

Annual Report 2013-2014



**SYNERGY
GREEN**
INDUSTRIES PVT. LTD.



Works : Plot no. C-18, Fiver Star MIDC,
Kagal, Kolhapur - 416 216, Maharashtra,
INDIA. Tel : 0231-2305311, 2305312
Web : www.synergreenind.com

Corp. Office : 392, 'E' Ward,
Assembly Road, Shahupuri,
Kolhapur-416 001, Maharashtra,
INDIA.Tel : 0231-2658375.

SYNERGY GREEN INDUSTRIES PVT. LTD.

4TH ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

(As on 31.03.2014)

Mr. Rajendra V. Shirgaokar	Chairman & Mentor
Mr. Prafulla V. 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

Auditors

M/s. P. G. Bhagwat,
Chartered Accountants,
C.S.No. 250, B/2, Lower Ground Floor,
Anant Paradise
Nagala Park,
Kolhapur – 416 003.
Phone – (0231) - 2659546

CONTENTS

Sr. No.	Particulars	Page. No.
1.	Notice of Annual General Meeting	--
2.	Directors' Report	--
3.	Auditors Report with Annexure	1 - 6
4.	Statement of Balance sheet	7 - 7
5.	Statement of Profit & Loss Account	8 - 8
6.	Statement of Cash Flows	9 - 9
7.	Significant Accounting Policies	10 - 11
8.	Notes to Financial Statements	12 - 23
9.	Other Information & Disclosures	24 - 31

Corporate Office:
392, 'E' Ward,
Assembly Road, Shahupuri,
Kolhapur - 416 001,
Maharashtra, INDIA.
T : 0231 - 2658375

Works:
Plot. No. C - 18,
Five Star MIDC, Kagal
Kolhapur - 416 216,
Maharashtra, INDIA
T: 0231 - 2305311, 2305312

Bankers

Bank of Baroda.

ANNUAL GENERAL MEETING

WEDNESDAY, THE 17TH DAY OF SEPTEMBER 2014 AT 12.30 P.M. AT 392,
E-WARD, ASSEMBLY ROAD, SHAHUPURI, KOLHAPUR - 416001

Independent Auditors' 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 Pvt. Ltd.** (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

OPINION

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



(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place : Kolhapur

Date : 11 8 AUG 2014

For M/s P.G.Bhagwat,
Chartered Accountants.
FRN : 101118W



Nikhil Shevade
Partner
Membership No.:217379



ANNEXURE

Synergy Green Industries Pvt. Ltd.

Referred to in paragraph 4(A) of our report of even date

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These fixed assets were physically verified during the year by the management at reasonable intervals. Company has a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us, Company has not disposed off any major part of fixed assets during the year.
- (ii)
 - (a) The inventory was physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii)
 - (a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
Accordingly, the provisions of clause 4(iii) (b), (c) & (d) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there were adequate control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control. It is recommended to strengthen the internal controls relating to proper recording of issue/consumption of inventory.

- (v) (a) According to the information and explanations given to us, the transactions so entered, aggregating in excess of Rs. 5,00,000 in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (b) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or agreements referred to in Section 301 of the Act, have been entered in the Register required to be maintained under that section; and
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public.
- (vii) The Company does not have a formal internal audit system.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- According to information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31st March for a period of more than six months from the date they became payable.
- (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.
- (x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company is regular in repayment of dues to a financial institution or bank.



- (xii) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. The shares and other investments of the Company have been held by the Company in its own name.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) In our opinion, and according to the explanations given to us, the term loans taken by the Company were applied for the purpose for which the loans were obtained.
- (xvii) According to information and explanation given to us, and on an overall examination of the financial statements of the Company, we report that short term funds to the extent of Rs. 452.73 lakhs have been used in funding of a portion of accumulated losses. The current maturities of long term debts have not been considered as short term liabilities for purpose of calculating the short term fund utilization for long term purposes.
- (xviii) According to information and explanation given to us, the Company has made preferential allotment of preference shares at the face value, to parties and companies covered under section 301 of the Companies Act, 1956.
- (xix) According to information and explanation given to us, the Company has not issued debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) According to information and explanation given to us, the Company has not made any public issue during the year to raise money. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



(xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Kolhapur

Date: 11 8 AUG 2014

For M/s P. G. BHAGWAT

Chartered Accountants

Firm Registration No: 101118W

Nikhil M. Shevade

Nikhil M. Shevade.

Partner

Membership No: 217379



Synergy Green Industries Pvt. Ltd.
BALANCE SHEET AS AT 31st Mar. 2014

(All figures in Rs.)

Particulars	Note No.	As at 31st March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	B-1	177,600,000.00	153,100,000.00
(b) Reserve and Surplus	B-2	(180,678,507.51)	(90,527,337.30)
		(3,078,507.51)	62,572,662.70
(2) Share application money pending allotment	B-3	-	6,900,000.00
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	B-4	344,539,888.80	289,371,428.60
(b) Other Long-Term Liabilities	B-5	16,962,468.05	24,489,274.00
(c) Long-Term Provisions	B-6	1,859,625.00	1,071,049.00
		363,361,981.85	314,931,751.60
(4) Current Liabilities			
(a) Short Term Borrowings	B-7	95,911,567.54	73,576,309.75
(b) Trade Payables	B-8	144,138,402.05	61,922,186.00
(c) Other Current Liabilities	B-9	50,306,597.44	75,641,060.36
(d) Short-Term provisions	B-10	839,445.00	384,055.00
		291,196,012.03	211,523,611.11
Total Liabilities		651,479,486.37	595,928,025.41
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	B-11	373,915,477.46	408,112,857.46
(ii) Intangible Assets	B-11	1,803,017.00	3,506,695.00
(iii) Capital work-in-progress		17,202,377.00	13,624,215.00
(iv) Intangible assets under development		-	-
		392,920,871.46	425,243,767.46
(b) Deferred Tax Asset (net)	B-12	19,821,038.60	17,127,059.85
(c) Long-term loans and advances	B-13	2,424,159.05	2,676,119.00
(d) Other non-current assets	B-14	3,906,627.00	3,633,004.00
		419,072,696.11	448,679,950.31
(2) Current Assets			
(a) Inventories	B-15	117,395,189.49	60,878,977.41
(b) Trade Receivables	B-16	86,186,087.70	57,253,650.78
(c) Cash And Bank Balances	B-17	4,185,425.91	3,233,383.91
(d) Short-Term loans and advances	B-18	632,904.50	22,703.00
(e) Other current assets	B-19	24,007,182.66	25,859,360.00
		232,406,790.26	147,248,075.10
Total Assets		651,479,486.37	595,928,025.41
Corporate Information, Basis of Preparation and Significant Accounting Policies	A		
Other Information & Disclosure	C		

Signed pursuant to the provisions of section 215 of the Companies Act, 1956,
in authentication of this Balance Sheet and Notes referred to therein

As per our report attached
FOR M/S. P.G.BHAGWAT
Chartered Accountant
Firm Registration No.101118W

For SYNERGY GREEN INDUSTRIES PVT.LTD

NIKHIL M.SHEVADE
Partner
Membership No.217379



S. R. SHIRGAOKAR
Managing Director

S. S. SHIRGAOKAR
JT. Managing Director

Date :
Kolhapur 11 8 AUG 2014

Synergy Green Industries Pvt. Ltd.
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2014

(All figures in Rs.)

Particulars	Note No.	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2013
I REVENUE FROM OPERATIONS	B-20	380,060,373.73		98,925,085.00	
Less: Excise Duty		8,339,270.00	371,721,103.73	5,480,213.00	93,444,872.00
II Other Income	B-21		662,315.47		1,998,773.20
III Total Revenue (I + II)			372,383,419.20		95,443,645.20
IV Expenses					
a. Cost of Materials Consumed	B-22		219,166,095.02		82,146,622.43
b. Changes in inventories of finished goods and work-in-progress	B-23		(49,313,043.00)		(44,221,369.00)
c. Employee Benefit Expenses	B-24		43,602,552.00		21,061,028.00
d. Finance Costs	B-25		60,767,997.71		40,939,505.13
e. Depreciation and Amortisation Expenses	B-26		56,135,152.00		48,948,051.12
f. Other Expenses	B-27		134,869,814.43		54,224,204.67
Total Expenses (IV)			465,228,568.16		203,098,042.35
V Profit before Tax			(92,845,148.96)		(107,654,397.15)
VI Tax Expenses					
(1) Current Tax					
(2) Deferred Tax (Asset)		2,693,978.74	2,693,978.74	17,127,059.85	17,127,059.85
VII Profit for the period			(90,151,170.22)		(90,527,337.30)
VIII Basic & Diluted Earnings per Equity Share			(18.03)		(18.11)
Corporate Information, Basis of Preparation and Significant Accounting Policies	A				
Other Information & Disclosure	C				

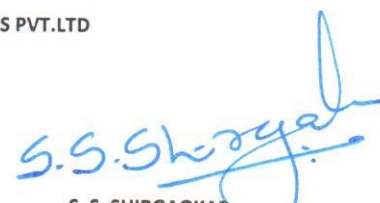
Signed pursuant to the provisions of Section 215 of the Companies Act 1956,
in authentication of this Balance sheet and Notes referred to therein

As per our report attached
FOR M/S. P.G.BHAGWAT
Chartered Accountant
Firm Registration No.101118W

For SYNERGY GREEN INDUSTRIES PVT.LTD


NIKHIL M.SHEVADE
Partner
Membership No.217379


S. S. SHIRGAOKAR
Managing Director


S. S. SHIRGAOKAR
JT. Managing Director.

Date :
Kolhapur



11 8 AUG 2014

Synergy Green Industries Pvt.Ltd.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014.

Particulars	2013-14	2012-13
A. Cash flow from operating activities		
Net Loss before taxation	(92,845,148.96)	(107,654,397.15)
Adjustments for		
Depreciation & Amortisation	56,135,152.00	48,948,051.12
Loss/(profit) on sale of Fixed assets		234,661.00
Interest income	(579,856.00)	(546,794.00)
Dividend income	-	-
Finance Costs	60,767,997.71	40,939,505.13
Operating Profit/ (Loss) before working capital changes	23,478,144.75	(18,078,973.90)
(Increase)/decrease in trade and other receivables	(27,730,290.08)	(62,603,096.78)
(Increase)/decrease in Inventories	(56,516,212.08)	(60,878,977.41)
Increase/(decrease) in trade and other payables	50,598,913.18	136,801,690.14
Cash generated from operations	(10,169,444.23)	(4,759,357.95)
Income tax paid	-	-
Net cash flow from Operating activities	(10,169,444.23)	(4,759,357.95)
B. Cash flow from investing activities		
Purchase of and Advance given against Capital assets	(23,560,296.05)	(90,310,064.67)
Proceeds from sale of Fixed assets		992,048.00
Fixed Deposits with original maturity above 3 months (Net)	(1,575,669.00)	656,500.00
Interest received	605,096.00	185,341.00
Deposits given/received to/ from third parties	-	-
Net cash flow from Investing activities	(24,530,869.05)	(88,476,175.67)
C. Cash flow from financing activities		
Proceeds from issue of Share Capital	2,45,00,000.00	3,15,00,000.00
Share Application Money (Pending allotment)	(6,900,000.00)	(8,753,988.00)
Repayment/proceed of/from borrowings (net)	7,75,03,717.99	11,12,64,209.28
Finance Costs	(60,767,997.71)	(40,939,505.13)
Dividends paid	-	-
Net cash flow used in Financing activities	3,43,35,720.28	93,070,716.15
Net increase / (decrease) in Cash and Cash Equivalents	(364,593.00)	(164,817.47)
Cash and Cash Equivalents at the beginning of the year	933,383.91	1,098,201.38
Cash and Cash Equivalents at the end of the year [as per Note B-17(1)]	568,790.91	933,383.91

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 Accountant

NIKHIL M.SHEVADE
Partner
Membership No.217379
Date : **11 AUG 2014**
Kolhapur



For SYNERGY GREEN INDUSTRIES PVT.LTD

S. R. SHIRGAOKAR
Managing Director

S. S. SHIRGAOKAR
JT. Managing Director.

Notes to Financial Statements for the year ended 31-03-2014**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, 1956. 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 VI to The Companies Act, 1956.

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.
- ii) Intangible Assets are recorded at the consideration paid for acquisition.

2 Depreciation and Amortisation:-

- i) Fixed Assets:- Depreciation on Tangible Assets is provided on the "Written Down value" Method, as per the provisions of Schedule XIV to Companies Act, 1956.
- ii) Leasehold Land is amortised over the period of lease.
- iii) Computer Software (Intangible Assets) are amortised 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 recognised 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 recognised impairment losses may no longer exist or may have decreased. if such indication exists, the company estimates the asset's recoverable amount. A previously recognised 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 recognised.

5 Inventories

- i) Raw material, Stores & Spares, Work in Progress and Finished Goods are valued at lower of cost or net realisable value. Cost is arrived at mainly on Weighted Average cost. Finished Goods are valued inclusive of Excise Duty
- ii) Loose Tools are written off over a period of four years from the year of acquisition.
- iii) Runners and Risers are valued at replacement cost or net realisable value whichever is lower.

6 Revenue recognition

Revenue from sale of goods is recognised on dispatch to customer. Sales value is inclusive of excise duty and export benefit, if any, and net of sales tax, sales returns.

7 Retirement Benefits.

Retirement benefits have been recognised 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.

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 2014	As at 31 March 2013
1)	Authorised Share Capital		
	50,00,000 Equity shares of Rs. 10/- each (Previous year 50,00,000 Equity shares of Rs. 10 /- each)	50,00,000.00	50,00,000.00
	13,00,000 Preference Shares of Rs. 100 /- each (Previous year 11,00,000 Preference Share of Rs. 100 /- each)	130,00,000.00	110,00,000.00
		180,00,000.00	160,00,000.00
2)	Issued and Subscribed & Paid-up Share Capital		
	50,00,000 Equity Shares of Rs. 10/- each (Previous year 50,00,000 Equity Shares of Rs. 10/- each)	50,00,000.00	50,00,000.00
	12,76,000, 10% Non-cumulative redeemable Preference shares of Rs. 100/- Each (Previous year 10,31,000 10% Non-Cumulative redeemable Preference Share of Rs. 100 /- each)	127,60,000.00	103,10,000.00
	Total	177,60,000.00	153,10,000.00

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

Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
i	Number of shares outstanding as at the beginning of the year	5,00,000.00	5,00,000.00
	Add:		
	Number of shares allotted as fully paid up bonus shares during the year	-	-
	Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
	Number of shares allotted to employees pursuant to ESOPs/ESPs	-	-
	Number of shares allotted for cash pursuant to issue	-	-
	Less:		
	Number of shares bought back during the year	-	-
	Number of shares outstanding as at the end of the year	5,00,000.00	5,00,000.00

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

Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
ii	Number of shares outstanding as at the beginning of the year	1,031,000.00	716,000.00
	Add:		
	Number of shares allotted as fully paid up bonus shares during the year	-	-
	Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
	Number of shares allotted to lenders on conversion of loan into preference capital	-	-
	Number of shares allotted for cash pursuant to issue	505,000.00	315,000.00
	Less:		
	Number of shares redeemed during the year	260,000.00	-
	Number of shares outstanding as at the end of the year	1,276,000.00	1,031,000.00

Note: 260,000 Preference shares allotted to S. B. Reshellers Pvt. Ltd. have been redeemed as per resolution passed in the meeting of Board of Directors of the Company held on 20th March 2014.

(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	Equity Shares of Rs. 10 Each	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, 2014 the Board of Directors has not proposed any dividend (Previous year Nil).
2	10% Non-cumulative redeemable Preference shares of Rs.100/-each	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.

(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	2,622,982
2	10% Non-cumulative redeemable preference shares of Rs. 100/- each	596,000

(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	
		2013-14	2012-13	2013-14	2012-13
i	Equity Shares of Rs. 10/- each				
a.	S. B. Reshellers Pvt. Ltd.	2,622,982.00	2,619,922.00	52.46	52.40
b.	Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar	371,176.00	371,176.00	7.42	7.42
c.	Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar	363,114.00	363,114.00	7.26	7.26
d.	Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar	371,177.00	371,177.00	7.42	7.42
e.	Vendavagali Srinivasa Reddy & Sou. Vendavagali Kuberi Reddy	750,000.00	750,000.00	15.00	15.00
ii	Non-cumulative redeemable Preference shares of Rs. 100/- Each				
a.	S. B. Reshellers Pvt. Ltd.	596,000.00	856,000.00	46.71	83.03
b.	The Ugar Sugar Works Ltd	640,000.00	150,000.00	50.16	14.55

B-2 RESERVE AND SURPLUS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Profit and Loss Account		
a.	As per Last Balance Sheet	(90,527,337.30)	-
b.	Profit/ (Loss) Carried From Statement of Profit & Loss	(90,151,170.22)	(90,527,337.30)
Total		(180,678,507.51)	(90,527,337.30)

B-3 SHARE APPLICATION MONEY PENDING ALLOTMENT

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
For 10 % Non- cumulative Redeemable Preference Shares		-	6,900,000.00
Total		-	6,900,000.00

Terms and conditions attaching to Share Application Money

- i Share Application Money is received against 69,000 10 % Non- cumulative Redeemable Preference Shares of Rs. 100/- each which shall be redeemable at any time after 3 years but within 20 years from the date of issue. Additional Preference shares have been issued in March 2014.

B-4 LONG-TERM BORROWINGS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	TERM LOANS FROM BANKS, SECURED		
a.	Term loan from Bank of Baroda - Factory Building & Machinery	313,400,000.00	289,371,428.60
b.	Term loan from Bank of Baroda - Admin Building & Machinery	30,000,000.00	-
c.	Term loan from ICICI Bank Ltd - Vehicles	1,139,888.80	-
Total		344,539,888.80	289,371,428.60

Out of above, guaranteed by Managing Director and Joint Managing Director 343,400,000.00 289,371,428.60

(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.

Other Particulars

Sr. No.	Rate of Interest	As at 31 March 2014		As at 31 March 2013	
		Current	Non Current	Current	Non Current
1	BOB Base Rate + 3.00% (27 Quarters)	12,100,000.00	313,400,000.00	48,228,571.40	289,371,428.60
2	BOB Base Rate + 3.00% (27 Quarters)	1,200,000.00	30,000,000.00	-	-
3	HDFC Bank 9.46% (36 Months)	-	-	245,354.48	-
4	ICICI Bank 11.01% (60 Months)	216,111.20	1,139,888.80	-	-
Total		13,516,111.20	344,539,888.80	48,473,925.88	289,371,428.60

Note:

- There is no continuing default, as at the balance sheet date, in repayment of any of the above loans & interest thereon.

B-5 Other Long Term Liabilities

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Trade Payables	-	-
2)	Others		
a.	Creditors for Purchase of Fixed Assets	13,697,448.05	20,729,707.00
b.	Security Deposits from Contractors	3,265,020.00	3,759,567.00
Total		16,962,468.05	24,489,274.00

B-6 LONG-TERM PROVISIONS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Provision for Gratuity	661,337.00	384,993.00
2)	Provision for Leave Encashment	568,288.00	266,056.00
3)	Superannuation payable	630,000.00	420,000.00
Total		1,859,625.00	1,071,049.00

B-7 SHORT-TERM BORROWINGS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Secured :-		
	Working Capital Loans- from Bank		
a.	Cash Credit	79,806,565.54	73,576,309.75
	Sub Total	79,806,565.54	73,576,309.75
2)	Unsecured		
a.	Deposits from Shareholders	16,105,002.00	-
	Sub Total	16,105,002.00	-
Grand Total		95,911,567.54	73,576,309.75

Out of above, guaranteed by Managing Director and Joint Managing Director

79,806,565.54

73,576,309.75

(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.

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

B-8 TRADE PAYABLES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1) Acceptances		6,748,410.04	
2) Creditors for Supplies and Services		137,389,992.01	61,922,186.00
Total		144,138,402.05	61,922,186.00

B-9 OTHER CURRENT LIABILITIES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1) Current maturities of long term debt			
Secured:			
a. From Banks		13,516,111.20	48,473,925.88
2) Interest accrued but not due on borrowings		11,618.80	1,623.00
3) Interest accrued and due on borrowings		4,088,942.80	3,643,178.32
4) Advance from Customers		15,786,459.00	14,473,968.52
5) <u>Other payables</u>			
a. Salary & wages payable		5,574,089.00	2,921,041.00
b. Contribution to PF		293,284.00	235,483.00
c. Statutory Dues		1,011,622.64	413,854.64
d. Provision for Other Expenses		10,012,657.00	5,445,665.00
e. Expenses Payable to others		11,813.00	32,321.00
Total		50,306,597.44	75,641,060.36

B-10 SHORT-TERM PROVISIONS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1) Provision for Gratuity		2,317.00	853.00
2) Provision for Leave Encashment		837,128.00	383,202.00
Total		839,445.00	384,055.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

B- 11 FIXED ASSETS, DEPRECIATION & AMORTISATION

	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
GROSS BLOCK												
As at 01-04-2012	15,164,916.00	-	-	-	-	-	-	-	15,164,916.00	-	-	-
Additions	-	134,062,989.55	267,443,914.51	17,709,392.00	765,605.12	639,369.00	1,915,826.40	1,148,473.00	423,685,569.58	5,045,109.00	-	5,045,109.00
Other adjustments												
Borrowing costs		5,716,745.00	11,463,521.00	448,508.00	26,194.00	26,134.00	76,643.00	49,443.00	17,807,188.00	214,933.00		214,933.00
Deletions	-	-	-	1,226,709.00	-	-	-	-	1,226,709.00	-	-	-
Revaluation / Impairments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2013	15,164,916.00	139,779,734.55	278,907,435.51	16,931,191.00	791,799.12	665,503.00	1,992,469.40	1,197,916.00	455,430,964.58	5,260,042.00	-	5,260,042.00
Additions :	-	3,601,344.00	3,467,543.00	10,968,990.00	43,313.00	48,812.00	270,476.00	1,674,946.00	20,075,424.00	74,504.00	-	74,504.00
Other adjustments												
Borrowing costs	-	-	84,166.00	-	-	-	-	-	84,166.00	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2014	15,164,916.00	143,381,078.55	282,459,144.51	27,900,181.00	835,112.12	714,315.00	2,262,945.40	2,872,862.00	475,590,554.58	5,334,546.00	-	5,334,546.00
Depreciation /Amortisation :												
At 01.04.2012	123,403.00	-	-	-	-	-	-	-	123,403.00	-	-	-
Charge for the year	164,538.00	11,344,198.00	31,356,130.00	2,922,018.00	363,162.12	184,565.00	607,732.00	252,361.00	47,194,704.12	1,753,347.00	-	1,753,347.00
Adjustment on deletions	-	-	-	-	-	-	-	-	-	-	-	-
At 31.03.2013	287,941.00	11,344,198.00	31,356,130.00	2,922,018.00	363,162.12	184,565.00	607,732.00	252,361.00	47,318,107.12	1,753,347.00	-	1,753,347.00
Charge for the year	164,538.00	12,818,446.00	34,679,823.00	5,633,514.00	109,226.00	74,823.00	604,469.00	272,131.00	54,356,970.00	1,778,182.00	-	1,778,182.00
Adjustment on deletions	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2014	452,479.00	24,162,644.00	66,035,953.00	8,555,532.00	472,388.12	259,388.00	1,212,201.00	524,492.00	101,675,077.12	3,531,529.00	-	3,531,529.00
Net Block :												
At 31.03.2013	14,876,975.00	128,435,536.55	247,551,305.51	14,009,173.00	428,637.00	480,938.00	1,384,737.40	945,555.00	408,112,857.46	3,506,695.00	-	3,506,695.00
As at 31.03.2014	14,712,437.00	119,218,434.55	216,423,191.51	19,344,649.00	362,724.00	454,927.00	1,050,744.40	2,348,370.00	373,915,477.46	1,803,017.00	-	1,803,017.00

B-12 DEFERRED TAX ASSET (NET)

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Deferred Tax Asset		
	On account of time differences in -		
a.	Statutory Liabilities	1,020,731.00	551,227.00
b.	Provision for Gratuity	215,323.00	125,188.00
c.	Other timing differences		546,698.00
d.	Unabsorbed Depreciation*	44,780,898.00	44,780,898.00
e.	Unabsorbed Losses*	-	-
2)	Less: Deferred Tax Liabilities	46,016,952.00	46,004,011.00
	On account of time differences in -		
a.	Depreciation	26,195,913.40	28,876,951.15
TOTAL (1)+(2)		19,821,038.60	17,127,059.85

* 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-13 LONG-TERM LOANS AND ADVANCES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Capital Advances	2,424,159.05	2,676,119.00
2)	Others	-	-
Total		2,424,159.05	2,676,119.00

B-14 OTHER NON-CURRENT ASSETS

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1)	Non Current Portion in Fixed Deposit with Bank	3,343,974.00	3,084,940.00
2)	Interest Accrued on Fixed Deposits with Bank	273,623.00	259,034.00
3)	Other Deposits	289,030.00	289,030.00
Total		3,906,627.00	3,633,004.00

B-15 INVENTORIES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
(As taken, valued and Certified by the Managing Director)			
1)	Raw Materials	16,465,388.51	11,044,754.71
2)	Stores & Spares	1,413,299.98	413,917.37
3)	Tools & Equipments	3,608,276.00	3,260,297.00
4)	Patterns Stock	2,371,885.00	1,905,211.33
5)	Work in Process	93,518,813.00	43,950,914.00
6)	Finished Goods	17,527.00	303,883.00
Total		117,395,189.49	60,878,977.41

B-16 TRADE RECEIVABLES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1) Trade receivables outstanding for more than six months from the date they became due for payment			
(i) Secured , considered good	-	-	-
(ii) Unsecured , considered good	134,542.00	-	-
(iii) Doubtful	-	-	-
	134,542.00	-	-
Less : Allowance for bad and doubtful advances	-	-	-
Total	134,542.00	-	-
2) Trade Receivables (Others)			
(i) Secured , considered good	-	-	-
(ii) Unsecured , considered good	86,051,545.70	57,253,650.78	
(iii) Doubtful	-	-	-
	86,051,545.70	57,253,650.78	
Less : Allowance for bad and doubtful advances	-	-	-
	86,051,545.70	57,253,650.78	
Total	86,186,087.70	57,253,650.78	

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

- 2,199,774.00

B-17 CASH AND BANK BALANCES

		Rs.	
Particulars		As at 31 March 2014	As at 31 March 2013
1) Cash & Cash Equivalents			
i) Cash on hand	5,277.00	12,088.00	
ii) Balances with Banks in Current Accounts	192,513.91	921,295.91	
iii) Fixed Deposits (with original maturity for 3 months or less)	371,000.00	-	
Total (1)	568,790.91	933,383.91	
2) Other Bank Balances			
Fixed Deposit	6,960,609.00	5,384,940.00	
(With original maturity for more than 3 months)			
lien against bank guarantee & letter of credit			
Less: Non-Current portion in above, disclosed under Other Non-Current Assets	3,343,974.00	3,084,940.00	
	3,616,635.00	2,300,000.00	
Total (2)	3,616,635.00	2,300,000.00	
Total (1)+(2)	4,185,425.91	3,233,383.91	

B-18 SHORT TERM LOANS & ADVANCES

Rs.

Particulars		As at 31 March 2014	As at 31 March 2013
1)	Unsecured & Considered Good		
a.	Staff Advances	284,166.50	22,703.00
b.	Advance to Suppliers	348,738.00	-
Total		632,904.50	22,703.00

B-19 OTHER CURRENT ASSETS

Rs.

Particulars		As at 31 March 2014	As at 31 March 2013
1)	Prepaid Expenses	807,026.00	1,155,080.00
2)	Interest Accrued on Fixed Deposits with Bank	246,806.00	286,635.00
3)	Octroi Deposit	-	778,851.00
4)	Central Excise Receivable	6,328,886.60	14,403,691.00
5)	Service Tax receivable	5,058,806.00	2,673,909.00
6)	Vat Receivable	11,238,899.08	6,297,279.00
7)	Advance Income Tax	326,758.98	263,915.00
	Less: Provision for Income Tax	-	-
		326,758.98	263,915.00
Total		24,007,182.66	25,859,360.00

B-20 REVENUE FROM OPERATIONS

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Sale of Products		
a)	Windmill Castings	285,716,409.00	54,851,792.00
b)	Other Castings	82,708,839.35	34,661,498.00
		368,425,248.35	89,513,290.00
2)	Other Operating Revenues		
a)	Sale of Pattern	5,437,274.50	4,805,239.00
b)	Deemed Sale	1,480,663.00	4,606,556.00
c)	Sale of Scrap	4,717,187.88	-
		11,635,125.38	9,411,795.00
Total		380,060,373.73	98,925,085.00

B-21 OTHER INCOME

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Interest on Fixed Deposits with Bank	579,856.00	546,794.00
2)	Foreign Exchange Fluctuation Gain	77,830.47	1,379,822.00
3)	Sale of Non-manufactured Scrap	-	72,157.20
4)	Interest Received on IT Refund	4,629.00	-
Total		662,315.47	1,998,773.20

B-22 COST OF MATERIAL CONSUMED

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Raw Material Consumed		
	Opening Stock	11,044,754.71	-
	Add:-Purchases	203,875,001.10	85,400,538.47
	Add:-Reversal of Excise Duty	17,142,961.00	3,304,036.00
		232,062,716.81	88,704,574.47
	Less:- Closing Stock	16,465,388.51	11,044,754.71
	Sub total	215,597,328.30	77,659,819.76
2)	Pattern Material Consumed		
	Opening Stock	1,905,211.33	-
	Add:-Purchases	4,035,440.38	6,392,014.00
		5,940,651.71	6,392,014.00
	Less:- Closing Stock	2,371,885.00	1,905,211.33
	Sub total	3,568,766.71	4,486,802.67
Grand Total		219,166,095.02	82,146,622.43

B-23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN PROGRESS

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Opening Stock		
	a. Work in Progress	43,950,914.00	-
	b. Finished Goods	303,883.00	-
		44,254,797.00	-
2)	Closing Stock		
	a. Work in Progress	93,518,813.00	43,950,914.00
	b. Finished Goods	17,527.00	303,883.00
		93,536,340.00	44,254,797.00
3)	Excise Duty on Stock Differential *	31,500.00	(33,428.00)
TOTAL		(49,313,043.00)	(44,221,369.00)

* 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-24 EMPLOYEES BENEFIT EXPENSES

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Salary, Wages, Allowances, Bonus & Gratuity	25,177,081.00	13,680,945.00
2)	Wages Contract Labour	15,566,857.00	5,653,527.00
3)	Contribution to Employees P F & Other Funds	1,650,071.00	1,188,171.00
4)	Staff and Labour Welfare Expenses	1,208,543.00	538,385.00
TOTAL		43,602,552.00	21,061,028.00

B-25 FINANCE COST

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Interest Expense	58,333,721.73	40,119,313.68
2)	Finance Charges	2,434,275.98	820,191.45
TOTAL		60,767,997.71	40,939,505.13

B-26 DEPRECIATION AND AMORTISATION EXPENSES

		Rs.	
Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
1)	Depreciation	54,356,970.00	47,194,704.12
2)	Amortisation	1,778,182.00	1,753,347.00
TOTAL		56,135,152.00	48,948,051.12

B-27 OTHER EXPENSES

Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
A)	<u>Manufacturing Expenses</u>		
1)	Consumption of Stores, Spares & Consumables	10,555,680.21	6,102,995.89
2)	Consumption of Tools & Tackles	1,565,015.00	1,086,766.00
3)	Power & Fuel Consumed	33,686,334.00	24,055,933.00
4)	Labour Charges	66,857,831.00	11,099,755.85
5)	Other Manufacturing Expenses	3,558,475.00	3,281,969.00
6)	Repairs & Maintenance - Building	425,608.00	18,000.00
7)	Repairs & Maintenance - Machinery	4,801,989.68	1,500.00
8)	Repairs & Maintenance - Others	2,266,092.95	989,183.00
	Sub Total	123,717,025.84	46,636,102.74
B)	<u>Administrative Expenses</u>		
1)	Rent, Rates & Taxes, excluding taxes on income	1,661,975.00	2,392,335.00
2)	Insurance	379,475.76	197,495.80
3)	Printing & Stationary	361,247.00	195,945.00
4)	Postage, Telephone & Telegram	342,442.60	181,052.75
5)	Consultation Fees	583,875.00	387,053.00
6)	Loss on Sale of Fixed Assets	-	234,661.00
7)	Staff & Guest Expenses	291,156.00	116,862.00
8)	Travelling & Conveyance Expenses	1,550,855.00	617,680.00
9)	Payment to Auditors		
	a. As auditors	90,000.00	90,000.00
	b. Other Services	20,986.00	32,610.00
	(For Tax Audit, Certification etc.)		
	c. For reimbursement of expenses	11,845.00	8,305.00
		122,831.00	130,915.00
10)	General repairs & Maintenance	62,504.00	111,410.00
11)	Miscellaneous Expenses	303,295.01	294,747.38
	Sub Total	5,659,656.37	4,860,156.93
C)	<u>Selling & Distribution Expenses</u>		
1)	Packing & Forwarding	553,685.00	83,235.00
2)	Carriage Outward	4,335,555.00	2,517,431.00
3)	Transport, Octroi, Coolie Charges	248,552.22	30,140.00
4)	Sales Promotion Expenses	355,340.00	97,139.00
	Sub Total	5,493,132.22	2,727,945.00
	GRAND TOTAL	134,869,814.43	54,224,204.67

Note C: OTHER INFORMATION AND DISCLOSURES

- 1 Contingent Liabilities & Commitments:
 - a. Contingent Liabilities not provided for
 - i) Claims against the Company not acknowledged as debts : Nil (Previous year Nil)
 - ii) Guarantees : Nil (Previous Year Nil)
 - b. Commitments
 - i) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 84,35,266/- (Previous Year Rs.1,74,16,719/-)
 - iii) Others :
 - a. Commitments under EPCG license towards duty saved and Interest thereon for Rs. 2,35,23,128 /- (Previous Year Rs. 1,81,44,076 /-)
 - b. Commitments under PSI Scheme 2007 towards exemption of stamp duty on mortgage for Rs. 675,000/- (Previous Year Rs. 6,75,000/-)
 - c. Commitments under PSI Scheme 2007 towards exemption of Electricity Duty for a period of 15 years for Rs. 49,74,982/- (Previous Year Rs. Nil)
- 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 capitalised during the year Rs. 14,96,721/- (Previous Year Rs. 67,52,233 /-)
- 4 Earnings Per Share:-

	2013-2014	2012-2013
Weighted average number of Equity Shares held during the year (in Nos.)	5,000,000	5,000,000
Net Profit/Loss after Taxation and Dividend on Preference Shares (in Rs.)	(90,151,170.22)	(90,527,337.30)
Basic earning per Equity Share of Rs.10/- each (in Rs.)	(18.03)	(18.11)

- 5 Value of imports calculated on CIF basis

Sr. No	Particulars	2013-2014	2012-2013
a	Machineries & Spares	90,635	1,530,708
b	Raw Material	Nil	2,928,707

- 6 Expenditure in Foreign Currency

Sr No	Particulars	2013-2014	2012-2013
a.	Travelling Expenses	-	-

- 7 Earnings in Foreign Currency.

Sr No	Particulars	2013-2014	2012-2013
	FOB value of Exports	11,019,482.60	-

8 Raw Material Consumed.

Sr	Particulars	2013-2014	2012-2013
a.	CRCA Scrap	88,370,989	24,917,577
b.	Pig Iron	21,375,339	11,133,113
c.	Resin	21,525,561	8,917,924
d.	M. S. Scrap	6,786,718	6,677,448
e.	Other	77,538,721	22,709,722
	Total	215,597,328	74,355,784

9 Value of Raw Material Consumed & Percentage there of to the total Consumption:

Sr.	Particulars	2013-2014	2012-2013
a	Imported:		
	Value	-	2,857,219.00
	Percentage to Total Consumption	0%	4%
b	Indigenous:		
	Value	215,597,328	71,498,565
	Percentage to Total Consumption	100%	96%
	Total	215,597,328	74,355,784

10 TURNOVER : (Net of Excise) :

	Product	2013-2014	2012-2013
a.	Windmill Castings	285,716,409	54,851,792
b.	Other Castings	74,688,312	29,724,671
c.	Sale of Pattern	5,252,382	4,261,853
d.	Deemed Sales	1,480,663	4,606,556
e.	Sale of Scrap	4,583,338	-
	Total	371,721,104	93,444,872

11 a Closing Stock of Work - in -process -

Sr	Product	2013-2014	2012-2013
a.	Windmill Castings	66,444,584	36,934,005
b.	Other Castings	27,074,229	7,016,909
	Total	93,518,813	43,950,914

b Opening & Closing Stock of finished goods -

Sr	Product	2013-2014		2012-2013	
		Opening	Closing	Opening	Closing
a.	Other Castings	303,883.00	17,527.00	-	303,883.00

12 Details of provisions and movements in each class of provisions.

Provisions	Carrying amount at the beginning of the year.	Additional provision made during the year	Amount used during the year.	Unused amount reversed during the year	Carrying amount at the end of the year
Income Tax	-	-	-	-	-

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, recognised and charged off the year as under :

	2013-2014	2012-2013
Employer's contribution to Provident Fund	688,339.00	486,637.00
Employer's contribution to Superannuation Fund	210,000.00	180,000.00
Employer's contribution to Pension Scheme	662,566.00	527,311.00

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 funded but appropriate liability as required under AS 15 (revised) is being provided in the balance sheet.

		GRATUITY (Non- Funded)	
Period of accounting		1/ 4/2013 to	31/03/2014
		<i>(all figures in Indian Rupees)</i>	
I	Assumptions as at	31-Mar-14	31-Mar-13
	Mortality	<u>I ALM (2006-08) Ult</u>	<u>LIC (1994-96) Ult</u>
	Interest / Discount Rate	9.19%	8.06%
	Rate of increase in compensation	7.00%	7.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(Past Service (PS))	PS: 1 to 5 : 10%	PS: 1 to 5 : 10%
		PS: 5 to 37 : 0%	PS: 5 to 37 : 0%
	Expected average remaining service	15.96	14.93
II	<u>Changes in present value of obligations</u>		
	PVO at beginning of period	385,846.00	129,227.00
	Interest cost	31,099.00	11,178.00
	Current Service Cost	354,483.00	244,639.00
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	-	-
	Actuarial (Gain)/Loss on obligation	(107,774.00)	802.00
	PVO at end of period	663,654.00	385,846.00
III	<u>Changes in fair value of plan assets</u>		
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	<u>Fair Value of Plan Assets</u>		
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (including unrecognised past service cost)	(663,654.00)	(385,846.00)
	Excess of actual over estimated return on Plan Assets	-	-
V	<u>Experience History</u>	31-Mar-14	31-Mar-13
	(Gain)/Loss on obligation due to change in Assumption	(110,658.00)	72,105.00
	Experience (Gain)/ Loss on obligation	2,884.00	(71,303.00)
	Actuarial Gain/(Loss) on plan assets		
VI	<u>Actuarial Gain/(Loss) Recognized</u>		
	Actuarial Gain/(Loss) for the period (Obligation)	107,774.00	(802.00)
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	107,774.00	(802.00)
	Actuarial Gain/(Loss) recognized for the period	107,774.00	(802.00)
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-

VII	<u>Past Service Cost Recognised</u>	-	-
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost- non vested benefits	-	-
	Recognised Past service Cost- vested benefits	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
VIII	<u>Amounts to be recognized in the balance sheet and statement of profit & loss account</u>		
	PVO at end of period	663,654.00	385,846.00
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(663,654.00)	(385,846.00)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(663,654.00)	(385,846.00)
IX	Expense recognized in the statement of P & L A/C		
	Current Service Cost	354,483.00	244,639.00
	Interest cost	31,099.00	11,178.00
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
	Expected Return on Plan Assets	-	802.00
	Net Actuarial (Gain)/Loss recognized for the period	(107,774.00)	256,619.00
	Expense recognized in the statement of P & L A/C	277,808.00	-
X	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	385,846.00	129,227.00
	Expenses as above	277,808.00	256,619.00
	Contribution paid	-	-
	Closing Net Liability	663,654.00	385,846.00

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**

S.B. Reshellers Pvt.Ltd.	Holding Company
Mohan Shirgaokar Investments 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

III Enterprises over which KMP or Relatives of KMP are able to Exercise significant influence.

Name of the related party	Nature of Relationship
a. Shantaram Machineries Pvt.Ltd.	MD is Executive Director, and Jt.MD is Director.
b. Vinayak Shirgaokar Investments Pvt.Ltd.	MD and wife of MD and Brother of Jt. MD are director.
c. Sanjeev Shirgaokar Investment Pvt. Ltd	MD, Jt. MD and mother of Jt. MD is Director.
d. Ugar Pipe Industries Pvt. Ltd.	Brother of Jt. MD is Director
e. D.M Shirgaokar Investment Pvt.Ltd.	MD & Jt MD are Director
f. Suresh Shirgaokar Investment Pvt. Ltd	Father of MD & Brother of Jt. MD are Directors
g. The Ugar Sugar Works Ltd.	Brother of Jt. MD is Jt. MD

Disclosure of Related Parties and Related Party Transactions

Sr. No	Nature of Transaction	Holding company		Fellow Subsidiary		KMP		Relatives of KMP		Related Parties referred to in 3 above		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1	Remuneration Paid	-	-	-	-	2,626,620.00	2,130,839.00	-	-	-	-	2,626,620.00	2,130,839.00
2	Purchase of C.I. Scrap (SMR)	2,899,993.20	-	-	-	-	-	-	-	-	-	2,899,993.20	-
3	Purchase of Other Items	-	-	-	-	-	-	-	-	3,533,867.00	899,023.00	3,533,867.00	899,023.00
4	Labour Charges Paid	33,810.00	1,023,058.00	-	-	-	-	-	-	1,669,835.00	504,700.00	1,703,645.00	1,527,758.00
5	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	11,160,705.00	-	11,160,705.00	-
6	Acceptance of Deposit	-	-	890,000.00	-	-	-	-	-	5,495,000.00	-	-	-
7	Interest Payment	-	-	55,941.00	-	-	-	-	-	138,425.00	-	138,425.00	-
8	Repayment of Deposit	-	-	600,000.00	-	-	-	-	-	1,275,000.00	-	-	-
9	Sale of Scrap	4,583,337.88	-	-	-	-	-	-	-	-	-	-	-
10	Sale of Casting	-	9,674,273.00	-	-	-	-	-	-	951,691.00	-	951,691.00	3,316,295.00
11	Sale of Fixed Assets	-	1,184,245.00	-	-	-	-	-	-	-	-	-	-
12	Corporate/ Personal Guarantee in Company's favour	*53,00,00,000.00	*53,00,00,000.00	-	-	*53,00,00,000.00	*53,00,00,000.00	-	-	-	-	*53,00,00,000.00	*53,00,00,000.00
13	Outstanding Balance as on 31.03.2014	-	-	-	-	-	-	-	-	-	-	-	-
	Payable	14,485,122.00	-	297,722.00	-	1,550,420.00	816,080.00	-	-	13,923,286.00	899,023.00	29,958,828.00	1,715,103.00
	Receivable	-	1,306,078.00	-	-	-	-	-	-	-	893,696.00	-	2,199,774.00

* jointly and severally

As per our report attached
FOR M/S. P.G.BHAGWAT
 Chartered Accountant
 Firm Registration No.101118W

For SYNERGY GREEN INDUSTRIES PVT.LTD

NIKHIL M.SHEVADE
 Partner
 Membership No.217379

Date : 11 8 AUG 2014
 Kolhapur



S. R. SHIRGAOKAR
 Managing Director

S. S. SHIRGAOKAR
 JT. Managing Director.

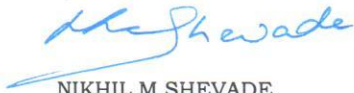
Date : 11 8 AUG 2014
 Kolhapur

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



NIKHIL M.SHEVADE

Partner

Membership No.217379

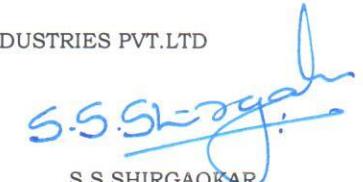
Place : Kolhapur

Date :

11 8 AUG 2014



For SYNERGY GREEN INDUSTRIES PVT.LTD

S.R.SHIRGAOKAR

Managing Director

S.S.SHIRGAOKAR

Jt. Managing Director