



BHAIRAVNATH SUGAR WORKS LTD.

CORPORATE OFFICE: "SAWANT CORNER", S.NO.84/2E/1/5,3rd Floor,Katraj,Pune-411046,

Phone:(020)24317386/83/84/85 Fax: (020)24317389/24317360

Email : bswlcorporate@gmail.com ,Website: www.bswl.in

CIN NO.:U15421PN2000PLC134301GSTIN-27AADCB0529M1ZN,PAN NO.AADCB0529M

Prof. Dr. Tanajirao Sawant
Chairman

Prof. Shivajirao Sawant
Vice Chairman

BOARD'S REPORT

To
The Members of
Bhairavnath Sugar Works Limited

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Financial Statement and the Auditors' Report of your company for the financial year ended, 31st March, 2017.

1. FINANCIAL HIGHLIGHTS

(Amount in Rs.)

PARTICULARS	FINANCIAL YEAR	
	2016-17	2015-16
Revenue from operations	3,65,14,79,392.96	3,08,33,80,077.79
Other Income	4,71,99,177.64	2,32,95,997.66
Total Income	3,69,86,78,570.60	3,10,66,76,075.45
Total Expenses (Including Financial Costs and Depreciation & Amortization Expenses)	3,68,65,73,110.03	3,09,90,26,761.99
Profit/ (Loss) before exceptional and extraordinary items and Tax	1,21,05,460.57	76,49,313.46
Exceptional Items	--	--
Profit/ (Loss) before extraordinary items and Tax	1,21,05,460.57	76,49,313.46
Extraordinary Items	--	--
Profit/ (Loss) Before Tax	1,21,05,460.57	76,49,313.46
Tax Expenses		
• Current Tax	21,31,033.00	53,23,258.00
• Deferred Tax	9,47,694.00	(24,72,177.00)
• Earlier Year Tax	--	--
Net Profit/ (Loss) After Tax	90,26,733.57	47,98,232.46



2. OVERALL PERFORMANCE AND FUTURE OUTLOOK

The Company is primarily engaged in the business of sugar manufacturing and its by products which includes bagasse, molasses, fly ash, pressmud, etc. The Company is also engaged in the generation of power with the help of Co generation plants. The units are located at Sonari, Vihal, Lavangi and Washi.

The operational highlights of the Company's performance are as under:

- Revenue from operations was Rs. 3,65,14,79,392.96 as against Rs. 3,083,380,077.79 during the previous year.
- The Profit after tax amounted to Rs. 90,26,733.57 as compared to Rs. 4,798,232.46 in previous year.

The company is taking steps to improve operational performance of the Company which will result in profitability. The company is taking steps to use the capacity of the plant at optimal level, which will ultimately result in the increase in production. The future outlook of the Company and its professional management makes an enterprise of high quality and high efficiency as core competition.

3. INDUSTRIAL RELATIONS

During the period ended 31st March, 2017 the Industrial Relations were harmonious and cordial.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

During the year under review, there is no change in the nature of business of the Company.

5. DIVIDEND

In order to conserve the resources your Directors do not recommend any dividend on Equity shares for the financial year ended 31st March, 2017.

6. AMOUNT TRANSFERRED TO RESERVES

No amount has been transferred to the reserves by the Company for the Financial Year ending 31.03.2017.



7. CHANGES IN SHARE CAPITAL, IF ANY

The Authorized Share Capital and Paid up Share Capital of the Company remained unchanged for the financial year ended 31st March, 2017.

8. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since no unclaimed dividend amount is pending with the Company, no amount is required to be transferred to the Investor Education and Protection Fund.

10. MATERIAL CHANGES AND COMMITMENTS

There was no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

11. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the Company has duly constituted CSR Committee. The committee has recommended the CSR policy and the board has duly approved the CSR policy. However the company has spent an amount of Rs. 54,89,385/- on CSR Activity during the Financial Year 2016-17.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

The CSR Committee of the Company comprises of Mr. Sudhir Bhilare (Chairman of the CSR Committee), Mr. Shashikant Thite and Mr. Vilas Bhusare.

The annual report on CSR activities that includes details about CSR policy developed and implemented by the company and CSR initiatives taken during the financial year 2016-17 is appended as **Annexure 1** to the Board's Report.



12. THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 2).**

13. PARTICULARS OF EMPLOYEE

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

15. DEPOSITS

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2017. There were no unclaimed or unpaid deposits as on March 31, 2017.

16. INSURANCE

All the assets of your Company, including Plant & Machinery, Buildings and Equipment etc. have been adequately insured.

17. MEETINGS OF THE BOARD OF DIRECTORS AND IT'S COMMITTEES

A. MEETINGS OF THE BOARD OF DIRECTORS:

During the Financial Year under review, the Board of Directors of the Company has duly met eight (8) times on 10.05.2016, 29.07.2016, 01.09.2016, 24.09.2016, 25.10.2016, 15.12.2016, 28.12.2016 and 18.03.2017. The details of number of meetings attended by each director are summarized as below:



Sr. No.	Name of director	Number of meetings entitled to attend	Number of meetings attended
1.	Mr. Anil Subhash Sawant	8	8
2.	Mr. Kiran kalidas Sawant	8	8
3.	Mr. Shivaji jayawant Sawant	8	8
4.	Mr. Tanaji Jayawant Sawant	8	8
5.	Mr. Sudhir Laxman Bhilare	8	8
6.	Mr. Kalidas Sawant	8	8
7.	Mr. Dhananjay Uttam Sawant	8	8
8.	Mr. Ravindra Subhash Sawant	8	8
9.	Mr. Ravindranath Nivritti Shelar	8	8
10.	Ms. Usha Damodar Takke	8	8
11.	Mr. Shashikant Thite	8	8
12.	Mr. Vasant Bugade	8	8
13.	Mr. Vilas Bhusare	8	8

B. AUDIT COMMITTEE MEETING:

During the Financial Year under review, the members of Audit Committee of the Company has duly met 3 times on 19.07.2016, 10.08.2016 and 16.01.2017. The details of number of meetings attended by each member are summarized as below:

Sr. No.	Name of Member	Number of meetings entitled to attend	Number of meetings attended
1.	Mr. Sudhir Laxman Bhilare	3	3
2.	Mr. Shashikant Thite	3	3
3.	Mr. Vasant Bugade	3	3

C. NOMINATION & REMUNERATION COMMITTEE MEETING:

During the Financial Year under review, the members of Nomination and Remuneration Committee of the Company has duly met 2 times on 20.08.2016 and 15.12.2016. The details of number of meetings attended by each member are summarized as below:

Sr. No.	Name of Member	Number of meetings entitled to attend	Number of meetings attended
1.	Mr. Sudhir Laxman Bhilare	2	2
2.	Mr. Shashikant Thite	2	2
3.	Mr. Vasant Bugade	2	2



D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETING:

During the Financial Year under review, the members of Nomination and Remuneration Committee of the Company has duly met 2 times on 08.08.2016 and 30.12.2016. The details of number of meetings attended by each member are summarized as below:

Sr. No.	Name of Member	Number of meetings entitled to attend	Number of meetings attended
1.	Mr. Sudhir Laxman Bhilare	2	2
2.	Mr. Shashikant Thite	2	2
3.	Mr. Vilas Bhusare	2	2

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134 (1) (c) and 134(5) of the Companies Act, 2013 in respect of Directors' Responsibility Statement, the Board of Directors of the Company confirms that-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 at the end of the financial year and of the profit of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis; and
- e. Company being unlisted sub clause (e) of Section 134 (3) is not applicable.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



19. AUDITORS

Statutory Auditors

Pursuant to the provisions of the Section 139(2) of the Companies Act, 2013, the existing Auditors, M/s. P. C. Patil & Associates, Chartered Accountants (FRN 123467W) have completed their tenure. As proposed, identified and recommended by audit committee and board Mr. Krushna Ravindra Pardeshi, Chartered Accountants bearing Membership No. 168206 appointed as the Statutory Auditors of your company for a term of 5 years commencing from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022 at the remuneration to be fixed by the Board of Directors of the Company, in addition to the after service tax (applicable taxes) and actual out of pocket expenses incurred in connection with the audit of the accounts of the company, subject to ratification by members in each Annual General Meeting.

As required under the provision of Section 139 and Section 141 of the Companies Act, 2013, your Company has received a written certificate from the Statutory Auditors proposed to be appointed, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Section.

Cost Auditors & Its Report

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors has on the recommendation of the Audit Committee, approved the appointment of Mr. Deepak Marne, (M. No. 23797), Practicing Cost Accountant as the Cost Auditor of the Company for the year ending 31st March, 2018. Their Audit report on the Cost Accounts of the Company for the financial year ended March 31, 2017 will be submitted to the Central Government in due course.

Internal Auditor

M/s. SAAJ and Associates, Chartered Accountants (Firm Registration No. 119978W) was appointed as an Internal Auditors of your Company for the financial year.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Suvir Saraf, Practicing Company Secretary to



fill the casual vacancy caused by the resignation of Mr. Sridhar Mudaliar, Practicing Company Secretary to conduct the Secretarial Audit of records and documents of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure 3**.

Qualifications / Adverse Remarks / Observations in Secretarial Audit Report & Reply By Management

<u>Qualifications / Adverse Remarks / Observations</u>	<u>Reply from Management</u>
During the period under review, the Company has filed Form CHG 1 for modification of Charge with Charge ID: 10511687. However, the loan agreement and sanction letter attached to it do not reflect the particulars of modification of charge and the Board of Directors have authorised availing of credit facilities in the Board Meeting held on 28 th December, 2016, however the loan agreement specifies the date of authorization as 21 st December, 2016.	The comment is self explanatory.
The notice of General Meeting has been served by the Company on the members by way of hand delivery.	The Comment is self explanatory.

20. QUALIFICATIONS / ADVERSE REMARKS / OBSERVATIONS OF STATUTORY AUDITORS IN AUDIT REPORT

The report received from M/s. P. C. Patil & Associates, Chartered Accountants for the financial year 2016-17.

There are no qualifications or observations or adverse remarks made by the Statutory Auditors in their Report. The Notes on financial statements are self – explanatory and needs no further explanation.

21. LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.



22. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further all the necessary details of transaction entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information (**Annexure: "4"**).

23. LOAN FROM DIRECTORS AND RELATIVES OF DIRECTOR:

During the financial year under review the Company has not accepted any loan from Directors of the Company or relatives of Director. Further, the loans and advances accepted in previous years from Directors of the Company and relatives of Directors forms part of financial statement.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 5** as attached to this report.

There was no foreign exchange inflow or Outflow during the year under review.

25. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management



- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

26. DIRECTORS AND KMP

During the financial year under review, no changes have occurred in the constitution of Key Managerial Personnel.

Further during the year under review Mr. Tanaji Jayawant Sawant, Mr. Dhananjay Uttam Sawant and Mr. Sudhir Laxman Bhilare retired by rotation and re-appointed as Directors in the Annual General Meeting.

As at end of financial year the composition of Board consist of following,

Sr. No.	Name	Designation
1.	Anil Subhash Sawant	Director
2.	Kiran Kalidas Sawant	Director
3.	Shivaji Jayawant Sawant	Director
4.	Tanaji Sawant Jayawant	Director
5.	Sudhir Laxman Bhilare	Director
6.	Kalidas JayawantSawant	Director
7.	Dhananjay Uttam Sawant	Director
8.	Ravindra Subhash Sawant	Wholetime Director & CFO
9.	Ravindranath Nivrithi Shelar	Managing Director
10.	Usha Damodar Takke	Director
11.	Shashikant Ramchandra Thite	Director
12.	Vasant Apparao Bugade	Director
13.	Vilas Mahadev Bhusare	Director
14.	Priyanka Nilesh Shitole	Company Secretary

27. DISQUALIFICATION OF DIRECTORS

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the director is disqualified for holding office as director.



28. DEPOSITS

The company has not accepted any deposits during the year.

29. ANNUAL EVALUATION

The Board has evaluates the performance of its own committees and individual director's performance as per criteria specified in this regard.

30. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control system with respect to financial statement and there adequacy has been duly taken care by the Board of Directors of the Company and it has also been reviewed by the statutory auditors. The internal controls exist in the system and that sufficient measures are taken to update the internal control system, as and when needed. The system also ensures that all transaction are appropriately authorized, recorded and reported as and when required.

31. STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Directors under Section 149(7) of Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

32. NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee
Mr. Sudhir Bhilare	(Chairman)
Mr. Shahshikant Thite	(Member)
Mr. Vasant Bugade	(Member)

Terms of Reference

The terms of reference of Nomination and Remuneration Committee shall, inter-alia, include the following:

- a. To identify persons who are qualified to become directors and laid down criteria to senior management, recommend board their approval and removal and shall carryout evaluation of every director's performance.



b. To recommend to the board for appointment and removal of Key Managerial Personnel, Senior Management.

c. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.

To recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

33. REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non Executive Directors:

The remuneration to the Non Executive Directors can be paid by way of Sitting Fees and Commission for each meeting of the Board and Committee of Directors attended by them.

34. AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of 3 Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee
Mr. Sudhir Bhilare	(Chairman)
Mr. Shashikant Thite	(Member)
Mr. Vasant Bugade	(Member)

Terms of Reference

- Recommend the board for appointment, remuneration and performance, appointment of auditors;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examine the financial statement and auditor report;
- Approve or modify transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluate of internal financial control and risk management systems;



- Valuation of assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters;

35. **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The company does not meet the criteria of Section 178(5) of Companies Act, 2013 so there is no requirement to constitute Stakeholders' Relationship Committee.

36. **VIGIL MECHANISM**

The Company has adopted a Vigil Mechanism / Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. During the year under review, the company has not received any complaints under the said mechanism.

37. **REPORTING OF FRAUD BY STATUTORY AUDITORS:**

There was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

38. **SHARES**

a. **Buy Back Of Securities**

The Company has not bought back any of its securities during the year under review.

b. **Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

c. **Bonus Shares**

No Bonus Shares were issued during the year under review.

d. **Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

39. **HUMAN RESOURCES**

Company treats its "human resources" as one of its most important assets.

Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently



underway. Company thrust is on the promotion of talent internally through job rotation and job enlargement.

40. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and inquiry process that is to be followed by aggrieved woman, whilst dealing with issues related to sexual harassment at the work place towards any women. All employees (permanent, temporary, contractual and trainees) are covered under this policy.

It may be noted that during the year 2016-17, no grievance / complaint from any women employee was reported.


41. ORDER OF COURT

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

42. ACKNOWLEDGEMENT

Your Directors like to express their heartfelt gratitude to all the Bankers, Government Authorities, Customers, Vendors and Business partners for their continued support and association. The Directors would also like to express their appreciation to the employees of the Company for their dedicated, individual and collective contribution in the overall growth of the Company. The Director would specially like to express their sincere gratitude to all the members of the Company for their continued faith in the management of the Company.

**For and on behalf of the Board of Directors
BHAIRAVNATH SUGAR WORKS LIMITED**


**TANAJI SAWANT
DIRECTOR
DIN NO. 00937674**


**RAVINDRANATH SHELAR
MANAGING DIRECTOR
DIN NO. 06741387**

Place : Pune

Dated : 1st September, 2017





BHAIRAVNATH SUGAR WORKS LTD.

FINANCIAL REPORT
FOR THE FINANCIAL YEAR

2016-17



Ref. No. :

Date :

INDEPENDENT AUDITOR'S REPORT

Date : 01/09/2017

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, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, March 31, 2017, 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:

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2. At Bangalore

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Bommanahalli,
Bangalore - 560 068

3. At Belgaum

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4. At Khanapur

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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 31st, 2017;

(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 31st, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017, 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.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer 'Annexure C' to the financial statement.

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 : 01/09/2017

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



A handwritten signature in blue ink, appearing to read "Premchand Patil".

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, 2017 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, 2017, 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 : 01/09/2017



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

A handwritten signature in blue ink, appearing to read "P. Patil".

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, 2017 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 : 01/09/2017



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

A handwritten signature in blue ink, appearing to read "P. Patil".

CA. Premchand Patil
Partner
Membership Number: 113836

PART I - Form of the BALANCE SHEET				
Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED				
Balance Sheet As At 31/03/2017				
	Particulars	Note No	Figures for Current reporting Period	Figures for previous reporting Period
	1	2	3	4
I	EQUITY AND LIABILITIES			
1	Shareholder's funds			
a	Share Capital	1	1305350300.00	1305350300.00
b	Reserves & Surplus	2	38109686.67	29082953.10
2	Share Application money pending allotment	3	0.00	0.00
3	Non-current liabilities			
a	Long Term Borrowings			
	From Banks	4	800994833.18	705144770.85
	From Government : SDF Assistance	5	245164225.00	256509115.00
	From Others	6	0.00	0.00
	From Related Parties	7	1208568531.56	1357966587.61
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
4	Current Liabilities			
a	Short Term Borrowings		883017512.15	3098939450.13
b	Trade Payables	8	385762281.27	598233202.26
c	Other Current Liabilities	9	254918038.31	256963611.60
d	Current Maturities of Long Term Debts	10	278269971.81	281034165.09
e	Branch & Divisions		0.00	0.00
f	Short Term Provisions	11	20657820.64	16436453.64
	TOTAL		5420813200.59	7905660609.28
II	ASSETS			
1	Non Current Assets			
a	Fixed Assets			
	(i) Tangible Assets	12	3182381000.89	3261198394.29
	(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)		12863332.00	13811026.00
d	Long Term Loans & Advances		0.00	0.00
e	Other Non current assets			
	Miscellaneous Expenditure	13	330534945.72	357044173.90
2	Current Assets			
a	Current Investments		118340310.55	119256007.55
b	Inventories	14	694142156.00	2947384200.00
c	Trade receivables	15	327735343.17	129306543.65
d	Cash & Cash equivalents	16	28272274.90	184440681.39
e	Short Term Loans & advances	17	588960848.37	778075700.26
f	Other Current Assets	18	137582988.99	115143882.24
	TOTAL		5420813200.59	7905660609.28

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

CA Premchand Patil
Partner
CA Premchand Patil
Membership No. 113836
Place : Pune
Date : 01/09/2017



Shri Tanaji J. Sawant
Chairman

Shri. Ravidranath Shelar
Managing Director

Shri. Ravindra Sawant
Chief Financial Officer

Mrs. Piyanka 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 31/03/2017				
	Particulars	Note No	Figures for Current reporting Period	Figures for previous reporting Period
	1	2	3	4
I	Revenue from operations	19	3651479392.96	3083380077.79
II	Other Income		47199177.64	23295997.66
III	Total Revenue (I + II)		3698678570.60	3106676075.45
IV	Expenses			
	Cost of material consumed (a - b)			
a	Purchases		2738907088.96	1878934357.15
b	Changes in inventories of finished goods, work in progress and stock in trade	20	485665044.96	1900170945.15
			-2253242044.00	21236588.00
c	Employee benefits expenses		122049258.00	173327155.00
d	Finance Cost		332495296.11	480695482.31
e	Depreciation and amortisation expenses	21	367528482.18	415661403.18
f	Other Expenses	22	125592984.78	150408364.35
	Total Expenses		3686573110.03	3099026761.99
V	Profit before exceptional and extraordinary items and tax (III - IV)		12105460.57	7649313.46
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax (V - VI)		12105460.57	7649313.46
VIII	Extraordinary Items		0.00	0.00
IX	Profit Before Tax (VII - VIII)		12105460.57	7649313.46
X	Tax Expenses			
1	Current Tax		3078727.00	2851081.00
2	Deferred Tax		2131033.00	5323258.00
			947694.00	-2472177.00
XI	Profit for the period from continuing operations (IX - X)		9026733.57	4798232.46
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)		9026733.57	4798232.46
XVI	Earnings per equity share			
1	Basic		0.09	0.05
2	Diluted		0.09	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

Partner
CA Premchand Patil
Membership No. 113836

Place : Pune
Date : 01/09/2017



Shri Ganaji J. Sawant
Chairman

Shri Ravindranath Shelar
Managing Director

Shri Ravindra Sawant
Chief Financial Officer

Mrs. Priyanka Shitole
Company Secretary

For Bhairavnath Sugar Works Limited

Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED
Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		12105460.57		7649313.46
<i>Adjustments for:</i>				
Depreciation and amortisation	367528482.18		415661403.18	
Finance costs	332495296.11		480695482.31	
Deferred Tax Asset credited to P & L	947694.00		-2472177.00	
Interest income	-6291621.00		-8739328.62	
Operating profit / (loss) before working capital changes		694679851.29		885145379.87
<i>Changes in working capital:</i>		706785311.86		892794693.33
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	2253242044.00		-21236588.00	
Trade receivables	-198428799.52		59032550.73	
Short-term loans and advances	189114851.89		-369700956.29	
Current Investments	915697.00		18929006.90	
Other current assets	-22439106.75		8985179.60	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-212470920.99		337176748.04	
Other current liabilities	-2045573.29		-1001074092.23	
Short-term provisions	4221367.00		-7980559.36	
Long-term provisions	0.00		0.00	
Cash flow from extraordinary items		2012109559.34		-975868710.61
Cash generated from operations		2718894871.20		-83074017.28
Net income tax (paid) / refunds		0.00		0.00
		2718894871.20		-83074017.28
		2131033.00		5323258.00
Net cash flow from / (used in) operating activities (A)		2716763838.20		-88397275.28
Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		-262197360.60		-549530550.38
Purchase of long-term investments				
- Others		-4500.00		-2500.00
- Miscellaneous Expenditure	0.00		0.00	
Proceeds from sale of long-term investments	-4500.00		-2500.00	
- Others		0.00		0.00
Interest received				
- Others	6291621.00	6291621.00	0.00	8739328.62
Cash flow from extraordinary items		-255910239.60		-540793721.76
		0.00		0.00
Net income tax (paid) / refunds		-255910239.60		-540793721.76
		0.00		0.00
Net cash flow from / (used in) investing activities (B)		-255910239.60		-540793721.76



Cash Flow Statement (contd.) Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
C. Cash flow from financing activities		-2617022005.09		659812102.20
Proceeds from issue of equity shares	0.00		275350300.00	
Share application money received / (refunded/adjusted)	0.00		-275260300.00	
Proceeds from long-term borrowings	350000000.00		1195329121.61	
Repayment of long-term borrowings	-418604771.00		-289448201.63	
Net increase / (decrease) in working capital borrowings	-2215921937.98		234536664.53	
Finance cost	-332495296.11		-480695482.31	
Cash flow from extraordinary items		0.00		0.00
Net cash flow from / (used in) financing activities (C)		-2617022005.09		659812102.20
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-156168406.49		30621105.16
Cash and cash equivalents at the beginning of the year		184440681.39		153819576.23
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.00		0.00
Cash and cash equivalents at the end of the year		28272274.90		184440681.39

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 : 01/09/2017

For and on behalf of the Board of Directors
Bhairavnath Sugar Works Limited

Shri Ranaji J. Sawant
Chairman

Shri. Ravidranath Shelar
Managing Director

Shri. Ravindra Sawant
Chief Financial Officer

Mrs. Piyanka Shitole
Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 1 : SHARE CAPITAL			
NO	DESCRIPTION	31/03/2017	31/03/2016
A	Authorised Capital		
	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	Subscribed & Paid up Capital		
	Equity Shares divided into 103000000 of Rs. 10 each Preference Shares divided into 2753503 of Rs. 100 each	1030000000.00 275350300.00	1030000000.00 275350300.00
	Total Rs.	1305350300.00	1305350300.00

NOTE NO. 2 : RESERVES AND SURPLUS			
NO	DESCRIPTION	31/03/2017	31/03/2016
A	Profit and loss account		
	Opening balance	29082953.10	24284720.64
	Add: Profit during the year	9026733.57	4798232.46
	Less : Transfer	0.00	0.00
	Closing Balance	38109686.67	29082953.10

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTTMENT			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Share Application Money- Preference Share Capital	0.00	0.00
	Total Rs.	0.00	0.00



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 4 : LONG TERM BORROWINGS : FROM BANKS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Axis Bank Ltd Vehicle Loan 003700475243/4/5/6/55/67	0.00	0.00
2	Axis Bank Ltd JCB Loan 003700497576	0.00	0.00
3	Axis Bank Ltd Dumper Loan 003700497575	0.00	0.00
4	Axis Bank Ltd Dumper Loan 003700497616	0.00	0.00
5	Axis Bank Ltd TL 103010600001830	0.00	0.00
6	Axis Bank Ltd TL 911060041890658	0.00	0.00
7	ICICI Bank Vehicle Loan- Boloro	0.00	13276825.00
8	ICICI Bank Vehicle Loan -Jaguar	0.00	50312.00
9	IDBI Term Loan 0676673200000143	0.00	178031.00
10	Punjab National Bank Term Loan 450800IC00000115	0.00	0.00
11	Punjab National Bank Term Loan 450800IC00000124	0.00	0.00
12	Union Bank of India Term Loan 321706040000002	0.00	29700065.00
13	Punjab National Bank Term Loan 450800IC00000197	11800835.00	30431671.00
14	IDBI Term Loan 778673200000055	191533520.00	239104354.00
15	Dena Bank TL 74457031001	92357318.20	113979384.45
16	Punjab National Bank Financial Assistance - SEFASU	95860669.39	118000000.00
17	Punjab National Bank Soft Loan 450800IC00000203	83201604.00	132816049.00
18	HDFC Bank Mercedes Benz 33083463	23716313.00	26130789.00
19	IDBI Bank 778673200000268	221987.59	1477290.40
20	Union Bank of India 321706390010058	172144658.00	0.00
		130157928.00	0.00
	Total Rs.	800994833.18	705144770.85

NOTE NO. 5 : LONG TERM BORROWINGS : FROM GOVERNMENT- SDF ASSISTANCE			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Sugar Development Fund	245164225.00	256509115.00
	Total Rs.	245164225.00	256509115.00

NOTE NO. 6 : LONG TERM BORROWINGS : FROM OTHERS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Jayawant Multi State Credit Co Operative Society Ltd TL	0.00	0.00
	Total Rs.	0.00	0.00

NOTE NO. 7 : LONG TERM BORROWINGS FROM RELATED PARTIES: UNSECURED LOANS, DEPOSITS RECEIVED FROM DIRECTORS, SHARE HOLDERS AND RELATIVES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Unsecured Loans	1208568531.56	1357966587.61
	Total Rs.	1208568531.56	1357966587.61



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 8 : TRADE PAYABLES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Sundry Creditors	385762281.27	598233202.26
	Total Rs.	385762281.27	598233202.26

NOTE NO. 9 : OTHER CURRENT LIABILITIES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Duties & Taxes Payable		
2	Other Liabilities	9894758.37	6164187.99
3	Tax Deducted at Source	100977866.00	132114254.00
4	Cane Account Payable	571203.94	501507.60
		143474210.00	118183662.01
	Total Rs.	254918038.31	256963611.60

NOTE NO. 10 : CURRENT MATURITIES OF LONG TERM DEBTS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Axis Bank Ltd Vehicle Loan 003700475243/4/5/6/55/67		
2	Axis Bank Ltd JCB Loan 003700497576	0.00	169482.00
3	Axis Bank Ltd Dumper Loan 003700497575	0.00	104419.00
4	Axis Bank Ltd Dumper Loan 003700497616	0.00	64737.00
5	Axis Bank Ltd TL 103010600001830	0.00	64737.00
6	Axis Bank Ltd TL 911060041890658	0.00	0.00
7	ICICI Bank Vehicle Loan- Boloro	13135253.00	13000000.00
8	ICICI Bank Vehicle Loan -Jaguar	50312.00	792384.00
9	IDBI Term Loan 0676673200000143	178031.00	1155977.00
10	Punjab National Bank Term Loan 450800IC00000115	0.00	34652824.69
11	Punjab National Bank Term Loan 450800IC00000124	0.00	33576457.43
12	Union Bank of India Term Loan 321706040000002	28502383.00	33400000.00
13	Punjab National Bank Term Loan 450800IC00000197	13400000.00	13400000.00
14	IDBI Term Loan 778673200000055	47200000.00	32000000.00
15	Dena Bank TL 74457031001	16000000.00	16000000.00
16	Punjab National Bank Financial Assistance - SEFASU	23600000.00	16000000.00
17	Punjab National Bank Soft Loan 450800IC00000203	65600000.00	65600000.00
18	HDFC Bank Mercedes Benz 33083463	8575000.00	11344890.00
19	IDBI Bank 778673200000268	1255302.81	1133256.97
20	Union Bank of India 321706390010058	28000000.00	8575000.00
21	Sugar Development Fund	21428800.00	0.00
		11344890.00	0.00
	Total Rs.	278269971.81	281034165.09

NOTE NO. 11 : SHORT TERM PROVISIONS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Provisions	20657820.64	16436453.64
	Total Rs.	20657820.64	16436453.64



NOTE NO. 12 : TANGIBLE ASSETS

Sr. No	Particulars	Cost/ Gross Block			Depreciation		Net Block			
		Gross Block As at 01.04.2016	Addition during the year	Transfer/ Deductions/ Adjustments	Gross Block As at 31.03.2017	As at 01.04.2016	For the Current Year	Total Depreciation As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1	Building	881397873.65	178923062.15	0.00	1060320935.80	210969317.60	32769372.00	243738689.60	816582246.20	670428556.05
2	Furniture	19215776.75	241440.00	0.00	19457216.75	10495122.84	2558760.00	13053882.84	6403333.91	8720653.91
3	Land	150089356.74	8315879.20	0.00	158405235.94	0.00	0.00	0.00	158405235.94	150089356.74
4	Office Equipment	4385870.75	32784.00	0.00	4418654.75	3167988.57	737587.00	3905575.57	513079.18	1217882.18
5	Plant & Machinery	3388245519.20	417118692.25	0.00	3805364211.45	1324609080.25	295911403.00	1620520483.25	2184843728.20	2063636438.95
6	Vehicles	61474200.77	100000.00	0.00	61574200.77	41315259.96	7663649.00	48968908.96	12605291.81	20158940.81
7	Computers	3653282.11	0.00	0.00	3653282.11	3100085.46	148133.00	3248218.46	405063.65	553196.65
8	Bullock Cart	28982665.00	0.00	0.00	28982665.00	25123793.00	1235850.00	26359643.00	2623022.00	3858872.00
9	Capital WIP	342534497.00	0.00	342534497.00	0.00	0.00	0.00	0.00	0.00	342534497.00
Grand Total		4879979041.97	604731857.60	342534497.00	5142176402.57	1618780647.68	341014754.00	1959795401.68	3182381000.89	3261198394.29



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 13 : MISCELLANEOUS EXPENDITURE			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Preliminary Preoperative Expenses	18733324.72	22975830.90
2	Expenditure under Collaboration Agreement with Shivshakti Shetkari Sahakari Sakhar Karkhana	311801621.00	334068343.00
	Total Rs.	330534945.72	357044173.90

NOTE NO. 14 : INVENTORIES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Closing Stock of Inventories	694142156.00	2947384200.00
	Total Rs.	694142156.00	2947384200.00

NOTE NO. 15 : TRADE RECEIVABLES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Trade receivables less than six months	327735343.17	129306543.65
2	Trade receivables more than six months	0.00	0.00
	Total Rs.	327735343.17	129306543.65

NOTE NO. 16 : CASH & BANK BALANCES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Cash Balance	2275496.00	2736577.00
2	Bank Balance	25996778.90	181704104.39
	Total Rs.	28272274.90	184440681.39

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Loans and Advances	588960848.37	778075700.26
	Total Rs.	588960848.37	778075700.26

NOTE NO. 18 : OTHER CURRENT ASSETS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Other Current Assets	137582988.99	115143882.24
	Total Rs.	137582988.99	115143882.24



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 19 : REVENUE FROM OPERATIONS			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Sale of Products Manufactured	3549506365.96	3083050028.79
2	Other Operational revenue	101973027.00	330049.00
	Total Rs.	3651479392.96	3083380077.79

NOTE NO. 20 : CHANGES IN INVENTORIES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Closing Stock of inventories	694142156.00	2947384200.00
2	Opening Stock of inventories	2947384200.00	2926147612.00
	Total Rs.	-2253242044.00	21236588.00

NOTE NO. 21 : DEPRECIATION AND AMORTISATION EXPENSES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Depreciation	341014754.00	389147675.00
2	Amortisation of Preliminary Expenses	4242506.18	4242506.18
3	Amortisation of Payments under Collaboration	22271222.00	22271222.00
	Total Rs.	367528482.18	415661403.18

NOTE NO. 22 : OTHER EXPENSES			
NO	DESCRIPTION	31/03/2017	31/03/2016
1	Administrative Expenses	6648242.00	2311232.99
2	Market Development	742598.00	1368552.00
3	Travelling, Hire charges & Fuel Expenses	3602486.00	5568444.00
4	Rent	72964595.00	73412341.00
5	Repairs & Maintenance	9542867.80	16478513.00
6	Advertisement & Publicity Expenses	1767274.00	836368.00
7	Chief Minister Relief Fund Contribution	715415.00	2802660.00
8	License, Certificate etc Fees	1880822.75	2259553.00
9	Workmen Welfare Expenses	92534.00	673981.00
10	Office Expenses	629998.53	886084.10
11	Postage, Telephone & Internet	1847140.96	4362654.09
12	Printing & Stationery	290310.25	803686.00
13	Rates & Taxes	908053.00	2047435.00
14	Legal Expenses	488058.00	291514.00
15	Water Supply Expenses	6763251.50	8299362.64
16	Transport Expenses	632250.00	145318.00
17	Interest on Statutory Dues	479939.00	6710535.44
18	Professional Fees	7493467.65	16254328.74
19	Insurance	1984059.00	1276315.00
20	Corporate Social Responsibility	5489385.00	2782538.00
21	Indirect Taxes : Vat, Excise etc	630237.34	836948.35
	Total Rs.	125592984.78	150408364.35



Bhairavnath Sugar Works Ltd
Notes forming part of the financial statements

Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2017
		₹
3.9	Details of borrowing costs capitalised Borrowing costs capitalised during the year - as fixed assets / intangible assets / capital work-in-progress - as inventory	6334830.00
		6334830.00



Bhairavnath Sugar Works Ltd
Notes forming part of the financial statements

Disclosures under Accounting Standards (contd.)

Note	Particulars							
3.10	Segment information							
	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, 2017				Elimination s	Total	
		Business segments						
		A	B	C	D			
		Sonari	Vihal	Washi	Lavangi			
	Revenue	7441.13	14825.82	1162.49	13085.37	0.00	36514.79	
	Inter-segment revenue	0.00	490.00	0.00	710.09	0.00	1200.09	
	Segment result	Total	7441.13	15315.82	1162.49	13795.46	0.00	37714.89
			7441.13	15315.82	1162.49	13795.46	0.00	37714.89
	Operating income	605.55	1072.89	61.00	1584.91	0.00	3324.35	
	Other income (net)	405.19	29.57	19.96	17.27	0.00	471.99	
	Profit before taxes	57.09	156.84	-195.71	102.83	0.00	121.05	
	Tax expense	9.48	21.31	0.00	0.00	0.00	30.79	
	Net profit for the year	47.61	135.53	-195.71	102.83	0.00	90.27	

Particulars	For the year ended 31 March, 2017				
	Business segments				Total
	A	B	C	D	
	Sonari	Vihal	Washi	Lavangi	
Segment assets	21147.00	11999.76	4777.60	16283.77	54208.13
Unallocable assets	0.00	0.00	0.00	0.00	0.00
Total assets	21147.00	11999.76	4777.60	16283.77	54208.13
Segment liabilities	21147.00	11999.76	4777.60	16283.77	54208.13
Unallocable liabilities	0.00	0.00	0.00	0.00	0.00
Total liabilities	21147.00	11999.76	4777.60	16283.77	54208.13
Other information					
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. Dhananjay 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, 2017 and balances outstanding as at 31 March, 2017:									
									₹ 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 (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	14.62 (40.96)	0 (0)	YYY (XXX)	14.62 (40.96)
Sale of goods	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Purchase of fixed assets	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Sale of fixed assets	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Rendering of services	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Receiving of services	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	86.91 (135.37)	YYY (XXX)	YYY (XXX)	YYY (XXX)	86.91 (135.37)
Agency arrangements	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Leasing or hire purchase arrangements	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	716.90 (716.90)	YYY (XXX)	716.90 (716.90)
Transfer of research and development	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
License agreements	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Finance (including loans and equity contributions in cash or in kind)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Guarantees and collaterals	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Management contracts including for deputation of employees	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Provision for doubtful receivables, loans and advances	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
Write off / write back made during the year	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)	YYY (XXX)
	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)	(XXX)
Note: Figures in bracket relates to the previous year										



Note 30 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		₹	₹
3.12	Details of leasing arrangements		
	<u>As Lessee</u>		
	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 5 years and may be renewed for a further period of 5 years based on mutual agreement of the parties.		
	Future minimum lease payments		
	not later than one year	71970750	71689500
	later than one year and not later than five years	300258000	300258000
	later than five years	375322500	375322500
	Lease payments recognised in the Statement of Profit and Loss	71689500	71689500
	Contingent rents recognised as expense during the year (state basis)	0	0
	Future minimum sublease payments expected to be received under non-cancellable subleases	0	0
	Sublease payments received / receivable recognised in the Statement of Profit and Loss	0	0



Share capital (contd.)

Particulars									
Notes: 3.13									
(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, 2017									
- Number of shares	105753503	0	0	0	0	0	0	0	105753503
- Amount (₹)	1057535030	0	0	0	0	0	0	0	1057535030
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	1057535030



Bhairavnath Sugar Works Limited

Notes forming part of the financial statements

31/03/2017

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 2016-17 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. 15,00,000/- 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 2015-16 (relevant to the Accounting Year ended on 31.03.2015). 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. 15,00,000/- 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	4,46,95,877.00
Add/Less: Current Year Timing Difference creating DTA	
Difference Due To Depreciation	0.00
Difference Due To Amortization	-30,66,972.00
Difference Due To Section 43B allowances	0.00
Balance Timing Difference creating DTA	4,16,28,905.00
DTA To be shown in Balance Sheet of F.Y.2016-17 @ 30.9%	1,28,63,332.00
A. Opening DTA Balance as on 31.03.2016	1,38,11,026.00
B. Closing Balance of DTA as on 31.03.2017	1,28,63,332.00
C. Therefore, Deferred Tax Asset to be credited to Profit & Loss A/c (B-A)	(9,47,694.00)
D. Closing DTL Balance as on 31.03.2017	0.00



BHAIRAVNATH SUGAR WORKS LIMITED
Annexure C

Particulars	SBNs	Other denomination notes	Total Amount Rs.
Closing Cash in hand as on 08.11.2016	395,500.00	10,906.00	406,406.00
Add : Permitted receipts	2,812,500.00	103,231.00	2,915,731.00
Less : Permitted payments	405,000.00	21,965.00	426,965.00
Less : Amount deposited in Banks	2,556,000.00	-	2,556,000.00
Closing Cash in hand as on 30.12.2016	-	339,172.00	339,172.00

