations		-83074017.28		612610398.87
Net income tax (paid) / refunds		5323258.00		4846381.00
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>-88397275.28</b>		<b>607764017.87</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2016</b>		<b>For the year ended 31 March, 2015</b>	
	₹	₹	₹	₹
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances		-549530550.38		-804528907.40
Purchase of long-term investments		-2500.00		-60944243.00
- Others	0.00		0.00	
- Miscellaneous Expenditure	-2500.00		-60944243.00	
Proceeds from sale of long-term investments		0.00		0.00
- Others	0.00		0.00	
Interest received		8739328.62		2009573.29
- Others	8739328.62		2009573.29	
		-540793721.76		-863463577.11
Cash flow from extraordinary items		0.00		0.00
		-540793721.76		-863463577.11
Net income tax (paid) / refunds		0.00		0.00
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-540793721.76</b>		<b>-863463577.11</b>



Cash Flow Statement (contd.) Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities</b>		659812102.20		186646195.51
Proceeds from issue of equity shares	275350300.00		0.00	
Share application money received / (refunded/adjusted)	-275260300.00		-90000.00	
Proceeds from long-term borrowings	1195329121.61		600000000.00	
Repayment of long-term borrowings	-289448201.63		-189703109.05	
Net increase / (decrease) in working capital borrowings	234536664.53		112796372.16	
Finance cost	-480695482.31		-336357067.60	
Cash flow from extraordinary items		0.00		0.00
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>659812102.20</b>		<b>186646195.51</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>30621105.16</b>		<b>-69053363.73</b>
Cash and cash equivalents at the beginning of the year		153819576.23		222872939.96
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.00		0.00
<b>Cash and cash equivalents at the end of the year</b>		<b>184440681.39</b>		<b>153819576.23</b>

**Notes:**

- (i) Cash Flow Statement reflects the combined cash flows pertaining to continuing & discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.  
(iii) Previous year's figures have been regrouped / rearranged wherever considered necessary

See accompanying notes forming part of the financial statements

In terms of our report attached.

For P.C Patil & Associates

Chartered Accountants

FRN 123467W

Partner

CA Premchand Patil

Membership No. 113836

Place : Pune

Date : 01/09/2016



For and on behalf of the Board of Directors

Bhairavnath Sugar Works Limited

Shri Tanaj J. Sawant  
Chairman

Shri. Ravidranath Shelar  
Managing Director

Shri. Ravindra Sawant  
Chief Executive Officer

Mrs. Priyanka Shitole  
Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 1 : SHARE CAPITAL			
NO	DESCRIPTION	31/03/2016	31/03/2015
A	<b>Authorised Capital</b>		
	Equity Shares divided into 103500000 of Rs. 10 each Preference Shares divided into 4750000 of Rs. 100 each	1035000000.00 475000000.00	1035000000.00 475000000.00
B	<b>Subscribed &amp; Paid up Capital</b>		
	Equity Shares divided into 103000000 of Rs. 10 each Preference Shares divided into 2753503 of Rs. 100 each	1030000000.00 275350300.00	1030000000.00 0.00
	<b>Total</b>	<b>1305350300.00</b>	<b>1030000000.00</b>

NOTE NO. 2 : RESERVES AND SURPLUS			
NO	DESCRIPTION	31/03/2016	31/03/2015
A	<b>Profit and loss account</b>		
	Opening balance	24284720.64	18795761.29
	Add: Profit during the year	4798232.46	5488959.35
	Less : Transfer	0.00	0.00
	Closing balance	<b>29082953.10</b>	<b>24284720.64</b>

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTTMENT			
NO	DESCRIPTION	31/03/2016	31/03/2015
2	Share Application Money- Preference Share Capital	0.00	275260300.00
	<b>Total</b>	<b>0.00</b>	<b>275260300.00</b>

As per MCA circular dt. 31.03.2015 :

Any share application money pending for allotment as on 31.03.2014 and which is still pending for allotment as on 31.03.2015, the company is required to either allot the shares or refund such money by 1.06.2015.

Company has allotted such pending share application money before 1.06.2015.



**NOTES FORMING PART OF THE BALANCE SHEET**

<b>NOTE NO. 4 : LONG TERM BORROWINGS : FROM BANKS</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Axis Bank Ltd Vehicle Loan 003700475243/4/5/6/55/67	0.00	169482.00
2	Axis Bank Ltd JCB Loan 003700497576	0.00	104419.00
3	Axis Bank Ltd Dumper Loan 003700497575	0.00	64737.00
4	Axis Bank Ltd Dumper Loan 003700497616	0.00	64737.00
5	Axis Bank Ltd TL 103010600001830	0.00	0.00
6	Axis Bank Ltd TL 911060041890658	13276825.00	26440321.00
7	ICICI Bank Vehicle Loan- Boloro	50312.00	842696.00
8	ICICI Bank Vehicle Loan -Jaguar	178031.00	1334008.00
9	IDBI Term Loan 0676673200000143	0.00	35208774.14
10	Punjab National Bank Term Loan 450800IC00000115	0.00	33896000.43
11	Punjab National Bank Term Loan 450800IC00000124	29700065.00	64294123.00
12	Union Bank of India Term Loan 321706040000002	30431671.00	48905432.00
13	Punjab National Bank Term Loan 450800IC00000197	239104354.00	271473409.00
14	IDBI Term Loan 7786732000000055	113979384.45	135706724.00
15	Dena Bank TL 74457031001	118000000.00	133940515.00
16	Punjab National Bank Financial Assistance - SEFASU	132816049.00	133970481.00
17	Punjab National Bank Soft Loan 450800IC00000203	26130789.00	0.00
18	HDFC Bank Mercedes Benz 33083463	1477290.40	0.00
	<b>Total Rs.</b>	<b>705144770.85</b>	<b>886415858.57</b>

<b>NOTE NO. 5 : LONG TERM BORROWINGS : FROM GOVERNMENT- SDF ASSISTANCE</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Sugar Development Fund	256509115.00	200968450.00
	<b>Total Rs.</b>	<b>256509115.00</b>	<b>200968450.00</b>

<b>NOTE NO. 6 : LONG TERM BORROWINGS : FROM OTHERS</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Jayawant Multi State Credit Co Operative Society Ltd TL	0.00	17971393.00
	<b>Total Rs.</b>	<b>0.00</b>	<b>17971393.00</b>

<b>NOTE NO. 7 : LONG TERM BORROWINGS FROM RELATED PARTIES: UNSECURED LOANS, DEPOSITS RECEIVED FROM DIRECTORS, SHARE HOLDERS AND RELATIVES</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Unsecured Loans	1357966587.61	274799450.00
	<b>Total Rs.</b>	<b>1357966587.61</b>	<b>274799450.00</b>



**NOTES FORMING PART OF THE BALANCE SHEET**

NOTE NO. 8 : TRADE PAYABLES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Sundry Creditors	598233202.26	261056454.22
	<b>Total Rs.</b>	<b>598233202.26</b>	<b>261056454.22</b>

NOTE NO. 9 : OTHER CURRENT LIABILITIES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Duties & Taxes Payable	6164187.99	31956380.45
2	Other Liabilities	132114254.00	250340754.00
3	Tax Deducted at Source	501507.60	5280262.80
4	Cane Account Payable	118183662.01	970460306.58
	<b>Total</b>	<b>256963611.60</b>	<b>1258037703.83</b>

NOTE NO. 10 : CURRENT MATURITIES OF LONG TERM DEBTS			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Axis Bank Ltd Vehicle Loan 003700475243/4/5/6/55/67	169482.00	1917282.00
2	Axis Bank Ltd JCB Loan 003700497576	104419.00	588004.00
3	Axis Bank Ltd Dumper Loan 003700497575	64737.00	364548.00
4	Axis Bank Ltd Dumper Loan 003700497616	64737.00	364548.00
5	Axis Bank Ltd TL 103010600001830	0.00	35395198.00
6	Axis Bank Ltd TL 911060041890658	13000000.00	13000000.00
7	ICICI Bank Vehicle Loan- Boloro	792384.00	703080.00
8	ICICI Bank Vehicle Loan -Jaguar	1155977.00	1041084.00
9	IDBI Term Loan 0676673200000143	34652824.69	41667000.00
10	Punjab National Bank Term Loan 450800IC00000115	33576457.43	33400000.00
11	Punjab National Bank Term Loan 450800IC00000124	33400000.00	33400000.00
12	Union Bank of India Term Loan 321706040000002	13400000.00	26800000.00
13	Punjab National Bank Term Loan 450800IC00000197	32000000.00	32000000.00
14	IDBI Term Loan 7786732000000055	16000000.00	16000000.00
15	Dena Bank TL 74457031001	16000000.00	16000000.00
16	Punjab National Bank Financial Assistance - SEFASU	65600000.00	64450000.00
17	Sugar Development Fund	11344890.00	0.00
18	HDFC Mercedes Loan 33083463	1133256.97	0.00
19	Punjab National Bank Financial Assistance - Soft Loan	8575000.00	0.00
	<b>Total Rs.</b>	<b>281034165.09</b>	<b>317090744.00</b>

NOTE NO. 11 : SHORT TERM PROVISIONS			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Provisions	16436453.64	24417013.00
	<b>Total</b>	<b>16436453.64</b>	<b>24417013.00</b>



## NOTE NO. 12 : TANGIBLE ASSETS

Sr. No	Particulars	Cost / Gross Block				Depreciation			Net Block	
		Gross Block As at 01.04.2015	Addition during the year	Transfer / Deductions / Adjustments	Gross Block As at 31.03.2016	As at 01.04.2015	For the Current Year	Total Depreciation As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Building	850513666.65	30884207.00	0.00	881397873.65	179144889.60	31824428.00	210969317.60	670428556.05	671368777.05
2	Furniture	17842639.75	1373137.00	0.00	19215776.75	7633220.84	2861902.00	10495122.84	8720653.91	10209418.91
3	Land	141048967.74	9040389.00	0.00	150089356.74	0.00	0.00	0.00	150089356.74	141048967.74
4	Office Equipment	3947400.75	438470.00	0.00	4385870.75	2195205.57	972783.00	3167988.57	1217882.18	1752195.18
5	Plant & Machinery	3178965730.82	209279788.38	0.00	3388245519.20	986190492.25	338418588.00	1324609080.25	2063636438.95	2192775238.57
6	Vehicles	57191324.77	4282876.00	0.00	61474200.77	32964561.96	8350698.00	41315259.96	20158940.81	24226762.81
7	Computers	3413282.11	240000.00	0.00	3653282.11	1747575.46	1352510.00	3100085.46	553196.65	1665706.65
8	Bullock Cart	28982665.00	0.00	0.00	28982665.00	19757027.00	5366766.00	25123793.00	3858872.00	9225638.00
9	Capital WIP	48542814.00	293991683.00	0.00	342534497.00	0.00	0.00	0.00	342534497.00	48542814.00
Grand Total		4330448491.59	549530550.38	0.00	4879979041.97	1229632972.68	389147675.00	1618780647.68	3261198394.29	3100815518.91



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 13 : MISCELLANEOUS EXPENDITURE			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Preliminary Preoperative Expenses	22975830.90	27218337.08
2	Expenditure under Collaboration Agreement with Shivshakti Shetkari Sahakari Sakhar Karkhana	334068343.00	356337065.00
	<b>Total</b>	<b>357044173.90</b>	<b>383555402.08</b>

NOTE NO. 14 : INVENTORIES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Closing Stock of Inventories	2947384200.00	2926147612.00
	<b>Total</b>	<b>2947384200.00</b>	<b>2926147612.00</b>

NOTE NO. 15 : TRADE RECEIVABLES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Trade receivables less than six months	129306543.65	188339094.38
2	Trade receivables more than six months	0.00	0.00
	<b>Total</b>	<b>129306543.65</b>	<b>188339094.38</b>

NOTE NO. 16 : CASH & BANK BALANCES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Cash Balance	2736577.00	12406181.59
2	Bank Balance	181704104.39	141413394.64
	<b>Total</b>	<b>184440681.39</b>	<b>153819576.23</b>

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Loans and Advances	778075700.26	408374743.97
	<b>Total Rs.</b>	<b>778075700.26</b>	<b>408374743.97</b>

NOTE NO. 18 : OTHER CURRENT ASSETS			
NO	DESCRIPTION	31/03/2016	31/03/2015
1	Prepaid Expenditure	0.00	0.00
2	Other Current Assets	115143882.24	124129061.84
	<b>Total</b>	<b>115143882.24</b>	<b>124129061.84</b>



**NOTES FORMING PART OF THE BALANCE SHEET**

<b>NOTE NO. 19 : REVENUE FROM OPERATIONS</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Sale of Products Manufactured	3083050028.79	4711328975.14
2	Other Operational revenue	330049.00	2251088.00
	<b>Total</b>	<b>3083380077.79</b>	<b>4713580063.14</b>

<b>NOTE NO. 20 : CHANGES IN INVENTORIES</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Closing Stock of inventories	2947384200.00	2926147612.00
2	Opening Stock of inventories	2926147612.00	2457559236.00
	<b>Total</b>	<b>21236588.00</b>	<b>468588376.00</b>

<b>NOTE NO. 21 : DEPRECIATION AND AMORTISATION EXPENSES</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Depreciation	389147675.00	409705919.00
2	Amortisation of Preliminary Expenses	4242506.18	4242506.18
3	Amortisation of Payments under Collaboration	22271222.00	22271066.00
	<b>Total</b>	<b>415661403.18</b>	<b>436219491.18</b>

<b>NOTE NO. 22 : OTHER EXPENSES</b>			
<b>NO</b>	<b>DESCRIPTION</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
1	Administrative Expenses	2311232.99	4292316.88
2	Market Development	1368552.00	1548869.00
3	Travelling, Hire charges & Fuel Expenses	5568444.00	9733758.00
4	Rent	73412341.00	73551301.00
5	Repairs & Maintenance	16478513.00	25739152.42
6	Advertisement & Publicity Expenses	836368.00	2739843.00
7	Chief Minister Relief Fund Contribution	2802660.00	2741620.00
8	License, Certificate etc Fees	2259553.00	2235039.00
9	Workmen Welfare Expenses	673981.00	1042960.00
10	Office Expenses	886084.10	1036832.85
11	Postage, Telephone & Internet	4362654.09	2165450.00
12	Printing & Stationery	803686.00	1404418.00
13	Rates & Taxes	2047435.00	1057532.30
14	Legal Expenses	291514.00	1493138.00
15	Water Supply Expenses	8299362.64	8685816.00
16	Transport Expenses	145318.00	1576460.00
17	Interest on Statutory Dues	6710535.44	3353043.00
18	Professional Fees	16254328.74	5766896.86
19	Insurance	1276315.00	164065.00
20	Corporate Social Responsibility	2782538.00	1529820.00
21	Indirect Taxes : Vat, Excise etc	836948.35	653034.00
	<b>Total</b>	<b>150408364.35</b>	<b>152511365.31</b>



***Bhairavnath Sugar Works Limited***

*Notes forming part of the financial statements*

2015-16

## 1. Corporate Information

The company is unlisted public limited company registered under Companies Act, 1956. The company is engaged in manufacturing of sugar and generation of power with the help of co generation plants. The details of place of business of the company are -

- a. Corporate Office: - S No 84/2E/1/5 to 7, 9 & 10, Shop No. 11 & 12, Sawant Corner, Pune Satara By Pass Highway Chowk, Katraj, Pune. Maharashtra. 411046. India.
- b. Unit I: - S No 68, At post Sonari, Tal. Paranda, Dist. Osmanabad. 413502
- c. Unit II: - At post Vihal, Tal. Karmala, Dist. Solapur.
- d. Unit III: - At post Lavangi, Tal. Mangalwedha, Dist. Solapur
- e. Unit IV: - At Post Washi, Tandulwadi, Tal. Washi, Dist. Osmanabad.

During the financial year 2015-16 the company is operational in manufacturing activity from it's all the units located at Sonari, Vihal, Lavangi and Washi. Further, the company is also engaged into cogeneration activity from its Sonari, Vihal and Lavangi Units.

## 2. Significant Accounting Policies & Notes To Accounts.

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. These accounts has been prepared on the assumption that the company is a going concern and have been consistently applied by the company; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP





## 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

## 2.3 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the market value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads.

### Finished goods

Lower of cost or net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

### Work-in-process

Lower of cost up to estimated stage of process or net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### By-products

By-products are valued at cost. Inter-unit transfers of by-products also include the cost of transportation, duties, etc. The inter-segment transfers of inventories are valued at cost.

## 2.4 Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



## 2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.6 Depreciation

Depreciation is provided at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. The Companies assets are depreciated using the Written Down value method. As per estimates of the management, these rates are representative of the economic useful life of these assets.

## 2.7 Revenue recognition

### Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are excluding of Excise duty and value added tax.

### Other Income

Any other income earned is accounted for on Accrual Basis when the right to receive the same is established.

### Supply of Electric Energy

Revenue from supply of electric energy is recognized when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing parties.

## 2.8 Tangible Fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended



use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project.

### **2.9 Capital Work in Progress**

Capital work in progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

### **2.10 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

### **2.11 Employee benefits**

Employee benefits include provident fund, bonus, overtime and allowances.

### **2.12 Borrowing costs**

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost



of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis.

### 2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet



when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

#### **2.16 Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

#### **2.17 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

#### **2.18 Miscellaneous expenditure**

Preliminary expenses are written-off over a period of ten years from the year of commencement of commercial production.

The company has accounted for miscellaneous expenditure during the financial year 2012-13 as the company has entered into Collaboration Agreement for running sugar factory with Shivshakti Shetkari Sahakari Sakhar Karkhana Ltd, Washi, Dist. Osmanabad. The main object of the Collaboration is to utilize the full potential of the Sugar Factory established by Shivshakti so that the Sugar factory is operated efficiently with the farmers and members being paid remunerative prices for their Sugarcane and at the same time, to reduce the liabilities of banks and other financial institutions. By this collaboration agreement, Bhairavnath has undertaken all the liabilities of Karkhana as mentioned in agreement. In this regard Bhairavnath is given the exclusive authority and power to run, manage and operate the said sugar factory by bringing necessary financial and managerial resources. Bhairavnath has directly paid to the banks and other financial institutions, Government dues, other legal and statutory dues which were to be payable by Shivshakti. The payments are



made as financial assistance to the factory. The same would be recovered over the period of 18 years by operating the sugar factory by Bhairavnath.

The management of the company has decided to amortize the amount paid under collaboration agreement over the period of 18 years starting from FY 2013-14. Hence, the payments made under collaboration agreement are shown under miscellaneous expenditure.

## 2.19 Previous Year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## 2.20 Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if any:

- If the Company has a present obligation as a result of the Past event.
- A Probable outflow of resources is expected to settle the Obligation.
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

A Present Obligation arising from the Past events, which is not probable that an outflow of resource will be required to settle the obligations.

A possible obligation, unless the probability of outflow of resource is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Outstanding Commitments - There are outstanding commitments with respect of bank guarantees of Rs. 45,50,000/- as on the date of the balance sheet.

Contingent Assets are neither recognized nor disclosed.



## 2.21 Impairment of assets

In terms of accounting standard AS 28 on impairment of assets there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognized during the year under review.

## 2.22 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expense have been identified to segments on the basis of their relationship to the operating activities for the segment.

## 3. Notes to the financial statements

- 3.1 Balances appearing under the head sundry creditors, sundry debtors, loans and advances and unsecured loans are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.
- 3.2 Previous year's figures have been regrouped / rearranged wherever considered necessary
- 3.3 The Board has not proposed any dividend for the year
- 3.4 Central Sales tax and VAT assessments are completed up to Financial Year 2011-12. The liability, if any, in respect of pending assessment is unascertainable, hence not provided for.
- 3.5 Income tax assessments are completed up to the Assessment Year 2012-13 (relevant to the Accounting Year ended on 31.03.2012). The liability, if any, in respect of pending assessments and appeals under the Income Tax Act, 1961 is unascertainable, hence not provided for.
- 3.6 In the opinion of the board, the current assets, Loans & advances have a value on realization in the ordinary course of business at the amount at which they are stated in the balance sheet.



3.7 Outstanding Commitments - There are outstanding commitments with respect of bank guarantees of Rs. 45,50,000/- as on date of balance sheet. issued in favour of as enlisted below-

3.8 Deferred Tax

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. The Deferred Tax Asset / Liability is recognized on timing differences between the Accounting Income & Taxable Income as per the Accounting Standard.

Particular	Amount
Opening Timing Difference creating DTL	0.00
Opening Timing Difference creating DTA	3,66,95,304.00
Add/Less: Current Year Timing Difference creating DTA	
Difference Due To Deprecation	1,10,67,545.00
Difference Due To Amortization	-30,66,972.00
Difference Due To Section 43B allowances	0.00
Balance Timing Difference creating DTA	4,46,95,877.00
DTA To be shown in Balance Sheet of F.Y.2015-16 @ 30.9%	1,38,11,026.00
A. Opening DTA Balance as on 31.03.2015	1,13,38,849.00
B. Closing Balance of DTA as on 31.03.2016	1,38,11,026.00
C. Therefore, Deferred Tax Asset to be credited to Profit & Loss A/c (B-A)	24,72,177.00
D. Closing DTL Balance as on 31.03.2016	0.00







Disclosures under Accounting Standards (contd.)

Note	Particulars						
3.10	<b>Segment information</b>						
	The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Sonari, Vihal, Washi and Lavangi. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical revenues are allocated based on the location of the customer.						
	Rs. In Lacs						
	Particulars	For the year ended 31 March, 2016				Elimination s	Total
		Business segments					
		A	B	C	D		
		Sonari	Vihal	Washi	Lavangi		
	Revenue	6814.85	12268.39	4104.16	7646.40	0.00	30833.80
	Inter-segment revenue	0.00	0.00	67.13	0.00	0.00	67.13
	Total	6814.85	12268.39	4171.29	7646.40	0.00	30900.93
	Segment result	6814.85	12268.39	4171.29	7646.40	0.00	30900.93
	Operating income	983.70	1377.35	-81.73	1720.83	0.00	4000.15
	Other income (net)	90.28	26.29	74.23	42.16	0.00	232.96
	Profit before taxes	19.72	260.37	-296.46	92.87	0.00	76.49
	Tax expense	-10.67	15.51	0.91	22.77	0.00	28.51
	Net profit for the year	30.39	244.86	-297.37	70.10	0.00	47.98

Particulars	For the year ended 31 March, 2016				
	Business segments				Total
	A	B	C	D	
	Sonari	Vihal	Washi	Lavangi	
Segment assets	26838.06	21485.54	5595.09	25137.91	79056.61
Unallocable assets	0.00	0.00	0.00	0.00	0.00
Total assets	26838.06	21485.54	5595.09	25137.91	79056.61
Segment liabilities	26838.06	21485.54	5595.09	25137.91	51975.97
Unallocable liabilities	0.00	0.00	0.00	0.00	0.00
Total liabilities	26838.06	21485.54	5595.09	25137.91	51975.97
<u>Other information</u>					
Capital expenditure (unallocable)	0.00	0.00	0.00	0.00	0.00
Depreciation and amortisation (unallocable)	0.00	0.00	0.00	0.00	0.00



Disclosures under Accounting Standards (contd.)

Note	Particulars									
3.11	Related party transactions									
	Details of related parties:									
	Description of relationship				Names of related parties					
	Ultimate Holding Company				-					
	Holding Company				-					
	Ultimate Holding Company				-					
	Subsidiaries				-					
	Fellow Subsidiaries (to be given only if there are transactions)				-					
	Associates				-					
	Key Management Personnel (KMP)				Shri. Tanaji J. Sawant Shri. Shivaji J. Sawant Shri. Kiran Sawant Shri. Ravindra Sawant Shri. Dh:nanjay Sawant Shri. Kalidas Sawant Shri. Anil Sawant Shri. Ravindranath Shelar					
	Company in which KMP / Relatives of KMP can exercise significant influence				Giriraj Promoters Pvt Ltd					
	Note: Related parties have been identified by the Management.									
	Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:									
									₹ in lacs	
		Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	YYY	YYY	YYY	YYY	YYY	YYY	40.96	0	YYY	40.96
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(208.03)	(0)	(XXX)	(208.03)
Sale of goods	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Purchase of fixed assets	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Sale of fixed assets	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Rendering of services	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Receiving of services	YYY	YYY	YYY	YYY	YYY	YYY	135.37	YYY	YYY	135.37
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(98.67)	(XXX)	(XXX)	(98.67)
Agency arrangements	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Leasing or hire purchase arrangements	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	716.90	716.90
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(716.90)	(716.90)
Transfer of research and development	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
License agreements	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Finance (including loans and equity contributions in cash or in kind)	YYY	YYY	YYY	YYY	YYY	YYY	6806.66	YYY	0	6806.66
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(0)	(XXX)	(0.00)	(0.00)
Guarantees and collaterals	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Management contracts including for deputation of employees	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Provision for doubtful receivables, loans and advances	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Write off / write back made during the year	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY	YYY
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Note: Figures in bracket relates to the previous year										





Share capital (contd.)

Particulars									
<b>Notes: 3.13</b>									
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:									
Particulars	Opening Balance	Fresh issue	Right Issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights									
Year ended 31 March, 2016									
- Number of shares	103000000	2753503	0	0	0	0	0	0	105753503
- Amount (₹)	1030000000	275350300	0	0	0	0	0	0	1305350300
Year ended 31 March, 2015									
- Number of shares	103000000	0	0	0	0	0	0	0	103000000
- Amount (₹)	1030000000	0	0	0	0	0	0	0	1030000000

