

# **SYNERGY GREEN INDUSTRIES PVT. LTD.**

(CIN : U27100PN2010PTC137493)

## **6<sup>th</sup> ANNUAL REPORT 2015 – 2016**

BOARD OF DIRECTORS

(As on 31-03-2016)

Mr. Rajendra V. Shirgaokar	Chairman
Mr. Prafulla V. Shirgaokar	Director
Mr. Shishir S. Shirgaokar	Director
Mr. Chandan S. Shirgaokar	Director
Mr. Neeraj S. Shirgaokar	Director
Mr. Anant S. Huilgol	Director
Mr. Jeevan V. Shirgaokar	Director
Mr. Sachin R. Shirgaokar	Managing Director
Mr. Sohan S. Shirgaokar	Joint Managing Director
Mr. V. S. Reddy	Executive Director (Technical)
Mr. Vinod R. Shirhatti	Director

### **Auditors :**

M/s. P. G. Bhagwat,  
Chartered Accountants,  
C. S. No. 221, B-1, E Ward, Rajhans Appartment,  
2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003.  
Phone - (0231) - 2659546

# CONTENTS

Sr. No.	Particulars	Page. No.
1.	Chairman's Letter	1 - 1
2.	Notice of Annual General Meeting	2 - 2
3.	Management Discussion and Analysis	3 - 6
4.	Directors' Report	7 - 26
5.	Auditors Report with Annexure	27 - 32
6.	Balance sheet	33 - 33
7.	Profit & Loss Account	34 - 34
8.	Cash Flow	35 - 35
9.	Significant Accounting Policies	36 - 37
10.	Notes to Financial Statements	38 - 49
11.	Other Information & Disclosures	50 - 56

**Corporate Office :**

392, 'E' Ward,  
Assembly Road, Shahupuri,  
Kolhapur - 416 001, Maharashtra, INDIA.  
Ph No.: 0231 - 2658375

**Works :**

Plot. No. C - 18,  
Five Star MIDC, Kagal  
Kolhapur - 416 216, Maharashtra, INDIA  
Ph. No.: 0231 - 2305311

**Bankers :**

Bank of Baroda

**ANNUAL GENERAL MEETING**

WEDNESDAY, THE 20<sup>TH</sup> DAY OF JULY 2016 AT 12.30 P. M.  
AT 392, 'E' WARD, ASSEMBLY ROAD, SHAHUPURI, KOLHAPUR - 416001

## Chairman's Letter

Dear Share Holders,

I have great pleasure in sharing that, your company has crossed breakeven point during the fiscal year 2015-16 within third full year of operations. During the year your company sales revenue increased from Rs 63.85 Crore to 82.60 Crore with a healthy growth of 29% and achieved a net profit of Rs 1.55 Crore as against a loss of Rs 6.85 Crore in last year. In spite of challenging market conditions, your company has grown its sales revenue by 223% in last two years.

**Product Base :** Your company's growth is strongly supported by development of large number of critical castings in our state of the art manufacturing facilities. During the year, we have successfully developed 2 MW products to M/S Gamesa, M/S Vestas & M/S ZF gear box castings. We have also developed India's largest split casing to M/S Kirloskar weighing 20 MT/set & Country's largest diffuser Bowl to M/S Xylem weighing 19 MT single piece.

**Customer Base :** Apart from our focus industry Wind & Gear Box, customer base is spreading across other engineering Industries like Pumps, Mining, Railways and other general engineering as well. Our existing customer base is having an annual casting demand of Rs 2,000 Crores and our potential share is more than Rs 200 Crore/Annum, with 25% share coming from non wind customers.

### Industry overview and future prospects :

- a. Wind Industry performance is on growth path with growing need for renewable energy supported by government policies and industry has got long term sustainable growth potential.
- b. Downward trend in interest rates to improve IRR of wind projects & its demand.
- c. Currency depreciating beyond INR 65 per USD and government imposing 13.44% anti dumping duty on Chinese castings import will give competitive edge to Indian wind turbine casting manufacturers.
- d. Reduction in commodity prices like steel scrap & pig Iron is strengthening the contribution margins.

Looking at conducive environment for the industry and to company, we should be able to increase our sales revenue by another 200% plus in next two years period. Further we should be able to see strong bottom line supported with decent revenue growth and stable input prices. To meet increased demand, we have planned to enhance capacity by debottlenecking the critical operations.

I am highly thankful to our Board for their valuable guidance and our management team & all employees for their continued effort towards the vision and bringing phenomenal growth to organization. I take this opportunity to thank our banker, Bank of Baroda for their continued support in achieving our goals. I also acknowledge the support extended by Central & State governments and extend our sincere thanks to them. I would like to express our appreciation to our partners in our various ventures. I would also like to thank our esteem shareholders for your continued support.

With Warm Regards  
Rajendra Vinayak Shirgaokar  
Chairman

## **NOTICE**

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at ' 392, E- Ward, Shahupuri, Kolhapur- 416 001', on Wednesday, 20<sup>th</sup> July, 2016 at 12.30 p.m. to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2016 and Balance sheet as on that date and Auditor's and the Directors' Reports thereon.
2. To appoint the Auditors and to fix their remuneration.

For and on Behalf of the Board of Director of  
SYNERGY GREEN INDUSTRIES PVT.LTD.

SACHIN R. SHIRGAOKAR  
MANAGING DIRECTOR  
DIN: 01512497

Place : Kolhapur.  
Date : 09 Jun 2016

**NOTES:** 1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.*

## Management Discussion and Analysis

### Wind Industry Analysis:

2015 was a great year for the Industry with 186 governments coming together for Paris agreement to protect the climate for future generations. Global wind installations during the year was 63 GW as against 52 GW in previous year and achieved a descent growth of 22%. Following figures shows the annual & cumulative installation globally during 2000-2015.

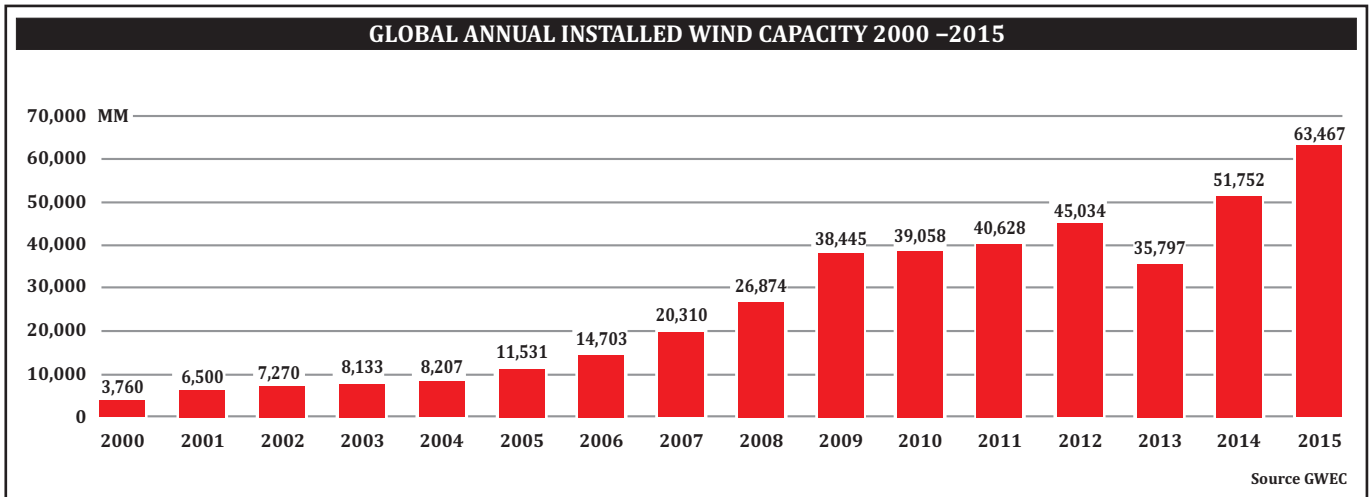


figure 1

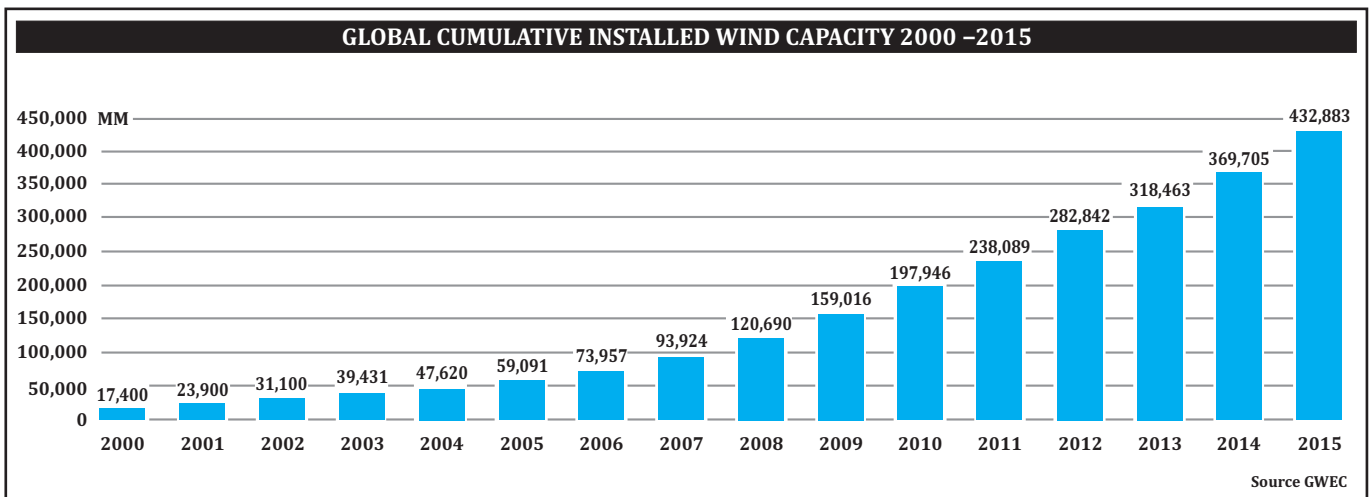


figure 2

Globally, China maintains its leadership during current year installations and cumulative as well. India is placed at 5th position for the year and overtakes Spain to reach 4th position in cumulative installations. During the year 2015-16, India achieved 50.2% growth from previous year with highest ever installations of 3.47 GW and surpassing the previous high of 3.2 GW in 2011-12 supported with an investment of 3.16 billion USD. India's cumulative installations by March 16 reached to 26.91 GW and contributing 64% of renewable energy source and 9% of India's total installed capacity from all energy sources.

Figure 3 shows the country wise installations during the year and cumulative capacity.

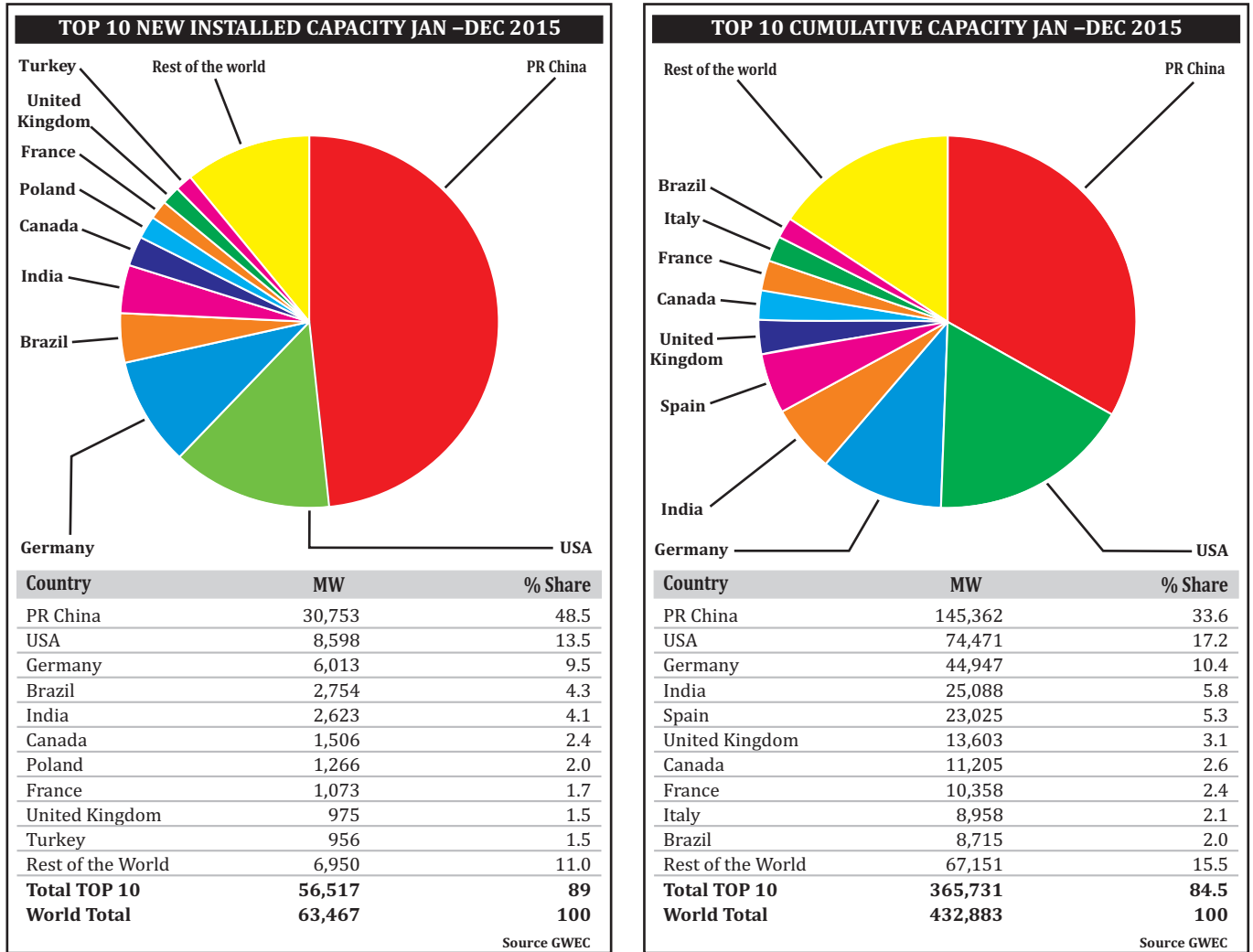


figure 3

Looking ahead, steady growth is being predicted for the Industry with Asia leading the installations. Figure 4 shows the projected installations for coming 5 years.

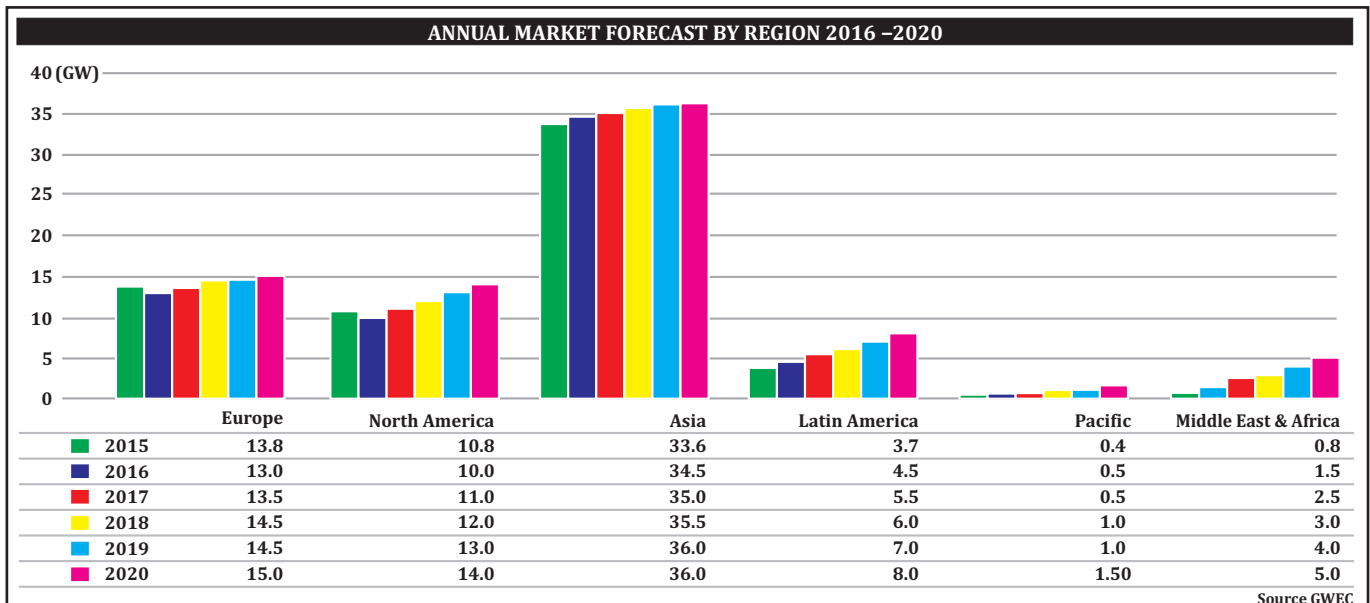


figure 4

Organization is in continuous process of increasing its revenue base from multiple customers in focus Industry of Wind & Gear box and also enhance the customer base from non wind Industry segments like pumps & general engineering industries. Within the wind industry also, geographical diversification is being targeted by developing parts to global requirements.

Production & Sales revenues figures from inception of the company are as per following

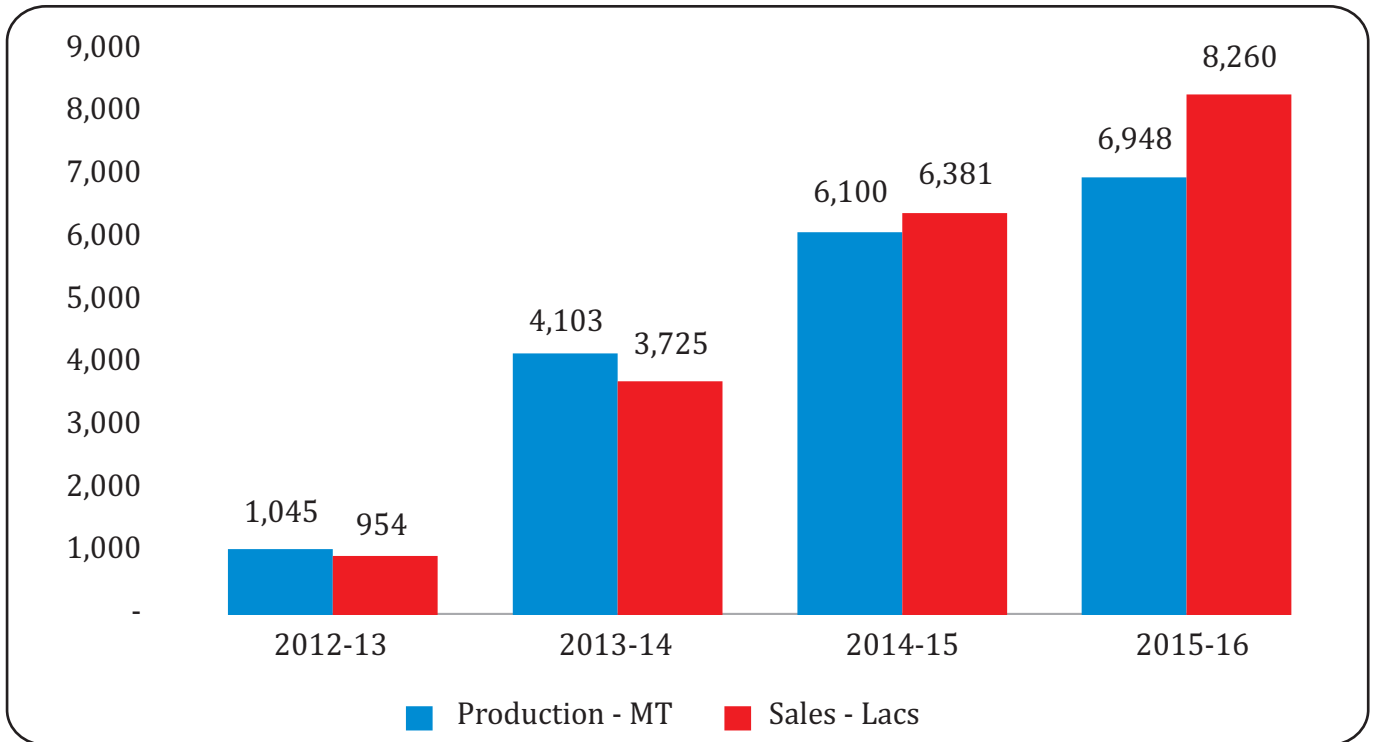


figure 5

Following are the PBDIT figures

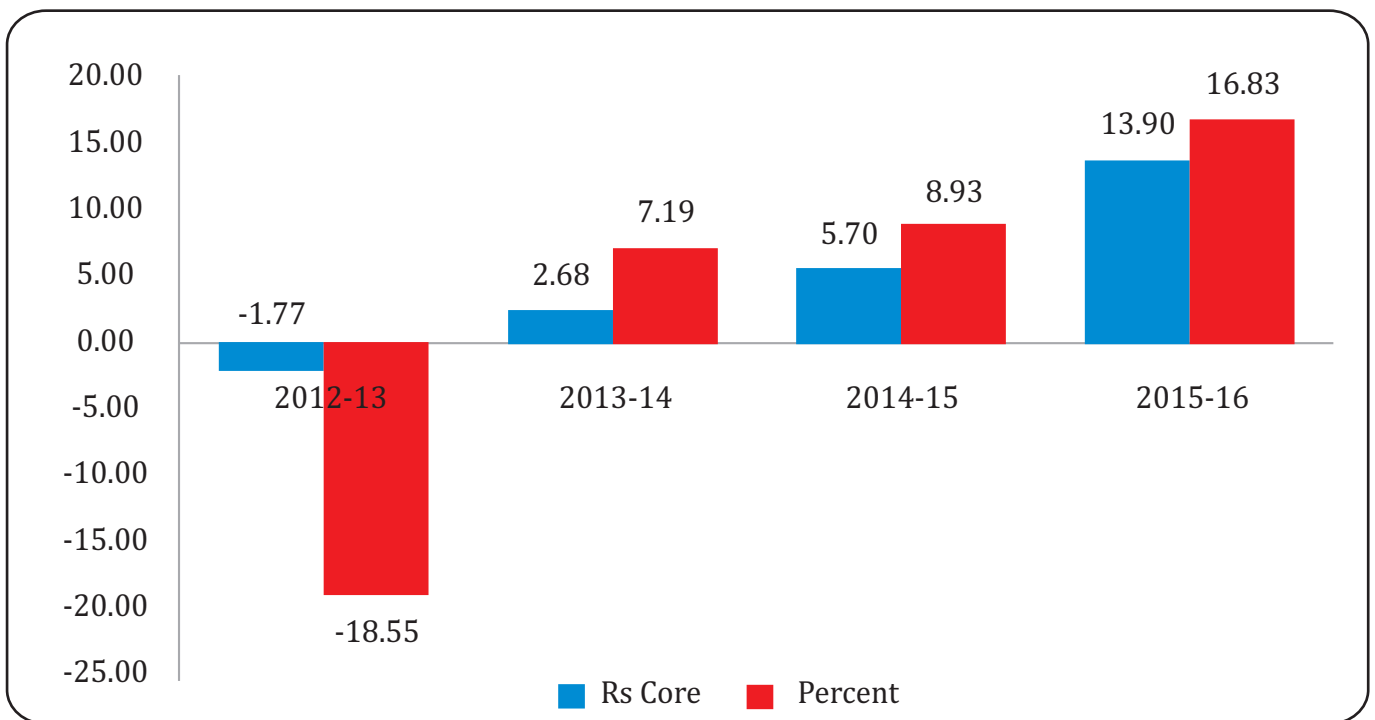


figure 6

During the year, Sales Revenues increased from Rs 63.81 Crore to 82.6 Crore and achieved a growth of 29.5%. Revenue growth was achieved by the way of adding more business volumes from new customers in Wind Industry. Presently 5 large customers are supporting the orders with each of them having more than Rs 100 Crore castings demand. Further this growth is also supported from Non Wind customers. Organisation has successfully developed large size parts to pump industry and shows promising revenue contribution in coming years with four large customers in the industry giving repetitive orders to organisation.

PBDIT figures increased from Rs 8.93 Crore to 16.83 Crore and recording a growth of 88.5%. Further PBDIT margins also increased steeply from 8.93% to 16.83%. This could be achieved by the way of improving the product mix having better value additions and process improvements to reduce the material & power costs. Further reduction in raw material prices also greatly contributed in improving the margins.

Considering the present scenario, organization should be able to grow its Sales Revenue at the rate of 40% plus for coming two years. In order to meet increased production schedules, capacity enhancement is being planned with addition of more space and cranes to debottleneck the critical process.

PBDIT margins are also projected to improve by another 2% with various improvement initiatives in progress and predicting stable raw material prices.



**DIRECTORS' REPORT**

To,  
The Members  
Synergy Green Industries Pvt. Ltd.  
Shahupuri, Kolhapur

Your Directors have pleasure in submitting their Sixth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2016.

**1. FINANCIAL RESULTS :**

The financial results for the year ended 31st March, 2016 are as under :-

<b>Particulars</b>	<b>2015-2016</b>	<b>2014-2015</b>
Profit Before interest, Depreciation & Tax	13,89,24,071	5,85,01,868
Less: Finance Cost	7,33,09,676	7,19,66,032
Less: Depreciation & Amortization Expense	5,50,75,629	6,33,66,166
Profit before Tax	1,05,38,766	(7,68,30,330)
Provision for Tax	-	-
Income Tax	(31,410)	-
Deferred Tax	50,13,382	83,24,543
Profit after Tax	1,55,20,738	(6,85,05,786)
Less : Proposed Dividend & Tax thereon	-	-
Balance carried to Balance Sheet	1,55,20,738	(6,85,05,786)

**2. DIVIDEND AND RESERVES :**

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended 31<sup>st</sup> March, 2016.

**3. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS :**

The highlights of the Company's performance during the year consideration are as under :-

- Revenue from operations increased by 29.36% from Rs. 6,385 lacs for the previous year to Rs.8,260 lacs for the current year.
- Net Profit for the year increased by 122.77% from Rs.(685.06) lacs for the previous year to Rs.155.20 lacs for the current year.
- Earnings per share have increased by 122.77% from Rs.(13.70) for the previous year to Rs.3.12 for the current year.

During the year, we have successfully developed 2MW parts of G97 model to M/S Gamesa and rolled out to serial production. We have also received development order for G114 model from M/S Gamesa. We have signed off Purchase Agreement with world leader in wind Industry M/S Vestas, Denmark for 2 MW parts. We have successfully developed all gear box parts to M/S ZF spread across entire Wind Industry. We got big entry in to pump castings with successful development of 20 MT split casing for M/S Kirloskar & 19MT India's largest diffuser bowl to M/S Xylem.

With these product developments, now we have five strong customer in Wind Industry with each of them having Rs 100 Crore+ castings demand. Simultaneously as part of diversification strategy, we have achieved 25% customers base from non wind segment.

Considering the strong product/customer base, we should be able to grow at the rate of 40-50% for the next two years along with decent growth in bottom line as well.

#### **4. CHANGE IN THE NATURE OF BUSINESS, IF ANY :**

There was no change in the nature of the business activity of the Company, during the year under consideration.

#### **5. 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.

#### **6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND :**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

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

The Company has not provide any Loans, Guarantees or made any investment under the provision of section 186 of Companies Act 2013 during the year under consideration.

#### **8. DEPOSITS :**

The Company has neither accepted nor renewed any deposits during the year under section 73 of Companies Act 2013.

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

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy

relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act 2013.

## **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

### **BOARD OF DIRECTORS**

The Board comprises of 11 (Eleven) Directors out of which 8 (Eight) are non-executive Directors. The Chairman is the Non - Executive Chairman.

### **Appointment / Reappointment of Director**

Mr. Vinod R. Shirhatti was appointed as an Additional Director of the Company effective from 29th August, 2015 and his appointment as a Director was regularized with the approval of the shareholders in Annual General Meeting held on 16<sup>th</sup> September, 2015.

### **Key Managerial Persons :**

Mr. Suhas Kulkarni acts as Chief Financial Officer of the Company

According to Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is mandatory for the company to appoint Company secretary on whole time basis. The Company has appointed Mr. Nilesh Mohan Mankar, a member of the Institute of Company Secretaries of India (Membership No.A39928) as Company Secretary of the company on whole time basis w.e.f. 1st July, 2015

None of the Directors is liable for retirement by rotation.

## **11. DECLARATION OF INDEPENDENT DIRECTORS :**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

## **12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW :**

The Company had six Board meetings during the year under consideration.

## **13. 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; and
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 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.

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

- A. Background:** This document lays down the framework of Risk Management at Synergy Green Industries Pvt. Ltd. (hereinafter referred to as the 'Company') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.
- B. Objective:** The objective of Risk Management at Synergy Green Industries Pvt. Ltd. is to create and protect all stake holders value by minimizing threats or losses, and identifying and maximizing opportunities. A companywide risk management framework is applied so that effective management of risks is an integral part of every employee's job.
- C. Strategic Objectives:**
- i) Providing a framework that enables future activities to take place in a consistent and controlled manner
  - ii) Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats
  - iii) Contributing towards more efficient use/ allocation of the resources within the organization
  - iv) Protecting and enhancing assets and company image
  - v) Reducing volatility in various areas of the business
  - vi) Developing and supporting people and knowledge base of the organization.
  - vii) Optimizing operational efficiency
- D. Regulatory:** Risk Management Policy is framed as per the following regulatory requirements:

##### **A. COMPANIES ACT, 2013**

##### **i. Provisions of the Section 134(3)**

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

**ii. Section 177(4) stipulates :**

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include, evaluation of internal financial controls and risk management systems.

**E. Definitions :**

"Risk and Audit Committee or Committee" means Committee nominated by Board of Directors of the Company constituted under the provisions of Companies Act, 2013.

"Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)

"Policy" means Risk Management Policy.

**F. Applicability:** This Policy shall come into force with effect from 1st April, 2016.

**G. Key functions of the Board :**

- i) Reviewing and guiding business strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and business performance; and overseeing major capital expenditures.
- ii) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- iii) The Board shall be responsible for framing, implementing and monitoring the risk Management plan for the company.
- iv) The Board shall define the roles and responsibilities of the Risk and Audit Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

**H. POLICY :** The Board has to review the business plan at regular intervals and develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal viz. Environmental, Business, Operational, Financial and others. Communication of Risk Management Strategy to various levels of management for effective implementation is essential.

Risk Identification is obligatory on all functional heads with the inputs from their team members are required to report the material risks along with their considered views and recommendations for risk mitigation.

Analysis of all the risks thus identified shall be carried out by the Committee through participation of the functional heads and a preliminary report thus finalized shall be placed before the Board.

**I. Procedure:**

- i. Risk identification: To identify organization's exposure to uncertainty. Risk may be classified in the following:
  - Strategic
  - Operational
  - Financial
  - Hazard
- ii. Risk Description: To display the identified risks in a structured format

Name of the risk	
Scope of Risk	Qualitative description of events with size, type, number etc.
Nature of Risk	Strategic, Operational, Financial, Hazard
Quantification of Risk	Significance and Probability
Risk Tolerance/ Appetite	Loss Potential and Financial Impact of Risk
Risk Treatment and Control Mechanism	a) Primary Means b) Level of Confidence c) Monitoring and Review
Potential Action for Improvement	Recommendations to Reduce Risk
Strategy and Policy Development	Identification of Function Responsible to develop Strategy and Policy

- iii. Risk Evaluation: After risk analysis, comparison of estimated risks against organization risk criteria is required. It is to be used to make decisions about the significance of risks and whether each specific risk to be accepted or treated.
- iv. Risk Estimation: Can be quantitative, semi quantitative or qualitative in terms of probability of occurrence and possible consequences.  
Impact level on performance/profit – Both Threats and Opportunities
- v. Reporting  
Board, Committee, Functional Heads & Individuals

**J. Development of Action Plan :**

Risk and Audit Committee shall critically examine the report and each identified risk shall be assessed for its likely impact vis a vis the resources at the Company's disposal.

**Guidelines to deal with the risks :** Business Plan including Capital Expenditure and Fund Flow Statement together with SWOT analysis, data on Production Planning, Materials Management, Sales, Delivery Schedules, Assets, Accounts Receivables and Payables as well as Regulatory Regime applicable shall be reviewed in the light of the material risks identified. Through deliberations of the Committee a comprehensive plan of action to deal with the risks shall be developed and guidelines flowing from such plan shall be communicated to the employees concerned for mitigation of the risks.

**Board Approval:** The Action Plan and guidelines decided by the Risk and Audit Committee shall be approved by the Board before communication to the personnel for implementation.

The Board shall approve the Risk Management (including Risk Treatment) strategy, control structure and policy guidelines and delegate authority and accountability for risk management to the Company's executive team.

**The guidelines shall include prescription on:**

**Risk Treatment**

Treatment of Risk through the process of selecting and implementing measures to mitigate risks. To prioritize risk control actions in terms of their potential to benefit the organization. Risk treatment includes risk control/ mitigation and extends to risk avoidance, risk transfer (insurance), risk financing, risk absorption etc. for

- i. Effective and efficient operations
- ii. Effective Internal Controls
- iii. Compliance with laws and regulations

Risk Treatment shall be applied at all levels through carefully selected validations at each stage to ensure smooth achievement of the objective.

**Risk Registers:** Risk Registers shall be maintained showing the risks identified, treatment prescribed, persons responsible for applying treatment, status after the treatment etc. Risk Managers and Risk Officers to be identified for proper maintenance of the Risk Registers which will facilitate reporting of the effectiveness of the risk treatment to the Risk and Audit Committee, and the Board.

Enterprise Resource Planning (ERP package) shall play a key role in timely availability of all data/reports required for the Committee to develop the Action Plan as stated above.

The Board shall have the discretion to deal with certain risks (may be called Key or Highly Sensitive Risks) in the manner it may deem fit. Mitigation of such Highly Sensitive/Key risks and effectiveness of their mitigation measures and review of the strategy may be directly discussed by the Board members with Audit Committee.

**K. ROLE OF RISK AND AUDIT COMMITTEE :**

The following shall serve as the Role and Responsibility of the Audit Committee authorized to evaluate the effectiveness of the Risk Management Framework:

- i. To review of the strategy for implementing risk management policy
- ii. To examine the organization structure relating to Risk management
- iii. To evaluate the efficacy of Risk Management Systems – Recording and Reporting
- iv. To review all strategies/risk treatment methodologies vis a vis compliance with the Risk Management Policy and relevant regulatory guidelines
- v. To define internal control measures to facilitate a smooth functioning of the risk management systems.
- vi. To ensure periodic review of operations and contingency plans and reporting to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.

**L. Integration of Risk Management Strategy**

Company's risk management strategy is to integrate with the overall business strategies of the organization and its mission statement to ensure that its risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

**M. Penalties:** The penalties are prescribed under the Companies Act, 2013 (the Act) under various sections which stipulate having a Risk Management Framework in place and its disclosure.

Section 134 (8) (dealing with disclosure by way of attachment to the Board Report): If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

There are other provisions of the Act as well as SEBI Act which stipulate stiff penalties.

Therefore, this Policy prescribes that violation of the provisions applicable to Risk Management Framework is something the Company cannot afford to risk.

#### **N. REVIEW**

This policy shall evolve by review by the Risk and Audit Committee and the Board from time to time as may be necessary.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

#### **15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :**

The parameters prescribed for Corporate Social Responsibility initiatives did not apply to the company during the period under consideration. The Company was not required to develop and implement any designated Corporate Social Responsibility initiatives during the said period.

#### **16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES :**

All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders' as utmost priority.

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in Annexure I and is attached to this report.

#### **17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES :**

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

#### **18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :**

No significant and material orders have been passed by regulators or courts or tribunals impacting the going concern status of the company and company's operations in future.



**19. ANNUAL RETURN :**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure II and is attached to this Report.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :****a. Conservation of Energy :**

- i. Energy Conservation :** Majority of the melting activities are being carried out during night hours (off peak hours) and it has contributed a savings in power cost by Rs 68.13 lacs. Further with systematic monitoring on power consumption, power factor is being maintained at unity levels and resulted in additional saving of Rs 51.44 Lacs during the year.
- ii. Alternate source of energy :** Heat treatment of Planet carrier gear box castings are being carried at vendors with diesel fired furnace. Action is being initiated to carryout In house heat treatment with the help of LPG fuel. Due to higher calorific value of LPG over diesel and elimination of additional transportation to vendors is going to provide around 50% reduction on heat treatment cost and estimated to save around Rs 75 Lacs during 2016-17.
- iii. Capital Investment on Energy Consumption :** Capital investment of Rs 43 Lacs worth heat treatment furnace is ordered during the year to achieve the savings briefed in point ii.

**b. Technology Absorption :**

- i. Effort towards technology absorption :** Riser less/safety riser technology is being successfully implemented in 30% of components. This has resulted in yield improvement by from 75% to 85% and reduction in power consumption/raw material consumption. This initiative is estimated to save Rs 50 Lacs during FY 16-17. This effort is being continued to implement for further castings as well.
- ii. Import Substitution :** Sorel Pig Iron is the key imported raw material for producing high quality wind mill castings. With the help of domestic manufacturer M/S Vedanta, high purity pig Iron is successfully developed and eliminated the need for imported pig iron.
- iii. Technological Up gradation :** With the help of Customer Support (M/S Vestas Denmark), casting process improvement under progress to enhance casting quality, process efficiency, productivity & casting surface finish.

- c Foreign exchange earning & Outgo :** During the year, the total foreign exchange used was Rs. 23,88,006 and the total foreign exchange earned was Rs. 2,33,00,162

**21. SHARES:**

During the year under consideration, there is no change in Share Capital.

**a. BUYBACK OF SECURITIES:**

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

**b. SWEAT EQUITY :**

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

**c. BONUS SHARES :**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN :**

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

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

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2015-16.

**23. AUDITOR'S REPORT :**

The Auditor's Report does not contain any significant qualification. Notes to Accounts and Auditor's Remarks in their report are self explanatory and do not call for any future comments.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**24. STATUTORY AUDITORS :**

M/s. P. G. Bhagwat, (Firm Registration No.101118W) Chartered Accountants, the acting Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting of the Company. They have confirmed their eligibility and willingness for re appointment as Auditors for financial year 2016- 17. Your Directors recommend ratification of appointment of M/s. P. G. Bhagwat, (Firm Registration No.101118W), Chartered Accountants, as statutory auditors of the company for F. Y. 2016- 17 for the approval of Shareholders.

For SYNERGY GREEN INDUSTRIES PVT.LTD.

Place : Kolhapur.  
Date : 09 Jun 2016

Sachin R. Shirgaokar  
Managing Director  
(DIN: 01512497)

Sohan S. Shirgaokar  
Joint Managing Director  
(DIN: 00217631)

**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)

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Sr. No.	Particulars	1	2	3
1	Name(s) of the related party			
2	Nature of relationship			
3	Duration of the contracts / arrangements/transactions			
4	Salient terms of the contracts or arrangements or transactions including the value	-----NOT APPLICABLE-----		
5	Justification for entering into such contracts or arrangements or transactions			
6	Date(s) of approval by the Board			
7	Amount paid as advances, if any			
8	Date on which the special resolution was passed in general meeting as required under first proviso to section 188			

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Particulars	1	2	3
1	Name(s) of the related party	S. B. Reshellers Pvt. Ltd.	Tara Tiles Pvt. Ltd.	The Ugar Sugar Works Ltd.
2	Nature of relationship	Holding Company	Fellow Subsidiary	Fellow Subsidiary
3	Duration of the contracts / arrangements/transactions	01.04.2015 to 31.03.2016	01.04.2015 to 31.03.2016	01.04.2015 to 31.03.2016
4	Salient terms of the contracts or arrangements or transactions including the value	1. Purchase of Other items Rs.1,15,23,914/- 2. Labour Charges Paid Rs.59,72,751/- 3. Purchase of Fixed Asset Rs.61,71,031/- 4. Service Charges Received Rs.10,36,140/-	1. Purchase of Fixed Assets Rs.1,02,936/-	1. Purchase of other items Rs.80,600/-
5	Justification for entering into such contracts or arrangements or transactions	Routine Business	Routine Business	Routine Business
6	Date(s) of approval by the Board	-----	-----	-----
7	Amount paid as advances, if any	-----	-----	-----

**ANNEXURE-II**

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014 ]

**I. REGISTRATION AND OTHER DETAILS :**

(i) CIN	: U27100PN2010PTC137493
(ii) Registration date	: 08/10/2010
(iii) Name of the company	: SYNERGY GREEN INDUSTRIES PVT. LTD.
(iv) Category/sub-category of the company	: LIMITED BY SHARES
(v) Address of the registered office and contact details	: 392, E WARD, SHAHUPURI, KOLHAPUR - 416001. TEL.: 0231-2658375
(vi) Whether listed company	: No
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product / Services	% to total Turnover of the Company
1.	Windmill Parts	3450	64%
2.	Other CI & SGI Castings	2431	36%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of Shares Held	Applicable Section
1.	S.B. Reshellers Pvt. Ltd.	U29199MH1949PTC007210	Holding Company	48.19% (Percentage to total paid up share capital including preference shares)	2(46) on the basis of control over BOD

**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(I) Category-wise Shareholding.

Category of shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a	Individual / HUF		2113865	2113865	42.28%		2113865	2113865	42.28%	
b	Central Govt.									
c	Sate Govt. (S)									
d	Bodies Corp.		2874661	2874661	57.49%		2874661	2874661	57.49%	
e	Banks / FI									
f	Any Other									
	Sub Total (A) (1)		4988526	4988526	99.77%		4988526	4988526	99.77%	
<b>2</b>	<b>Foreign</b>									
a	NRIs - Individuals									
b	Other - Individuals									
c	Bodies Corp.									
d	Bank / FI									
e	Any Other....									
	Sub-total (A) (2)									
	Total Shareholding of Promoter (A)=(A) (1)+ (A) (2)		4988526	4988526	99.77%		4988526	4988526	99.77%	
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a	Mutual Funds									
b	Bank / FI									
c	Central Govt.									
d	State Govt(s)									
e	Venture Capital Funds									
f	Insurance Companies									
g	FII's									
h	Foreign Venture Capital Funds									
i	Others (specify)									
	Sub Total (B)(1)									
<b>2</b>	<b>Non-Institutions</b>									
a	Bodies Corp.									
i	Indian									
ii	Overseas									
b	Individuals									
i	Individual Shareholders holding nominal share Capital in excess of Rs. 1 Lac									
ii	Individual Shareholders holding nominal share capital upto Rs. 1 Lac									
c	Any Other (Non-Promoters)		11474	11474	0.23%		11474	11474	0.23%	
	Sub Total(B)(2)		11474	11474	0.23%		11474	11474	0.23%	
	Total Public Shareholding (B)=(B)(1)+(B) (2)		11474	11474	0.23%		11474	11474	0.23%	
d	Shares held by Custodian for GDRs & ADRs									
	<b>Grand Total (A+B+C)</b>		50,00,000	50,00,000	100.00%		50,00,000	50,00,000	100.00%	

## (II) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held 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	Anant Shriniwas Huilgol & Asha Anant Huilgol	34218	0.69%		34218	0.69%		
2	Anant Shriniwas Huilgol & Namita Sandeep Huilgol	205	0.004%		205	0.004%		
3	Asha Anant Huilgol & Sandeep Anant Huilgol	9945	0.20%		9945	0.20%		
4	Chandan Sanjeev Shirgaokar & Radhika Sanjeev Shirgaokar	3951	0.08%		3951	0.08%		
5	D. M. Shirgaokar Investments Pvt. Ltd.	100433	2.01%		100433	2.01%		
6	Jeevan Vasant Shirgaokar & Anuja Jeevan Shirgaokar	14460	0.29%		14460	0.29%		
7	Laxmi Sachin Shirgaokar & Sachin Rajendra Shirgaokar	20000	0.40%		20000	0.40%		
8	Prabhakar Shirgaokar Investments Pvt. Ltd.	4500	0.09%		4500	0.09%		
9	Prafulla Shirgaokar Investments Pvt. Ltd.	15000	0.30%		15000	0.30%		
10	Prafulla Vinayak Shirgaokar & Smita Prafulla Shirgaokar	51266	1.03%		51266	1.03%		
11	Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar	371176	7.42%		371176	7.42%		
12	Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar	371177	7.42%		371177	7.42%		
13	Rajendra Vinayak Shirgaokar & Sachin Rajendra Shirgaokar	10000	0.20%		10000	0.20%		
14	S.B.Reshellers Pvt.Ltd.	2622982	52.46%		2622982	52.46%		
15	Sachin Rajendra Shirgaokar	5000	0.10%		5000	0.10%		
16	Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar	363114	7.26%		363114	7.26%		
17	Sandhya Ashok Gupta	410	0.01%		410	0.01%		
18	Shishir Suresh Shirgaokar & Savita Shishir Shirgaokar	84932	1.70%		84932	1.70%		
19	Shraddha Dinkar Shirgaokar	409	0.01%		409	0.01%		
20	Smita Prafulla Shirgaokar & Prafulla Vinayak Shirgaokar	14650	0.29%		14650	0.29%		
21	Sohan Sanjeev Shirgaokar	5000	0.10%		5000	0.10%		
22	Sohan Sanjeev Shirgaokar & Radhika Sanjeev Shirgaokar	3952	0.08%		3952	0.08%		
23	Suresh Shirgaokar Investments Pvt. Ltd.	59246	1.18%		59246	1.18%		
24	Vendavagali Srinivasa Reddy & Sou.Vendavagali Kuberi Reddy	750000	15.00%		750000	15.00%		
25	Vinayak Shirgaokar Investments Pvt. Ltd.	72500	1.45%		72500	1.45%		
	Total	4988526	99.77%		4988526	99.77%		

## Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. 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
1	At the beginning of the year				
2	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer / bonus / sweat equity, etc):	There is no change in Promoters' Shareholding			
3	At the end of the year				

## (I) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	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
1	At the beginning of the year				
2	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer / bonus / sweat equity, etc):	Not Applicable			
3	At the end of the year (or on the date of separated during the year)				

## (I) Shareholding of Director's and Key Managerial Personnel's

Sl. No.	For Each of the Top 10 Shareholders	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
1	Shri Sachin R. Shirgaokar				
	At the beginning of the year	5000	0.10%	5000	0.10%
	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus / sweat equity etc. )		0.00%	5000	0.10%
	At the end of the year	5000	0.10%	5000	0.10%

Sl. No.	For Each of the Director and KMP	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
2	Shri Sohan S. Shirgaokar				
	At the beginning of the year	5000	0.10%	5000	0.10%
	Date wise increase / decrease:	----	0.10%	5000	0.10%
	At the end of the year	5000	0.10%	5000	0.10%
3	Shri Rajendra V. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
4	Shri Prafulla V. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
5	Shri Shishir S. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
6	Shri Chandan S. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
7	Shri Niraj S. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				



Sl. No.	For Each of the Director and KMP	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
8	Shri Anant S. Huilgol				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
9	Shri Jeevan V. Shirgaokar				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
10	Shri V. S. Reddy				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
11	Shri Vinod R. Shirhatti				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				
12	Shri Suhas B. Kulkarni (KMP)				
	At the beginning of the year				
	Date wise increase / decrease:				
	At the end of the year				

**(I) INDEBTEDNESS**

Indebtness of the company including interest outstanding / accrued but not due for payment.

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtness at the beginning of the financial year</b>					
i)	Principal Amount	43,90,45,676.62	4,04,80,000.00	-	47,95,25,676.62
ii)	Interest due but not paid	42,82,651.00	9,76,523.00	-	52,59,174.00
iii)	Interest accrued but not due	10,464.80	-	-	10,464.80
<b>Total(i+ii+iii)</b>		44,33,38,792.42	4,14,56,523.00	-	48,47,95,315.42
<b>Change in Indebtness during the financial year</b>					
● Addition		78,18,892.01	10,90,40,000.00	-	11,68,58,892.01
● Reduction		(5,34,40,241.00)	(3,26,40,000.00)	-	(8,60,80,241.00)
<b>Net Change</b>		(4,56,21,348.99)	(7,64,00,000.00)	-	3,07,78,651.01
<b>Indebtness at the end of the financial year</b>					
i)	Principal Amount	39,34,24,327.63	11,68,80,000.00	-	51,03,04,327.63
ii)	Interest due but not paid	32,79,126.00	27,56,329.00	-	60,35,455.00
iii)	Interest accrued but not due	8,259.20	-	-	8,259.20
<b>Total(i+ii+iii)</b>		39,67,11,712.83	11,96,36,329.00	-	51,63,48,041.83

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Sachin S. Shirgaokar (Managing Director)	
1	Gross Salary		
a.	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961	-	-
b.	Value of perquisites under section 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	9,85,724	9,85,724
	--as % of profit	6%	-
	--others, specify	-	-
5	Others, please specify	-	-
	Total(A)	9,85,724	9,85,724
	Ceiling as per the Act		

B. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration	Name of JMD/WTD/Manager	Total Amount
		Mr. Sohan S. Shirgaokar (Joint Managing Director)	
1	Gross Salary		
a.	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961	-	-
b.	Value of perquisites under section 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	9,85,724	9,85,724
	--as % of profit	6%	-
	--others, specify	-	-
5	Others, please specify	-	-
	Total(A)	9,85,724	9,85,724
	Ceiling as per the Act		

C. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. V. S. Reddy (Executive Director-Technical)	
1	Gross Salary		
a.	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961	37,02,395	37,02,395
b.	Value of perquisites under section 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	3,28,575	3,28,575
	--as % of profit	2%	-
	--others, specify	-	-
5	Others, please specify	-	-
	Total(A)	40,30,970	40,30,970
	Ceiling as per the Act		

**Remuneration to other Directors :**

Sl. No.	Particulars of Remuneration	Name of the Director	Total Amount
1	Independent Directors		
●	Fee for attending Board/ Committee Meetings		
●	Commission		
●	Others, please specify		
	Total(1)		
2	Other Non-Executive Directors		
●	Fee for attending Board/ Committee Meetings	Not Applicable	
●	Commission		
●	Others, please specify		
	Total(2)		
	Total(B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

**A. Remuneration to Key Managerial Personnel other than MD / Manager / WTD :**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. Suhas B. Kulkarni (CFO)	
1	Gross Salary	11,48,136	11,48,136
a.	Salary as per provisions contained in section 17(1) of the income-tax Act, 1961.		
b.	Value of perquisites under section 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		
	<b>Total</b>	11,48,136	11,48,136

**(I) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment compounding fees imposed	Authority (RD/NCLT /Court)	Appeal mad
<b>A</b>	<b>COMPANY</b>					
	Penalty			NIL		
	Punishment					
	Compounding					
<b>B</b>	<b>DIRECTORS</b>					
	Penalty			NIL		
	Punishment					
	Compounding					
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty			NIL		
	Punishment					
	Compounding					

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF  
Synergy Green Industries Pvt. Ltd.****Report on the Financial Statements**

We have audited the accompanying financial statements of **Synergy Green Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016, and its Profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by The Companies (Auditor's Report) Order, 2016 issued by 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.
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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) 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.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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; and
  - g) 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:
    - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note C-1(a) to the financial statements;
    - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses..
    - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm's Registration No: 101118W

Nikhil M Shevade  
Partner  
Membership No.217379

Place : Kolhapur.  
Date : 09 Jun 2016

## ANNEXURE –A to the Auditors Report

**(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements of even date.)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets were physically verified during the year by the management at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The inventory was physically verified during the year by the management. In our opinion the frequency of verification is reasonable. Discrepancies between the physical stock and the book records noticed on verification were properly dealt with in the books of accounts.
- (iii) According to 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 maintained under section 189 of the Companies Act.
- Accordingly, the reporting under Clause 3 (iii) (a), (b) and (c) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.
- (iv) According to information & explanations given to us, in our opinion no loans, investments, guarantees, and security have been given/provided by the company.
- Accordingly, the reporting under Clause 3 (iv) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.
- (v) According to information and explanation given to us, the Company has not accepted any deposits from public, accordingly the reporting under Clause 3 (v) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.
- (vi) The rules made by Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act 2013 are not applicable to the Company.
- (vii) (a) According to information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- (b) According to information and explanation given to us, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and Cess which have not been deposited on account of any dispute other than those mentioned below:

Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	1,01,250.00	A.Y. 2012-13	Commissioner of Income Tax(Appeals)

- (viii) According to the information and explanations given to us, the Company is regular in repayment of principle of Term Loans. However, we have observed delays in repayment of interest on term loans which have been made good subsequently.
- (ix) According to the information and explanation given to us, in our opinion the Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.
- (x) According to information and explanation given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanation given to us and based on our examination of the records of the Company, the provisions of Section 197 read with Schedule V to the Companies Act is not applicable to the company, accordingly the reporting under Clause 3 (xi) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.
- (xii) The company is not a Nidhi company, accordingly the reporting under Clause 3 (xii) of the Companies (Auditor's report) Order, 2016, is not applicable to the Company.
- (xiii) According to information & explanation given to us, in our opinion all transactions with related parties are in compliance with sections 177 & 188 of Companies Act 2013 wherever applicable and the details have been disclosed in notes to accounts of Financial Statements as per Accounting Standard 18 - Related Parties Disclosures.
- (xiv) According to information & explanation given to us, the company has not issued any shares or securities by way of preferential allotment/private placement during the year under review, accordingly provisions of section 42 are not applicable to the company.
- (xv) According to information & explanation given to us, the company has not entered into non-cash transactions with directors or persons connected with them; accordingly provisions of section 192 are not applicable to the company.
- (xvi) According to information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm's Registration No: 101118W

Nikhil M Shevade  
Partner  
Membership No.217379

Place : Kolhapur.  
Date : 09 Jun 2016



## **Annexure –B to the Auditor's Report**

**(Referred to in paragraph 2(f) of our 'Report on Other Legal & Regulatory Requirement' of even date)**

### **Report on the Internal Financial Controls 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 Synergy Green Industries Private Limited ("the Company") as of 31<sup>st</sup> March 2016 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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 controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

#### Disclaimer of Opinion

According to the information and explanation given to us, the Company is in the process of establishing its internal financial control over financial reporting on criteria based on or 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.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm's Registration No: 101118W

Nikhil M Shevade  
Partner  
Membership No.217379

Place : Kolhapur.  
Date : 09 Jun 2016

# Synergy Green Industries Pvt. Ltd.

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016

(All figures in Rs.)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a) Share capital	B - 1	17,81,00,000	17,81,00,000
b) Reserves and Surplus	B - 2	(23,36,63,556)	(24,91,84,294)
		(5,55,63,556)	(7,10,84,294)
<b>(2) Non-Current Liabilities</b>			
a) Long-Term Borrowings	B - 3	32,88,26,562	32,09,24,648
b) Other Long-Term Liabilities	B - 4	12,000	7,000
c) Long-Term Provisions	B - 5	33,40,421	23,68,095
		33,21,78,983	32,32,99,743
<b>(3) Current Liabilities</b>			
a) Short Term Borrowings	B - 6	12,80,09,680	10,51,60,788
b) Trade Payables	B - 7	31,29,38,620	22,61,70,486
c) Other Current Liabilities	B - 8	10,62,96,101	10,38,24,506
d) Short-Term provisions	B - 9	14,72,467	12,09,314
		54,87,16,868	43,63,65,094
<b>Total Liabilities</b>		<b>82,53,32,295</b>	<b>68,85,80,543</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	B - 10	32,12,66,753	32,75,30,750
ii) Intangible Assets	B - 10	2,43,796	2,63,686
iii) Capital work-in-progress		-	2,12,03,534
iv) Intangible assets under development		7,50,000	-
		32,22,60,549	34,89,97,970
b) Deferred Tax Asset (net)	B - 11	3,31,58,964	2,81,45,582
c) Long -term loans and advances	B - 12	11,43,938	14,65,663
d) Other non-current assets	B - 13	7,36,185	33,57,252
		35,72,99,636	38,19,66,468
<b>(2) Current Assets</b>			
a) Inventories	B - 14	23,31,05,827	16,44,70,159
b) Trade Receivables	B - 15	19,13,61,425	11,34,18,729
c) Cash and Bank Balance	B - 16	1,51,32,420	64,67,379
d) Short-Term loans and advances	B - 17	2,15,145	2,70,443
e) Other current assets	B - 18	2,82,17,842	2,19,87,365
		46,80,32,659	30,66,14,075
<b>Total Assets</b>		<b>82,53,32,295</b>	<b>68,85,80,543</b>
Corporate Information, Basis of Preparation and Significant Accounting Policies A			
Other Information & Disclosure C			

Signed pursuant to the provisions of section 134 of the Companies Act 2013, in authentication of this Balance Sheet and Notes referred to therein.

As per our report attached.

For M/s. P. G. Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W

For SYNERGY GREEN INDUSTRIES PVT. LTD.

Nikhil M Shevade

Partner

Membership No.: 217379

Place : Kolhapur.

Date : 09 Jun 2016

Sachin R. Shirgaokar

Managing Director

(DIN : 01512497)

Sohan S. Shirgaokar

Joint Managing Director

(DIN : 00217631)

## Synergy Green Industries Pvt. Ltd.

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016

Sr. No.	Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2015
I	<b>REVENUE FROM OPERATIONS</b> Less: Excise Duty	B - 19	84,25,95,590 2,00,61,766	82,25,33,824	65,78,71,074 2,12,23,160	63,66,47,914
II	<b>Other Income</b>	B - 20		34,31,961		18,44,679
	<b>Total Revenue ( I + II )</b>			<b>82,59,65,785</b>		<b>63,84,92,593</b>
III	<b>Expenses</b>					
	a) Cost of Materials Consumed	B - 21		35,47,46,742		33,37,12,622
	b) Changes in inventories of finished goods and work-in-progress	B - 22		(3,97,61,937)		(3,79,60,097)
	c) Employee Benefit Expenses	B - 23		8,19,21,815		6,68,43,952
	d) Finance Costs	B - 24		7,33,09,676		7,19,66,032
	e) Depreciation and Amortisation Expenses	B - 25		5,50,75,629		6,33,66,166
	f) Other Expenses	B - 26		29,01,35,093		21,73,94,248
	<b>Total Expenses (IV)</b>			<b>81,54,27,019</b>		<b>71,53,22,923</b>
V	<b>Profit before Tax</b>			1,05,38,766		(7,68,30,330)
VI	<b>Tax Expenses</b>					
	1) Current Tax		-		-	
	2) Short / (Execess) Provision for Income tax		(31,410)		-	
	3) Deferred Tax Asset (Net)		50,13,382	49,81,972	83,24,543	83,24,543
VII	<b>Profit for the period</b>			1,55,20,738		(6,85,05,787)
VIII	<b>Basic &amp; Diluted Earnings per Equity Share</b>			3.12		(13.70)
	Corporate Information, Basis of Preparation and Significant Accounting Policies	A				
	Other Information & Disclosure	C				

Signed pursuant to the provisions of Section 134 of the Companies Act 2013, in authentication of this Balance sheet and Notes referred to therein.

As per our report attached.

For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm's Registration No: 101118W

For SYNERGY GREEN INDUSTRIES PVT. LTD.

Nikhil M Shevade  
Partner  
Membership No.217379

Sachin R. Shirgaokar  
Managing Director  
(DIN: 01512497)

Sohan S. Shirgaokar  
Joint Managing Director  
(DIN: 00217631)

Place : Kolhapur.  
Date : 09 Jun 2016

## Synergy Green Industries Pvt. Ltd.

### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016

Particulars	2015-16	2014-15
<b>A. Cash flow from operating activities</b>		
Net Loss before taxation	1,05,38,766	(7,68,30,330)
Adjustments for		
Depreciation & Amortisation	5,50,75,629	6,33,66,166
Loss/(profit) on sale of Fixed assets	-	(30,117)
Interest income	(9,47,808)	(7,75,585)
Dividend income	-	-
Finance Costs	7,33,09,676	7,19,66,032
Operating Profit/ (Loss) before working capital changes	13,79,76,263	5,76,96,166
(Increase)/decrease in trade and other receivables	(8,32,67,372)	(2,41,39,220)
(Increase)/decrease in Inventories	(6,86,35,668)	(4,70,74,970)
Increase/(decrease) in trade and other payables	8,96,78,287	7,83,79,657
Cash generated from operations	7,57,51,510	6,48,61,633
Income tax paid	(5,46,871)	(5,07,010)
<b>Net cash flow from Operating activities</b>	<b>7,52,04,639</b>	<b>6,43,54,623</b>
<b>B. Cash flow from investing activities</b>		
Purchase of and Advance given against Capital assets	(2,80,16,484)	(1,84,92,746)
Proceeds from sale of Fixed assets	-	38,095
Fixed Deposits with original maturity above 3 months (Net)	(63,66,438)	(13,91,429)
Interest received	8,06,958	6,09,509
Deposits given/received to/ from third parties	-	-
<b>Net cash flow from Investing activities</b>	<b>(3,35,75,964)</b>	<b>(1,92,36,571)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Share Capital	-	5,00,000
Repayment/proceed of/from borrowings (net)	3,07,78,651	2,55,58,109
Finance Costs	(7,25,35,600)	(7,07,96,955)
Dividends paid	-	-
<b>Net cash flow from Financing activities</b>	<b>(4,17,56,949)</b>	<b>(4,47,38,846)</b>
Net increase / (decrease) in Cash and Cash Equivalents	(1,28,274)	3,79,207
Cash and Cash Equivalents at the beginning of the year	9,47,998	5,68,791
<b>Cash and Cash Equivalents at the end of the year [as per Note B-16(1)]</b>	<b>8,19,724</b>	<b>9,47,998</b>

**Notes :**

Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 of Companies(Accounting Standard) Rules, 2006.

Purchase of fixed assets includes movement in capital work in progress.

Figures for the previous year have been regrouped where necessary.

As per our report attached.

For M/s. P. G. Bhagwat

Chartered Accountants

Firm's Registration No: 101118W

For SYNERGY GREEN INDUSTRIES PVT. LTD.

Nikhil M Shevade

Partner

Membership No.217379

Place : Kolhapur.

Date : 09 Jun 2016

Sachin R. Shirgaokar

Managing Director

(DIN : 01512497)

Sohan S. Shirgaokar

Joint Managing Director

(DIN : 00217631)

## **Notes to Financial Statements for the year ended 31-03-2016**

### **NOTE A-1 : CORPORATE INFORMATION**

Incorporated as on 08-10-2010, Synergy Green Industries Pvt. Ltd., is a subsidiary of S. B. Reshellers Pvt. Ltd. The Company manufactures Heavy Cast Iron(CI) and SG Iron Castings required for Wind Turbines, Machine Tools and for Pumps & Valves. The Works is situated at Kagal - Hatkanangale Five Star Industrial Area, Kolhapur - 416216.

### **NOTE A-2 : BASIS OF PREPARATION**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of The Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements have been presented as per requirements of Revised Schedule III to The Companies Act, 2013.

### **NOTE A-3 : SIGNIFICANT ACCOUNTING POLICIES**

#### **1) Fixed Assets And Intangible Assets :-**

- i) Tangible Assets are Carried at cost of acquisition or construction(Inclusive of freight, duties, taxes and expenses related to acquisition and installation and commissioning) less accumulated depreciation and impairment losses if any.
- ii) Intangible Assets are recorded at the consideration paid for acquisition.

#### **2) Depreciation and Amortization :-**

- a) Fixed Assets:- Depreciation on Tangible Assets is provided on the "Written Down value" Method, as per the useful life of assets prescribed in Part C of Schedule II of Companies Act, 2013. Life of Dies and Moulds are taken as 8 years based on technical evaluation.
- b) Depreciation on addition to assets or sale/disposal of assets is calculated pro rata from the date of such addition or up to the date of sale/disposal, as the case may be.
- c) Intangible assets which consist of computer software is amortized over a period of three years.

#### **3) Borrowing Cost:-**

Borrowing costs that are attributable to acquisition, construction or erection of qualifying assets incurred during the period of acquisition or construction, are capitalized as part of the cost of the asset. Other borrowing costs are recognized as expenditure in the period in which they are incurred.

#### **4) Impairment of Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, the company estimates the asset's recoverable amount. The recoverable amount is determined for an individual assets, unless the assets does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an assets exceeds its recoverable amount the assets is considered impaired and is written down to it's recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is changed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

**5) Inventories :-**

- i) Raw material, Stores & Spares are valued at lower of cost or net realizable value. Cost includes cost of purchases and incidental expenses incurred in bringing the inventories to their present locations and conditions. Cost is arrived at mainly on the basis of Weighted Average Method.
- ii) Work in Progress and Finished goods are valued at lower of cost or net realizable value. Cost includes direct material, labour cost and proportion of manufacturing overheads based on the normal operating capacity. Finished goods lying in the factory premises are valued inclusive of Excise duty.
- iii) Loose Tools are written off over a period of four years from the year of acquisition.
- iv) Runners and Risers are valued at replacement cost or net realizable value whichever is lower.
- v) The inventory of patterns purchased and held for sale is valued at lower of cost and net realizable value. The cost comprises of all the costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

**6) Revenue recognition :-**

- i) Revenue from sale of goods is recognized on dispatch to customer. Sales value is inclusive of excise duty and export benefit, if any, and net of sales tax, sales returns.
- ii) Revenue in respect of export Incentives is recognized only when it is reasonably certain that the ultimate collection will be made.

**7) Retirement Benefits :-**

Retirement benefits have been recognized in accordance with AS-15(Revised 2005) and accordingly,

- i) liability for balance of leave as on the last date of the year is fully provided on actuarial basis;
- ii) liability on account of retirement benefits such as provident fund are administered through separate funds. Contribution to provident fund are accounted for at respective specified rates; and
- iii) Gratuity is accounted on the basis of actuarial valuation, Method of valuation of Gratuity adopted by Actuary is 'Projected Unit Credit Method'.

**8) Foreign Currency Transactions :-**

All foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. The short term and long term monetary items are restated at the rate of exchange prevailing on the date of Balance Sheet. The exchange differences on settlement / restatement are adjusted to Profit and Loss Account.

**9) Taxation :-**

Provision for taxation is made on the basis of the taxable profits, computed for the current accounting period in accordance with the provisions of the Income Tax Act 1961. Deferred Tax resulting from timing difference between book profits and tax profits is accounted for at the applicable rate of tax to the extent timing differences are expected to crystallize, in the case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which deferred tax assets can be realized, applying the tax rates that have been substantively enacted by the Balance Sheet date.

**10) Provisions & Contingencies :-**

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## NOTES TO ACCOUNTS PART B

## B -1 SHARE CAPITAL

		Rs.	
Particulars		As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>Authorised Share Capital</b>		
	50,00,000 Equity shares of Rs. 10/- each (Previous year 50,00,000 Equity shares of Rs. 10 /- each)	5,00,00,000	5,00,00,000
	13,00,000 Preference Shares of Rs. 100 /- each (Previous year 13,00,000 Preference Share of Rs. 100 /- each)	13,00,00,000	13,00,00,000
		<b>18,00,00,000</b>	<b>18,00,00,000</b>
<b>2)</b>	<b>Issued and Subscribed &amp; Paid-up Share Capital</b>		
	50,00,000 Equity Shares of Rs. 10/- each (Previous year 50,00,000 Equity Shares of Rs. 10/- each)	5,00,00,000	5,00,00,000
	12,81,000, 10% Non-cumulative redeemable Preference shares of Rs. 100/- Each (Previous year 12,81,000 10% Non-Cumulative redeemable Preference Share of Rs. 100 /- each )	12,81,00,000	12,81,00,000
	Total	<b>178,100,000</b>	<b>178,100,000</b>

## (a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars		As at 31 March 2016	As at 31 March 2015
I.	<b>Number of shares outstanding as at the beginning of the year</b>	50,00,000	50,00,000
	Add/Less: Increase / reduction in shares during the year	-	-
	<b>Number of shares outstanding as at the end of the year</b>	<b>50,00,000</b>	<b>50,00,000</b>

## Reconciliation of number of Preference shares outstanding at the beginning and at the end of the year

Particulars		As at 31 March 2016	As at 31 March 2015
II.	<b>Number of shares outstanding as at the beginning of the year</b>	12,81,000	12,76,000
	Add :		
	Number of shares allotted for cash pursuant to issue	-	5,000
	Less :		
	Number of shares redeemed during the year	-	-
	<b>Number of shares outstanding as at the end of the year</b>	<b>12,81,000</b>	<b>12,81,000</b>

## b) Rights, preferences and restrictions attaching to various classes of shares

Sr. No.	Class of shares	Rights, preferences and restrictions (including restrictions on distribution of dividends and repayment of capital) attached to the class of shares
1)	<b>Equity Shares of Rs. 10 Each</b>	Each member present in person shall have one vote and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2016 the Board of Directors has not proposed any dividend (Previous year Nil).



2)	<b>10% Non-cumulative redeemable Preference shares of Rs.100/-each</b>	Each Share shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate of 10%, on the capital for the time being paid up or credited as paid up thereon. However Dividend is on Non cumulative basis. Each share has priority to the equity share of the company, but shall not confer any further or other right to participate either in profits or assets. The shares are redeemable at any time after completion of one year but within twenty years from the date of allotment
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**c) Shareholding in the company by the Holding Company –S. B. Reshellers Pvt. Ltd.**

Sr. No.	Class of shares	No. of shares held in the aggregate by Holding Co.
1)	Equity Shares of Rs. 10 each	26,22,982
2)	10% Non-cumulative redeemable preference shares of Rs. 100/- each	5,96,000

**d) Shares in the company held by each shareholder holding more than 5% shares**

Sr. No.	Name of the shareholder	Number of shares held in the company		Percentage of shares held	
		2015 - 16	2014 - 15	2015 - 16	2014 - 15
<b>i)</b>	<b>Equity Shares of Rs. 10/-each</b>				
a.	S. B. Reshellers Pvt. Ltd.	26,22,982	26,22,982	52.46	52.46
b.	Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar	3,71,176	3,71,176	7.42	7.42
c.	Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar	3,68,114	3,68,114	7.36	7.36
d.	Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar	3,71,177	3,71,177	7.42	7.42
e.	Vendavagali Srinivasa Reddy & Sou. Vendavagali Kuberi Reddy	7,50,000	7,50,000	15.00	15.00
<b>ii)</b>	<b>Non-cumulative redeemable Preference Shares of Rs. 100/-Each</b>				
a.	S. B. Reshellers Pvt. Ltd.	5,96,000	5,96,000	46.53	46.53
b.	The Ugar Sugar Works Ltd	6,40,000	6,40,000	49.96	49.96

**B -2 RESERVES AND SURPLUS**

Rs.

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>Profit and Loss Account</b>		
a.	As per Last Balance Sheet	(2,491,84,294)	(18,06,78,508)
b.	Profit/ (Loss) Carried From Statement of Profit & Loss	1,55,20,738	(6,85,05,786)
	<b>Total</b>	<b>(23,36,63,556)</b>	<b>(24,91,84,294)</b>

**B -3 LONG-TERM BORROWINGS**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>TERM LOANS FROM BANKS, SECURED</b>		
a.	Term loan from Bank of Baroda - Factory Building & Machinery	21,66,00,000	26,50,00,000
b.	Term loan from Bank of Baroda - Admin Building & Machinery	2,04,00,000	2,52,00,000
c.	Term loan from ICICI Bank Ltd - Vehicles	6,31,562	8,99,648
	<b>Sub Total</b>	<b>23,76,31,562</b>	<b>29,10,99,648</b>
<b>2)</b>	<b>Unsecured Loans</b>		
a.	Deposits from Directors, Relatives of Directors and Companies	9,11,95,000	2,98,25,000
	<b>Sub Total</b>	<b>9,11,95,000</b>	<b>2,98,25,000</b>
	<b>Total</b>	<b>32,88,26,562</b>	<b>32,09,24,648</b>

Out of above, guaranteed by Managing Director and Joint Managing Director 29,02,00,000 34,34,00,000

**(I) Principal terms, security and repayment schedule of long term secured loans**

- a. Term Loan -I** from Bank of Baroda (BOB) is obtained for construction of new factory building and purchase of imported as well as indigenous machinery. Hypothecation of plant & machineries, shed materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Managing Director, Jt. Managing Director and Corporate Guarantee by S. B. Reshellers Pvt. Ltd., the holding company. During the financial year 2013-14 the loan has been restructured and accordingly, the loan is repayable in 27 quarterly instalments commencing from 31 March, 2015 out of which 26 instalments of Rs. 1.21 Crores & Last instalment of Rs. 1.09 Crores which is falling due on 30 September 2021 subject to annual review.
- b. Term Loan -II** from Bank of Baroda (BOB) is obtained for construction of Administrative building and purchase of indigenous machinery & movable fixed assets. Hypothecation of plant & machineries, shed materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Managing Director, Jt. Managing Director and Corporate Guarantee by S. B. Reshellers Pvt. Ltd., the holding company. During the financial year 2013-14 the loan has been restructured and accordingly, the loan is repayable in 27 quarterly instalments of Rs. 12 Lacs commencing from 18 February 2015 & last instalment is falling due on 18 August 2021 subject to annual review.
- c.** Vehicle Loan from ICICI Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 1st March 2019.
- d.** Deposits are accepted from Directors and Companies and are repayable on maturity @ 12% p. a. interest

**Other Particulars**

Sr. No.	Rate of Interest	As at 31 March 2016		As at 31 March 2015	
		Current	Non Current	Current	Non Current
1.	BOB Base Rate + 3.00% (27 Quarters)	4,84,00,000	21,66,00,000	4,84,00,000	26,50,00,000
2.	BOB Base Rate + 3.00% (27 Quarters)	48,00,000	2,04,00,000	48,00,000	2,52,00,000
3.	ICICI Bank 11.01% (60 Months)	2,68,086	6,31,562	2,40,241	8,99,648
	<b>Total</b>	<b>5,34,68,086</b>	<b>23,76,31,562</b>	<b>5,34,40,241</b>	<b>29,10,99,648</b>

**Note :**

There is no continuing default, as at the balance sheet date, in repayment of principles. However there are delays in repayment of interest thereon which have been made good subsequently.

**B -4 OTHER LONG TERM LIABILITIES**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1.	Trade Payables		
a.	Security Deposits from Contractors	12,000	7,000
	<b>Total</b>	<b>12,000</b>	<b>7,000</b>

**B -5 LONG-TERM PROVISIONS**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1.	Provision for Gratuity	-	7,12,459
2.	Provision for Leave Encashment	21,70,421	7,55,636
3.	Superannuation payable	11,70,000	9,00,000
	<b>Total</b>	<b>33,40,421</b>	<b>23,68,095</b>

**B -6 SHORT-TERM BORROWINGS**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1.	Secured :-		
	Working Capital Loans- from Bank		
a.	Cash Credit	9,73,24,680	9,45,05,788
b.	Bank of baroda Lone Against FDR	50,00,000	-
	Sub Total	10,23,24,680	9,45,05,788
2.	Unsecured :-		
a.	Deposits from Directors and Companies	-	1,06,55,000
b.	Deposits from Directors, Relatives of Directors and Companies	2,56,85,000	-
	Sub Total	2,56,85,000	1,06,55,000
	<b>Total</b>	<b>12,80,09,680</b>	<b>10,51,60,788</b>

Out of above, guaranteed by Managing Director and Joint Managing Director 9,73,24,680 9,45,05,788

a) Principal terms, security and repayment schedule of short term borrowings

Cash Credit from Bank of Baroda is secured against Hypothecation of stock, book debts, current and future, and collateral security in nature of equitable mortgage of factory land and building and extended charge on Plant and Machineries of the Company. Entire amount has been personally guaranteed, jointly and severally, by Managing Director, Jt. Managing Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd., the holding company. The cash credit is repayable on demand and carries rate of interest at BR+2.50% p.a. Short Term Loan of Rs.50.00 Lakhs has been availed on 28.12.2015. The entire amount has been secured by unencumbered Fixed Deposits with the Bank. The loan is repayable on demand and carries rate of interest of 1% above FDR rate.

- b) Deposits are accepted from Shareholders, Directors and Companies and are repayable on maturity @ 12% & 15% p.a. interest.
- c) There is no continuing default, as at the balance sheet date, in repayment of any of the above loans & interest thereon.

**B -7 TRADE PAYABLES**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1.	Acceptances	5,05,34,779	2,45,61,478
2.	Creditors for Supplies and Services	26,24,03,841	20,16,09,008
<b>Total</b>		<b>31,29,38,620</b>	<b>22,61,70,486</b>

**B -8 CURRENT LIABILITIES**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1)	Current maturities of long term debt		
	Secured :		
a.	From Banks	5,34,68,086	5,34,40,241
2)	Interest accrued but not due on borrowings	8,259	10,465
3)	Interest accrued and due on borrowings	32,79,126	42,82,651
4)	Interest Payable on Deposits	27,56,329	9,76,523
5)	Creditors for Purchase of Fixed Assets	2,22,15,150	1,29,66,757
6)	Advance from Customers	-	1,44,37,178
7)	Security Deposits of Civil Contractors	3,09,238	5,79,420
8)	<u>Other payables</u>		
a.	Salary & wages payable	1,25,89,254	77,58,241
b.	Contribution to PF	4,04,195	3,60,582
c.	Statutory Dues	11,78,393	18,48,285
d.	Provision for Other Expenses	1,00,88,071	71,64,163
<b>Total</b>		<b>10,62,96,101</b>	<b>10,38,24,506</b>

**B -9 SHORT-TERM PROVISIONS**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1.	Provision for Gratuity	11,71,630	16,042
2.	Provision for Leave Encashment	3,00,837	11,93,272
<b>Total</b>		<b>14,72,467</b>	<b>12,09,314</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016**  
**B – 10 FIXED ASSETS, DEPRECIATION & AMORTIZATION**  
**AS PER SCHEDULE II OF COMPANIES ACT 2013**

	Tangible Assets										Intangible Assets		
	Lease Hold Land	Buildings	Plant & Machinery	Dies & Moulds	Furniture & Fixture	Office Equipment	Office Equip-Computer	Vehicle	Total	Computer Softwares	Cost of Time Share	Total	
<b>GROSS BLOCK</b>													
<b>As at 01-04-2014</b>	1,51,64,916	14,33,81,079	28,24,59,145	2,79,00,181	8,35,112	7,14,315	22,62,945	28,72,862	47,55,90,555	53,34,546	-	53,34,546	
Additions	-	28,00,676	28,76,575	90,22,515	1,44,370	93,173	2,70,013	-	1,52,07,322	2,42,763	-	2,42,763	
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-	
Deletions	-	-	-	-	-	-	84,424	-	84,424	-	-	-	
Revaluation / Impairments	-	-	-	-	-	-	-	-	-	-	-	-	
<b>As at 31-03-2015</b>	1,51,64,916	14,61,81,755	28,53,35,719	3,69,22,696	9,79,482	8,07,488	24,48,534	28,72,862	49,07,13,452	55,77,309	-	55,77,309	
Additions	-	1,97,95,660	32,03,178	1,86,11,042	54,25,964	10,95,605	5,58,286	-	4,86,89,734	1,02,008	-	1,02,008	
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-	
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	
<b>As at 31-03-2016</b>	1,51,64,916	16,59,77,414	28,85,38,897	5,55,33,738	64,05,446	19,03,093	30,06,820	28,72,862	53,94,03,187	56,79,317	-	56,79,317	
Depreciation /Amortization													
<b>As at 01.04.2014</b>	4,52,479	2,41,62,644	6,60,35,953	85,55,532	472,388	2,59,388	12,12,201	5,24,492	10,16,75,077	35,31,529	-	35,31,529	
<b>Charge for the year</b>	1,64,538	1,18,64,127	4,07,03,940	68,70,877	1,16,579	2,80,549	8,38,017	7,45,446	6,15,84,072	17,82,094	-	17,82,094	
Adjustment on deletions	-	-	-	-	-	-	76,446	-	76,446	-	-	-	
<b>As at 31.03.2015</b>	6,17,017	3,60,26,771	10,67,39,893	1,54,26,409	5,88,967	5,39,937	19,73,772	12,69,938	16,31,82,703	53,13,623	-	53,13,623	
<b>Charge for the year</b>	1,64,538	1,08,86,538	3,35,64,361	83,22,005	7,10,117	3,65,679	4,31,785	5,08,708	5,49,53,731	1,21,898	-	1,21,898	
Adjustment on deletions	-	-	-	-	-	-	-	-	-	-	-	-	
<b>As at 31.03.2016</b>	7,81,555	4,69,13,309	14,03,04,254	2,37,48,414	12,99,084	9,05,615	24,05,557	17,78,646	21,81,36,434	54,35,521	-	54,35,521	
Net Block :													
As at 31.03.2015	1,45,47,899	11,01,54,984	17,85,95,827	2,14,96,287	3,90,515	2,67,551	4,74,763	16,02,924	32,75,30,750	2,63,686	-	2,63,686	
<b>As at 31.03.2016</b>	1,43,83,361	11,90,64,105	14,82,34,643	3,17,85,324	51,06,362	9,97,478	6,01,264	10,94,216	32,12,66,753	2,43,796	-	2,43,796	

**B -11 DEFERRED TAX ASSET (NET)**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1)	Deferred Tax Asset		
	On account of time differences in -		
a.	Statutory Liabilities	17,63,651	14,92,414
b.	Provision for Gratuity	3,87,341	2,36,362
c.	Unabsorbed Depreciation*	<u>4,47,80,898</u>	4,47,80,898
		4,69,31,890	4,65,09,674
2)	Less: Deferred Tax Liabilities		
	On account of time differences in		
a.	Depreciation	1,37,72,926	1,83,64,092
	<b>Total (1) + (2)</b>	<b>3,31,58,964</b>	<b>2,81,45,582</b>

\* Deferred Tax Asset for the unabsorbed losses and unabsorbed depreciation computed in accordance with the taxation law has been recognised only if there is convincing evidence that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**B -12 LONG-TERM LOANS AND ADVANCES**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1)	Capital Advance	11,43,938	14,65,663
	<b>Total</b>	<b>11,43,938</b>	<b>14,65,663</b>

**B -13 OTHER NON-CURRENT ASSETS**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1)	Non Current Portion in Fixed Deposit with Bank	4,05,780	28,32,657
2)	Interest Accrued on Fixed Deposits with Bank	31,977	2,35,566
3)	Other Deposits	2,98,429	2,89,030
	<b>Total</b>	<b>7,36,186</b>	<b>33,57,253</b>

**B -14 INVENTORIES**

Sr. No.	Particulars	Rs.	
		As at 31 March 2016	As at 31 March 2015
1)	Raw Materials	3,12,63,459	2,19,46,886
2)	Stores & Spares	36,07,618	27,51,160
3)	Tools & Equipments	29,91,516	34,33,370
4)	Patterns Stock	2,39,86,788	48,44,234
5)	Work in Process	17,12,56,446	13,14,94,509
6)	Finished Goods	-	-
	<b>Total</b>	<b>23,31,05,827</b>	<b>16,44,70,159</b>

**B -15 TRADE RECEIVABLES**

		Rs.	
Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>Trade receivables outstanding for more than six months from the date they became due for payment</b>		
i)	Secured , considered good	-	-
ii)	Unsecured , considered good	24,47,600	26,92,902
iii)	Doubtful	--	-
		<u>24,47,600</u>	<u>26,92,902</u>
	Less : Allowance for bad and doubtful advances	--	-
	Total	<u>24,47,600</u>	<u>26,92,902</u>
<b>2)</b>	<b>Trade Receivables (Others)</b>		
i)	Secured , considered good	-	-
ii)	Unsecured , considered good	18,89,13,825	11,07,25,827
iii)	Doubtful	-	-
		<u>18,89,13,825</u>	<u>11,07,25,827</u>
	Less : Allowance for bad and doubtful advances	-	-
		<u>18,89,13,825</u>	<u>11,07,25,827</u>
	<b>Total</b>	<b>19,13,61,425</b>	<b>11,34,18,729</b>

Debts due from a Private Company in which Directors of the Company are Directors or members

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**B -16 CASH AND BANK BALANCES**

		Rs.	
Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>Cash &amp; Cash Equivalents</b>		
i)	Cash on hand	73,930	51,342
ii)	Balances with Banks in Current Accounts	3,33,098	7,46,656
iii)	Fixed Deposits (with original maturity for 3 months or less)	4,12,696	1,50,000
	Total (1)	<u>8,19,724</u>	<u>9,47,998</u>
<b>2)</b>	<b>Other Bank Balances</b>		
	Fixed Deposit (With original maturity for more than 3 months) lien against bank guarantee & letter of credit	1,47,18,476	83,52,038
	Less: Non-Current portion in above, disclosed under Other Non-Current Assets	<u>4,05,780</u>	28,32,657
		<u>1,43,12,696</u>	<u>5,519,381</u>
	Total (2)	1,43,12,696	55,19,381
	<b>Total (1) + (2)</b>	<b>1,51,32,420</b>	<b>64,67,379</b>

**B -17 SHORT TERM LOANS & ADVANCES**

Rs.

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
<b>1)</b>	<b>Unsecured &amp; Considered Good</b>		
a)	Staff Advances	37,440	83,360
b)	Advance to Suppliers	1,77,705	1,87,083
	<b>Total</b>	<b>2,15,145</b>	<b>2,70,443</b>

**B -18 OTHER CURRENT ASSETS**

Rs.

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1)	Prepaid Expenses	7,65,208	8,25,579
2)	Interest Accrued on Fixed Deposits with Bank	7,95,378	4,50,939
3)	Central Excise Receivable	24,31,419	28,53,847
4)	Service Tax receivable	6,10,100	1,45,557
5)	Vat Receivable	2,22,66,507	1,68,77,674
6)	Advance Income Tax	13,49,230	8,33,769
	Less: Provision for Income Tax	-	-
		13,49,230	8,33,769
	<b>Total</b>	<b>2,82,17,842</b>	<b>2,19,87,365</b>



**B -19 REVENUE FROM OPERATIONS**

Rs.			
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>1)</b>	<b>Sale of Products</b>		
a)	Windmill Castings	51,94,86,769	42,93,45,547
b)	Other Castings	<u>28,73,85,453</u>	20,06,14,142
		80,68,72,222	62,99,59,689
<b>2)</b>	<b>Other Operating Revenues</b>		
a)	Sale of Pattern	1,28,51,262	64,45,756
b)	Deemed Sale	-	25,719
c)	Sale of Scrap	-	2,16,750
d)	Services Charges	<u>28,10,340</u>	-
		1,56,61,602	66,88,225
	<b>Total</b>	<b>82,25,33,824</b>	<b>63,66,47,914</b>

**B -20 OTHER INCOME**

Rs.			
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Interest Income	9,47,808	7,75,585
2)	Foreign Exchange Fluctuation Gain	2,92,208	-
3)	Export Incentive	10,89,815	6,19,974
4)	Excess Provision Written Back	11,02,130	4,19,003
5)	Profit on Sale of Fixed Assets	-	30,117
	<b>Total</b>	<b>34,31,961</b>	<b>18,44,679</b>

**B -21 COST OF MATERIAL CONSUMED**

Rs.			
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Raw Material Consumed		
	Opening Stock	2,19,46,886	1,64,65,388
	Add:-Purchases	<u>35,13,30,004</u>	33,50,14,769
		37,32,76,890	35,14,80,157
	Less:- Closing Stock	<u>3,12,63,459</u>	2,19,46,886
	Sub total	34,20,13,431	32,95,33,271
2)	Pattern Material Consumed		
	Opening Stock	48,44,234	23,71,885
	Add:-Purchases	<u>3,18,75,865</u>	66,51,700
		3,67,20,099	90,23,585
	Less:- Closing Stock	<u>2,39,86,788</u>	48,44,234
	Sub total	1,27,33,311	41,79,351
	<b>Total</b>	<b>35,47,46,742</b>	<b>33,37,12,622</b>

**B -22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN PROGRESS**

		Rs.	
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Opening Stock		
	a) Work in Progress	13,14,94,509	9,35,18,813
	b) Finished Goods	-	17,527
		13,14,94,509	9,35,36,340
2)	Closing Stock		
	a) Work in Progress	17,12,56,446	13,14,94,509
	b) Finished Goods	-	-
		17,12,56,446	13,14,94,509
3)	Excise Duty on Stock Differential *	-	1,928
	<b>Total</b>	<b>(3,97,61,937)</b>	<b>(3,79,60,097)</b>

\* Represents Excise duty relating to difference between the Opening & Closing Stock of Finished Goods. The Excise duty shown as deduction from Sales in statement of Profit & Loss represents Excise Duty on Sales during the year.

**B -23 EMPLOYEES BENEFIT EXPENSES**

		Rs.	
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Salary, Wages, Allowances, Bonus & Gratuity	4,26,53,385	3,50,04,469
2)	Wages Contract Labour	3,44,35,945	2,91,34,882
3)	Contribution to Employees P F & Other Funds	26,42,170	21,31,329
4)	Staff and Labour Welfare Expenses	21,90,315	5,73,272
	<b>Total</b>	<b>8,19,21,815</b>	<b>6,68,43,952</b>

**B -24 FINANCE COST**

		Rs.	
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Interest Expense	7,02,20,698	6,94,21,193
2)	Finance Charges	30,88,978	25,44,839
	<b>Total</b>	<b>7,33,09,676</b>	<b>7,19,66,032</b>

**B -25 DEPRECIATION AND AMORTIZATION EXPENSES**

		Rs.	
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1)	Depreciation	5,49,53,731	6,15,84,072
2)	Amortization	1,21,898	17,82,094
	<b>Total</b>	<b>5,50,75,629</b>	<b>6,33,66,166</b>

**B -26 OTHER EXPENSES**

		Rs.	
Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>A)</b>	<b><u>Manufacturing Expenses</u></b>		
1)	Consumption of Stores, Spares & Consumables	4,40,43,413	2,31,28,686
2)	Consumption of Tools & Tackles	25,57,302	20,28,440
3)	Power & Fuel Consumed	7,17,84,697	5,58,76,114
4)	Labour Charges	11,85,30,917	10,26,69,701
5)	Other Manufacturing Expenses	1,40,96,418	1,05,97,456
6)	Repairs & Maintenance - Building	11,33,640	72,300
7)	Repairs & Maintenance - Machinery	58,62,147	16,03,040
8)	Repairs & Maintenance - Others	48,28,647	8,09,049
	Sub total	26,28,37,181	19,67,84,786
<b>B)</b>	<b><u>Administrative Expenses</u></b>		
1)	Rent, Rates & Taxes, excluding taxes on income	36,59,846	18,70,766
2)	Insurance	7,16,602	4,28,109
3)	Printing & Stationary	3,81,848	4,10,422
4)	Postage, Telephone & Telegram	5,23,702	3,87,257
5)	Consultation Fees	13,92,056	3,97,114
6)	Staff & Guest Expenses	7,38,373	6,35,890
7)	Travelling & Conveyance Expenses	33,17,490	19,56,445
8)	Payment to Auditors		
	a) As auditors		
	- Audit Fees	1,80,000	90,000
	- Tax Audit	20,000	10,000
	b) Other Services	28,500	39,678
	(For Certification etc.)		
	c) For reimbursement of expenses	3,621	5,452
		2,32,121	1,45,130
10)	General repairs & Maintenance	1,19,808	89,397
11)	Miscellaneous Expenses	4,65,597	16,19,361
	Sub total	1,15,47,443	79,39,891
<b>C)</b>	<b><u>Selling &amp; Distribution Expenses</u></b>		
1)	Packing & Forwarding	30,44,843	15,88,295
2)	Carriage Outward	1,24,54,140	1,08,62,958
3)	Transport, Octroi, Coolie Charges	-	2,790
4)	Sales Promotion Expenses	2,51,485	1,05,666
5)	Discount Allowed	-	1,09,861
	Sub total	1,57,50,468	1,26,69,570
<b>Grand Total</b>		<b>29,01,35,092</b>	<b>21,73,94,247</b>

**Note C : OTHER INFORMATION AND DISCLOSURES**

1. Contingent Liabilities & Commitments:
  - a. Contingent Liabilities not provided for
    - i) Disputed Income Tax Liability- Matter under Appeal: Rs. 2,02,500/- (Previous Year Nil)
    - ii) Claims against the Company not acknowledged as debts : Nil (Previous year Nil)
    - iii) Guarantees : Nil (Previous Year Nil)
  - b. Commitments
    - i) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,30,64,966/- (Previous Year Rs. 72,67,228/-)
    - ii) Others :
      - a. Commitments under EPCG license towards duty saved and Interest thereon for Rs. 3,44,98,050/- (Previous Year Rs. 3,05,87,944/-)
      - b. Commitments under PSI Scheme 2007 towards exemption of stamp duty on mortgage for Rs. 11,81,250/- (Previous Year Rs. 10,80,000/-)
      - c. Commitments under PSI Scheme 2007 towards exemption of Electricity Duty for a period of 15 years for Rs. 1,89,92,764/- (Previous Year Rs. 1,22,29,526/-)
2. Based on available information, presently, there are no amounts payable to parties mentioned in the Micro, Small and Medium Enterprises Development Act, 2006.
3. Borrowing Cost capitalized during the year Rs. Nil (Previous Year Rs. Nil)

## 4. Earnings Per Share :-

Weighted average number of Equity Shares held during the year (in Nos.)  
 Net Profit/Loss after Taxation and Dividend on Preference Shares (in Rs.)  
 Basic earning per Equity Share of Rs.10/-each (in Rs.)

	2015-2016	2014-2015
Weighted average number of Equity Shares held during the year (in Nos.)	50,00,000	50,00,000
Net Profit/Loss after Taxation and Dividend on Preference Shares (in Rs.)	1,55,20,738	(6,85,05,786)
Basic earning per Equity Share of Rs.10/-each (in Rs.)	3.10	(13.70)

## 5. Value of imports calculated on CIF basis

Sr. No.	Particulars	2015-2016	2014-2015
a)	Machineries & Spares	1,65,909	-
b)	Raw Material	17,56,501	-
c)	Moulding Machineries	4,28,294	4,62,016

## 6. Expenditure in Foreign Currency

Sr. No.	Particulars	2015-2016	2014-2015
a)	Travelling Expenses	37,302	—

## 7. Earnings in Foreign Currency.

Sr. No.	Particulars	2015-2016	2014-2015
a)	FOB Value of Exports	2,33,00,162	2,74,79,347

## 8. Prior Period Expenses

Sr. No.	Particulars	2015-2016	2014-2015
a)	Prior Period Expenses	81,292	2,94,841

## 9. Raw Material Consumed

Sr. No.	Particulars	2015-2016	2014-2015
a)	CRCA Scrap	12,63,57,824	12,42,56,423
b)	Pig Iron	5,64,65,863	4,20,01,313
c)	Resin	4,37,56,190	3,84,70,461
d)	M. S. Scrap	2,50,77,924	2,45,88,444
e)	Pattern Consumption	1,27,33,311	41,79,351
f)	Other	9,03,55,630	10,02,16,631
<b>Total</b>		<b>35,47,46,742</b>	<b>33,37,12,622</b>

## 10. Value of Raw Material Consumed &amp; Percentage there of to the total Consumption:

Sr. No.	Particulars	2015-2016	2014-2015
a)	Imported:		
	Value	17,56,501	-
	Percentage to Total Consumption	0.50%	0%
b)	Indigenous		
	Value	35,29,90,241	33,37,12,622
	Percentage to Total Consumption	99.50%	100%
<b>Total</b>		<b>35,47,46,742</b>	<b>33,37,12,622</b>

## 11. Value of Store &amp; Spares Consumed &amp; Percentage there of to the total Consumption :

Sr. No.	Particulars	2015-2016	2014-2015
a)	Imported:		
	Value	1,65,909	-
	Percentage to Total Consumption	0.38%	0%
b)	Indigenous		
	Value	4,38,77,504	2,31,28,686
	Percentage to Total Consumption	99.62%	100%
<b>Total</b>		<b>4,40,43,413</b>	<b>2,31,28,686</b>

## 12. Closing Stock of Work - in -process -

Sr. No.	Product	2015-2016	2014-2015
a)	Windmill Casting	11,61,79,963	8,95,68,076
b)	Other Casting	5,50,76,483	4,19,26,433
<b>Total</b>		<b>17,12,56,446</b>	<b>13,14,94,509</b>

## 13 Disclosure as per requirement of AS 15 :

The Company has implemented Revised Accounting Standard-15 on Employee Benefits and made the provisions accordingly . The disclosure as per revised AS-15 are produced below:

## Defined Contribution plan

Contribution to Defined Contribution plan, recognized and charged off to Statement of Profit & Loss for the year as under :

	2015-2016	2014-2015
Employer's contribution to Provident Fund	8,57,626	9,27,821
Employer's contribution to Pension Scheme	12,76,773	9,79,586

**Gratuity**

In accordance with the applicable laws, the Company provides for gratuity, a defined retirement plan (Gratuity plan) covering all staff, workers, and officers. The Gratuity Plan provides for, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the company. The Gratuity Scheme is not entirely funded, so appropriate liability as required under AS 15 (revised) is being provided in the balance sheet.

**Period of accounting**

**GRATUITY**  
**01/ 04/2015 to 31/03/2016**  
**(all figures in Indian Rupees)**

<b>I. <u>Assumptions as at</u></b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	<b><u>IALM (2006-08) Ult</u></b>	<b><u>IALM (2006-08) Ult</u></b>
Mortality		
Interest / Discount Rate	7.60%	7.77%
Rate of increase in compensation	7.00%	7.00%
Rate of return (expected) on plan assets	8.50%	8.75%
Employee Attrition Rate(Past Service (PS) )	PS: 1 to 5 : 8%	PS: 1 to 5 : 20%
	PS: 5 to 10 : 8%	PS: 5 to 10 : 15%
	PS: 10 to 15 : 8%	PS: 15 to 37 : 0%
	PS : 15 and above : 8%	PS: 15 to 37 : 0%
Expected average remaining service .	10.35	5.9
<b>II. <u>Changes in present value of obligations</u></b>		
PVO at beginning of period	12,26,838	6,63,654
Interest cost	95,325	60,990
Current Service Cost	6,80,439	6,31,381
Past Service Cost- (non vested benefits)	0	0
Past Service Cost -(vested benefits)	0	0
Benefits Paid	0	0
Actuarial (Gain)/Loss on obligation	6,87,907	(1,29,187)
PVO at end of period	26,90,509	12,26,838
<b>III. <u>Changes in fair value of plan assets</u></b>		
Fair Value of Plan Assets at beginning of period	4,98,337	0
Expected Return on Plan Assets	84,859	21,797
Contributions	10,00,000	4,98,216
Benefit Paid	0	0
Actuarial Gain/(Loss) on plan assets	(64,317)	(21,676)
Fair Value of Plan Assets at end of period	15,18,879	4,98,337
<b>IV. <u>Fair Value of Plan Assets</u></b>		
Fair Value of Plan Assets at beginning of period	4,98,337	0
Actual Return on Plan Assets	20,542	121
Contributions	10,00,000	4,98,216
Benefit Paid	0	0
Fair Value of Plan Assets at end of period	15,18,879	4,98,337
Funded Status (including unrecognised past service cost)	(11,71,630)	(7,28,501)

	31-Mar-16	31-Mar-15
<b>V. <u>Experience Adjustment for the Current Period</u></b>		
Present Value of obligation	2,690,509	12,26,838
Plan Assets	1,518,879	4,98,337
Surplus / (Deficit)	(1,171,630)	7,28,501
Experience (Gain)/ Loss on obligation	727,173	(1,55,957)
Actuarial Gain/(Loss) on plan assets	61,822	(21,676)
<b>VI. <u>Actuarial Gain/(Loss) Recognized</u></b>		
Actuarial Gain/(Loss) for the period (Obligation)	6,87,907	1,29,187
Actuarial Gain/(Loss) for the period (Plan Assets)	64,317	(21,676)
Total Gain/(Loss) for the period	7,52,224	1,07,511
Actuarial Gain/(Loss) recognized for the period	7,52,224	1,07,511
Unrecognized Actuarial Gain/(Loss) at end of period	0	0
<b>VII. <u>Past Service Cost Recognised</u></b>		
Past Service Cost- (non vested benefits)	0	0
Past Service Cost -(vested benefits)	0	0
Average remaining future service till vesting of the benefit	0	0
Recognised Past service Cost- non vested benefits	0	0
Recognised Past service Cost- vested benefits	0	0
Unrecognised Past Service Cost- non vested benefits	0	0
<b>VIII. <u>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</u></b>		
PVO at end of period	26,90,509	12,26,838
Fair Value of Plan Assets at end of period	15,18,879	4,98,337
Funded Status	(11,71,630)	(7,28,501)
Unrecognized Actuarial Gain/(Loss)	0	0
Unrecognised Past Service Cost- non vested benefits	0	0
Net Asset/(Liability) recognized in the balance sheet	(11,71,630)	(7,28,501)
<b>IX. <u>Expense recognized in the statement of P &amp; L A/C</u></b>		
Current Service Cost	6,80,439	6,38,381
Interest cost	95,325	60,990
Past Service Cost- (non vested benefits)	0	0
Past Service Cost -(vested benefits)	0	0
Unrecognised Past Service Cost- non vested benefits	0	0
Expected Return on Plan Assets	(84,859)	(21,797)
Net Actuarial (Gain)/Loss recognized for the period	7,52,224	(1,07,511)
Expense recognized in the statement of P & L A/C	14,43,129	5,63,063
<b>X. <u>Movements in the Liability recognized in Balance Sheet</u></b>		
Opening Net Liability	7,28,501	6,63,654
Expenses as above	14,43,129	5,63,063
Contribution paid	(10,00,000)	(4,98,216)
Closing Net Liability	11,71,630	7,28,501

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The above information is certified by the actuary.

**14. Disclosure of Related Parties and Related Party Transactions****I. Name of Related Party under which Control exists Nature of Relationship**

- |                             |                   |
|-----------------------------|-------------------|
| a. S.B. Reshellers Pvt.Ltd. | Holding Company   |
| b. Tara Tiles Pvt. Ltd      | Fellow Subsidiary |

**II. Name of the Related Parties with whom transactions were carried out during the year and description of relationship.****i) Key Management Personnel (KMP) Designation**

- |  |                                  |
|--|----------------------------------|
| a. Shri Sachin Rajendra Shirgaokar (SRS) | Managing Director (MD)           |
| b. Shri Sohan Sanjeev Shirgaokar (SSS)   | Joint Managing Director (Jt. MD) |
| c. Shri V. S. Reddy (VSR)                | Executive Director (Technical)   |

**ii) Relative of Key Management Personnel****Name of the transacting related party****Nature of Relationship**

- |  |                   |
|--|-------------------|
| a. Shri. Rajendra Vinayak Shirgaokar (RVS) | Father of MD      |
| b. Sou. Laxmi Sachin Shirgaokar (LSS)      | Wife of MD        |
| c. Smt. Radhika Sanjeev Shirgaokar (RSS)   | Mother of Jt.MD   |
| d. Shri. Chandan Sanjeev Shirgaokar (CSS)  | Brother of Jt. MD |
| e. Ms. Shreya Sachin Shirgaokar (SSS)      | Daughter of MD    |

**III. Enterprises over which KMP or Relatives of KMP are able to Exercise significant influence.****Name of the related party****Nature of Relationship**

- |  |  |
|--|--|
| a. Vinayak Shirgaokar Investments Pvt.Ltd. | MD and wife of MD and Brother of Jt. MD are director |
| b. Sanjeev Shirgaokar Investment Pvt. Ltd  | MD, Jt. MD and mother of Jt. MD is Director          |
| c. D.M Shirgaokar Investment Pvt.Ltd.      | MD & Jt MD are Director                              |
| d. Suresh Shirgaokar Investment Pvt. Ltd   | Father of MD & Brother of Jt. MD are Directors       |
| e. The Ugar Sugar Works Ltd.               | Brother of Jt. MD is MD                              |



## Disclosure of Related Parties and Related Party Transactions

Sr. No.	Nature of Transaction	Holding company		Fellow Associate		Fellow Subsidiary		KMP		Relatives of KMP		Related Parties referred to in 3 above		Total	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1	Remuneration Paid	-	-	-	-	-	-	59,02,563	38,27,440	-	-	-	-	59,02,563	38,27,440
2	Purchase of Scrap	-	1,02,90,274	-	-	-	4,76,645	-	-	-	-	-	-	-	1,07,66,919
3	Purchase of Other Items	1,15,23,914	-	-	-	-	13,40,200	-	-	-	-	80,600	87,513	1,16,04,514	14,27,713
4	Labour Charges Paid	59,72,751	-	-	-	-	49,15,750	-	-	-	-	-	-	59,72,751	49,15,750
5	Purchase of Fixed Assets	61,71,031	-	1,02,936	-	-	83,68,158	-	-	-	-	-	-	62,73,967	83,68,158
6	Acceptance of Deposit	1,40,40,000	1,87,00,000	-	-	-	-	30,00,000	11,50,000	90,00,000	-	1,28,50,000	1,19,35,000	3,88,90,000	3,17,85,000
7	Interest Payment	20,72,320	3,13,910	-	-	-	34,706	2,959	6,428	3,64,277	-	24,96,316	9,17,201	49,35,872	12,72,245
8	Repayment of Deposit	1,93,50,000	1,00,00,000	-	-	-	-	-	11,50,000	-	-	-	6,25,000	1,93,50,000	1,17,75,000
9	Sale of Scrap	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Service of Charges Received	10,36,140	-	-	-	-	-	-	-	-	-	-	-	10,36,140	-
11	Sale of Casting	-	2,00,82,007	-	-	-	2,24,159	-	-	-	-	-	-	-	2,03,06,166
12	Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Corporate/ Personal Guarantee in Company's favour	*51,00,00,000	*53,00,00,000	-	-	-	-	*51,00,00,000	*53,00,00,000	-	-	-	-	*51,00,00,000	*53,00,00,000
14	Outstanding Balance as on 31.03.2016														
	Payable	2,21,77,985	2,26,69,256	-	-	-	1,17,96,772	30,02,663	15,80,740	92,42,336	-	2,91,40,464	1,58,87,882	6,35,63,448	5,19,34,650
	Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Jointly and severally

**15. Segment Reporting**

The Company has only one reportable segment viz: Castings. Hence reporting under Accounting Standard-17 is not applicable.

**16. Figures for previous year has been regrouped / recast/ rearranged wherever necessary.**

SIGNATORIES TO PART A TO C  
For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm's Registration No: 101118W

For SYNERGY GREEN INDUSTRIES PVT. LTD.

Nikhil M Shevade  
Partner  
Membership No.217379

Sachin R. Shirgaokar  
Managing Director  
(DIN : 01512497)

Sohan S. Shirgaokar  
Joint Managing Director  
(DIN : 00217631)

Place : Kolhapur.  
Date : 09 Jun 2016