



# Bhairavnath Sugar Works Ltd.

**Registered Address:** S.NO.84/2E1/5 to 7,9 & 10, Shop No.11&12 "SAWANT CORNER"  
Pune-Satara Bypass Highway Chowk, Katraj, Pune-411046,

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

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

**CIN NO.:** U15421PN2000PLC134301 **GSTIN-**27AADCB0529M1ZN, **PAN NO.-** AADCB0529M

## DIRECTORS' REPORT

To,

**The Members of  
Bhairavnath Sugar Works Limited**

Your Directors are pleased to present the Company's 19<sup>th</sup> Annual Report on the business and operation of the Company together with the Audited Statements of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2019.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE):-**  
During the year under review, performance of your company as under:

| Particulars                                    | (Amount in Rupees)    |                       |
|--|-----------------------|-----------------------|
|  | 2018-2019             | 2017-2018             |
| Revenue from operations (net) and other income | 7,37,11,94,569.58     | 2,56,67,54,701.42     |
| Less: Expenses                                 | 7,32,05,75,201.31     | 2,55,29,87,615.77     |
| Profit/(loss) before tax                       | <b>5,06,19,368.27</b> | <b>1,37,67,085.65</b> |
| Less: Current Tax                              | 1,55,18,155.00        | 56,04,820.00          |
| Less: Deferred Tax                             | 12,31,248.30          | (8,32,848.00)         |
| Profit/(loss) after tax                        | <b>3,38,69,964.97</b> | <b>89,95,113.65</b>   |

## 2. DIVIDEND

With a view to conserve the resources of the Company, the directors are not recommending any Dividend for the current financial year.

## 3. TRANSFER TO RESERVES

Your directors do not propose to transfer funds to General Reserve.

## 4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**5. THE STATE OF THE COMPANY'S AFFAIRS AND REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:**

During the year under review your Company has achieved turnover of Rs. 718.92 Crores as compared to Rs. 254.76 Crores of the last financial year 2017-18. Company has recorded Profit after tax for the year under review Rs. 3.39 Crore as compared to PAT of Rs. 0.90 Crores of the last financial year.

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. There was no change in the nature of business of company.

**6. MATERIAL CHANGES AND COMMITMENT IF ANY 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**

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 on the date of this report.

**7. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:-**

**(i) The steps taken or impact on conservation of energy:**

**For Sonari Unit:**

- a) Used CFL to save electricity
- b) Installation of Hi-Efficient planetary gear boxes and VFD.
- c) Use of energy efficient motors.
- d) Use of Teflon bearing instead of CM wherever possible.
- e) Makeup water to boiler through DM Plant to reduce blow down.

**For Vihal Unit:**

- a) Steam and water consumption taken by flow meters.
- b) VFD's fitted for SA fans.
- c) Connecting the H.T. capacitor for fiberizer
- d) Installed V.F.D's for MCW pumps, ACW pumps and C.T. Fans

**For Lavangi Unit:**

- a) Connecting of H.T capacitor for fiberizer motor to maintain the power factor and also save the energy.
- b) In co-generation export of electricity to MSEDCL
- d) All over plant power factor maintain upto 0.98 to 0.99
- e) We have adopted planetary gear box which ever possible in the plant

**For Alegaon Unit:**

- a) Used CFL to save electricity
- b) Use of energy efficient motors

**(ii) The steps taken by the company for utilizing alternate sources of energy:**

**For Sonari Unit:**

- a) Used DG set (emergency supply at the time of black out)
- b) Methane gas generated its use as fuel of boiler and after that steam turbine runs and electricity generate.

**For Lavangi Unit:**

- a) Methane gas generated its use as fuel of boiler and after that steam turbine runs and electricity generate.
- b) Use solar photovoltaic for generation of electricity

**(iii) The efforts made towards technology absorption:**

**Sonari Unit:** Use VFD, Converter/Inverters, Harmonic filter, CFL Light, etc

**Vihal Unit:** Installation of VFD for SA Fan, to reduce fan power consumption and also reduced trouble of MD.

**Lavangi Unit:**

- a. Use non fossil fuel (waste bagasse) for electricity generation.
- b. Automatic P F controllers
- c. Soft starters
- d. Electrical equipment use only above five star rating

**For Alegaon Unit:**

Use VFD, Converter/Inverters, Harmonic filter, CFL Light, etc

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- : Nil**

**(iv) the expenditure incurred on Research and Development: Nil**

**8. FOREIGN EXCHANGE EARNINGS / OUTGO:-**

As the Company has not carried out any activities relating to the export and import during the financial year. There is no foreign exchange expenses and foreign income during the financial year.

**9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

**10. PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public and accordingly no amount was outstanding as on the date of the Balance Sheet.

## 11. EXTRACT OF THE ANNUAL RETURN AND DETAILS OF WEBSITE OF THE COMPANY

As required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form No. MGT 9, as at the financial year ended 31<sup>st</sup> March 2019, is given in **Annexure A**, which forms part of this Board Report.

Copy of the extract of annual return available on website of the Company <http://www.bswl.in/>

## 12. NUMBER OF MEETINGS OF THE BOARD

The Board met 10 times in financial year 2018-19 i.e. 20.04.2018, 31.07.2018, 06.08.2018, 07.09.2018, 15.09.2018, 25.09.2018, 20.11.2018, 26.12.2018, 12.02.2019 and 13.03.2019; and intervening gap between any two-board meetings was within the period prescribed under the Companies Act, 2013.

## 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review provided in the financial statements.

## 14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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. All the transactions were entered into during the year on an arm's length basis and in the ordinary course of business.

Further all the necessary details of transaction entered with the related parties are attached herewith in form no. AOC-2 (**Annexure B**) for your perusal and information.

## 15. (A) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

## (B) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

The Following Qualifications/Adverse Remarks/Observations in Secretarial Audit Report & Reply by Management:

| Qualifications/Adverse Remarks/Observations  | Reply from Management  |
|--|--|
| The e-form No. CHG 1 with respect to the vehicle loan availed by hypothecation of said | The Company was insisting on creation of charge for the said loan availed, |

|  |  |
|--|--|
| vehicle has not been filed.  | bankers were not in the favor to create the charge and not provided documents for the same.  |
| The Company has not availed International Security Identification Number (ISIN), for its both type of securities, such as Equity Shares and Preference Shares till close of the financial year under review. | The board of Directors in their meeting held on 13 <sup>th</sup> March, 2019, approved to avail facility of Dematerialization of its securities and started the process for the same.<br>The Company has availed ISIN for :<br>1. Equity shares in the month of August, 2019;<br>2. Preference Shares in the month of September, 2019. |

#### 16. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

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

| S. No. | Name of the Director  | Position held in the Committee |
|--------|-----------------------|--------------------------------|
| 1      | Mr. Sudhir Bhilare    | Chairman                       |
| 2      | Mr. Shahshikant Thite | Member                         |
| 3      | Mr. Vasant Bugade     | Member                         |

#### Terms of Reference

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

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

#### 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.

Copy of the policy available on website of the Company <http://www.bswl.in/>

### **17. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

(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 and loss 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;

(e) the company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the company; and

(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.

### **18. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Shivaji Sawant, Mr. Anil Sawant and Mr. Kiran Sawant retired by rotation and re-appointed as Directors in the Annual General Meeting held on 30<sup>th</sup> September, 2018.

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

| <b>S. No.</b> | <b>Name</b>             | <b>Designation</b>   |
|---------------|-------------------------|----------------------|
| 1             | Anil Subhash Sawant     | Director             |
| 2             | Kiran Kalidas Sawant    | Director             |
| 3             | Shivaji Jayawant Sawant | Director             |
| 4             | Tanaji Sawant Jayawant  | Director             |
| 5             | Sudhir Laxman Bhilare   | Independent Director |
| 6             | Kalidas JayawantSawant  | Director             |

|    |                              |                           |
|----|------------------------------|---------------------------|
| 7  | Dhananjay Uttam Sawant       | Director                  |
| 8  | Ravindra Subhash Sawant      | Whole time Director & CFO |
| 9  | Ravindranath Nivritti Shelar | Managing Director         |
| 10 | Usha Damodar Takke           | Director                  |
| 11 | Shashikant Ramchandra Thite  | Independent Director      |
| 12 | Vasant Apparao Bugade        | Independent Director      |

As at end of financial year the following are the Key Managerial Personnel:

| S. No. | Name                         | Designation               |
|--------|------------------------------|---------------------------|
| 1      | Ravindra Subhash Sawant      | Whole time Director & CFO |
| 2      | Ravindranath Nivritti Shelar | Managing Director         |
| 3      | Priyanka Nilesh Shitole      | Company Secretary         |

In accordance with the provisions of the Article of Association and the Companies Act, 2013, Mr. Ravindra Subhash Sawant, Mr. Kalidas Sawant and Ms. Usha Takke, Director of the Company, shall liable to retire by rotation at the forth-coming Annual General Meeting and being eligible seeks re-appointment.

In accordance with the provisions of the Article of Association and the Companies Act, 2013, Mr. Ravindra Subhash Sawant who was appointed as Whole time Director in annual general meeting held on 30<sup>th</sup> September, 2014 for five year. His term of office to be expired on 29<sup>th</sup> September, 2019 and being eligible seeks re-appointment.

In accordance with the provisions of the Article of Association and the Companies Act, 2013, Mr. Ravindranath Nivritti Shelar who was re-appointed as Managing Director in the Board Meeting held on 20<sup>th</sup> November, 2018 to hold office till 30<sup>th</sup> September, 2019 and being eligible seeks re-appointment.

In accordance with the provisions of the Article of Association and the Companies Act, 2013, Mr. Sudhir Laxman Bhilare who was appointed as Independent director in the Board Meeting held on 30<sup>th</sup> September, 2014 for five consecutive years i.e. to hold office till 29<sup>th</sup> September, 2019 and being eligible seeks re-appointment.

#### **19. DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013.

#### **20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS: WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

## **21. AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

At the Annual General Meeting held on 29<sup>th</sup> September, 2017 M/s. Krushna Pardeshi & Associates, Chartered Accountants (Firm Registration No. 147199W), were appointed as statutory auditor of the Company to hold office for a term of five years from the conclusion of this annual general meeting to the conclusion of annual general meeting held in financial year 2022-23 (subject to ratification of appointment at every Annual General Meeting). In terms of the provision of Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. Krushna Pardeshi & Associates, Chartered Accountants as Statutory Auditors of the Company, is placed for ratification by the Shareholders'.

The observations of the Auditors and the relevant notes to the financial statement are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, during the year, in the course of the performance of their duties as Auditor, no fraud was reported by them for which they have reason to believe that an offence involving fraud has been committed against the Company by officers or employees of the Company.

### **Cost Audit**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, Mr. Deepak Marne, Cost Accountant, Pune, was appointed in board meeting held on 25<sup>th</sup> September, 2018 to conduct a cost audit of the Company's cost records for the financial year ended 31<sup>st</sup> March, 2019.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s. Suvir G Saraf & Associates, Practising Company Secretary (ACS 29981; C P No. 11409), Pune, was appointed to conduct a secretarial audit of the Company's Secretarial and related records for the financial year ended 31 March, 2019 in board meeting held on 25<sup>th</sup> September, 2018. The Practising Company Secretary has submitted their Report on the secretarial audit conducted by them which is given in **Annexure C** and forms part of this Board Report.

### **Internal Audit**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made there under, M/s. SAAJ and Associates, Chartered Accountants, Pune were appointed as Internal Auditor of the Company to conduct Internal Audit of the Company for the financial



year ended 31 March, 2019 in board meeting held on 25<sup>th</sup> September, 2018. However they have resigned from the post of Internal Auditor vide their letter dated 15<sup>th</sup> December, 2018.

Further the board appointed M/s. Sandip Tagare & Associates in their board meeting held on 26<sup>th</sup> December, 2018 to fill casual vacancy caused by resignation of M/s. SAAJ and Associates to conduct Internal Audit of the Company for the financial year ended 31 March, 2019

## **22. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, no incidence of any fraud has occurred in the Company. The Board of the Company had not received any report involving any fraud, from the Statutory Auditors of the Company. As such, there is nothing to report by the Board, as required under Section 134 (3) (ca) of the Companies Act, 2013.

## **23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee under Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 comprises of following directors:

| <b>S. No.</b> | <b>Name of the Director</b> | <b>Position held in the Committee</b> |
|---------------|-----------------------------|---------------------------------------|
| 1             | Mr. Sudhir Bhilare          | Chairman                              |
| 2             | Mr. Shahshikant Thite       | Member                                |
| 3             | Mr. Vasant Bugade           | Member                                |

The Company has established a vigil mechanism for directors and employees to report their genuine concerns. The Policy is also available on the Company's website <http://www.bswl.in/>

## **24. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

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.

## 25. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY 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.

Company maintains standard of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general.

The Company has always focused on corporate social responsibility. The Corporate Social responsibility will help in ensuring a long-term balanced & inclusive growth.

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 following Directors:

| S. No. | Name of the Director  | Position held in the Committee |
|--------|-----------------------|--------------------------------|
| 1      | Mr. Sudhir Bhilare    | Chairman                       |
| 2      | Mr. Shahshikant Thite | Member                         |
| 3      | Mr. Vasant Bugade     | Member                         |

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 2018-19 is appended as **Annexure D** to the Board’s Report.

Copy of the policy available on website of the Company <http://www.bswl.in/>

## 26. CHANGES IN SHARE CAPITAL:

During the year under review, the company has undertaken following transactions:

| Increase in paid up Share Capital | Buy back of Securities | Sweat Equity | Bonus Shares | ESOP |
|-----------------------------------|------------------------|--------------|--------------|------|
| NIL                               | NIL                    | NIL          | NIL          | NIL  |

## **27. EMPLOYEE RELATIONS:**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

## **28. PERFORMANCE EVALUATION OF THE DIRECTORS ETC:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation by the Board of its own performance and that of the various Committees of the Board and the individual Directors. The framework of performance evaluation of the Directors captures the following points:

Key attributes of the Independent Directors that justify his / her extension / continuation on the Board of the Company;

Participation of the Directors in the Board proceedings and his / her effectiveness;

The evaluation was carried out by means of the replies given / observations made by all the Directors on the set of questions developed by them which brought out the key attributes of the Directors, quality of interactions among them, adequacy and effectiveness of the various Committees of the Board and the performance of the Board.

## **29. INFORMATION FORMING PART OF THE DIRECTOR'S REPORT PURSUANT TO RULES OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Being unlisted company, provision of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company.

## **30. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

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

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The company has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions, and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment.

Your Directors have to report that, during the year under review, no complaints received during the year.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **32. DISCLOSURE OF MONIES ACCEPTED FROM DIRECTORS OR THEIR RELATIVES**

During the year under review the company has not accepted unsecured loans from its Directors/relatives of the directors. However, there were outstanding of Rs. 134,17,67,083/- as on 31<sup>st</sup> March, 2019.

### **33. DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED.**

The company is required to maintain cost record as the provision of section 148(1) of the Companies Act, 2013. The prescribed accounts and records has been made and maintained by the Company.

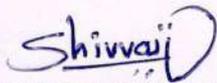
### **34. SECRETARIAL STANDARD**

The Company complies with all applicable mandatory secretarial standards issued by Institute of Company Secretaries of India during the year under review.

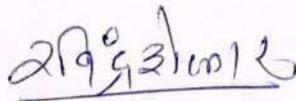
### **35. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**By order of the Board of Directors  
For Bhairavnath Sugar Works Limited**



**Shivaji Jayawant Sawant  
Director  
DIN : 00937530**



**Ravindranath Nivritti Shelar  
Managing Director  
DIN : 06741387**

**Place: Pune  
Date: 05/09/2019**

**ANNEXURE- A**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2019**  
**Pursuant to section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.**

**1. Registration Details**

|    |   |   |
|----|---|---|
| 1. | CIN   | U15421PN2000PLC134301   |
| 2. | Registration Date   | 04/04/2000  |
| 3. | Name of the Company   | Bhairavnath Sugar Works Limited   |
| 4. | Category / Sub-Category of the Company                                    | Company limited by Shares/Non-govt company  |
| 5. | Address of the Registered office and contact details                      | No.84/2E/1/5 to 7,9 &10,Shop No.11&12, Gr. Floor, Sawant Cnr, Pune-Satara By Pass Highway Cwk, Katraj Pune – 411046<br>Email ID: bswlcs01@gmail.com |
| 6. | Whether listed company Yes / No   | No  |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA  |

**2. Principal Business Activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Manufacture sugar                                | 10721                            | 77.43                              |

**3. Particulars of Holding, Subsidiary and Associate Companies**

| Sr. No | CIN/GLN | Holding/ Subsidiary/ Associate | % of Share held | Applicable section |
|--------|---------|--------------------------------|-----------------|--------------------|
| NA     |         |                                |                 |                    |



|  |    |                  |                  |            |    |                  |                  |            |  |
|--|----|------------------|------------------|------------|----|------------------|------------------|------------|--|
| c) Central Govt                                      |    | --               | --               | --         | -- | --               | --               | --         |  |
| d) State Govt(s)                                     | -- | --               | --               | --         | -- | --               | --               | --         |  |
| e) Venture Capital Fund                              | -- | --               | --               | --         | -- | --               | --               | --         |  |
| Other  |    | --               | --               | --         | -- | --               | --               | --         |  |
| Other (Specify)                                      | -- | --               | --               | --         | -- | --               | --               | --         |  |
| Sub-total (B)(1):-                                   | -- | --               | --               | --         | -- | --               | --               | --         |  |
| 2. Non-Institutions                                  |    |                  |                  |            |    |                  |                  |            |  |
| a) Bodies Corp.                                      | -- | --               | --               | --         | -- | --               | --               | --         |  |
| i) Indian  | -- | 500              | 500              | --         | -- | 500              | 500              | --         |  |
| ii) Overseas   | -- | --               | --               | --         | -- | --               | --               | --         |  |
| b) Individuals                                       | -- | --               | --               | --         | -- | --               | --               | --         |  |
| i) Individual shareholders                           | -- | --               | --               | --         | -- | --               | --               | --         |  |
| holding nominal share capital upto                   | -- | --               | --               | --         | -- | --               | --               | --         |  |
| Rs. 1 lakh   | -- | 500              | 500              | --         | -- | 500              | 500              | --         |  |
| ii) Individual Shareholders                          | -- | --               | --               | --         | -- | --               | --               | --         |  |
| holding nominal share capital in excess of Rs 1 lakh | -- | --               | --               | --         | -- | --               | --               | --         |  |
| c) Others (Specify)                                  | -- | --               | --               | --         | -- | --               | --               | --         |  |
| Sub-total (B)(2):-                                   | -- | 1000             | 1000             | --         | -- | 1000             | 1000             | --         |  |
| Total Public Share-holding (B)=(B)(1)+(B)(2)         | -- | 1000             | 1000             | --         | -- | 1000             | 1000             | --         |  |
| C. Shares held by Custodian for GDRs & ADRs          | -- | --               | --               | --         | -- | --               | --               | --         |  |
| <b>Grand Total (A+B+C)</b>                           | -- | <b>133500000</b> | <b>133500000</b> | <b>100</b> |    | <b>133500000</b> | <b>133500000</b> | <b>100</b> |  |

**(ii) Share Holding of Promoter**

| Sr. No | Name of the Shareholder           | Shareholding at the beginning of the year |                                  |  | No. of Shares held at the end of the year |                                  |  | % Change in shareholding during the year |
|--------|-----------------------------------|---|----------------------------------|--|---|----------------------------------|--|--|
|        |                                   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1      | Tanaji Jayawant Sawant            | 91729163                                  | 68.711                           | --   | 91729163                                  | 68.711                           | --   | --                                       |
| 2      | Kalidas Jaywant Sawant            | 1,000                                     | 0.001                            | --   | 1,000                                     | 0.001                            | --   | --                                       |
| 3      | Shivaji Jayawant Sawant           | 1,000                                     | 0.001                            | --   | 1,000                                     | 0.001                            | --   | --                                       |
| 4      | Ravindra Subhsh Sawant            | 500                                       | 0.000                            | --   | 500                                       | 0.000                            | --   | --                                       |
| 5      | Anil Subhash Sawant               | 1000                                      | 0.001                            | --   | 1000                                      | 0.001                            | --   | --                                       |
| 6      | Kiran Kalidas Sawant              | 1000                                      | 0.001                            | --   | 1000                                      | 0.001                            | --   | --                                       |
| 7      | Dhannjay Uttam Sawant             | 500                                       | 0.000                            | --   | 500                                       | 0.000                            | --   | --                                       |
| 8.     | Giriraj Promoters Private Limited | 41764837                                  | 31.285                           | --   | 41764837                                  | 31.285                           | --   | --                                       |
|        | <b>Total</b>                      | <b>133499000</b>                          | <b>100</b>                       |  | <b>133499000</b>                          | <b>100</b>                       |  |  |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change): No change**

| Sr. No |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|        | At the beginning of the year  |   |                                  |   |                                  |
|        | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc): | No change                                 |                                  | --                                      | --                               |



|                         |  |  |  |  |
|-------------------------|--|--|--|--|
| At the End of the year. |  |  |  |  |
|-------------------------|--|--|--|--|

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|        | For Each of the Top 10 Shareholders  | --  | --                               | --                                      | --                               |
|        | At the beginning of the year:  | 1000                                      | --                               | --                                      | --                               |
| 1      | Sudhir Laxman Bhilare  | 500                                       |                                  |   |                                  |
| 2      | Bhairavnath Harvester & Transporter LLP  | 500                                       |                                  |   |                                  |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | --  | --                               | --                                      | --                               |
|        | At the End of the year   | 1000                                      | --                               | --                                      | --                               |
| 1      | Sudhir Laxman Bhilare  | 500                                       |                                  |   |                                  |
| 2      | Bhairavnath Harvester & Transporter LLP  | 500                                       |                                  |   |                                  |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 01     | Tanaji Jayawant Sawant   |   |                                  |   |                                  |
|        | At the beginning of the year   | 91729163                                  | 68.71                            | --                                      | --                               |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / | No change                                 |                                  |   |                                  |

|  |   |          |       |    |    |
|--|---|----------|-------|----|----|
|  | decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |          |       |    |    |
|  | At the end of the year  | 91729163 | 68.71 | -- | -- |

| Sr. No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 02     | Kalidas Jaywant Sawant   |   |                                  |   |                                  |
|        | At the beginning of the year   | 1,000                                     | 0.00097                          | --                                      | --                               |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |
|        | At the end of the year   | 1,000                                     | 0.00097                          | --                                      | --                               |

| Sr. No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 03     | Shivaji Jayawant Sawant  |   |                                  |   |                                  |
|        | At the beginning of the year   | 1,000                                     | 0.00097                          | --                                      | --                               |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |   |                                  |   |                                  |
|        | At the end of the year   | 1,000                                     | 0.00097                          | --                                      | --                               |

| Sr. No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|        |  |   |                                  |   |                                  |

|    |  |     |         |    |    |
|----|--|-----|---------|----|----|
| 04 | Ravindra Subhsh Sawant   |     |         |    |    |
|    | At the beginning of the year   | 500 | 0.00049 | -- | -- |
|    | Date wise Increase /<br>Decrease in Share holding during the year<br>specifying the reasons for increase /<br>decrease (e.g. allotment / transfer / bonus/<br>sweat equity etc): |     |         |    |    |
|    | At the end of the year   | 500 | 0.00049 | -- | -- |

| Sr.<br>No |  | Shareholding at the<br>beginning of the year |   | Cumulative<br>Shareholding during<br>the year |   |
|-----------|--|--|---|---|---|
|           |  | No. of<br>Shares                             | % of total<br>Shares of<br>the<br>Company | No. of<br>Shares                              | % of total<br>Shares of<br>the<br>Company |
| 05        | Anil Subhash Sawant  |  |   |   |   |
|           | At the beginning of the year   | 1000   | 0.00097                                   | --  | --  |
|           | Date wise Increase /<br>Decrease in Share holding during the year<br>specifying the reasons for increase /<br>decrease (e.g. allotment / transfer / bonus/<br>sweat equity etc): |  |   |   |   |
|           | At the end of the year   | 1000   | 0.00097                                   | --  | --  |

| Sr.<br>No |  | Shareholding at the<br>beginning of the year |   | Cumulative<br>Shareholding during the<br>year |   |
|-----------|--|--|---|---|---|
|           |  | No. of<br>Shares                             | % of total<br>Shares of<br>the<br>Company | No. of<br>Shares                              | % of total<br>Shares of<br>the<br>Company |
| 06        | Kiran Kalidas Sawant   |  |   |   |   |
|           | At the beginning of the year   | 1000   | 0.00097                                   | --  | --  |
|           | Date wise Increase /<br>Decrease in Share holding during the year<br>specifying the reasons for increase /<br>decrease (e.g. allotment / transfer /<br>bonus/ sweat equity etc): |  |   |   |   |
|           | At the end of the year   | 1000   | 0.00097                                   | --  | --  |

| Sr.<br>No |  | Shareholding at the<br>beginning of the year |                         | Cumulative<br>Shareholding during the<br>year |                         |
|-----------|--|--|-------------------------|---|-------------------------|
|           |  | No. of<br>Shares                             | % of total<br>Shares of | No. of<br>Shares                              | % of total<br>Shares of |

|    |  |     |                |    |                |
|----|--|-----|----------------|----|----------------|
|    |  |     | the<br>Company |    | the<br>Company |
| 07 | Dhannjay Uttam Sawant  |     |                |    |                |
|    | At the beginning of the year   | 500 | 0.00049        | -- | --             |
|    | Date wise Increase /<br>Decrease in Share holding during the year<br>specifying the reasons for increase /<br>decrease (e.g. allotment / transfer /<br>bonus/ sweat equity etc): |     |                |    |                |
|    | At the end of the year   | 500 | 0.00049        | -- | --             |

| Sr.<br>No |  | Shareholding at the<br>beginning of the year |   | Cumulative<br>Shareholding during<br>the year |  |
|-----------|--|--|---|---|--|
|           |  | No. of<br>Shares                             | % of total<br>Shares of<br>the<br>Company | No. of<br>Shares                              | % of total<br>Shares of the<br>Company |
| 08        | Sudhir Laxman Bhilare  |  |   |   |  |
|           | At the beginning of the year   | 500  | 0.00049                                   | --  | --                                     |
|           | Date wise Increase /<br>Decrease in Share holding during the<br>year specifying the reasons for increase /<br>decrease (e.g. allotment / transfer /<br>bonus/ sweat equity etc): |  |   |   |  |
|           | At the end of the year   | 500  | 0.00049                                   | --  | --                                     |

## 5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

|   | Secured Loans<br>Excluding<br>deposits | Unsecured Loans         | Deposits | Total<br>Indebtedness   |
|---|--|-------------------------|----------|-------------------------|
| Indebtedness at the beginning of the financial year |  |                         |          |                         |
| i) Principal Amount                                 |  |                         |          |                         |
| ii) Interest due but not paid                       |  |                         |          |                         |
| iii) Interest accrued but not due                   |  |                         |          |                         |
| <b>Total (i+ii+iii)</b>                             | <b>563,46,20,162.01</b>                | <b>136,90,86,829.08</b> |          | <b>700,37,06,991.09</b> |
| Change in Indebtedness during the financial year    |  |                         |          |                         |
| • Addition  |  |                         |          |                         |
| • Reduction   |  |                         |          |                         |
| Net Change  |  |                         |          |                         |
| Indebtedness at the end of the financial year       |  |                         |          |                         |
| i) Principal Amount                                 |  |                         |          |                         |
| ii) Interest due but not paid                       |  |                         |          |                         |
| iii) Interest accrued but not due                   |  |                         |          |                         |
| <b>Total (i+ii+iii)</b>                             | <b>562,83,73,326.21</b>                | <b>134,17,67,082.55</b> |          | <b>697,01,40,408.76</b> |

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

| Sr. No | Particulars of Remuneration  | Name of MD/WTD/Manager |    |    |    | Total Amount |
|--------|--|------------------------|----|----|----|--------------|
| 1.     | Gross salary   | --                     | -- | -- | -- | --           |
|        | (a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961 | --                     | -- | -- | -- | --           |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                          | --                     | -- | -- | -- | --           |
|        | (c) Profits in lieu of salary under  | --                     | -- | -- | -- | --           |

|    |                                    |    |    |    |    |    |
|----|------------------------------------|----|----|----|----|----|
|    | section 17(3) Income-tax Act, 1961 |    |    |    |    |    |
| 2. | Stock Option                       | -- | -- | -- | -- | -- |
| 3. | Sweat Equity                       | -- | -- | -- | -- | -- |
| 4. | Commission                         | -- | -- | -- | -- | -- |
|    | - as % of profit                   | -- | -- | -- | -- | -- |
|    | - others, specify...               | -- | -- | -- | -- | -- |
| 5. | Others, please specify             | -- | -- | -- | -- | -- |
|    | Total (A)                          | -- | -- | -- | -- | -- |
|    | Ceiling as per the Act             | -- | -- | -- | -- | -- |

**(ii) Remuneration to other Director:**

| Sr. No | Particulars of Remuneration                  | Name of Director |    |    |    | Total Amount |
|--------|--|------------------|----|----|----|--------------|
|        |  |                  |    |    |    |              |
| 1.     | Independent Director                         | --               | -- | -- | -- |              |
|        | Fee for attending board / committee meetings | --               | -- | -- | -- | --           |
|        | Commission                                   | --               | -- | -- | -- | --           |
|        | Others, please specify                       | --               | -- | -- | -- | --           |
|        | Total (1)                                    | --               | -- | -- | -- | --           |
| 2.     | Other Non-Executive Directors                |                  |    |    |    |              |
|        | Fee for attending board / Committee meetings |                  |    |    |    |              |
|        | Commission                                   |                  |    |    |    |              |
|        | Others, please specify                       |                  |    |    |    |              |
|        | Total (2)                                    |                  |    |    |    |              |
|        | Total (B)=(1+2)                              |                  |    |    |    |              |
|        | Total Managerial Remuneration                | --               | -- | -- | -- | --           |
|        | Overall Ceiling as per the Act               | --               | -- | -- | -- | --           |

**(iii) Remuneration to key managerial personnel other than MD / Manager / WTD:**

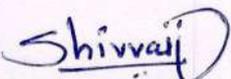
| Sr. No | Particulars of Remuneration   | Key Managerial Personnel |                   |     | Total Amount |
|--------|---|--------------------------|-------------------|-----|--------------|
|        |   | CEO                      | Company Secretary | CFO |              |
|        | Name  |                          | Priyanka Shitole  |     |              |
| 1.     | Gross salary<br>(a) Salary as per provisions contained section 17(1) of the Income-tax Act,1961 | --                       | 2,71,164          | --  | 271,164      |

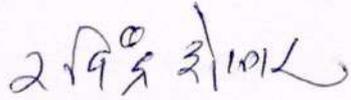
|    |   |    |    |    |    |
|----|---|----|----|----|----|
|    | (b) Value of perquisites u/s 17(2)<br>Income-tax Act, 1961                | -- | -- | -- | -- |
|    | (c) Profits in lieu of salary under section<br>17(3) Income-tax Act, 1961 | -- | -- | -- | -- |
| 2. | Stock Option  | -- | -- | -- | -- |
| 3. | Sweat Equity  | -- | -- | -- | -- |
| 4. | Commission  | -- | -- | -- | -- |
|    | - as % of profit  | -- | -- | -- | -- |
|    | - others, specify...  | -- | -- | -- | -- |
| 5. | Others, please specify  | -- | -- | -- | -- |
|    | Total   | -- | -- | -- | -- |

**7. Penalties / Punishment/ Compounding of Offences:**

| VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES |                              |                   |   |                           |                                   |
|--|------------------------------|-------------------|---|---------------------------|-----------------------------------|
| Type   | Section of the Companies Act | Brief Description | Details of Penalty/Punishment /Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
| <b>A. COMPANY</b>                                |                              |                   |   |                           |                                   |
| Penalty  | NIL                          |                   |   |                           |                                   |
| Punishment                                       |                              |                   |   |                           |                                   |
| Compounding                                      |                              |                   |   |                           |                                   |
| <b>B. DIRECTORS</b>                              |                              |                   |   |                           |                                   |
| Penalty  | NIL                          |                   |   |                           |                                   |
| Punishment                                       |                              |                   |   |                           |                                   |
| Compounding                                      |                              |                   |   |                           |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b>              |                              |                   |   |                           |                                   |
| Penalty  | NIL                          |                   |   |                           |                                   |
| Punishment                                       |                              |                   |   |                           |                                   |
| Compounding                                      |                              |                   |   |                           |                                   |

By order of the Board of Directors  
For Bhairavnath Sugar Works Limited

  
Shivaji Jayawant Sawant  
Director  
DIN : 00937530

  
Ravidranath Nivritti Shelar  
Managing Director  
DIN : 06741387

Place: Pune  
Date: 05/09/2019

**Annexure B****FORM NO. AOC.2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

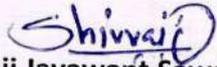
**1. Details of contracts or arrangements or transactions at arm's length basis:**

| <b>Sr. No</b> | <b>Name of Related Party</b> | <b>Nature Of Related Party</b>      | <b>Nature Of Transaction</b>                     | <b>Duration</b> | <b>Date of board meeting</b> |
|---------------|------------------------------|-------------------------------------|--|-----------------|------------------------------|
| 1)            | Giriraj Promoters Pvt Ltd    | Shareholder and Common Directorship | Rent   | Ongoing         | 20.04.2018                   |
| 2)            | Shri Shivaji Sawant          | Director                            | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 3)            | Shri Kiran Sawant            | Director                            | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 4)            | Shri Dhananjay Sawant        | Director                            | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 5)            | Shri Kalidas Sawant          | Director                            | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 6)            | Shri Anil Sawant             | Director                            | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 7)            | Shri Prithviraj Sawant       | Relative of Director                | Purchase of Raw Material & payment of salary     | Ongoing         | 20.04.2018                   |
| 8)            | Shri Tanaji Sawant           | Director                            | Purchase of Raw Material                         | Ongoing         | 20.04.2018                   |
| 9)            | Shri Uttam Sawant            | Relative of Director                | Contractor Services and Purchase of Raw Material | Ongoing         | 20.04.2018                   |
| 10)           | Shri Ravindra Sawant         | Director                            | Contractor Services                              | Ongoing         | 20.04.2018                   |
| 11)           | Shri Giriraj Sawant          | Relative of Director                | payment of salary                                | Ongoing         | 20.04.2018                   |

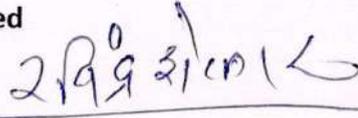


|     |                          |                      |                   |         |            |
|-----|--------------------------|----------------------|-------------------|---------|------------|
| 12) | Shri Rushiraj Sawant     | Relative of Director | payment of salary | Ongoing | 20.04.2018 |
| 13) | Shri Vikram Uttam Sawant | Relative of Director | payment of salary | Ongoing | 20.04.2018 |

By order of the Board of Directors  
For Bhairavnath Sugar Works Limited



Shivaji Jayawant Sawant  
Director  
DIN : 00937530



Ravidranath Nivrutti Shelar  
Managing Director  
DIN : 06741387

Place: Pune  
Date: 05/09/2019

Annexure C

**Form No. MR-3**  
**SECRETARIAL AUDIT**  
**REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Bhairavnath Sugar Works Limited S.No.84/2E/1/5 to 7, 9 & 10, Shop No.11 & 12,  
Gr. Floor, Sawant Cnr, Pune-Satara By Pass Highway Cwk, Katraj, Pune- 411046  
CIN- U15421PN2000PLC134301

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhairavnath Sugar Works Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the report of the Statutory Auditors for financial year 2018-19 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, and to best of my information, knowledge and belief and according to explanation given to me, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013, as amendments from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(not applicable to the Company during audit period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(to the extent applicable);**

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowing **(not applicable to the Company during audit period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(not applicable to the Company during audit period)**
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
**(not applicable to the Company during audit period)**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as applicable till 8<sup>th</sup> November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 9<sup>th</sup> November, 2018; **(not applicable to the Company during audit period)**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during audit period)**;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the Company during audit period)**;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(not applicable to the Company during audit period)**.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; **(not applicable to the Company during audit period)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as applicable till 10<sup>th</sup> September, 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11<sup>th</sup> September, 2018 **(not applicable to the Company during audit period)**;
- (vi) The other laws, as informed and certified by the Management of the Company and on examination of relevant documents and records in pursuance thereof on test check basis, the company has complied with the following laws specifically applicable to the Company based on their sector/ industry are:-
- a) Sugar Cess Act, 1982;
  - b) Food Safety and Standard Act, 2006;
  - c) Essential Commodities Act, 1955;
  - d) Sugar Development Fund Act, 1982;
  - e) Electricity Act, 2003;

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(not applicable to the Company during audit period).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:-

- a) *The e-form No. CHG 1 with respect to the vehicle loan availed by hypothecation of said vehicle has not been filed.*
- b) *The Company has not availed International security Identification Number (ISIN), for its both type of securities, such as Equity Shares and Preference Shares till close of the financial year under review.*

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and at shorter notice in compliance with the provision of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**PLACE: PUNE**

**DATE: 05.09.2019**

**SUVIR SARAF**

**COMPANY SECRETARY ACS  
NO: 29981**

**CP NO: 11409**

**Note:** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

To,  
The Members,  
Bhairavnath Sugar Works Limited  
S.No.84/2E/1/5 to 7,9&10,Shop No.11&12,  
Gr. Floor, Sawant Cnr, Pune-Satara By Pass Highway Cwk,  
Katraj, Pune- 411046  
**CIN: U15421PN2000PLC134301**

My Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

**Disclaimer**

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**PLACE: PUNE**

**DATE: 05.09.2019**

**SUVIR SARAF**

**COMPANY SECRETARY**

**ACS NO: 29981**

**CP NO: 11409**

## Annexure D

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken to the CSR policy and projects or programs:

CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the disadvantaged/marginalized cross section of the society by providing opportunities to improve their quality of life.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

2. The composition of the CSR committee: The Company has constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and details of its members are as follows: -

| S. No. | Name of the Director  | Position held in the Committee |
|--------|-----------------------|--------------------------------|
| 1      | Mr. Sudhir Bhilare    | Chairman                       |
| 2      | Mr. Shahshikant Thite | Member                         |
| 3      | Mr. Vasant Bugade     | Member                         |

3. Average net profit of the company for last three financial years for the purpose of computation of CSR: **Rs. 1,11,73,953/-**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 2,23,479/-**

5. Amount spent on CSR during the financial year: **Rs. 2,03,80,732.05**

6. Reasons for not spending the amount: **not applicable**

7. We hereby confirm on behalf of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**On behalf of CSR Committee  
For Bhairavnath Sugar Works Limited**

  
Sudhir Bhilare  
Chairman

  
Shahshikant Thite  
Member

Place: Pune  
Date: 05/09/2019



**BHAIRAVNATH SUGAR WORKS LTD.**

**FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR**  
**2018-19**





Ref.No:

Date:

**INDEPENDENT AUDITORS' REPORT**

To,

Date: 05/09/2019

The Members of

**Bhairavnath Sugar Works Limited**

**Report on the audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of **Bhairavnath Sugar Works Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and Loss and cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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



### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

#### **2. As required by Section 143(3) of the Act, 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 purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of 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, the statement of profit and loss and statement of cash flows dealt with by this report are in agreement with the books of account;
- (e) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of 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 the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

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

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Pune

Date: 05/09/2019

UDIN: 19168206AAAADA8785

For Krushna Pardeshi & Associates  
Chartered Accountants



CA Krushna R Pardeshi  
Proprietor  
M. Number: 168206  
FRN: 147199W

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

[Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date]

### i. In respect of its Fixed Assets

- a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As confirmed by the management, the assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets and no material discrepancies between the book records and the physical inventory were noticed.
- c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds 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.
- d) In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

### ii. In respect of its Inventories

The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

### iii. In respect of loans granted to parties covered in the register maintained u/s 189 of the Companies Act, 2013.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Firms, Limited Liability Partnerships or other parties covered in the register required to be maintained under Section 189 of the Act. Therefore, provisions of clause 3(a), (b) & (c) of the Order are not applicable to the company.

### iii. In respect of its loans, investments, guarantees and security u/s 185 & 186 of Companies Act, 2013.

In our opinion and according to the information and explanations given to us, 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.

**v. In respect of its Deposits from Public**

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and rules framed there under. Therefore, the provisions of clause 3(v) of the Order are not applicable to the company. 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.

**vi. In respect of its maintenance of cost records**

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.

**vii. In respect of its statutory dues**

According to the information and explanations given to us and on the basis of our examination of the records of the Company in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Goods and Service Tax (GST), Service tax, Excise duty, Value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Goods and Service Tax (GST), Service tax, Excise duty, Value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no material dues of Income tax, Goods and Service Tax(GST), Sales tax, Service tax, Value added tax, Excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute.

**viii. In respect of its dues to financial institutions / banks / debenture**

According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or to debenture



holders during the year. Therefore, a provision of clause 3(viii) of the Order is not applicable to the company.

**ix. In respect of application of money raised by way of Public issue, Further Public Offer and Term loans:**

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loans were obtained.

**x. In respect of fraud**

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**xi. In respect of Managerial Remuneration:**

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.

**xii. In respect of Nidhi Company:**

The company is not a Nidhi Company. Therefore, provisions of clause 3 (xii) of the Order is not applicable to the company.

**xiii. In respect of Related Party Transactions:**

Based on the records, information and explanation given to us, details of the transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and have been disclosed in the financial statements as required by the accounting standards.

**xiv. In respect of Private Placement of Shares / Preferential Allotment:**

According to information and explanation given to us, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review. Therefore, a provision of clause 3(xiv) of the Order is not applicable to the company.





**xv. In respect of Non Cash Transactions:**

According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, a provision of clause 3(xv) of the Order is not applicable to the company.

**xvi. In respect of its registration with Reserve Bank of India:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore provision of clause 3(xvi) of the Order is not applicable to the company.

**Place: Pune**

**Date: 05/09/2019**

**UDIN: 19168206AAAADA8785**

**For Krushna Pardeshi & Associates  
Chartered Accountants**



**CA Krushna R Pardeshi  
Proprietor  
M. Number: 168206  
FRN: 147199W**



## **Annexure "B" to the Independent Auditor's Report**

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Bhairavnath Sugar Works Limited of even date)

### **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 at March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

The board of directors of the Company 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. 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, 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 Companies Act, 2013.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditor's judgement, including the assessment of the risks of material misstatement in the 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 control system over financial reporting.



### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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 of 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 control 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Place: Pune

Date: 05/09/2019

UDIN: 19168206AAAADA8785

**For Krushna Pardeshi & Associates  
Chartered Accountants**



**CA Krushna R Pardeshi  
Proprietor  
M. Number: 168206  
FRN: 147199W**



## PART I - Form of the BALANCE SHEET

Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED

Balance Sheet As At 31/03/2019

|           | 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       | 1810000000.00                        | 1810000000.00                         |
| b         | Reserves & Surplus  | 2       | 80974762.29                          | 47104800.32                           |
| c         | Money Received against Share warrants   |         | 0.00                                 | 0.00                                  |
| <b>2</b>  | <b>Share Application money pending allotment</b>  | 3       | 0.00                                 | 0.00                                  |
| <b>3</b>  | <b>Non-current liabilities</b>  |         |                                      |                                       |
| a         | Long Term Borrowings  |         |                                      |                                       |
|           | From Banks  | 4       | 1067340669.89                        | 1180239634.07                         |
|           | From Government : SDF Assistance  | 5       | 255437702.00                         | 365336135.00                          |
|           | From Others   | 6       | 0.00                                 | 0.00                                  |
|           | From Related Parties  | 7       | 1341767082.55                        | 1369086829.08                         |
| 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   |         | 3938582283.61                        | 3662413295.92                         |
| b         | Trade Payables  | 8       |                                      |                                       |
|           | (i) Total outstanding dues of micro enterprises and small enterprises                       |         | 0.00                                 | 0.00                                  |
|           | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |         | 977090976.38                         | 897903283.63                          |
| c         | Other Current Liabilities   | 9       | 2430980474.88                        | 2602332281.24                         |
| d         | Current Maturities of Long Term Debts   | 10      | 367012670.71                         | 426631097.02                          |
| e         | Branch & Divisions  |         | 0.00                                 | 0.00                                  |
| f         | Short Term Provisions   | 11      | 71332057.42                          | 55784495.46                           |
|           | <b>TOTAL</b>  |         | <b>12340518679.73</b>                | <b>12416831851.74</b>                 |
| <b>II</b> | <b>ASSETS</b>   |         |                                      |                                       |
| <b>1</b>  | <b>Non Current Assets</b>   |         |                                      |                                       |
| a         | Property, Plant and Equipment   |         |                                      |                                       |
|           | (i) Tangible Assets   | 12      | 4268126677.73                        | 4438681972.43                         |
|           | (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)   |         | 12464931.70                          | 13696180.00                           |
| d         | Long Term Loans & Advances  |         | 0.00                                 | 0.00                                  |
| e         | Other Non current assets  |         |                                      |                                       |
|           | Miscellaneous Expenditure   | 13      | 278726804.36                         | 305240532.54                          |
| <b>2</b>  | <b>Current Assets</b>   |         |                                      |                                       |
| a         | Current Investments   |         | 52094493.32                          | 131299698.32                          |
| b         | Inventories   | 14      | 6006110778.00                        | 5786610850.00                         |
| c         | Trade receivables   | 15      | 435037276.23                         | 455626078.24                          |
| d         | Cash & Cash equivalents   | 16      | 117021311.24                         | 579787812.52                          |
| e         | Short Term Loans & advances   | 17      | 853912780.80                         | 494405490.29                          |
| f         | Other Current Assets  | 18      | 317023626.35                         | 211483237.40                          |
|           | <b>TOTAL</b>  |         | <b>12340518679.73</b>                | <b>12416831851.74</b>                 |

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

As per our report of even date

For Krushna Pardeshi &amp; Associates

Chartered Accountants

FRN 147199W

Proprietor

CA Krushna Pardeshi

M. No. 168206

Place : Pune

Date : 05/09/2019

UDIN : 19168206AAAADA8785

For and on behalf of the Board of Directors

For Bhairavnath Sugar Works Limited

CIN : U15421PN2000PLC134301

Mr. Shivaji J. Sawant

Chairman

DIN : 00937530

Shri. Ravindranath Shelar

Managing Director

DIN : 06741387

Shri. Ravindra Sawant

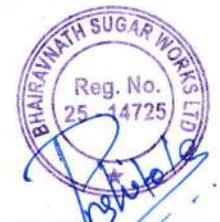
Chief Financial Officer

DIN : 01088487

Mrs. Priyanka Shitole

Company Secretary

M. No. A28369



**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 31/03/2019**

|      | Particulars   | Note No | Figures for Current reporting Period | Figures for previous reporting Period |
|------|---|---------|--------------------------------------|---------------------------------------|
|      | 1   | 2       | 3                                    | 4                                     |
| I    | Revenue from operations   | 19      | 7189218077.51                        | 2547640024.68                         |
| II   | Other Income  |         | 181976492.07                         | 19114676.74                           |
| III  | Total Revenue ( I + II )  |         | 7371194569.58                        | 2566754701.42                         |
| IV   | Expenses  |         |                                      |                                       |
|      | Cost of material consumed ( a - b )   |         | 5676449600.24                        | 1341259068.72                         |
| a    | Purchases   |         | 5895949528.24                        | 6433727762.72                         |
| b    | Changes in inventories of finished goods, work in progress and stock in trade | 20      | 219499928.00                         | 5092468694.00                         |
| c    | Employee benefits expenses  |         | 320204175.60                         | 245504412.66                          |
| d    | Finance Cost  |         | 590956750.08                         | 329101999.69                          |
| e    | Depreciation and amortisation expenses  | 21      | 537175206.18                         | 464173914.18                          |
| f    | Other Expenses  | 22      | 195789469.21                         | 172948220.52                          |
|      | Total Expenses  |         | 7320575201.31                        | 2552987615.77                         |
| V    | Profit before exceptional and extraordinary items and tax ( III - IV )        |         | 50619368.27                          | 13767085.65                           |
| VI   | Exceptional Items   |         | 0.00                                 | 0.00                                  |
| VII  | Profit before extraordinary items and tax ( V - VI )                          |         | 50619368.27                          | 13767085.65                           |
| VIII | Extraordinary Items   |         | 0.00                                 | 0.00                                  |
| IX   | Profit Before Tax ( VII - VIII )  |         | 50619368.27                          | 13767085.65                           |
| X    | Tax Expenses  |         |                                      |                                       |
| 1    | Current Tax   |         | 16749403.30                          | 4771972.00                            |
| 2    | Deferred Tax  |         | 15518155.00                          | 5604820.00                            |
|      |   |         | 1231248.30                           | -832848.00                            |
| XI   | Profit for the period from continuing operations ( IX - X )                   |         | 33869964.97                          | 8995113.65                            |
| 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 )  |         | 33869964.97                          | 8995113.65                            |
| XVI  | Earnings per equity share   |         |                                      |                                       |
| 1    | Basic   |         | 0.25                                 | 0.07                                  |
| 2 -  | Diluted   |         | 0.25                                 | 0.07                                  |

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

As per our report of even date  
 For Krushna Pardeshi & Associates  
 Chartered Accountants  
 FRN 147199W

For and on behalf of the Board of Directors  
 For Bhairavnath Sugar Works Limited  
 CIN : U15421PN2000PLC134301

Proprietor  
 CA Krushna Pardeshi  
 M. No. 168206  
 Place : Pune  
 Date : 05/09/2019  
 UDIN : 19168206AAAADA8785



Mr. Shivaji J. Sawant  
 Chairman  
 DIN : 00937530

Shri. Ravidranath Shelar  
 Managing Director  
 DIN : 06741387

Shri. Ravindra Sawant  
 Chief Financial Officer  
 DIN : 01088487

Mrs. Priyanka Shitole  
 Company Secretary  
 M. No. A28369



Name of the Company:- BHAIRAVNATH SUGAR WORKS LIMITED  
Cash Flow Statement for the year ended 31 March, 2019

| Particulars  | For the year ended<br>31 March, 2019         |                      | For the year ended<br>31 March, 2018         |                       |
|--|--|----------------------|--|-----------------------|
|  | Rs.  | Rs.                  | Rs.  | Rs.                   |
| <b>A. Cash flow from operating activities</b>                          |  |                      |  |                       |
| Net Profit / (Loss) before extraordinary items and tax                 |  | 50619368.27          |  | 13767085.65           |
| <i>Adjustments for:</i>  |  |                      |  |                       |
| Depreciation and amortisation  | 537175206.18                                 |                      | 464173914.18                                 |                       |
| Finance costs  | 590956750.08                                 |                      | 329101999.69                                 |                       |
| Reserves   | -3.00  |                      | 0.00   |                       |
| Deferred Tax Asset credited to P & L                                   | 0.00   |                      | 0.00   |                       |
| Interest income  | -5645263.01                                  |                      | -5657492.98                                  |                       |
| Operating profit / (loss) before working capital changes               |  | 1122486690.25        |  | 787618420.89          |
| <i>Changes in working capital:</i>                                     |  | 1173106058.52        |  | 801385506.54          |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |  |                      |  |                       |
| Inventories  | -219499928.00                                |                      | -5092468694.00                               |                       |
| Trade receivables  | 20588802.01                                  |                      | -127890735.07                                |                       |
| Short-term loans and advances  | -359507290.51                                |                      | 94555358.08                                  |                       |
| Current Investments  | 79205205.00                                  |                      | -12959387.77                                 |                       |
| Other current assets   | -105540388.95                                |                      | -73900248.41                                 |                       |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |  |                      |  |                       |
| Trade payables   | 79187692.75                                  |                      | 512141002.36                                 |                       |
| Other current liabilities  | -171351806.36                                |                      | 2347414242.93                                |                       |
| Short-term provisions  | 15547561.96                                  |                      | 35126674.82                                  |                       |
| Long-term provisions   | 0.00   |                      | 0.00   |                       |
| Cash flow from extraordinary items                                     |  | -661370152.10        |  | -2317981787.06        |
| Cash generated from operations   |  | 511735906.42         |  | -1516596280.52        |
| Net income tax (paid) / refunds  |  | 0.00                 |  | 0.00                  |
|  |  | 511735906.42         |  | -1516596280.52        |
|  |  | 15518155.00          |  | 5604820.00            |
| <b>Net cash flow from / (used in) operating activities (A)</b>         |  | <b>496217751.42</b>  |  | <b>-1522201100.52</b> |
|  |  |                      |  |                       |
| <b>Particulars</b>   | <b>For the year ended<br/>31 March, 2019</b> |                      | <b>For the year ended<br/>31 March, 2018</b> |                       |
|  | <b>Rs.</b>                                   | <b>Rs.</b>           | <b>Rs.</b>                                   | <b>Rs.</b>            |
| <b>B. Cash flow from investing activities</b>                          |  |                      |  |                       |
| Capital expenditure on fixed assets, including capital advances        |  | -340106183.30        |  | -1693961157.54        |
| Purchase of long-term investments                                      |  | 0.00                 |  | -1219315.00           |
| - Others   | 0.00   |                      | 0.00   |                       |
| - Miscellaneous Expenditure  | 0.00   |                      | -1219315.00                                  |                       |
| Proceeds from sale of long-term investments                            |  | 0.00                 |  | 0.00                  |
| - Others   | 0.00   |                      | 0.00   |                       |
| Interest received  |  | 5645263.01           |  | 5657492.98            |
| - Others   | 5645263.01                                   |                      | 5657492.98                                   |                       |
| Cash flow from extraordinary items                                     |  | -334460920.29        |  | -1689522979.56        |
|  |  | 0.00                 |  | 0.00                  |
| Net income tax (paid) / refunds  |  | -334460920.29        |  | -1689522979.56        |
|  |  | 0.00                 |  | 0.00                  |
| <b>Net cash flow from / (used in) investing activities (B)</b>         |  | <b>-334460920.29</b> |  | <b>1689522979.56</b>  |



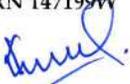
| Cash Flow Statement (contd.)<br>Particulars                           | For the year ended<br>31 March, 2019 |                      | For the year ended<br>31 March, 2018 |                      |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
|   | Rs.                                  | Rs.                  | Rs.                                  | Rs.                  |
| <b>C. Cash flow from financing activities</b>                         |                                      | -624523332.41        |                                      | 3763239617.70        |
| Proceeds from issue of equity shares                                  | 0.00                                 |                      | 504649700.00                         |                      |
| Share application money received / (refunded/adjusted)                | 0.00                                 |                      | 0.00                                 |                      |
| Proceeds and Repayment from long-term borrowings                      | -309735570.02                        |                      | 808296133.62                         |                      |
| Net increase / (decrease) in working capital borrowings               | 276168987.69                         |                      | 2779395783.77                        |                      |
| Finance cost  | -590956750.08                        |                      | -329101999.69                        |                      |
| Cash flow from extraordinary items                                    |                                      | 0.00                 |                                      | 0.00                 |
| <b>Net cash flow from / (used in) financing activities (C)</b>        |                                      | <b>-624523332.41</b> |                                      | <b>3763239617.70</b> |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b> |                                      | <b>-462766501.28</b> |                                      | <b>551515537.62</b>  |
| Cash and cash equivalents at the beginning of the year                |                                      | 579787812.52         |                                      | 28272274.90          |
| Effect of exchange differences on restatement of foreign currency     |                                      | 0.00                 |                                      | 0.00                 |
| Cash and cash equivalents   |                                      |                      |                                      |                      |
| <b>Cash and cash equivalents at the end of the year</b>               |                                      | <b>117021311.24</b>  |                                      | <b>579787812.52</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 Krushna Pardeshi & Associates  
Chartered Accountants  
FRN 147199W

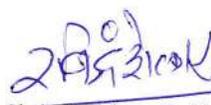


Proprietor  
CA Krushna Pardeshi  
M. No. 168206  
Place : Pune  
Date : 05/09/2019  
UDIN : 19168206AAAADA8785



For and on behalf of the Board of Directors  
Bhairavnath Sugar Works Limited  
CIN : U15421PN2000PLC134301



     
Mr. Shivaji J. Sawant      Shri. Ravidranath Shelar      Shri. Ravindra Sawant      Mrs. Priyanka Shitole  
Chairman                      Managing Director              Chief Financial Officer      Company Secretary  
DIN : 00937530              DIN : 06741387              DIN : 01088487              M. No. A28369

**NOTES FORMING PART OF THE BALANCE SHEET**

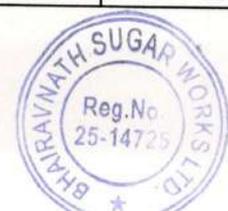
| NOTE NO. 1 : SHARE CAPITAL |   |                               |                               |
|----------------------------|---|-------------------------------|-------------------------------|
| NO                         | DESCRIPTION   | 31/03/2019                    | 31/03/2018                    |
| A                          | <b>Authorised Capital</b>   |                               |                               |
|                            | Equity Shares divided into 133500000 of Rs. 10 each<br>Preference Shares divided into 4750000 of Rs. 100 each | 1335000000.00<br>475000000.00 | 1335000000.00<br>475000000.00 |
| B                          | <b>Subscribed &amp; Paid up Capital</b>   |                               |                               |
|                            | Equity Shares divided into 133500000 of Rs. 10 each<br>Preference Shares divided into 4750000 of Rs. 100 each | 1335000000.00<br>475000000.00 | 1335000000.00<br>475000000.00 |
|                            | <b>Total Rs.</b>  | <b>1810000000.00</b>          | <b>1810000000.00</b>          |

| NOTE NO. 2 : RESERVES AND SURPLUS |                                |                    |                    |
|-----------------------------------|--------------------------------|--------------------|--------------------|
| NO                                | DESCRIPTION                    | 31/03/2019         | 31/03/2018         |
| A                                 | <b>Profit and loss account</b> |                    |                    |
|                                   | Opening balance                | 47104800.32        | 38109686.67        |
|                                   | Add: Profit during the year    | 33869964.97        | 8995113.65         |
|                                   | Less : Transfer                | 3.00               | 0.00               |
|                                   | <b>Closing Balance</b>         | <b>80974762.29</b> | <b>47104800.32</b> |

| NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTTMENT |   |             |             |
|---|---|-------------|-------------|
| NO  | DESCRIPTION                                       | 31/03/2019  | 31/03/2018  |
| 1   | Share Application Money- Preference Share Capital | 0.00        | 0.00        |
|   | <b>Total Rs.</b>                                  | <b>0.00</b> | <b>0.00</b> |

| NOTE NO. 4 : LONG TERM BORROWINGS : FROM BANKS |  |                      |                      |
|--|--|----------------------|----------------------|
| NO   | DESCRIPTION  | 31/03/2019           | 31/03/2018           |
| 1  | M.D.C.C. Term Loan 00165062000018                  | 385793786.00         | 456188845.00         |
| 2  | UBI Term Loan 321706390010059                      | 361955349.00         | 188140024.48         |
| 3  | Yes Bank - Land Crusier No.-ALN000800461435        | 10653401.00          | 0.00                 |
| 4  | JMCCS - Vehicle Loan - 160/3                       | 6879373.29           | 0.00                 |
| 5  | Punjab National Bank Term Loan 450800IC00000197    | 96062456.92          | 143788855.00         |
| 6  | IDBI Term Loan 778673200000055                     | 43035005.82          | 73972639.96          |
| 7  | Dena Bank TL 74457031001                           | 47849496.99          | 63031342.20          |
| 8  | Punjab National Bank Financial Assistance - SEFASU | 0.00                 | 670931.00            |
| 9  | Punjab National Bank Soft Loan 450800IC00000203    | 4391288.00           | 13123163.00          |
| 10   | IDBI Bank 778673200000268                          | 110720512.87         | 138263244.43         |
| 11   | Union Bank of India 321706390010058                | 0.00                 | 103060589.00         |
|  | <b>Total Rs.</b>                                   | <b>1067340669.89</b> | <b>1180239634.07</b> |

| NOTE NO. 5 : LONG TERM BORROWINGS : FROM GOVERNMENT- SDF ASSISTANCE |                        |                     |                     |
|---|------------------------|---------------------|---------------------|
| NO  | DESCRIPTION            | 31/03/2019          | 31/03/2018          |
| 1   | Sugar Development Fund | 255437702.00        | 365336135.00        |
|   | <b>Total Rs.</b>       | <b>255437702.00</b> | <b>365336135.00</b> |





**NOTES FORMING PART OF THE BALANCE SHEET**

| <b>NOTE NO. 6 : LONG TERM BORROWINGS : FROM OTHERS</b> |   |             |             |
|--|---|-------------|-------------|
| NO   | DESCRIPTION   | 31/03/2019  | 31/03/2018  |
| 1  | Jayawant Multi State Credit Co Operative Society Ltd TL | 0.00        | 0.00        |
|  | <b>Total Rs.</b>  | <b>0.00</b> | <b>0.00</b> |

| <b>NOTE NO. 7 : LONG TERM BORROWINGS FROM RELATED PARTIES:<br/>UNSECURED LOANS, DEPOSITS RECEIVED FROM DIRECTORS, SHARE HOLDERS AND RELATIVES</b> |                  |                      |                      |
|---|------------------|----------------------|----------------------|
| NO  | DESCRIPTION      | 31/03/2019           | 31/03/2018           |
| 1   | Unsecured Loans  | 1341767082.55        | 1369086829.08        |
|   | <b>Total Rs.</b> | <b>1341767082.55</b> | <b>1369086829.08</b> |

| <b>NOTE NO. 8 : TRADE PAYABLES</b> |   |                     |                     |
|------------------------------------|---|---------------------|---------------------|
| NO                                 | DESCRIPTION   | 31/03/2019          | 31/03/2018          |
| 1                                  | Trade Payables  |                     |                     |
|                                    | (i) Total outstanding dues of micro enterprises and small enterprises                       | 0.00                | 0.00                |
|                                    | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 977090976.38        | 897903283.63        |
|                                    | <b>Total Rs.</b>  | <b>977090976.38</b> | <b>897903283.63</b> |

| <b>NOTE NO. 9 : OTHER CURRENT LIABILITIES</b> |                               |                      |                      |
|---|-------------------------------|----------------------|----------------------|
| NO  | DESCRIPTION                   | 31/03/2019           | 31/03/2018           |
| 1   | Duties & Taxes Payable        | 50141460.30          | 45438525.33          |
| 2   | Other Liabilities             | 103984377.87         | 101687397.00         |
| 3   | Tax Deducted at Source        | 5598250.76           | 5086267.92           |
| 4   | Cane, H & T and Other Payable | 2271256385.95        | 2450120090.99        |
|   | <b>Total Rs.</b>              | <b>2430980474.88</b> | <b>2602332281.24</b> |

| <b>NOTE NO. 10 : CURRENT MATURITIES OF LONG TERM DEBTS</b> |  |                     |                     |
|--|--|---------------------|---------------------|
| NO   | DESCRIPTION  | 31/03/2019          | 31/03/2018          |
| 1  | M.D.C.C. Term Loan 00165062000018                  | 71428572.00         | 47619048.00         |
| 2  | UBI Term Loan 321706390010059                      | 71428572.00         | 71428571.43         |
| 3  | Yes Bank - Land Crusier No.-ALN000800461435        | 2199784.00          | 0.00                |
| 4  | JMCCS - Vehicle Loan - 160/3                       | 1623052.71          | 0.00                |
| 5  | Punjab National Bank Term Loan 450800IC00000197    | 47200000.00         | 47200000.00         |
| 6  | IDBI Term Loan 778673200000055                     | 21428571.43         | 21428571.43         |
| 7  | Dena Bank TL 74457031001                           | 23600000.00         | 23600000.00         |
| 8  | Punjab National Bank Financial Assistance - SEFASU | 0.00                | 65600000.00         |
| 9  | Punjab National Bank Soft Loan 450800IC00000203    | 8575000.00          | 8575000.00          |
| 10   | HDFC Bank Mercedez Benz 33083463                   | 0.00                | 221987.59           |
| 11   | IDBI Bank 778673200000268                          | 28571428.57         | 28571428.57         |
| 12   | Union Bank of India 321706390010058                | 0.00                | 21428800.00         |
| 13   | Sugar Development Fund                             | 90957690.00         | 90957690.00         |
|  | <b>Total Rs.</b>                                   | <b>367012670.71</b> | <b>426631097.02</b> |



NOTES FORMING PART OF THE BALANCE SHEET

| NOTE NO. 11 : SHORT TERM PROVISIONS |                  |                    |                    |
|-------------------------------------|------------------|--------------------|--------------------|
| NO                                  | DESCRIPTION      | 31/03/2019         | 31/03/2018         |
| 1                                   | Provisions       | 71332057.42        | 55784495.46        |
|                                     | <b>Total Rs.</b> | <b>71332057.42</b> | <b>55784495.46</b> |

| NOTE NO. 13 : MISCELLANEOUS EXPENDITURE |   |                     |                     |
|---|---|---------------------|---------------------|
| NO                                      | DESCRIPTION   | 31/03/2019          | 31/03/2018          |
| 1                                       | Preliminary Preoperative Expenses   | 10248312.36         | 14490818.54         |
| 2                                       | Expenditure under Collaboration Agreement with Shivshakti Shetkari Sahakari Sakhar Karkhana | 268478492.00        | 290749714.00        |
|   | <b>Total Rs.</b>  | <b>278726804.36</b> | <b>305240532.54</b> |

| NOTE NO. 14 : INVENTORIES |                              |                      |                      |
|---------------------------|------------------------------|----------------------|----------------------|
| NO                        | DESCRIPTION                  | 31/03/2019           | 31/03/2018           |
| 1                         | Closing Stock of Inventories | 6006110778.00        | 5786610850.00        |
|                           | <b>Total Rs.</b>             | <b>6006110778.00</b> | <b>5786610850.00</b> |

| NOTE NO. 15 : TRADE RECEIVABLES |  |                     |                     |
|---------------------------------|--|---------------------|---------------------|
| NO                              | DESCRIPTION                            | 31/03/2019          | 31/03/2018          |
| 1                               | Trade receivables less than six months | 435037276.23        | 455626078.24        |
| 2                               | Trade receivables more than six months | 0.00                | 0.00                |
|                                 | <b>Total Rs.</b>                       | <b>435037276.23</b> | <b>455626078.24</b> |

| NOTE NO. 16 : CASH & CASH EQUIVALENTS |                  |                     |                     |
|---------------------------------------|------------------|---------------------|---------------------|
| NO                                    | DESCRIPTION      | 31/03/2019          | 31/03/2018          |
| 1                                     | Cash Balance     | 2572864.00          | 1158120.28          |
| 2                                     | Bank Balance     | 114448447.24        | 578629692.24        |
|                                       | <b>Total Rs.</b> | <b>117021311.24</b> | <b>579787812.52</b> |

| NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES |                    |                     |                     |
|---|--------------------|---------------------|---------------------|
| NO  | DESCRIPTION        | 31/03/2019          | 31/03/2018          |
| 1   | Loans and Advances | 853912780.80        | 494405490.29        |
|   | <b>Total Rs.</b>   | <b>853912780.80</b> | <b>494405490.29</b> |

| NOTE NO. 18 : OTHER CURRENT ASSETS |                      |                     |                     |
|------------------------------------|----------------------|---------------------|---------------------|
| NO                                 | DESCRIPTION          | 31/03/2019          | 31/03/2018          |
| 1                                  | Other Current Assets | 317023626.35        | 211483237.40        |
|                                    | <b>Total Rs.</b>     | <b>317023626.35</b> | <b>211483237.40</b> |



**NOTES FORMING PART OF THE BALANCE SHEET**

| NOTE NO. 19 : REVENUE FROM OPERATIONS |                               |                      |                      |
|---------------------------------------|-------------------------------|----------------------|----------------------|
| NO                                    | DESCRIPTION                   | 31/03/2019           | 31/03/2018           |
| 1                                     | Sale of Products Manufactured | 7189218077.51        | 2547640024.68        |
| 2                                     | Other Operational revenue     | 0.00                 | 0.00                 |
| <b>Total Rs.</b>                      |                               | <b>7189218077.51</b> | <b>2547640024.68</b> |

| NOTE NO. 20 : CHANGES IN INVENTORIES |                              |                     |                      |
|--------------------------------------|------------------------------|---------------------|----------------------|
| NO                                   | DESCRIPTION                  | 31/03/2019          | 31/03/2018           |
| 1                                    | Closing Stock of inventories | 6006110778.00       | 5786610850.00        |
| 2                                    | Opening Stock of inventories | 5786610850.00       | 694142156.00         |
| <b>Total Rs.</b>                     |                              | <b>219499928.00</b> | <b>5092468694.00</b> |

| NOTE NO. 21 : DEPRECIATION AND AMORTISATION EXPENSES |  |                     |                     |
|--|--|---------------------|---------------------|
| NO   | DESCRIPTION                                  | 31/03/2019          | 31/03/2018          |
| 1  | Depreciation                                 | 510661478.00        | 437660186.00        |
| 2  | Amortisation of Preliminary Expenses         | 4242506.18          | 4242506.18          |
| 3  | Amortisation of Payments under Collaboration | 22271222.00         | 22271222.00         |
| <b>Total Rs.</b>                                     |  | <b>537175206.18</b> | <b>464173914.18</b> |

| NOTE NO. 22 : OTHER EXPENSES |  |                     |                     |
|------------------------------|--|---------------------|---------------------|
| NO                           | DESCRIPTION                              | 31/03/2019          | 31/03/2018          |
| 1                            | Administrative Expenses                  | 8621207.20          | 7865825.41          |
| 2                            | Market Development                       | 1917348.57          | 1218928.00          |
| 3                            | Travelling, Hire charges & Fuel Expenses | 14133481.18         | 10874799.16         |
| 4                            | Rent                                     | 76616510.00         | 75266778.00         |
| 5                            | Repairs & Maintenance                    | 22484029.71         | 17948236.91         |
| 6                            | Advertisement & Publicity Expenses       | 316894.02           | 363938.80           |
| 7                            | Chief Minister Relief Fund Contribution  | 9759988.00          | 7089714.84          |
| 8                            | License, Certificate etc Fees            | 5401354.10          | 5918295.20          |
| 9                            | Workmen Welfare Expenses                 | 369320.00           | 858596.19           |
| 10                           | Office Expenses                          | 767735.97           | 835024.70           |
| 11                           | Postage, Telephone & Internet            | 1973697.18          | 2886809.81          |
| 12                           | Printing & Stationery                    | 1091583.13          | 1122364.54          |
| 13                           | Rates & Taxes                            | 3327594.08          | 4359293.00          |
| 14                           | Legal Expenses                           | 86646.00            | 416287.00           |
| 15                           | Water Supply Expenses                    | 15756346.27         | 11845161.38         |
| 16                           | Transport Expenses                       | 3842465.75          | 6585688.38          |
| 17                           | Interest on Statutory Dues               | 343649.00           | 548006.00           |
| 18                           | Professional Fees                        | 3278539.00          | 6389807.27          |
| 19                           | Insurance                                | 5224084.00          | 4218940.15          |
| 20                           | Corporate Social Responsibility          | 20380732.05         | 6158061.00          |
| 21                           | Indirect Taxes : Vat, Excise etc         | 96264.00            | 177664.78           |
| <b>Total Rs.</b>             |  | <b>195789469.21</b> | <b>172948220.52</b> |



NOTE NO. 12 : TANGIBLE ASSETS

| Sr. No             | Particulars       | Cost / Gross Block           |                          |                                     |                              | Depreciation         |                      |                                     | Net Block            |                      |
|--------------------|-------------------|------------------------------|--------------------------|-------------------------------------|------------------------------|----------------------|----------------------|-------------------------------------|----------------------|----------------------|
|                    |                   | Gross Block As at 01.04.2018 | Addition during the year | Transfer / Deductions / Adjustments | Gross Block As at 31.03.2019 | As at 01.04.2018     | For the Current Year | Total Depreciation As at 31.03.2019 | As at 31.03.2019     | As at 31.03.2018     |
| 1                  | Building          | 1284667743                   | 5777358.15               | 0.00                                | 1290445101.46                | 286577316.60         | 47844899.00          | 334422215.60                        | 956022885.86         | 998090426.71         |
| 2                  | Furniture         | 22011532.63                  | 522325.72                | 0.00                                | 22533858.35                  | 15171043.84          | 1888448.00           | 17059491.84                         | 5474366.51           | 6840488.79           |
| 3                  | Land              | 204811149.94                 | 625102.20                | 0.00                                | 205436252.14                 | 0.00                 | 0.00                 | 0.00                                | 205436252.14         | 204811149.94         |
| 4                  | Office Equipment  | 9232775.27                   | 944910.92                | 0.00                                | 10177686.19                  | 4921616.57           | 1858305.00           | 6779921.57                          | 3397764.62           | 4311158.70           |
| 5                  | Plant & Machinery | 5197356021.06                | 291117418.30             | 0.00                                | 5488473439.36                | 2005521633.25        | 448193553.00         | 2453715186.25                       | 3034758253.11        | 3191834387.81        |
| 6                  | Vehicles          | 79074200.77                  | 30008536.34              | 0.00                                | 109082737.11                 | 54673390.96          | 7951077.00           | 62624467.96                         | 46458269.15          | 24400809.81          |
| 7                  | Computers         | 5035244.83                   | 427100.00                | 0.00                                | 5462344.83                   | 3799285.46           | 538450.00            | 4337735.46                          | 1124609.37           | 1235959.37           |
| 8                  | Bullock Cart      | 33948892.3                   | 0.00                     | 0.00                                | 33948892.30                  | 26791301.00          | 2386746.00           | 29178047.00                         | 4770845.30           | 7157591.30           |
| 9                  | Capital WIP       | 0                            | 10683431.67              | 0.00                                | 10683431.67                  | 0.00                 | 0.00                 | 0.00                                | 10683431.67          | 0.00                 |
| <b>Grand Total</b> |                   | <b>6836137560.11</b>         | <b>340106183.30</b>      | <b>0.00</b>                         | <b>7176243743.41</b>         | <b>2397455587.68</b> | <b>510661478.00</b>  | <b>2908117065.68</b>                | <b>4268126677.73</b> | <b>4438681972.43</b> |



## Notes Forming Part of Financial Statements

### 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 - 411046.
- 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 Alegaon (BK.), Post Adhegaon, Madha, Dist. Solapur
- f. Unit V: - At Post Washi, Tandulwadi, Tal. Washi, Dist. Osmanabad.

During the financial year 2018-19 the company is operational in manufacturing activity from it's all the units located at Sonari, Vihal, Lavangi, Alegaon and Washi. Further, the company is also engaged into cogeneration activity from its Sonari, Vihal, Lavangi and Alegaon Units. Company is also running 30KLPD Molasses Base Distillery from its Sonari Unit.

### 2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

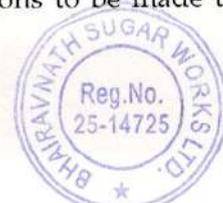
#### Basis of preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable. 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.

All the assets and liabilities have been classified as current or non current as per company's normal operation cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013.

#### Use of Estimates

The presentation of Financial Statements requires estimates and assumptions to be made that



affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period.

Difference between the actual result and estimates are recognized in the period in which the results are known or materialized.

### **Valuation of Inventories (AS 2)**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the 'average cost' method. The cost of finished goods and work in progress comprises raw material, packing materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

### **Cash Flow Statement (AS 3)**

Cash Flows are reported as per the Indirect Method as specified in AS 3 issued by the Institute of Chartered Accountants of India.

### **Net profit or Loss for the period, Prior Period Items and Changes in Accounting Policies (AS 5)**

The Company's Profit & Loss Account presents profit / loss from ordinary activities. There are no extraordinary items or changes in accounting estimates and policies during the year under review which need to be disclosed as per AS 5 issued by the Institute of Chartered Accountants of India.

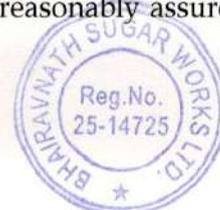
### **Construction Contracts (AS 7)**

AS 7 is not applicable since the Company does not have construction business.

### **Revenue Recognition (AS 9)**

The Company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are delivered to the dealer / customer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the dealer / customer.

Revenues are recognised when collectability of the resulting receivables is reasonably assured.



Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

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.

Interest: Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

### **Property, Plant and Equipment (AS 10)**

Fixed Assets are stated at cost of acquisition inclusive of freight, non-refundable duties & taxes, borrowing costs during construction or before the asset is put into commercial use and other direct incidental expenses related to acquisition and installation.

Depreciation in respect of all the assets is provided on written down value method over the useful lives of assets estimated by the Company. Depreciation for assets purchased /sold during the period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down value basis, commencing from the date the asset is available to the Company for its use.

The Institute of Chartered Accountants of India issued a Guidance Note (A) 35 on Accounting for Depreciation in Companies in the context of Schedule II of the Companies Act, 2013 on 6th Feb 2016 with the objective to provide guidance on certain significant issues that may arise from the practical application of Schedule II with a view to establish consistent practice with regard to the accounting for depreciation. The Guidance Note has laid down certain principles while estimating and calculating the useful life of assets and its subsequent impact on the depreciation charge.

### **Foreign Currency Translation (AS 11)**

AS 11 is not applicable as the company has not entered into Foreign Currency Transactions.

### **Government Grants (AS 12)**

During financial year 2017-18 due to excess sugar production in the country, the Central Government, with a view to improve liquidity of the sugar industry; enabling them to clear cane price arrears of farmers and to stabilize domestic sugar price, notifies the Scheme for



Creation and Maintenance of Buffer Stock of 30 Lakh MT of sugar by the sugar mills in the country for one year. The company has recognized Buffer Stock Subsidy of Rs. 5,99,54,625/- as other income in Profit & Loss Account. Out of which, the company has received Buffer Stock Subsidy of Rs. 3,97,91,762/- from the Central Government during the year till the date of signing of financial statements.

### **Investments (AS 13)**

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made are classified as current investments. All the other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in the value of investments, such reduction being determined and made for each investment individually.

### **Employee Benefits (AS 15)**

#### **Provident Fund:**

Contribution towards statutory provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

### **Borrowing Costs (AS 16)**

Borrowings cost that are directly attributable to the acquisition or production of a qualifying asset is capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

### **Segment Reporting (AS 17)**

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.





**Related Party Disclosures (AS 18)**

| Sr. No. | Nature of Related Parties  | Name of Related Parties  |
|---------|--|--|
| A)      | Key Management Personnel   | Shri. Tanaji J. Sawant<br>Shri. Shivaji J. Sawant<br>Shri. Kiran Sawant<br>Shri. Ravindra Sawant<br>Shri. Dhananjay Sawant<br>Shri. Kalidas Sawant<br>Shri. Anil Sawant<br>Shri. Ravindranath Shelar                           |
| B)      | Relatives of Key Management Personnel  | Shri. Pruthviraj Sawant<br>Shri. Uttam Sawant<br>Shri. Vikram Sawant<br>Shri. Giriraj Sawant<br>Shri. Rushiraj Sawant<br>Mrs. Shubhangi Tanaji Sawant<br>Mrs. Meenakshi Shivaji Sawant<br>Shri. Vijay Subhash Sawant           |
| C)      | Enterprises where controlling individual or key managerial personnel has significant influence | JSPM Academic Excellence Private Limited<br>Giriraj Infra Solutions Pvt Ltd<br>Giriraj Promoters Pvt Ltd<br>Bhairavnath Agro Process Limited<br>Siddhivinayak Sugars Limited<br>Nutri First Agro International Private Limited |



Amount of transactions with enterprises where Key Management personnel and their relatives exercise significant influence

(Amount in Rs.)

| Sr. No. | Name of Related party     | Nature of transaction    | During the current financial year ended on 31.03.2019 | During the financial year ended on 31.03.2018 |
|---------|---------------------------|--------------------------|---|---|
| 1       | Giriraj Promoters Pvt Ltd | Rent                     | 75064500.00   | 73658250.00                                   |
| 2       | Shri. Shivaji Sawant      | Contractor Services      | 1832994.00  | 1945658.00                                    |
| 3       | Shri. Shivaji Sawant      | Purchase of Raw Material | 1065230.00  | 1052856.00                                    |
| 4       | Shri. Kiran Sawant        | Contractor Services      | 1258032.00  | 1883197.00                                    |
| 5       | Shri. Kiran Sawant        | Purchase of Raw Material | 571920.00   | 256624.00                                     |
| 6       | Shri. Dhananjay Sawant    | Contractor Services      | 1261802.00  | 1829591.00                                    |
| 7       | Shri. Dhananjay Sawant    | Purchase of Raw Material | 310052.00   | 217140.00                                     |
| 8       | Shri. Kalidas Sawant      | Contractor Services      | 1451206.00  | 1608438.00                                    |
| 9       | Shri. Kalidas Sawant      | Purchase of Raw Material | 1135420.00  | 1135459.00                                    |
| 10      | Shri. Anil Sawant         | Contractor Services      | 1164390.00  | 2138138.00                                    |
| 11      | Shri. Anil Sawant         | Purchase of Raw Material | 1105410.00  | 1092873.00                                    |
| 12      | Shri. Pruthviraj Sawant   | Purchase of Raw Material | 1168791.00  | 687141.00                                     |
| 13      | Shri. Pruthviraj Sawant   | Salary                   | 1275000.00  | 0.00  |



| Sr. No. | Name of Related party | Nature of transaction    | During the current financial year ended on 31.03.2019 | During the financial year ended on 31.03.2018 |
|---------|-----------------------|--------------------------|---|---|
| 13      | Shri. Tanaji Sawant   | Purchase of Raw Material | 1315470.00  | 1314890.00                                    |
| 14      | Shri. Uttam Sawant    | Purchase of Raw Material | 1205470.00  | 1165325.00                                    |
| 15      | Shri. Uttam Sawant    | Contractor Services      | 842334.00   | 1748172.00                                    |
| 16      | Shri. Ravindra Sawant | Contractor Services      | 825094.00   | 1793975.00                                    |
| 17      | Giriraj Sawant        | Salary                   | 480000.00   | 0.00  |
| 18      | Rushiraj Sawant       | Salary                   | 480000.00   | 0.00  |
| 19      | Vikram Sawant         | Salary                   | 1000000.00  | 0.00  |

#### Earnings per share (AS 20)

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.

#### Current and Deferred Tax (AS 22)

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred



tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

| Particular  | Amount       |
|---|--------------|
| Opening Timing Difference creating DTL  | 0.00         |
| Opening Timing Difference creating DTA  | 44324207.00  |
| Add/Less: Current Year Timing Difference creating DTA                         |              |
| Difference Due To Depreciation  | (8615009.00) |
| Difference Due To Amortization  | 4242506.18   |
| Difference Due To Section 43B allowances                                      | 0.00         |
| Balance Timing Difference creating DTA  | 39951704.18  |
| DTA To be shown in Balance Sheet of F.Y.2018-19 @ 31.2%                       | 12464931.70  |
|   |              |
| A. Opening DTA Balance as on 31.03.2018                                       | 13696180.00  |
| B. Closing Balance of DTA as on 31.03.2019                                    | 12464931.70  |
| C. Therefore, Deferred Tax Liability to be debited to Profit & Loss A/c (B-A) | 1231248.29   |
| D. Closing DTL Balance as on 31.03.2019                                       | 0.00         |

#### Provisions and contingent liabilities (AS 29)

A provision is recognized when the Company has a present obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.



A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

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. 1,53,26,169/- as on the date of the balance sheet.

Contingent Assets are neither recognized nor disclosed.

#### **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.



**Disclosures required under the Micro, Small & Medium Development Act, 2006**

| Item No. | Disclosures required under the Micro, Small & Medium Development Act, 2006  |
|----------|---|
| I        | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year<br>Principal amount due Rs. 0.00/-<br>Interest due thereon Rs. 0.00/-   |
| II       | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year<br>Interest paid Rs. 0.00/-<br>Amount Paid Rs. 0.00/-  |
| III      | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006<br>Interest due and payable Rs. 0.00/-   |
| IV       | The amount of interest accrued and remaining unpaid at the end of each accounting year;<br>Interest accrued and remaining unpaid Rs. 0.00/-   |
| V        | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006<br>Amount of Interest Rs. 0.00/- |

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2019 as micro, small or medium enterprises. Consequently, the amount paid/payable to these parties during the year is nil.

**Rounding of amounts**

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest decimals as per the requirement of Schedule III, unless otherwise stated.



## Grouping of Accounts

Previous year's figures have been suitably regrouped wherever necessary to conform to current year's classification and are in consonance to the generally accepted accounting practices.

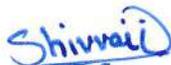
## Notes to the financial statements

- a. 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.
- b. The Board has not proposed any dividend for the year
- c. Central Sales tax and VAT assessments are completed up to Financial Year 2014-15. The liability, if any, in respect of pending assessment is unascertainable, hence not provided for.
- d. Income tax assessments are completed up to the Assessment Year 2016-17 (relevant to the Accounting Year ended on 31.03.2016). The liability, if any, in respect of pending assessments and appeals under the Income Tax Act, 1961 is unascertainable, hence not provided for.
- e. 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.

For and on behalf of Board of Directors

Bhairavnath Sugar Works Limited

CIN: U15421PN2000PLC134301



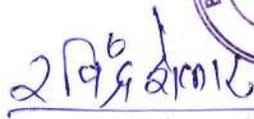
Mr. Shivaji Sawant

Chairman

DIN: 00937530

Date: 05/09/2019

Place: Pune



Mr. Ravindranath Shelar

Managing Director

DIN: 06741387



To be read with our report of even date

For Krushna Pardeshi & Associates

Chartered Accountants

FRN: 147199W



CA Krushna Pardeshi

Proprietor

M. No: 168206

UDIN: 19168206AAAADA8785



**Bhairavnath Sugar Works Ltd**  
**Notes forming part of the financial statements**

**Disclosures under Accounting Standards (contd.)**

| Note | Particulars   | For the year ended<br>31 March, 2019 |
|------|---|--------------------------------------|
|      |   | Rs.                                  |
| 3    | <b>Details of borrowing costs capitalised</b><br>Borrowing costs capitalised during the year<br>- as fixed assets / intangible assets / capital<br>work-in-progress<br><br>- as inventory | 0.00                                 |
|      |   | 0.00                                 |





Disclosures under Accounting Standards (contd.)

| Note | Particulars   |                                   |          |         |          |          |              |          |
|------|---|-----------------------------------|----------|---------|----------|----------|--------------|----------|
| 3.1  | <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, 2019 |          |         |          |          | Eliminations | Total    |
|      |   | Business segments                 |          |         |          |          |              |          |
|      |   | A                                 | B        | C       | D        | E        |              |          |
|      |   | Sonari                            | Vihal    | Washi   | Lavangi  | Alegaon  |              |          |
|      | Revenue   | 18858.09                          | 14443.37 | 5949.31 | 15070.82 | 17570.60 | 0.00         | 71892.18 |
|      | Inter-segment revenue   | 0.00                              | 0.00     | 0.00    | 0.00     | 0.00     | 0.00         | 0.00     |
|      | Total   | 18858.09                          | 14443.37 | 5949.31 | 15070.82 | 17570.60 | 0.00         | 71892.18 |
|      | Segment result  | 18858.09                          | 14443.37 | 5949.31 | 15070.82 | 17570.60 | 0.00         | 71892.18 |
|      | Operating income  | 1845.25                           | 670.38   | -744.58 | 1641.79  | 645.34   | 0.00         | 4058.18  |
|      | Other income (net)  | 301.13                            | 384.39   | 543.63  | 153.32   | 437.30   | 0.00         | 1819.76  |
|      | Profit before taxes   | 871.07                            | 330.94   | -465.88 | 661.33   | -891.26  | 0.00         | 506.19   |
|      | Tax expense   | 167.49                            | 0.00     | 0.00    | 0.00     | 0.00     | 0.00         | 167.49   |
|      | Net profit for the year   | 703.57                            | 330.94   | -465.88 | 661.33   | -891.26  | 0.00         | 338.70   |

| Particulars                                 | For the year ended 31 March, 2019 |          |         |          |          | Total     |
|---|-----------------------------------|----------|---------|----------|----------|-----------|
|   | Business segments                 |          |         |          |          |           |
|   | A                                 | B        | C       | D        | E        |           |
|   | Sonari                            | Vihal    | Washi   | Lavangi  | Alegaon  |           |
| Segment assets                              | 32479.76                          | 27852.53 | 9356.84 | 25987.85 | 27728.21 | 123405.19 |
| Unallocable assets                          | 0.00                              | 0.00     | 0.00    | 0.00     | 0.00     | 0.00      |
| Total assets                                | 32479.76                          | 27852.53 | 9356.84 | 25987.85 | 27728.21 | 123405.19 |
| Segment liabilities                         | 32479.76                          | 27852.53 | 9356.84 | 25987.85 | 27728.21 | 123405.19 |
| Unallocable liabilities                     | 0.00                              | 0.00     | 0.00    | 0.00     | 0.00     | 0.00      |
| Total liabilities                           | 32479.76                          | 27852.53 | 9356.84 | 25987.85 | 27728.21 | 123405.19 |
| <b>Other information</b>                    |                                   |          |         |          |          |           |
| Capital expenditure (unallocable)           | 0.00                              | 0.00     | 0.00    | 0.00     | 0.00     | 0.00      |
| Depreciation and amortisation (unallocable) | 0.00                              | 0.00     | 0.00    | 0.00     | 0.00     | 0.00      |



Note 30 Disclosures under Accounting Standards (contd.)

| Note | Particulars   | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|------|---|--------------------------------------|--------------------------------------|
|      |   | Rs.                                  | Rs.                                  |
| 3.2  | <b>Details of leasing arrangements</b><br><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   | 75064500                             | 73658250                             |
|      | 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   | 75064500                             | 73658250                             |
|      | 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: 3.3   |                 |             |             |       |      |            |          |                              |                 |
| (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, 2019  |                 |             |             |       |      |            |          |                              |                 |
| - Number of shares   | 133500000       | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 133500000       |
| - Amount (Rs.)   | 1335000000      | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 1335000000      |
| Year ended 31 March, 2018  |                 |             |             |       |      |            |          |                              |                 |
| - Number of shares   | 133500000       | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 133500000       |
| - Amount (Rs.)   | 1335000000      | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 1335000000      |

| Particulars               | Opening Balance | Fresh issue | Right Issue | Bonus | ESOP | Conversion | Buy back | Other changes (give details) | Closing Balance |
|---------------------------|-----------------|-------------|-------------|-------|------|------------|----------|------------------------------|-----------------|
| Preference Shares         |                 |             |             |       |      |            |          |                              |                 |
| Year ended 31 March, 2019 |                 |             |             |       |      |            |          |                              |                 |
| - Number of shares        | 4750000         | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 4750000         |
| - Amount (Rs.)            | 475000000       | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 475000000       |
| Year ended 31 March, 2018 |                 |             |             |       |      |            |          |                              |                 |
| - Number of shares        | 4750000         | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 4750000         |
| - Amount (Rs.)            | 475000000       | 0           | 0           | 0     | 0    | 0          | 0        | 0                            | 475000000       |

