



Shreenath Mhaskoba Sakhar Karkhana Limited



Annual Report 2019-2020

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

BOARD OF DIRECTORS

Pandurang Abaji Raut	Chairman and Managing Director
Vikas Ramchandra Raskar	Executive Chairman
Babanrao Sopanrao Gaikwad	Vice Chairman
Yogesh Dattatraya Sasane	Director
Mahesh Sambhajirao Karpe	Director
Hemant Sambhajirao Karanje	Director
Anil Jaywantrao Bhujbal	Director
Anil Laxman Badhe	Director
Madhav Pandurang Raut	Director
Kisan Dinkar Shinde	Director
Hanumant Shivale	Independent Director
Bhagwan Memane	Independent Director
Baban Mahadeo Narke	Chief Financial Officer
Pratik Naikawadi	Company Secretary

AUDITORS

D.D.Nimbalkar & Associates
Chartered Accountants, Pune

BANKERS

Pune District Central Cooperative Bank Limited
Janaseva Sahakari Bank Limited

REGISTERED OFFICE

S. No. 12/2, 2nd Floor, Meghdoot Building, behind Bharat petrol pump, Old Lokhandi Pull Lane, Hadapsar Pune 411028

FACTORY

Shreenathnagar, Patethan, Post Rahu, Tal Daund, Dist. Pune 412207

COMMITTEES

Audit Committee
Stakeholder Relationship Committee
Nomination and Remuneration Committee
Corporate Social Responsibility Committee

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SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Shreenath Mhaskoba Sakhar Karkhana Limited will be held on Tuesday, 29th day of December, 2020 at 11.00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses :

Ordinary Resolution :

- 1) To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2020, together with the Director's Report and the Auditor's Report thereon.
- 2) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Anil Bhujbal, Director, who retires by rotation and being eligible offers himself for reappointment, be and is hereby reappointed as the Director of the Company, liable to retire by rotation."

- 3) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Anil Badhe, Director, who retires by rotation and being eligible offers himself for reappointment, be and is hereby reappointed as the Director of the Company, liable to retire by rotation."

- 4) To confirm the payment of Interim Dividend of Rs. 10,000 per preference Share of Rs. 1,00,000 each and Rs. 250 per preference share of Rs. 5,000 each and Rs. 10 per equity shares of Rs. 100 each as final dividend for the year ended March 31, 2020.

Special Business :

- 5) Payment of Remuneration to the Cost Auditor for the Financial Year 2020-21 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and rules made thereunder, as amended from time to time and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs.80,000/- plus applicable taxes and re-imbursement of expenses incurred / to be incurred on actual basis payable to M/s A.J.Paranjape & Co., Cost Accountant who was re- appointed as Cost Auditors of the Company for the Financial Year 2020-21 by the Board of Directors on the recommendation of Audit Committee of the Company.

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RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may consider necessary, proper or desirable or expedient to give effect to the above resolution.”

- 6) Redemption of preference shares and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

“**RESOLVED THAT** pursuant to the provision of Section 55 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modifications or any re-enactment thereof for the time being in force, the consent of members be and hereby accorded for redemption of 22 Non- Convertible Cumulative Redeemable Preference Shares of Rs. 5,000/- each, aggregating to Rs.10,00,000/- out of the profit of the company; The Details are as follows:-

Sr.No.	Name of the Preference Shareholder	No of Shares Redeemed	Face Value [Rs.]	Redemption Amount [Rs]
1	Gurgule Arun Pandurang	54	5,000	2,70,000
2	Gurgule Sunita Arun	146	5,000	7,30,000
	TOTAL	200		10,00,000

“**RESOLVED FURTHER THAT** Mr.Pandurang Abaji Raut Managing Director of the company be and is hereby severally authorized to do all such acts, deeds, matter and things as may be proper, necessary and expedient for giving effect to this resolution and also to file Form SH 7 or such other form as may be notified by the Ministry of Corporate Affairs.”

- 7) To increase borrowing powers of the board and authorization limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Companies, Act, 2013 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

“**RESOLVED THAT** in supersession of the earlier resolution passed and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the “Board”) to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of Rs. 400 crore (Rupees Four Hundred Crore Only);

RESOLVED FURTHER THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of

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every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 400 crores (Rupees Four Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 8) To Issue and Offer of Preference Shares on a Private Placement basis and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

“RESOLVED that in accordance with the provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot 433 preference shares of Rs. 5,000 for an aggregate value not exceeding Rs. 21,65,000 and on such terms as may be determined by the Board, to such person or persons, whether or not they are Member(s) of the Company, and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.

By Order of the Board of Directors
Shreenath Mhaskoba Sakhar Karkhana Limited

Place: Pune
Date: 05/12/2020

Sd/-
Pratik Naikawadi
Company Secretary

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NOTES:-

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

3. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.shreenathsugar.com.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
5. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

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8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.shreenathsugar.com.
9. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Friday 25th December 2020 at 9.00 a.m. and ends on Monday 28th December 2020 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday December 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name i.e Shreenath Mhaskoba Sakhar Karkhana Ltd on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self

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attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id.**

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at smsklho@rediffmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at smsklho@rediffmail.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

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Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; smsklho@rediffmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item no 5

The Board, on recommendation of the Audit Committee, approved the appointment of M/s A.J.Paranjape & Co., Cost Accountants as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31st March, 2021 at a remuneration of Rs. 80,000 plus taxes, as applicable and reimbursement of out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, the Board of Directors of the Company recommends the resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2021 for approval of the members of the Company. In this regard, consent of the Members is sought for passing the said resolution as approved by the Board of Directors and as set out in Item no. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board accordingly recommends the Special Resolution as set out in Item No. 5 for approval by the Shareholders.

Item no 6

2 preference Shareholders holding total 146 Non-Convertible Cumulative Redeemable Preference Shares of Rs 5,000 each aggregating to Rs.10,00,000/- has approached the company with the request of redemption of their shares.

The board decided to placed the matter before preference shareholders for their approval in the meeting of preference shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board accordingly recommends the Special Resolution as set out in Item No. 6 for approval by the Shareholders

Item no 7

Keeping in view the company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits to Rs. 400 Crores for the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or

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whole or part of the undertaking of the Company. Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorisation is also proposed to be increased to Rs. 400 Crores for the Company.

Hence, the Special Resolution at Item No.7 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act.

The Directors recommend the Special Resolution as set out at Item No. 7 of the accompanying Notice, for members' approval. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

Item no 8

Section 62 of the Act, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the preference shares of the company in proportion to the capital paid-up on that date and in the manner laid down under Section 62(1) of the Act, unless the members in a general meeting decide otherwise by way of a Special Resolution. Furthermore, as per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities on a private placement basis, is required to obtain the prior approval of the shareholders for each of the offers and invitations

In accordance with Sections 42 and 62 of the Act read with the Rules framed there under, approval of the Members is sought by way of a Special Resolution for the issue of 433 preference shares of Rs. 5,000 for an aggregate value not exceeding Rs. 21,65,000

Given below are the disclosures as required under the Rules:

1. The object of the issue is to raise funds for general corporate purposes.
2. The maximum number of preference shares of Rs.5000 will be 433.
3. None of the Directors, Key Managerial Personnel or Promoters of the Company intend to subscribe to the Allotment Shares
4. There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Allotment Shares.
5. The Company has not made any allotments during the year
- 6.The price of preference is Rs. 5000 i.e on F.V.
- 7.Upon the issue and offer of the preference Shares as aforesaid, the allotment shall be completed within a period of sixty days from the date of receipt of application money. Such allotment shall not be

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later than one year from the date of passing the Special Resolution set out at Item No.8 of the accompanying Notice.

8. The allotment is proposed to be made for cash consideration.

9. The Company proposes to make a allotment of preference shares of Rs. 5000 to following persons, and the pre issue and post issue shareholding of the proposed allottees is shown in the table below :

Preference shares of Rs. 5000 each

Sr. No.	Name Of Applicant	Present Holding	% to Pre-Issue Capital	Present Issue	% to Post-Issue Capital	Consideration
1	Dabhade Kiran Shankar			2	0.03%	10000
2	Diwate Manisha Sanjay			2	0.03%	10000
3	Diwate Sanjay Rangnath			2	0.03%	10000
4	Raskar Prashant Uttam			2	0.03%	10000
5	Raskar Uttam Laxman			2	0.03%	10000
6	Memane Shankar Gulab			1	0.02%	5000
7	Bhand Balu Kailas			2	0.03%	10000
8	Dhavale Pravin Balaso			2	0.03%	10000
9	Dhavale Ravindra Balasaheb			2	0.03%	10000
10	Gaikwad Bhausahab Babasaheb			2	0.03%	10000
11	Gaikwad Shahaji Bhausahab			2	0.03%	10000
12	Kale Gorakh Ananada			2	0.03%	10000
13	Kokate Krushnaji Sahebrao			2	0.03%	10000
14	Kokate Sambhaji Sagaji			2	0.03%	10000
15	Lende Swati Santosh			2	0.03%	10000
16	Makhar Amol Dnyanoba			2	0.03%	10000
17	Sathe Priynka Dnyandev			2	0.03%	10000
18	Wadkar Gauri Vishal			2	0.03%	10000
19	Wagh Ashvini Rupesh			2	0.03%	10000
20	Bendre Yogesh Ramrav			4	0.06%	20000
21	Bhalerao Santosh Keru			2	0.03%	10000
22	Bhujbal Avinash Baban			2	0.03%	10000
23	Gaikwad Abhimanyu Arjun			4	0.06%	20000
24	Kokate Aruna Dattatray			2	0.03%	10000
25	Kokate Vaishali Krushnaji			2	0.03%	10000
26	Memane Balaso Sarjerao			2	0.03%	10000
27	Memane Sandip Maruti			2	0.03%	10000
28	Nimbalkar Shubhangi Shivaji			2	0.03%	10000
29	Aru Anil Uttam			2	0.03%	10000

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30	Aru Vilas Ratan			2	0.03%	10000
31	Bhandare Bhausaheb Anandarao			2	0.03%	10000
32	Bhandare Mandakini Bhausaheb			2	0.03%	10000
33	Bhapkar Somnath Dnyandev			2	0.03%	10000
34	Bhujbal Laxman Dharmaji			1	0.02%	5000
35	Gadade Ketan Subhash			2	0.03%	10000
36	Gadade Surekha Subhash			2	0.03%	10000
37	Gaikwad Kiran Chandrakant			2	0.03%	10000
38	Gondhale Madhavi Yogesh			2	0.03%	10000
39	Gondhale Saraswati Jaysing			2	0.03%	10000
40	Hole Kunal Pandurang			2	0.03%	10000
41	Kale Vinod Chandrakant			2	0.03%	10000
42	Bendre Dilip Kisan			4	0.06%	20000
43	Bhadre Shivaji Uttam			2	0.03%	10000
44	Bhapkar Balaso Vithal			2	0.03%	10000
45	Darekar Balasaheb Gulab			2	0.03%	10000
46	Darekar Govind Shamrao			2	0.03%	10000
47	Darekar Sandip Gulab			2	0.03%	10000
48	Darekar Shivaji Gulab			2	0.03%	10000
49	Daundkar Laxman Ramchandra			2	0.03%	10000
50	Gaikwad Dipak Anna			2	0.03%	10000
51	Gawari Shantaram Narayan			2	0.03%	10000
52	Jadhav Avinash Prakash			2	0.03%	10000
53	Kale Arjun Dagadu			2	0.03%	10000
54	Karpe Santosh Sudam			6	0.09%	30000
55	Kedari Nimbraj Zumbar			2	0.03%	10000
56	Kolhe Jayshree Pravin			2	0.03%	10000
57	Nimbalkar Shivaji Kisan			2	0.03%	10000
58	Shinde Ganesh Suresh			2	0.03%	10000
59	Shinde Lata Suresh			2	0.03%	10000
60	Shinde Suresh Nivrutti			2	0.03%	10000
61	Tilekar Sudhir Subhash			2	0.03%	10000
62	Tonde Bhau Maruti			2	0.03%	10000
63	Dhamdhere Ashok Waman			2	0.03%	10000
64	Dhamdhere Hemant Vilasrao			2	0.03%	10000
65	Gaikwad Santosh Anna			2	0.03%	10000
66	Gaikwad Vasant Dnyaneshwar			2	0.03%	10000
67	Hargude Vaijayantinath Narayan			4	0.06%	20000
68	Jadhav Vijay Dnyandev			2	0.03%	10000
69	Jagtap Bhauso Digambar			2	0.03%	10000
70	Kadam Ajit Rajaram			2	0.03%	10000

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

71	Kadam Anil Rajaram			2	0.03%	10000
72	Kadam Arun Rajaram			2	0.03%	10000
73	Kadam Bhausaheb Manikrao			2	0.03%	10000
74	Kadam Khanderao Manikrao			2	0.03%	10000
75	Kadam Sagar Madhav			2	0.03%	10000
76	Kadam Sanjay Madhav			2	0.03%	10000
77	Kale Vijay Vasant			2	0.03%	10000
78	Khedkar Anil Genbhau			4	0.06%	20000
79	Khedkar Hanumant Tukaram			2	0.03%	10000
80	Makhar Ganesh Dashrath			2	0.03%	10000
81	Manjare Avinash Kerbhau			2	0.03%	10000
82	Patole Vishal Kisan			4	0.06%	20000
83	Pingale Balaso Dattatray			2	0.03%	10000
84	Shelar Kiran Mahadev			2	0.03%	10000
85	Shinde Pandurang Narayan			2	0.03%	10000
86	Sonawane Satish Jagannath			2	0.03%	10000
87	Tanpure Mayur Hiranman			2	0.03%	10000
88	Veer Dnyaneshwar Vitthal			2	0.03%	10000
89	Yele Nanabhau Laxman			2	0.03%	10000
90	Zagde Kamal Balu			2	0.03%	10000
91	Dabhade Sagar Shankar			2	0.03%	10000
92	Zanvar Mira Omprakash			2	0.03%	10000
93	Bhongale Gautam Nivrutti			6	0.09%	30000
94	Bhongale Rajendra Nivrutti			4	0.06%	20000
95	Bhumkar Pandurang Tukaram			2	0.03%	10000
96	Chajed Sharad Kanhyyalal			2	0.03%	10000
97	Chavan Ajay Sarjerao			2	0.03%	10000
98	Chhajed Kishor Kanhyyalal			2	0.03%	10000
99	Devkar Ramchandra Yashwant			2	0.03%	10000
100	Dhamdhere Manoj Balasaheb			2	0.03%	10000
101	Dhekane Rangnath Sadashiv			2	0.03%	10000
102	Gavhane Amol Tirshing			2	0.03%	10000
103	Gavhane Ashok Ramchandra			2	0.03%	10000
104	Gavhane Manik Santoba			2	0.03%	10000
105	Gavhane Sandip Manik			2	0.03%	10000
106	Gavhane Satish Aappaso			2	0.03%	10000
107	Ghume Nikhil Sudhakar			2	0.03%	10000
108	Ghume Sachin Balasaheb			2	0.03%	10000
109	Inamake Ghanashyam Vasant			2	0.03%	10000
110	Jadhav Sanjay Namdeo			2	0.03%	10000
111	Kalbhor Arjun Mahadev			2	0.03%	10000

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

112	Kedari Dadasaheb Laxman			2	0.03%	10000
113	Khaladkar Akshay Vitthal			4	0.06%	20000
114	Khaladkar Balasaheb Baburao			2	0.03%	10000
115	Khaladkar Bhagwat Bhauso			2	0.03%	10000
116	Khaladkar Laxman Baburao			2	0.03%	10000
117	Khaladkar Pandurang Laxman			2	0.03%	10000
118	Khaladkar Rishikesh Balaso			2	0.03%	10000
119	Kul Keru Sampat			2	0.03%	10000
120	Nabage Dnyaneshwar Sopan			2	0.03%	10000
121	Navale Bhauso Babanrao			4	0.06%	20000
122	Pathan Ibrahim Abbas			2	0.03%	10000
123	Patole Kisan Keru			10	0.16%	50000
124	Pawar Dhanaji Mahadev			2	0.03%	10000
125	Pawar Satish Mahadeo			2	0.03%	10000
126	Pawar Somnath Sopan			2	0.03%	10000
127	Raskar Sukhdev Kundlik			2	0.03%	10000
128	Shaikh Aayub Hasan			2	0.03%	10000
129	Shaikh Husen Abdul			2	0.03%	10000
130	Shelar Dnyandev Kaluram			2	0.03%	10000
131	Shelar Sachin Bhimrao			2	0.03%	10000
132	Shelar Shalan Vitthal			2	0.03%	10000
133	Shinde Kiran Ramdas			2	0.03%	10000
134	Shinde Nilesh Sahebrao			2	0.03%	10000
135	Shinde Sahebrao Dnyanoba			2	0.03%	10000
136	Shitole Balasaheb Rangnath			2	0.03%	10000
137	Shitole Pranesh Balasaheb			2	0.03%	10000
138	Shitole Rekha Sunil			2	0.03%	10000
139	Shitole Sunil Murlidhar			2	0.03%	10000
140	Sonavane Subhash Shankarrao			2	0.03%	10000
141	Sonawane Anil Tukaram			2	0.03%	10000
142	Sonawane Jyoti Vijay			2	0.03%	10000
143	Sonawane Pramila Tukaram			2	0.03%	10000
144	Sonawane Pratibha Anil			2	0.03%	10000
145	Tambe Rohidas Vitthal			2	0.03%	10000
146	Thombare Baba Ananda			2	0.03%	10000
147	Zagade Jalindhar Ramchandra			2	0.03%	10000
148	Bhujbal Swapnil Dattatray			2	0.03%	10000
149	Jondhale Dipak Ganpatrao			2	0.03%	10000
150	Karanje Vinod Ashok			2	0.03%	10000
151	Narke Rajendra Kisan			2	0.03%	10000
152	Narke Sanjay Kisan			2	0.03%	10000

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153	Shinde Jayavant Bhausahab			2	0.03%	10000
154	Shinde Rahul Jayavant			2	0.03%	10000
155	Shinde Rambhau Balasaheb			2	0.03%	10000
156	Shinde Shankar Balasaheb			2	0.03%	10000
157	Hole Chetan Vilas			2	0.03%	10000
158	Hole Kalpana Vilas			2	0.03%	10000
159	Hole Kamal Pandhrinath			2	0.03%	10000
160	Hole Paras Pandhrinath			2	0.03%	10000
161	Hole Shekhar Pandhrinath			2	0.03%	10000
162	Hole Shubham Ravindra			2	0.03%	10000
163	Hole Suvarna Ravindra			2	0.03%	10000
164	Hole Tushar Dilip			2	0.03%	10000
165	Hole Ujwala Dilip			2	0.03%	10000
166	Jagtap Dattatray Vamanrao			2	0.03%	10000
167	Jagtap Vaibhav Dadaso			2	0.03%	10000
168	Karanje Ashok Shankarrao			1	0.02%	5000
169	Memane Atmaram Bhagawan			2	0.03%	10000
170	Memane Pramila Yogesh			2	0.03%	10000
171	Memane Shradha Atmaram			2	0.03%	10000
172	Memane Yogesh Bhagawan			2	0.03%	10000
173	Murkute Vijaykumar Laxman			4	0.06%	20000
174	Raskar Balaso Arjun			2	0.03%	10000
175	Raut Jagannath Tukaram			2	0.03%	10000
176	Raut Nanda Jagannath			2	0.03%	10000
177	Bhujbal Harsha Yashwant			2	0.03%	10000
178	Bhujbal Omkar Yashwant			2	0.03%	10000
179	Jondhale Aajit Ashok			2	0.03%	10000
180	Mhetre Amit Bhagvan			2	0.03%	10000
181	Raut Vitthal Dashrath			2	0.03%	10000
182	Sonawane Manisha Sahebrao			2	0.03%	10000
183	Sonawane Omkar Sahebrao			2	0.03%	10000
184	Sonawane Sahebrao Babanrao			2	0.03%	10000
185	Ladkat Dnyaneshwar Shankarrao			2	0.03%	10000
186	Ladkat Manjusha Dnyaneshwar			2	0.03%	10000
187	Raskar Ashok Chandrakant			2	0.03%	10000
188	Domale Shriram Mhasku			2	0.03%	10000
189	Gavhane Sampat Vishnu			2	0.03%	10000
190	Gavhane Vishal Vishnu			2	0.03%	10000
191	Gaware Atul Kaluram			2	0.03%	10000
192	Gawari Mahesh Nanasaheb			2	0.03%	10000
193	Gundal Navnath Bajirao			2	0.03%	10000

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

194	Gundal Smita Navnath			2	0.03%	10000
195	Lande Dnyanoba Babanrao			2	0.03%	10000
196	Thorat Ajit Rohidas			2	0.03%	10000
197	Thorat Rohidas Ramdas			2	0.03%	10000
198	Thorat Varsha Ajit			2	0.03%	10000
199	Waghole Ajit Malhari			2	0.03%	10000
200	Waghole Pankaj Mahadev			2	0.03%	10000

The shareholding pattern of the company, before and after the proposed issue, will be as under

Preference Shares of Rs. 5000

Sr. No.	Category	Pre Issue		Post Issue	
		No of shares held	% of share holding	No of shares held	% of share holding
A	Promoter's holding				
1	Indian				
	Individual	6,282	98.74 %	6715	98.82 %
	Bodies Corporate	0	0	0	0
	Sub Total	6,282	98.74 %	6,715	98.82 %
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	6,282	98.74 %	6,715	98.82 %
B	Non Promoters holding				
	:				
1.	Institutional investor	0	0	0	0
2	Non Institutional :				
	Bodies Corporate	80	1.26 %	80	1.18 %
	Individuals	0	0	0	0
	Foreign Corporate Bodies/ NRIs	0	0	0	0
	Sub Total (B)	80	1.26 %	80	1.18 %
	GRAND TOTAL	6362	100 %	6,795	100 %

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board accordingly recommends the Special Resolution as set out in Item No. 8 for approval by the Shareholders.

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED**DIRECTORS REPORT**

To,
The Members,

The Directors have pleasure in presenting the 21st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2020 are briefly given below:-

		<i>Rs. In Lacs</i>	
Particulars		2019-20	2018-19
	Sales & Other Income	20,831.74	22390.94
	Profit before Depreciation, Interest & Tax	4004.39	2661.40
Less :	Interest and Financial Charges	1516.65	1602.54
	Depreciation	946.38	913.82
	Profit before exceptional items	1541.35	145.02
	Exceptional items	-	-
	Profit before Tax	1541.35	145.02
Less :	Provision for Income Tax	349.50	29.85
	Provision for Deferred Tax	-6.01	2.5
	Mat credit carried forward	-	29.85
	Profit after Tax	1197.86	142.52
	Balance Brought Forward from previous year	-	-
	Amount Available for Appropriation	-	-
Less :	Appropriation:		
	Proposed Dividend on Preference Shares	53.90	39.00
	Proposed Dividend on Equity Shares	151.28	-
	CSR	9.75	22.62
	Corporate Dividend Tax		7.93
	Capital Redemption		-
	Income tax paid 2018-19	169.92	
	Transfer to General Reserve	77.06	7.25
	Surplus Carried to Balance Sheet	735.92	65.70

2. COMPANY'S AFFAIRS PERFORMANCE**Sugar Division**

The company has crushed 3.80 Lac MT of cane as against 5.09 Lac MT for the previous year.

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

The production of sugar for the corresponding period was 3.81 Lac Qtl. as against 5.71 Lac Qtl. for the previous year.

The stock of sugar was 96 % of the total production.

The average selling rate of sugar for current year was Rs. 2941.41 /- per quintal as against Rs.2731.73/- per quintal during the previous period. During the period under the review the company sold 4.70 lac qtl. of sugar as against 5.98 lac qtl. of sugar during previous year.

Distillery Division

It was the sixth year of operation of the distillery unit. The distillery unit produced 89.96 Lac Litres of alcohol. The company sold 89.18 Lac Litres of alcohol and achieved a turnover of Rs. 4,346.88 lacs.

Cogeneration Division

The company has exported 101.68 lacs units of electricity in the financial year 2019-20 and achieved a turnover of Rs.691.30 lacs.

3. TRANSFER TO RESERVES

During the reporting period under review, the Company has transferred Rs.77,06,797/- to General Reserve.

4. DIVIDEND

During the period under review, the Company had declared and paid Interim Dividend @10% i.e. Rs. 10,000 per preference Share of Rs. 1,00,000 each and @ 5% i.e. Rs. 250 per preference share of Rs. 5,000 each and @10% i.e. Rs. 10 per equity shares of Rs. 100 each. The Interim Dividend declared by the Board of Directors is proposed to be confirmed as Final by Shareholders in the ensuing Annual General Meeting.

5. SHARES:

- **BUY BACK OF SECURITIES:**

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

- **SWEAT EQUITY:**

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

- **BONUS SHARES:**

No Bonus Shares were issued during the year under review.

- **EMPLOYEES STOCK OPTION PLAN:**

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

6. DIRECTORS

In accordance with provisions of Section 152 of Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Anil Badhe, and Mr. Anil Bhujbal retires by rotation at forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Pandurang Tukram Kadam, director was disqualified u/s 164(2) of Companies Act 2013 has vacated his place as director on account of disqualification on 16th August 2019.

7. PUBLIC DEPOSITS

During the financial year 2019-2020, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

8. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The company has appointed M/s. VG Naikawadi & Co, Chartered Accountants, as an internal auditor of the company. The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The adequacy of internal financial controls with reference to the Financial Statements is satisfactory.

9. HOLDING COMPANIES, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

Company does not have any Holding Company, Subsidiary Company and Associate Company.

10. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure I** to this Report.

11. NUMBER OF MEETINGS OF THE BOARD

Board Meeting

During the year Thirteen (13) Board Meetings were convened and held, including one separate Meeting of Independent Directors. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

Sr. No	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	08/04/2019	13	13
2	21/04/2019	13	13
3	09/05/2019	13	13
4	22/06/2019	13	13
5	08/08/2019	13	13
6	16/08/2019	13	13
7	31/08/2019	12	12
8	08/09/2019	12	12
9	05/10/2019	12	12
10	19/11/2019	12	9
11	30/11/2019	12	12
12	02/01/2020	12	12
13	28/03/2020	12	12

12. COMMITTEES OF DIRECTORS:

Subject to the provisions of section 177 & 178 of the Companies Act, 2013 read with the relevant rules made there under and with a view to have a more focused attention on various facts of business and for better accountability, the Board has constituted various committees a mentioned below. Each of these Committees has been mandated to operate within a given framework.

(A) Audit Committee:

The Audit Committee consists of the following members

Sr. No.	Name of the Director	Designation in the Committee
1.	Mr. Mahesh Karpe	Chairperson
2.	Mr. Bhagwan Memane	Independent Director
3.	Mr. Hanumant Shivale	Independent Director

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013.

The company has accepted all the recommendations as made by the audit committee during the financial year under review.

Meeting Details

Twelve meetings of the Committee were held during the year. The meetings were held on April 5, 2019, May 3, 2019; June 1, 2019; August 3, 2019;

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October 5,2019; November 25,2019; December 10,2019; January 1,2020; February 10,2020; February 29, 2020; March 25, 2020.

(B) Nomination & Remuneration Committee:

The Nomination & Remuneration Committee consists of the following members:

Sr. No.	Name of the Director	Designation in the Committee
1	Mr. Anil Bhujbal	Chairperson
2	Mr. Bhagwan Memane	Independent Director
3	Mr. Hanumant Shivale	Independent Director

The Company has accepted all the recommendation of the Nomination & Remuneration Committee as and when made to the Board of Directors by the Committee.

The Committee while giving approval to remuneration ensured that:

- the level and composition of remuneration is reasonable and sufficient to motivate directors to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Meeting Details

Two meetings of the Committee were held during the year. The meetings were held on April 3, 2019 and August 14, 2019.

(C) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of the following members

Sr. No.	Name of the Director	Designation in the Committee
1	Mr. Madhav Raut	Chairperson
2	Mr. Bhagwan Memane	Independent Director
3	Mr. Hanumant Shivale	Independent Director

The company has accepted all the recommendations as made by the Stakeholders Relationship Committee during the financial year under review.

Meeting Details

One meetings of the Committee were held during the year. The meetings was held on September 06, 2019.

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

The Company's 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 is furnished in **Annexure II** and is attached to this report.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of the society. Pursuant to the provisions of the Section 135 of the Companies Act, 2013, your Company has constituted a CSR Committee of the Board of Directors to monitor the CSR activities of the Company.

As per section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having Net worth of Rs. 500 Crores or Turnover of Rs. 1000 Crores or Net Profit of Rs. 5.00 Crores need to constitute CSR Committee. The Board has constituted the CSR Committee consisting of Three Directors viz. Mr Bhagwan Memane, Independent Director, Mr. Hanumant Shivale , Independent Director and Mr. Yogesh Sasane acts as Chairman of the Committee.

Terms of Reference:

The purpose of the committee is to formulate and monitor the CSR policy of the Company. The Committee will be overseeing activities/functioning of the Company in identifying the areas of CSR activities, programmers and execution of Company.

The management confirms that Company is looking forward for the viable project for making CSR expenditure. Your Company will make the said expenditure in the current financial year.

During the year, the Company has spent Rs. 9,75,933 on CSR activities. The policy of the Corporate Social Responsibility (CSR) Committee is annexed herewith as "Annexure- III". The Company has undertaken projects prescribed in Schedule VII of the Companies Act, 2013.

Meeting Details

Two meetings of the Committee were held during the year. The meeting was held on April 3, 2019 and September 05, 2019.

15. BOARDS FUCTIONING:

Company's Board of Directors play a primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Company has a procedure to inform the Board members about risk assessment and minimization procedure. The procedure is reviewed by the Board to ensure that the Company manages risks through the means of a properly defined framework. The Board also reviews on regular basis conformity to all the applicable laws by the Company. The Members of the Board have complete freedom to express their opinion, and decisions are taken after detailed discussion.

16. DIRECTOR'S RESPONSIBILITY STATEMENT

Directors' Responsibility Statement prepared pursuant to the provisions of Section 134(5) of the Companies Act, 2013, is furnished below as required under Section 134(3)(c).

Directors state that:-

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2020 the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. DECLARATION BY INDEPENDENT DIRECTOR

All Independent Directors have given declarations under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

18. AUDITORS AND AUDITORS' REPORT

a) Internal Auditor

The Internal Auditor, V.G. Naikawadi & Co, Chartered Accountants, Pune have conducted internal audits periodically and submitted their reports to the Audit Committee. Their Reports have been reviewed by the Statutory Auditors and the Audit Committee.

b) Statutory Auditor:

D.D.Nimbalkar & Associates, Chartered Accountant (M.No. 112050), were appointed as Auditor of the Company for a term of 5 (five) consecutive years at the annual general meeting held on 29th September 2018.

D.D.Nimbalkar & Associates, Chartered Accountants, have confirmed their eligibility and qualification required under the Act

The Auditors Report to the Shareholders for the year under review contain the following qualification as under :-

1. The company being specified company under section 204 of the Act has not appointed the Company Secretary.

Management's reply :

As per information provided to us , the management had given explanation that Company Secretary is appointed on 1st July 2019.

2. Accounting standard 15 "Employee Benefits" – The Company has provided for gratuity liability on actual basis by way of debiting it to Profit & Loss a/c in the books of accounts. However the provision is not based on actuarial valuation done by a qualified actuary.

Also no provision has been made during the year for leave encashment.

Management's reply :

The company has done actuarial valuation in house, the management has proposed to get the actuarial valuation from approved institution in the ensuing Financial year. The benefit of leave encashment is not carried forward as per the rules framed by the management. All employees therefore has to mandatorily avail the leave encashment.

No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in Board's Report.

c) Cost Audit:

The board has appointed M/s A.J.Paranjape & Co. as cost auditors of the company under section 148 of the Companies Act 2013 read with the Companies (Cost records and audit) Rules, 2014.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made and guarantees given along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Notes to the financial statement).

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All the transactions carried out with related parties for the year under review were on arm's length basis, which were duly approved by the Audit Committee and are in compliance with the applicable provisions of the Companies Act, 2013. There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 and Rules made there under are not attracted. Thus disclosure in Form AOC-2 in terms of Section 134 of Companies Act, 2013 is not required. The Companies policy on Related Party Transactions is attached as "Annexure - IV".

Your Directors draw attention of the members to Notes to the financial statement which set out related party disclosures.

21. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this report.

22. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

During the year there are no significant/ material orders passed by the Regulators or courts or Tribunals impacting the going concern status of your Company and its operations in future.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy and Technology Absorption:

- a) Wherever possible energy conservation measures have been implemented and there are no further areas where energy conservation measures can be taken. However, efforts to conserve and optimize the use of Energy through improved Operational methods and other means will continue.

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

A.	Power & Fuel Consumption	F.Y. 2019-20	F.Y. 2018-19
	ELECTRICITY		
	a) Purchased from MSEDCL (units in Kwh)	19,67,048	16,13,977
	b) Own Generation		
	i) Through Diesel Generation Sets (units in Kwh)	3,206	39,367
	Units Per liter of Diesel		
	ii) Through Steam Turbine Generation (units in Kwh)	2,11,16,160	2,96,74,466
	Cane Crushed (M.T.)	3,80,209	5,09,971
	Units per Ton of Cane	55.53	58.19
	iii) Total Units Generated (units in Kwh)	2,30,86,414	3,13,27,810

B.	Consumption of Unit	F.Y. 2019-20	F.Y. 2018-19
	Total Generation of Electricity (units in Kwh)	2,30,86,414	3,13,27,810
	Less: Consumption for Sugar Plant (units)	88,53,610	1,16,72,864
	Less: Consumption for Distillery Plant (units in Kwh)	20,02,313	22,36,237
	Less: Export to grid (units in Kwh)	1,00,15,005	1,31,54,623
	Less: Consumption for Others (units in Kwh)	22,15,486	42,64,086

- b) The Company has no collaborations and is engaged in the manufacture of the products by its own developed methods/operations. The Company has setup a Research and Development Center whose emphasis is on product development, product quality, Cost reduction, energy conservation and improvement in process productivity. The Company has also setup Laboratory and Quality Control Department to ensure the quality of different products manufactured.

B. Foreign Exchange Earnings and Outgo:

Sr. No.	Particulars	Amount in Rs.
i	Foreign Exchange earned in terms of actual inflows during the year	Nil
ii	Foreign Exchange outgo during the year in terms of actual outflows	Nil

24. RISK MANAGEMENT POLICY

The Company has formulated Policy for Risk Management. The same is attached as **Annexure V**

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism policy to deal with instance of fraud and mismanagement, if any. The vigil mechanism policy is herewith attached as “Annexure- VI”. The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

26. BOARD EVALUATION

The Board of Directors has carried out an annual performance evaluation of its committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and performance of the board as a whole was evaluated, taking into account the views of all directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

27. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business during the Financial Year under review

28. PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration which attracts the disclosure Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

SHREENATH MHASKOBA SAKHAR KARHANA LIMITED

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

No of complaints received: NIL

No of complaints disposed off: NIL

30. APPRECIATION

Your Directors wish to place on record their sincere appreciation of the continued support from the Company's Bankers, its valued Customers, Distributors, Suppliers, etc.

The Directors are also thankful to the officials of the Government of India, State Governments, Local Authorities for their continued help and timely assistance extended to the Company.

By Order of the Board of Directors
For Shreenath Mhaskoba Sakhar Karkhana Limited

Place: Pune
Date: 05/12/2020

Pandurang A. Raut
Chairman & Managing Director
[DIN 00786746]

Annexure I**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on March 31, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	:	U15424PN1999PLC013976
2	Registration Date	:	10/09/1999
3	Name of the Company	:	Shreenath Mhaskoba Sakahr Karkhana Limited
4	Category/Sub-category of the Company	:	Category : Company limited by shares Sub-Ca tegory : Indian NonGovernment Company
5	Address of the Registered office & contact details	:	S.No.12/2, 2nd floor,meghdhoot building, behind bharat pertol pump, Hadapsar Pune 411028
6	Whether listed company	:	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	10721	92.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : N.A.**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1 Indian									
a) Individual/ HUF	-	4,08,294	4,08,294	26.99	-	4,47,127	4,47,127	29.56	2.57
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	4,08,294	4,08,294	26.99	-	4,47,127	4,47,127	29.56	2.57

B	Public Shareholding									
	1 Institutions	-	-	-	-	-	-	-	-	-
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	-	-	-	-	-	-	-	-	-
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	0.00	-	-	-	0.00	
	2 Non-Institutions									
	a) Bodies Corp.									
	i) Indian	-	50,000.00	50,000.00	3.30	-	50,000.00	50,000.00	3.30	0.00
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	4,99,675.00	4,99,675.00	33.03	-	4,99,675.00	4,99,675.00	33.03	0.00
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	5,54,893.00	5,54,893.00	36.68	-	5,16,060.00	5,16,060.00	34.11	-2.57
	c) Others (specify)									
	i) Non Resident Indians	-	-	-	-	-	-	-	-	-
	ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
	iv) Clearing Members	-	-	-	-	-	-	-	-	-
	v) Trusts	-	-	-	-	-	-	-	-	-
	vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	11,04,568.00	11,04,568.00	73.01	-	10,65,735.00	10,65,735.00	70.44	(2.57)
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	11,04,568	11,04,568	73.01	-	10,65,735	10,65,735	70.44	(2.57)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	15,12,862	15,12,862	100%	-	15,12,862	15,12,862	100%	-

B) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	Raut Pandurang Abaji	21480	1.42%	-	21480	1.42%	-	0.00%
2	Raskar Vikas Ramchandra	47487	3.14%	-	47487	3.14%	-	0.00%
3	Gaikwad Babanrao Sopanrao	31101	2.06%	-	31101	2.06%	-	0.00%
4	Karpe Mahesh Sambhaji	14787	0.98%	-	14787	0.98%	-	0.00%
5	Sasane Yogesh Dattatray	23604	1.56%	-	23604	1.56%	-	0.00%
6	Bhujbal Anil Jaywantrao	7375	0.49%	-	7375	0.49%	-	0.00%
7	Karanje Hemant Sambhaji	8715	0.58%	-	8715	0.58%	-	0.00%
8	Badhe Anil Laxman	10062	0.67%	-	10062	0.67%	-	0.00%
9	Kadam Pandurang Tukaram	9046	0.60%	-	9046	0.60%	-	0.00%
10	Madhav Raut Pandurang	19447	1.29%	-	19447	1.29%	-	0.00%
11	Kisan Shinde Dinkar	6565	0.43%	-	6565	0.43%	-	0.00%
12	Sitaram Bhausaheb Fulsunder	6,362	0.42%	-	6362	0.42%	-	0.00%
13	Dattatray Kondiba Chakankar	10,125	0.67%	-	10125	0.67%	-	0.00%
14	Ankushrao Balbhima Dhamdhare	13,092	0.87%	-	13092	0.87%	-	0.00%
15	Tawade Vinod Shreedhar		0.00%	-	35000	2.31%	-	2.31%
16	Satish Patloba Kendre	13,526	0.89%	-	13526	0.89%	-	0.00%
17	Shrihari Sonaba Abnawe	11,616	0.77%	-	11616	0.77%	-	0.00%
18	Dattatray Baburao Ambekar	6,950	0.46%	-	6950	0.46%	-	0.00%
19	Dattatray Ramchandra Bhumkar	6,454	0.43%	-	6454	0.43%	-	0.00%
20	Rajesh Nivruti Bankar	7,975	0.53%	-	7975	0.53%	-	0.00%
21	Raghunath Mhaskoji Kachare	8,875	0.59%	-	8875	0.59%	-	0.00%
22	Shivaji Maruti Kamthe	8,121	0.54%	-	8121	0.54%	-	0.00%
23	Shrikant Laxman Kadam	4,550	0.30%	-	4550	0.30%	-	0.00%
24	Pradeep Dattatray Landge	34,500	2.28%	-	34500	2.28%	-	0.00%
25	Dasharath Dinkar Jadhav	6,950	0.46%	-	6950	0.46%	-	0.00%
26	Bhagwan Vitthal Tilekar	5,775	0.38%	-	5775	0.38%	-	0.00%
27	Shilpa Sandeep Mhetre	8,375	0.55%	-	8375	0.55%	-	0.00%

28	Krishnakant Vasant Raskar	6,233	0.41%	-	6233	0.41%	-	0.00%
29	Ravindra Balasaheb Charwad	16,396	1.08%	-	16396	1.08%	-	0.00%
30	Sangram Gansham Dangat	1,500	0.10%	-	1500	0.10%	-	0.00%
31	Sandip Raghunath Hanmghar	6,250	0.41%	-	6250	0.41%	-	0.00%
32	Arun Pandurang Gurgule	19,250	1.27%	-	19250	1.27%	-	0.00%
33	Agarwal Sachin Jagdishprasad	5,750	0.38%					-0.38%
34	Darekar Mukund Sadashiv				4,283	0.28%		0.28%
35	Bhujbal Ravindra Dnyaneshwar				5,300	0.35%		0.35%
	Total	4,08,294	26.99%		4,47,127	29.56%	-	

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,08,294	28.25%	4,22,730	28.25
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)				
	At the end of the year			4,47,127	29.56%

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during	
		No. of shares at the beginning /	% of total shares of the				No. of shares	% of total shares of
1	Agarwal Sachin Jagdishprasad	5,750	0.38%	01-Apr-19	(5,750)	Not as promoter	-	0.00%
				31-Mar-20			-	0.00%
2	Darekar Mukund Sadashiv		0.00%	01-Apr-19	4,283	Added as promoter	4,283	0.54%
				31-Mar-20			4,283	0.54%
3	Bhujbal Ravindra Dnyaneshwar		0.00%	01-Apr-19	5,300	Added as promoter	5,300	0.46%
				31-Mar-20			5,300	0.46%
4	Tawade Vinod Shreedhar		0.00%	01-Apr-19	35,000	Added as promoter	35,000	0.41%
				31-Mar-20			35,000	0.41%

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

SN	Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the
1	Supreme Construction & Developers Pvt Ltd	50,000	3.30%		-		50,000	3.30%
2	Prakash Sharad Joshi	50,000	3.30%		-		50,000	3.30%
3	Santosh Raosaheb Navale	40,000	2.64%		-		40,000	2.64%
4	Kale Sarang Sudhakar	25,000	1.65%		-		25,000	1.65%
5	Raut Punam Madhav	29,877	1.97%		-		29,877	1.97%
6	Gaikwad Vandana Babanrao	21,510	1.42%		-		21,510	1.42%
7	Pande Rajesh Babulal	20,000	1.32%		-		20,000	1.32%
8	Landge Pradeep Dattatray	34,500	2.28%		-		17,988	1.19%
9	Kadam Jagdish Laxmanrao	25,000	1.65%				25,000	1.65%
10	Subhadra Pandurang Raut	17,988	1.19%				17,988	1.19%

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the company
A	Directors :							
1	Pandurang Raut Chairman and Managing Director	21,480	1.42%	01-Apr-19	-		21,480	1.42%
		21,480	1.42%	31-Mar-20			21,480	1.42%
2	Vikas Raskar Director	47,487	3.14%	01-Apr-19	-		47,487	3.14%
		47,487	3.14%	31-Mar-20			47,487	3.14%
3	Babanrao Gaikwad Director	31,101	2.06%	01-Apr-19		Nil movement during the year	31,101	2.06%
		31,101	2.06%	31-Mar-20			31,101	2.06%
4	Mahesh Karpe Director	14,787	0.98%	01-Apr-19		Nil movement during the year	14,787	0.98%
		14,787	0.98%	31-Mar-20			14,787	0.98%
5	Yogesh Sasane Director	23,604	1.56%	01-Apr-19		Nil movement during the year	23,604	1.56%
		23,604	1.56%	31-Mar-20			23,604	1.56%

6	Anil Bhujbal Director	7,375	0.49%	01-Apr-19	Nil movement during the year	7,375	0.49
		7,375	49.00%	31-Mar-20		7,375	0.49%
7	Hemant Karanje Director	8,715	0.58%	01-Apr-19	Nil movement during the year	8,715	0.58
		8,715	0.58%	31-Mar-20		8,715	0.58
8	Anil Badhe Director	10,062	0.67%	01-Apr-19	Nil movement during the year	10,062	0.67
		10,062	0.67%	31-Mar-20		10,062	0.67
9	Madhav Raut Director	19,447	1.29%	01-Apr-19	Nil movement during the year	19,447	1.28
		19,447	1.28%	31-Mar-20		19,447	1.28
10	Kisan Shinde Director	6,565	0.43%	01-Apr-19	-	6,565	0.43%
		6,565	0.43%	31-Mar-20		6,565	0.43%
11	Hanumant Shivale Director			01-Apr-19	Nil movement during the year	100	0.00
		100	0.00%	31-Mar-20		100	0.00
12	Bhagwan Memane Director			01-Apr-19	Nil movement during the year	100	0.00
		100	0.00%	31-Mar-20		100	0.00
B.	Key Managerial Personnel :	500	0.03%	01-Apr-19	Nil movement during the year		
1	Baban Mahadev Narke Chie Financial Officer	500	0.03%	31-Mar-20		500	0.03%
						500	0.03%

F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
	i) Principal Amount	1,66,01,77,370.00	3,10,82,603.00	-	1,31,31,38,052.00
	ii) Interest due but not paid		-		
	iii) Interest accrued but not due		-		
	Total (i+ii+iii)	1,66,01,77,370.00	3,10,82,603.00		1,31,31,38,052.00
	Change in Indebtedness during the financial year				
	* Addition	(10,54,65,681.00)			35,56,57,340.00
	* Reduction		2,93,61,161.00		2,01,26,676.00
	Net Change	(10,54,65,681.00)	2,93,61,161.00		33,55,30,664.00
	Indebtedness at the end of the financial year				
	i) Principal Amount	1,55,47,11,689.00	6,04,43,764.00		1,64,86,68,716.00
	ii) Interest due but not paid				
	iii) Interest accrued but not due		-		
	Total (i+ii+iii)	1,55,47,11,689.00	6,04,43,764.00	-	1,64,86,68,716.00

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Pandurang Raut	Vikas Rsakar	Babanrao Gaikwad	
1	Gross salary	13,35,881	6,69,527	6,69,527	26,74,935.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	13,35,881.00	6,69,527.00	6,69,527.00	26,74,935.00
	Ceiling as per the Act				

B. Remuneration to other directors N.A.

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	a Fee for attending board committee meetings	-	-	-	-	-
	b Commission	-	-	-	-	-
	c Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors					
2	b Fee for attending board committee meetings	-	-	-	-	-
	c Commission	-	-	-	-	-
	d Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : N.A.

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	2,52,000.00	-	-
	(a) Salary as per provisions contained in				
	(b) Value of perquisites u/s 17(2) Income-				
	(c) Profits in lieu of salary under section				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify				
	Total	-	2,52,000.00	-	-

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority RD / NCLT/ COURT]	Appeal made,if any (give Details)
A.	COMPANY Penalty Punishment Compounding					
B.	DIRECTORS Penalty Punishment Compounding					
C.	OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Place : Pune
Date : 05/09/2020

for Shreenath Mhaskoba Sakhar Karkhana Ltd.

Pandurang Raut
Executive Chairman and Managing Director

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Committee of Shreenath Mhaskoba Sakhar Karkhana Limited was constituted on April 02, 2017 consisting of three Directors viz :

1. Mr. Anil Bhujbal – Chairman & Director
2. Mr. Bhagwan Memane – Independent Director
3. Mr. Hanumant Shivale – Independent Director

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 .

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS:

a) Key Managerial Personnel: Key Managerial Personnel means—

1. Chief Executive Officer or the managing director or the manager;
2. company secretary,
3. whole-time director;
4. Chief Financial Officer; and
5. such other officer as may be prescribed.

b) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

3. ROLE OF COMMITTEE:

The role of the Committee inter alia will be the following:

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- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To recommend to the Board the appointment and removal of Senior Management
- c) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) To devise a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan;

4. **MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. **CHAIRMAN:**

Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

- a) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- b) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. **FREQUENCY OF MEETINGS:**

- a) The meeting of the Committee shall be held at such regular intervals as may be required.

7. **COMMITTEE MEMBERS' INTERESTS:**

- a)) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being

evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY:

- a) The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- h) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- i) Recommend any necessary changes to the Board.
- j) Considering any other matters as may be requested by the Board; and

11. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

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- a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) To consider any other matters as may be requested by the Board;

12. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

CORPORATE SOCIAL RESPONSIBILITY POLICY**The composition of the said Committee comprises of three directors viz.:**

1. Mr. Yogesh Sasane – Chairman & Director
2. Mr. Bhagwan Memane – Independent Director
3. Mr. Hanumant Shivale – Independent Director

1. OBJECTIVE:

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

2. CSR VISION:

Company's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and improvement in quality of life of society at large. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

3. SCOPE:

This Policy shall apply to all CSR projects/programmers/activities undertaken by the Company in India as per Schedule VII of the Act.

4. DEFINITIONS:**1) Corporate Social Responsibility (CSR)** means and includes but is not limited to:

Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').

2) CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.**3) CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.**4) Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate

company or otherwise and

- (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

5. ROLE OF THE CSR COMMITTEE:

Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.

- a) Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- b) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- c) Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- d) Monitor the implementation of the CSR Policy from time to time.
- e) Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD:

After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.

Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.

The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,

As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

7. CSR ACTIVITIES FOR IMPLEMENTATION :

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

8. CSR MONITORING AND REPORTING FRAMEWORK:

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR EXPENDITURE:

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

10. DISCLOSURE OF THE POLICY:

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR REPORTING:

The Board Report of a Company shall include details on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

12. FREQUENCY OF MEETINGS:

The meetings of the Committee could be held at such periodic intervals as may be required.

13. QUORUM:

Minimum two (2) members shall constitute a quorum for the Committee meeting.

14. CHAIRMAN:

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

15. MINUTES OF THE COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

16. MISCELLEANOUS:

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made there under or any other applicable enactment for the time being in force.

Annual Report on Corporate Social Responsibility (CSR)

1. Activities:

As part of its initiatives under “Corporate Social Responsibility (CSR), the Company has undertaken various projects.

During the year, the company has spent Rs. **9,75,933/-** on CSR Activities.

CSR PROJECTS

The projects undertaken by the company shall be other than that, that are required in ordinary course of the company. Company broadly proposes to undertake in following projects:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- protection of national heritage, art, and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- rural development projects.

- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- slum area development.

2. Average net profit of the Company for last three financial years:

Rs. 9,38,34,541/-

3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Rs. 18,76,691/-

4. Details of CSR spend for the financial year 2019-20:

Total amount spent for the financial year: Rs. 9,75,933/-

Amount unspent, if any :

Rs. 9,00,758

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S r. N o	CSR Project or Activity Identified	Sector in which project is covered	Projects and programs (1) Local area or other (2) Specify the state and district where project and programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1	Rural Development Project	Road Repairing,	Tal Daund, Dist Pune (Maharashtra)	1,50,000	45,905	45,905	Direct
2	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Plantation of trees, animal welfare	Tal Daund, Dist Pune (Maharashtra)	4,10,000	2,24,974	2,24,974	Direct
	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries, promotion and development of traditional arts and handicrafts	Restoration of temple, helping Warkari	Tal Daund, Dist Pune (Maharashtra)	1,40,000	70,400	70,400	Direct
	Promotion of education, including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and	Farmer welfare, education and employment enhancing vocation	Tal Daund, Dist Pune (Maharashtra)	10,21,000	5,33,694	5,33,694	Direct

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	livelihood enhancement projects	skills					
	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Child care center	Tal Daund, Dist Pune (Maharashtra)	56000	960	960	Direct
	disaster management, including relief, rehabilitation and reconstruction activities.	Flood donation	Maharashtra	1,00,000	1,00,000	1,00,000	Direct
	Total				9,75,933	9,75,933	

Related Party Transaction Policy

A. INTRODUCTION:

This policy on Related Party Transactions (hereinafter referred to as “Policy”) of Shreenath Mhaskoba Sakhar Karkhana Limited (hereinafter referred to as “the Company”) and the amendment to this Policy, if any, by the board of directors of the Company or any committee thereof shall be effective from the date on which it is notified from time to time.

The Company always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and other provisions as may be applicable.

B. OBJECTIVE:

The Policy is framed to ensure due and proper compliance with the applicable statutory provisions and to fortify that proper procedure is defined and followed for approval / ratification and reporting of transactions, if any, as applicable, between the Company and any of its Related Parties (hereinafter referred to as “RP”). The provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to accord fairness in the treatment of related party transactions.

C. DEFINITIONS:

- (1) **Arm’s length transaction:** The transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- (2) **Government Company:** In accordance with Section 2(45) of the Companies Act, 2013 read with related rules issued thereon, Government Company means any company in which not less than fifty one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company;
- (3) **Ordinary Course of business:** Includes, but not limited to, activities that are necessary, normal, and incidental to the business.

(4) Related Party: In accordance with Clause 49 of Listing Agreement including any statutory modification, amendment thereof as may be issued from time to time, an entity shall be considered as related party to the Company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) Such entity is a related party under the applicable Accounting Standards.

In accordance with Section 2(76) of the Companies Act, 2013, Related Party in relation to a company means:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any company which is—
 - a holding, subsidiary or an associate company of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary;
- (ix) A Director (other than Independent Director) or KMP of the holding company of such company or his relative.

(5) The Accounting Standard 18 defines related party as: “parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and / or operating decisions.”

The Accounting Standard 18 deals only with related party relationships described below:

- (a) enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);
- (b) associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

- (c) individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) key management personnel and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

In the context of this Accounting Standard, the following are deemed not to be related parties:

(a) two companies simply because they have a director in common notwithstanding paragraph (d) or (e) above (unless the director is able to affect the policies of both companies in their mutual dealings);

(b) a single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence; and

(c) the parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision-making process):

- (i) Providers of finance;
- (ii) Trade unions;
- (iii) Public utilities;
- (iv) Government departments and government agencies including government sponsored bodies

No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises. State-controlled enterprise means an enterprise which is under the control of the Central Government and/or any State Government(s).

(6) Related Party Transactions:

- (a) In accordance with Revised Clause 49, related party transaction is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged or not.

Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

(b) In accordance with Companies Act, 2013, Related Party Transaction includes the following transactions between the related parties:

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- Underwriting the subscription of any securities or derivatives thereof, of the company.

(7) Material Related Party Transactions:

In accordance with Section 188 of the Companies Act, 2013 read with related rules issued thereon including any statutory modification, amendment thereof as may be issued from time to time Material Related Party Transaction means the Transactions which are not on Arm's Length Basis and / or are not in the Ordinary Course of Business and exceed limits provided for the specified transactions as mentioned below:

- (i) sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding twenty five percent of the annual turnover as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- (ii) selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents exceeding ten percent of net worth as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- (iii) leasing of property of any kind exceeding ten percent of the net worth or exceeding ten percent of turnover as mentioned in clause (c) of sub-section (1) of section 188;
- (iv) availing or rendering of any services directly or through appointment of agents exceeding ten percent of the net worth as mentioned in clause (d) and clause (e) of sub-section (1) of section 188;
- (v) appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188; or
- (vi) remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section.

(8) Relatives: In accordance with Section 2 (77) of the Companies Act, 2013 read with related rules issued thereon including any statutory modification, amendment thereof as may be issued from time to time, relative with reference to any person, means anyone who is related to another, if:

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-
 - a) Father including step-father;
 - b) Mother including step-mother;
 - c) Son including step-son;
 - d) Son's wife;
 - e) Daughter;
 - f) Daughter's husband;
 - g) Brother including step-brother;
 - h) Sister including step-sister

(9) Key Managerial Personnel's (KMPs): In relation to a company, KMP means:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) Such other officer as may be prescribed under Companies Act, 2013.

(10) Subsidiary Company: The terms Subsidiary Company shall have the same meaning as specified under Companies Act, 2013 read with related rules issued thereon including any statutory modification and amendment thereof as may be issued from time to time.

D. DETERMINING "ORDINARY COURSE OF BUSINESS":

"In the Ordinary Course of Business" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is permitted by the objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organized manner for determining what is in the ordinary course of business.

E. ASCERTAINING "ARMS' LENGTH" IN RELATED PARTY TRANSACTIONS:

The expression “arms’ length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening / selection criteria / underwriting standards and procedures as may be applicable in case of an unaffiliated party.

The Company shall produce evidence to the satisfaction of the Audit Committee for complying with the said procedure, as and when applicable as required.

F. PROCEDURE:

- (1) In line with the provisions of Section 177 of the Companies Act, 2013, the Audit Committee of the Company shall review and approve all Related Party Transactions existing on the date of this Policy or proposed to be entered into by the Company.
- (2) Omnibus Approval - Audit Committee may grant omnibus approval for Related Party Transactions provided it is satisfied that there is a need to grant such approval in the interest of the Company. Such approval may be granted by Audit Committee for the proposed transaction subject to the following:
 - I. Transactions are repetitive in nature;
 - II. Sufficient disclosure shall be made to the Audit Committee, including the following:
 - a. name/s of the related party;
 - b. nature of transaction;
 - c. period of transaction;
 - d. maximum amount of per transaction that can be entered into;
 - e. maximum amount of transaction that can be entered in aggregate;
 - f. the indicative base price / current contracted price and the formula for variation in the price if any and
 - g. such other conditions as the Audit Committee may deem fit.

In case any of such transaction considered to be Material Related Party transaction, audit committee shall recommend to the Board for its approval and to seek approval from Shareholders of the Company.

- (3) In case, the above details mentioned in Point 2 are not available or need for Related Party Transaction cannot be foreseen, Audit Committee may consider to grant omnibus approval for any transaction or transactions, subject to the maximum value of Rs.1 crore per transaction.

In case such transaction exceeds the threshold limit of Rs. 1 Crore and Company propose to continue the omnibus approval of the Audit Committee for said transaction, in such

scenario, to continue the said transaction the Company is required to give the necessary disclosures/ information before the Audit Committee and Audit Committee shall evaluate such transaction in light of the above mentioned criteria's for Omnibus approval of Audit Committee.

- (4) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given. Further, such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- (5) Details To Be Provided To The Audit Committee: In accordance with Companies Act, 2013 read with related rules issued thereon, including any statutory modification and amendment thereof, with respect to Related Party Transactions following information, to the extent relevant, shall be presented to the Audit Committee:
- A general description of the transaction(s), including the nature, duration of the contract, material terms and conditions and particulars of the contract or arrangement;
 - The name of the Related Party and the basis on which such person or entity is a Related Party;
 - Name of director or KMP who is related;
 - Nature of relationship;
 - Any advance paid or received for the contract or arrangement, if any;
 - Period of transaction;
 - Maximum amount of transaction that can be entered into;
 - The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s);
 - The indicative base price / current contracted price and the formula for variation in the price if any. Other commercial terms, both included as part of contract and not considered as part of the contract;
 - Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

The Audit Committee shall also review and approve subsequent modification of transactions of the Company with Related Parties.

- (6) Approval Of Board / Shareholders: In accordance with the provisions of Section 188 of the Companies Act, 2013 and , the Board of Directors and shareholders of the Company shall accord prior approval for related party transactions, for the following:

All Related Party Transactions which are either not on arm's length basis or not in the Ordinary Course of Business shall be recommended by the Audit Committee for the approval of the Board of Directors. In case the said transaction is a Material Related Party

Transaction as provided above, the Board of Directors shall further recommend the same for the approval of the Shareholders by way of Special Resolution of the Company.

All entities falling under the definition of related parties shall abstain from voting at the shareholders meeting, irrespective of whether the entity is a party to the particular transaction or not.

Further, in accordance with Section 184 of the Companies Act, 2013 and all other applicable provisions, every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

G. MECHANISM FOR APPROVAL FOR RELATED PARTY TRANSACTIONS :

a) TRANSACTIONS WHICH ARE ON ARM'S LENGTH BASIS AND ARE IN ORDINARY COURSE OF BUSINESS:

- Approval of Audit Committee for all transactions
- Board to take note of such transactions
- Approval of shareholders by way of special resolution only if the value of transactions exceeds the limits provided in Companies Act, 2013

b) TRANSACTIONS WHICH ARE EITHER NOT ON ARM'S LENGTH BASIS AND / OR NOT IN ORDINARY COURSE OF BUSINESS:

- Approval of Audit Committee for all transactions
- Approval of the Board for all transactions
- Approval of shareholders by way of special resolution only if the value of transactions exceeds the limits provided in Companies Act, 2013

H. RATIFICATION OF THE RELATED PARTY TRANSACTIONS:

Where any contract or arrangement, which is considered as a Related Party Transaction exclusively as per Companies Act, 2013, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the shareholders of the Company, as the case may be, such transaction shall be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In case such transaction is not ratified within the specified period, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement

is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

I. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event of inadvertent omission to seek the approval of the Related Party Transaction in accordance with the Policy, the matter shall be reviewed by the Audit Committee.

J. DISCLOSURE:

Every Contract or arrangement entered with Related Parties with the approval of Board / Shareholders in line with sub-section (1) of Section 188 of the Companies Act 2013, shall be referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements.

The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

K. MODIFICATIONS AND AMENDMENTS IN THE POLICY:

The Audit Committee will review and may amend this policy as may be required from time to time in accordance with the provisions of the Companies Act, 2013, rules made therein, and any further amendments and notifications as may be made effective in this regard. Any subsequent notification, circular, guidelines or amendments under Companies Act, 2013, accounting standards and all other applicable laws, as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

Risk Management Policy

The Company's Risk Management Policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile.

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The risks involved in a Sugar factory and the specific uncertainties for the Company continue to be regularly monitored, the full Board of the Company formally reviews such risks at least annually. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

The potential exposures associated with running the Company are managed by the Directors and Chief Financial Officer who have significant broad-ranging industry experience, work together as a team and regularly share information on current activities.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk. The Company's main areas of risk include:

- Financial Risk
- Operational Risk
- Human Risk
- Political Risk
- Economic cycle/marketing Risk
- Legal and compliance Risk

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices.

Regular consideration is given to all these matters by the Board. The Company has in place an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk.

The framework can be described under the following headings:

- Continuous Disclosure/ Financial Reporting
- Operations Review
- Investment Appraisal

The Company's internal control system is monitored by the Board and assessed regularly to ensure effectiveness and relevance to the Company's current and future operations. Procedures have been put into place to ensure the state in writing to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

AMENDMENTS

This policy may be amended subject to the approval of Board of Directors , from time to time in line with the business requirement of the company or any statutory enactment or amendment thereto .

DISCLAIMER CLAUSE

The management cautions that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors , risk mitigation measures and management perceptions of risks . Readers are therefore requested to exercise their own judgment in assessing various risks associated with the company.

SUMMARY OF RISK MANAGEMENT POLICY

The Company has established a risk management policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Managing Director. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management. The policy also sets out the Company's risk profile.

SHREENATH MHASKOBA SAKHAR KARKHANA LIMITED

VIGIL MECHANISM POLICY

1. Preface:

Shreenath Mhaskoba Sakhar Karkhana Limited is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

2. Applicability:

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of The Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism:

- I. Every listed company;
- II. Every other company which accepts deposits from the public; and
- III. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores.

Accordingly, this Vigil Mechanism (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Vigilance Officer of the Company.

3. Policy Objectives:

The Vigil Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Standards, Codes of Conduct or policy adopted by the Company from time to time.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Vigilance Officer. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

4. Definitions:

- a) “Employee(s)” means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

SHREENATH MHASKOBA SAKHAR KARKHANA LIMITED

- b) "Company" means "**Shreenath Mhaskoba Sakhar Karkhana Limited**".
- c) "Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- d) "Director" means every Director of the Company, past or present.
- e) "Fraud" in relation to affairs of a company or anybody corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.
- f) "Investigator(s)" mean those persons authorized, appointed, consulted or approached by the Vigilance Officer and including the auditors of the Company and the police.
- g) "Policy" means the Vigil Mechanism.
- h) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- i) "Protected Disclosure Form" is a form by which a submission is made to the Company regarding this Policy and is available at the Company's website.
- j) "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- k) "Whistleblower" means an Employee or director making a Protected Disclosure under this Policy.
- l) "Wrongful Gain" means the gain by unlawful means of property to which the person gaining is not legally entitled.
- m) "Wrongful Loss" means the loss by unlawful means of property to which the person losing is legally entitled.

5. Scope:

- a) The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

SHREENATH MHASKOBA SAKHAR KARKHANA LIMITED

- b) Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Vigilance Officer or the Investigators.
- c) Protected Disclosure will be appropriately dealt with by the Vigilance Officer.
- d) This Policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:
 - a) Breach of Business Integrity and Ethics
 - b) Breach of terms and conditions of employment and rules thereof
 - c) Intentional Financial irregularities, including fraud, or suspected fraud
 - d) Deliberate violation of laws/regulations
 - e) Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
 - f) Manipulation of company data/records
 - g) Pilferation of confidential/propriety information
 - h) Gross Wastage/misappropriation of Company funds/assets

6. **Eligibility:**

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

7. **Procedure:**

- a) All Protected Disclosures should be addressed to the Vigilance Officer of the Company for investigation.
- b) The contact details of the Vigilance Officer are as under:

Name and Address – Mr. Sandip More

Shreenath Mhaskoba Sakhar Karkhana Limited,

S. No. 12/2, 2nd Floor, Meghdoot Building, behind Bharat petrol pump, Old Lokhandi Pull Lane, Hadapsar Pune- 411028

Email- smsklho@rediffmail.com

- c) If a protected disclosure is received by any executive of the Company other than Vigilance Officer, the same should be forwarded to the Company's Vigilance Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle blower confidential.
- d) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be printed, typed or written in a legible

handwriting in English, Hindi or in the regional language of the place of employment of the Whistle blower.

- e) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle blower. The Vigilance Officer shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- g) The Whistle blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistle blowers.

8. Investigation:

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer or the Investigators so appointed who will investigate / oversee the investigations under the authorization of the Vigilance Officer. If Vigilance Officer has a conflict of interest in any given case, then he should rescues himself and the other Director of the Company should deal with the matter on hand.
- b) The Vigilance Officer may at his sole discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Vigilance Officer is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle-blower that an improper or unethical act was committed.
- d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f) Subjects shall have a duty to co-operate with the Vigilance Officer or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g) Subjects have a right to consult with a person or persons of their choice, other than the Vigilance Officer and/or Investigators and/or the Whistle-blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

- i) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

9. Protection:

- a) No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- b) A Whistleblower may report any violation of the above clause to the Vigilance Officer, who shall investigate into the same and recommend suitable action to the management.
- c) The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Vigilance Officer (e.g. during investigations carried out by Investigators).
- d) Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

10. Confidentiality:

The Whistleblower, Vigilance Officer, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

11. Investigators:

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Vigilance Officer when acting within the course and scope of their investigation.

- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
 - I. the alleged act constitutes an improper or unethical activity or conduct, and
 - II. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

12. Decision:

- a) If an investigation leads the Vigilance Officer to conclude that an improper or unethical act has been committed, the Vigilance Officer shall recommend to the management of the Company to take such disciplinary or corrective action as it deems fit.
- b) It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

13. Disqualifications:

- a) While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c) Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company would reserve its right to take/recommend appropriate disciplinary action.

14. Retention of documents:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 7 (seven) years.

15. Amendment:

- a) The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.

M/s. D.D.NIMBALKAR & ASSOCIATES CHARTERED ACCOUNTANTS

707, SADASHIV PETH,
VIDYA BHUSHAN ACADEMY BUILDING,
JONDHALE CHOWK, KUMTHEKAR ROAD,

PUNE: - 411030.

MOBILE NO.: -9850173494

Independent Audit Report on the Financial Statements

To the members of

Shreenath Mhaskoba Sakhar Karkhana Limited

We have audited the accompanying Standalone financial statements of the Shreenath Mhaskoba Sakhar Karkhana Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2020, 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 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 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.

Independent Auditors’ Responsibility

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

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 independent 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 independent 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 qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

- a. The company being specified company under section 203 of the Act has appointed the Company Secretary from 01/07/2019 and not from the beginning of the financial year.
- b. Accounting standard 15 "Employee Benefits"—The Company has provided for gratuity liability on actual basis by way of debiting it to Profit & Loss a/c in the books of accounts. However, the provision is not based on actuarial valuation done by a qualified actuary. Similarly the Company has not invested separately the amount of gratuity payable. Also no provision has been made during the year for Leave Encashment.
- c. As per section 135 of the Companies Act 2013 the Board of every Company shall ensure that the company spends, in every financial year, at least two percent of the average net profit of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has defaulted in spending against CSR expenses. Actual CSR expenses are ₹ 9,75,733.00. CSR expenditure incurred by the Company is 1.04% of average net profits of immediately preceding three financial years.

Independent Auditors Qualified Opinion

Except for the effects of the matters described in "Basis for qualified opinion" para, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March, 2020, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order.
- B. 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. Except for the effects of the matters described in "Basis for qualified opinion" para, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent of its applicability.

- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. Qualified remarks relating to the maintenance of accounts and other matters connected there with are as stated in the “Basis for qualified opinion” paragraph above.
- g. 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”.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended.
In our opinion and to the best of our information and according to the explanations given to us, the Managerial remuneration has paid or provided in accordance with the requisite approvals mandated by provision of section 197 read with Schedule V to the Companies Act.
- i. 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 2.27(B) (c) 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.

For M/s D.D. NIMBALKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

D. D. NIMBALKAR

(Proprietor)

Membership No. : 112050

F. R. No : 122639W

Place: PUNE

Date: 20/11/2020

UDIN : 20112050AAAAAY2227

“Annexure A” to the Independent Auditors’ Report
(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the financial statements of the Company for the year ended 31.03.2020.)

I. Fixed Asset

- a. The Company has maintained proper records to show full particulars including quantitative details and situation, of its fixed assets. However, details regarding item wise breakup of original cost, year of purchase, disposal of Assets and accumulated depreciation are under compilation.
- b. We have been informed that fixed assets of the company are physically verified by the management according to a phased program designed to cover all the items over a period, which in our opinion, is reasonable, having regard to the size of the company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and no material discrepancies were noticed.
- c. According to the information and explanations given to us, the immovable properties of the Company have been mortgaged with the lenders and the original title deeds are deposited with the lenders Bank. Based on the confirmation given by the bank and verification of the copies of the title deeds in respect of immovable properties of free hold lands and buildings and immovable properties of land are held in the Companies name.

II. Inventory

As explained to us, inventories have been physically verified by the management at reasonable intervals during the year and no significant material discrepancies were noticed on the physical verification of stocks and the differences between the book stocks and the physical stocks have been properly dealt with in the books of account.

III. Loan to Related Party

According to the information and explanations given to us, the Company has not given any loans, secured or unsecured to the companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

IV. Loans to Directors & Loans, Investment, Guarantee, Security given by Company

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect grant of loans, making investments and providing guarantees and securities as applicable.

V. Public Deposit

According to information and explanations given to us, the Company has not accepted any deposits from the public during the year. Accordingly the reporting under Clause 3 (v) of the Companies (Auditor's Report) Order, 2016, is not applicable.

VI. Cost Record

We have broadly reviewed the cost records relating to materials, labour and other items of cost, maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate and complete.

VII. Payment of Statutory Dues

- a. According to information & explanation given to us and on the basis of our examination of the books of accounts and records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees state insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it. According to information & explanation given to us, though there has been slight delay in depositing some of the statutory dues on which late payment charges & interest has also been deposited along with the dues, there are no arrears of undisputed dues payable on the last day of the financial year for a period of 6 months from the date they become payable except for the following.
- b. According to information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty and Value Added Tax, which have not been deposited on account of any dispute other than those mentioned below:

b-1) Relating to Income Tax

Nature of Dues	Name of Statute	Period to which the amount relates	Amount	Forum where dispute is pending
Income Tax	Income Tax Act, 1961	A.Y. 2007 - 08	₹ 2,62,67,302/-	Tribunal of Income Tax, Mumbai

b-2) The company has not charged excise duty on sale of Bagasse as per Circular No.904/24/2009-CX dated 28.10.2009, regarding excisability of Bagasse, Aluminium/ Zinc Dross and other such products termed as waste or residue or refuse arising during the course of manufacture. In terms of rule 6 of Genvat Credit Rule, 2004 the assessee is required to reverse the proportionate credit or pay 5% amount. The Company has filed an appeal with Tribunal of Customs, Excise & Service Tax Appellate.

b-3) Office of the commissioner of the CGST Audit I, Pune has issued show cause cum demand of ₹ 1857080.00/- vide notice No.SCN No.CGST-I/D-V/R-IV/Audit-I/AC/03/2018-19 dated 04/07/2018. Company has submitted reply to show cause on 15.09.2018. However case is still pending.

b-4) As per notification No.ELD 2016/CR.252/Energy-1 of Industries, Energy and Labour Department of Maharashtra State electricity duty of 120 paise per unit for captive power consumption is required to be paid to Government. During the period under audit total captive power consumption is 10915890 units. Company has not paid or provided electricity duty as per above mentioned notification.

VIII. Repayment to Financial institution or Bank

In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or Government. The Company has not issued any debenture.

IX. Public offer

Based upon the audit procedures performed and the information and explanations given to us by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. During the period under audit company raised term loan however due to voluminous transactions we are unable to establish any audit trail of funds flows, which can correlate end use with corresponding funds raised. However as per the information and explanations given to us and on the basis of the total expenditure incurred on various assets, in our opinion, the term loans obtained by the Company have been applied for the purpose for which loans were obtained.

X. Fraud

Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

XI. Managerial Remuneration

Based upon the audit procedures performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Company Act, 2013.

XII. Nidhi Company

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

XIII. Related Party

In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. However, monitoring and supervisory controls over related party transactions and arm's length price thereof need to be further strengthened strictly.

XIV. Preferential Allotment & Private Placement

Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any private placement of shares or fully or partly convertible debentures during the under review. However the company has extended the period of redemption of preference share of ₹ 1,00,000/- each for period not exceeding 20 years from the date of issue of preference shares instead of 8 years and redemption of preference share of ₹ 5000/- each for period not exceeding 20 years from the date of issue of preference shares instead of 7 years in the Extraordinary General Meeting held on 01/05/2018. During the period under review company redeemed 10 shares of ₹ 1,00,000/- each amounting to ₹ 10,00,000/-.

XV. Non-Cash transaction with directors

Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

XVI. Registration under section 45 IA of the RBI Act

In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M/s D.D. NIMBALKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

D. D. NIMBALKAR

(Proprietor)

Membership No. : 112050

F. R. No : 122639W

Place: PUNE

Date: 20/11/2020

UDIN : 20112050AAAAAY2227

“Annexure B” to the Independent Auditor’s Report of even date on the stand alone financial statements of Shreenath Mhaskoba Sakhar Karkhana Ltd.

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 Shreenath Mhaskoba Sakhar Karkhana Limited (“the Company”) as at 31st March, 2020 in conjunction with our audit of the standalone 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.

Auditor’s 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 u/s 143(10) of Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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 ICAI.

For M/s D.D. NIMBALKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

D. D. NIMBALKAR

(Proprietor)

Membership No. : 112050

F. R. No : 122639W

Place: PUNE

Date: 20/11/2020

UDIN : 20112050AAAAAY2227

SHREENATH MHASKOBA SAKHAR KARKHANA LTD.

Factory : Shreenath Nagar, At.Patethan, Tal.Daund, Dist.Pune, 412207.

Registered Office :- S.No. 12/2, 2nd floor, Meghdoot Building,
Behind Bharat Petrol Pump, Old Lokhandi Pull Lane, Hadapsar, Pune - 411028**Balance Sheet As at 31-Mar-2020**

Amount in ₹

	Particulars	Note No.	As at 31-Mar-2020		As at 31-Mar-2019	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds			99,41,20,287		91,35,69,407
	(a) Share Capital	2.1	22,10,96,200		22,20,96,200	
	(b) Reserves and Surplus	2.2	77,30,24,087		69,14,73,207	
2	Share Application money pending allotment		-		-	
3	Non-Current Liabilities			36,72,14,450		24,69,03,451
	(a) Long-Term Borrowings	2.3	36,72,14,450		24,69,03,451	
	(b) Deferred Tax Liabilities (Net)	2.4	-		-	
4	Current Liabilities			1,52,69,69,908		2,07,90,38,341
	(a) Short-Term Borrowings	2.5	1,24,79,41,003		1,56,53,51,570	
	(b) Trade Payables	2.6	12,81,88,992		42,93,49,182	
	(c) Other Current Liabilities	2.7	4,81,95,884		5,00,85,167	
	(d) Short-Term Provisions	2.8	10,26,44,029		3,42,52,421	
	Total			2,88,83,04,645		3,23,95,11,200
II.	ASSETS					
1	Non-Current Assets			1,30,15,49,044		1,37,42,19,169
	(a) Fixed Assets	2.9	1,27,29,12,352		1,32,44,63,508	
	(i) Tangible Assets		1,27,29,12,352		1,32,44,63,508	
	(b) Non-Current Investments	2.10	75,94,500		75,94,500	
	(c) Deferred Tax Assets (Net)	2.4	7,93,550		1,92,650	
	(d) Other Non-Current Assets	2.11	2,02,48,641		4,19,68,510	
2	Current Assets			1,58,67,55,601		1,86,52,92,031
	(a) Inventories	2.12	1,27,15,15,517		1,51,74,37,037	
	(b) Trade receivables	2.13	9,38,11,368		9,05,30,269	
	(c) Cash and Cash Equivalents	2.14	9,23,55,764		11,97,96,697	
	(d) Short-Term Loans and Advances	2.15	12,90,72,952		13,75,28,028	
	Total			2,88,83,04,645		3,23,95,11,200
	Significant Accounting Policies	1				
	Notes to Accounts	2				

The accompanied notes form an integral part of the standalone financial statement

As Per Our report of even date

For M/s D.D. NIMBALKAR & ASSOCIATES

For Shreenath Mhaskoba Sakhar Karkhana Ltd.

CHARTERED ACCOUNTANTS

sd/-

D. D. NIMBALKAR
(Proprietor)

Membership No. : 112050

F. R. No : 122639W

Place: PUNE

Date: 20/11/2020

UDIN : 20112050AAAAAY2227

sd/-

P.A.Raut
Chairman &
Managing Director

sd/-

B.M.Narke
Chief Finance Officer

sd/-

V.R.Raskar
Executive
Chairman

sd/-

Pratik Naikawadi
Company Secretary

sd/-

B.S.Gaikwad
Vice
Chairman

SHREENATH MHASKOBA SAKHAR KARKHANA LTD.

Factory : Shreenath Nagar, At.Patethan, Tal.Daund, Dist.Pune, 412207.

Registered Office :- S.No. 12/2, 2nd floor, Meghdoot Building,

Behind Bharat Petrol Pump, Old Lokhandi Pull Lane, Hadapsar, Pune - 411028.

Statement of Profit and Loss For the year ended 31-Mar-2020

Amount in ₹

Particulars	Note No.	As on 31-Mar-2020		As on 31-Mar-2019	
I Revenue from Operations (Gross)					
Sale of goods (Net)		1,98,84,90,934		2,20,05,80,876	
Net Sale of Goods		1,98,84,90,934		2,20,05,80,876	
Other operating revenue		11,38,896		24,94,665	
Revenue from Operations (Net)	2.16		1,98,96,29,830		2,20,30,75,541
II Other Income	2.17		9,35,44,479		3,60,18,929
III TOTAL REVENUE (I + II)			2,08,31,74,309		2,23,90,94,469
IV EXPENSES			1,93,00,14,294		2,22,45,92,401
Cost of Materials Consumed	2.18	1,05,47,90,014		1,66,99,21,453	
Purchases of Stock-in-Trade	2.19	39,27,077		26,54,977	
Changes in Inventories of traded goods	2.20	3,86,601		(2,38,456)	
Changes in Inventories of Finished Goods, By-products and work-in-progress	2.21	24,85,60,280		(3,78,37,033)	
Employee Benefit Expenses	2.22	10,44,06,392		9,59,46,739	
Finance Costs	2.23	15,16,65,031		16,02,54,993	
Depreciation and Amortization Expenses	2.24	9,46,38,599		9,26,54,304	
Other Expenses	2.25	27,16,40,300		24,12,35,424	
TOTAL EXPENSES			1,93,00,14,294		2,22,45,92,401
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)			15,31,60,016		1,45,02,068
VI Profit before Extraordinary Items and Tax (V-VI)			15,31,60,016		1,45,02,068
VII Extraordinary Items			-		-
VIII Profit Before Tax (VI-VII)			15,31,60,016		1,45,02,068
IX Tax Expense			3,43,49,591		2,50,068
Current Tax		3,49,50,491		29,85,512	
Less:MAT Credit Entitlement		80,19,858		-	
Net Current Tax		2,69,30,633		29,85,512	
MAT credit carried forward		-		29,85,512	
Tax provision for earlier years written back		-		-	
Deferred Tax		(6,00,900)		2,50,068	
X Profit/(Loss) for the period from Continuing Operations(VIII-IX)			11,88,10,425		1,42,52,001
XI Profit/(Loss) for the Period (X-XIV)			11,88,10,425		1,42,52,001
Appropriation			4,51,69,277		54,19,052
Proposed Dividend on Equity Shares		1,51,28,620		-	
Proposed Dividend on Preference Shares		53,90,500		39,00,000	
Corporate Dividend Tax - Last Year		-		7,93,948	
Income Tax Paid 2018-19		1,69,92,156		-	
Transfer to General Reserve		76,58,001		7,25,103	
Corporate Social Responsibility Expenditure					
Transfer to Balance Sheet			7,36,41,148		88,32,949
XII Earnings per Equity Share					
-Basic & -Diluted			74.97		6.32

The accompanied notes form an integral part of the standalone

As Per Our report of even date

For M/s D.D. NIMBALKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-

D. D. NIMBALKAR
(Proprietor)

Membership No. : 112050

F. R. No : 122639W

Place: PUNE

Date: 20/11/2020

UDIN : 20112050AAAAAY2227

For Shreenath Mhaskoba Sakhar Karkhana Ltd.

sd/-

P.A.Raut
Chairman &
Managing Director

sd/-

B.M.Narke
Chief Finance Officer

sd/-

V.R.Raskar
Executive
Chairman

sd/-

B.S.Gaikwad
Vice
Chairman

Pratik Naikawadi
Company Secretary

SHREENATH MHASKOBA SAKHAR KARKHANA LTD
S.NO. 12/2, 2ND FLOOR, MEGHDOOT BUILDING, PUNE-SOLAPUR ROAD.
BEHIND BHARAT PETROL PUMP, OLD LOKHANDI PULL LANE, HADAPSAR, PUNE-411028

CASH FLOW STATEMENT

Amount in ₹

S.R.	Particulars	As on 31.03.2020		As on 31.03.2019	
A	CASH FLOW FROM OPERATING ACTIVITIES:-				
	Net Profit/(Loss) before Tax & Exceptional Items		15,31,60,016		1,45,02,068
	<i>Adjustments for :</i>		24,48,16,976		25,04,11,924
	Depreciation and Amortization of Expenses	9,46,38,599		9,26,54,304	
	Dividend Income	(5,50,170)		(6,30,781)	
	Interest Income	(9,36,483)		(18,66,592)	
	Finance Cost	15,16,65,031		16,02,54,993	
	Operating profit before working capital changes		39,79,76,992		26,49,13,992
	<i>Adjustments for (increase)/decrease in operating assets</i>		(83,32,478)		(18,78,36,845)
	Increase / (Decrease) in trades receivables	(32,81,099)		(88,10,000)	
	Increase / (Decrease) in trades payable	(30,11,60,190)		(11,98,00,882)	
	Increase / (Decrease) in inventories	24,59,21,520		(3,80,92,486)	
	Increase / (Decrease) in Loans & Advances , Other Current & Non Current Assets	2,17,19,869		22,81,222	
	Increase / (Decrease) in current and Non current liabilities	2,84,67,422		(2,34,14,699)	
	Increase in provisions				
	Cash Generated from / (used in) operations		38,96,44,514		7,70,77,147
	Tax expenses		(3,25,37,581)		1,95,35,900
	Cash flow before exceptional and extraordinary items		35,71,06,933		9,66,13,047
	Exceptional / extraordinary items		-		-
	NET CASH FLOW FROM OPERATING ACTIVITIES		35,71,06,933		9,66,13,047
B	CASH FLOW FROM INVESTMENT ACTIVITIES:-				
	Capital Expenditure on Fixed Assets	(4,19,36,246)		(5,39,40,021)	
	WIP	(16,21,121)			
	Sale Proceeds from Fixed Assets	4,69,924		1,33,000	
	Acquisition of Non-Current Investments	-		(50,000)	
	Proceeds from Non-Current Investments	-		-	
	Dividend Income	5,50,170		6,30,781	
	Interest Income	9,36,483		18,66,592	
	NET CASH USED IN INVESTING ACTIVITIES		(4,16,00,790)		(5,13,59,648)
C	CASH FLOW FROM FINANCING ACTIVITIES:-				
	Finance Cost	(15,16,65,031)		(16,02,54,993)	
	Proceeds from Equity Share Capital	-		-	
	Proceeds from Preference Share Capital	-		-	
	Repayment of Preference Share Capital	(10,00,000)		(22,00,000)	
	Share application money	-		(2,10,000)	
	Dividend & Dividend Tax Paid	(46,93,948)		(2,50,81,474)	
	Proceeds from long term borrowings	22,36,98,544		5,58,000	
	Repayment of long-term borrowings	(9,21,15,183)		(18,05,17,588)	
	Net Increase / (Decrease) in Working Capital Borrowings	(31,81,47,392)		29,31,15,095	
	NET CASH FROM FINANCING ACTIVITIES		(34,39,23,010)		(7,45,90,960)
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		(2,84,16,867)		(2,93,37,560)
	CASH & CASH EQUIVALENTS - OPENING BALANCE		11,97,96,697		14,91,34,258
	CASH & CASH EQUIVALENTS - CLOSING BALANCE		9,13,79,831		11,97,96,697

See accompanying notes forming part of the financial statements

As Per Our report of even date

For M/s D.D. NIMBALKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-

D. D. NIMBALKAR
(Proprietor)

Membership No. : 112050
F. R. No : 122639W
Place: PUNE
Date: 20/11/2020
UDIN : 20112050AAAAAY2227

For Shreenath Mhaskoba Sakhar Karkhana Ltd.

sd/-

P.A.Raut
Chairman &
Managing Director

sd/-
B.M.Narke
Chief Finance Officer

sd/-

V.R.Raskar
Executive
Chairman

sd/-
Pratik Naikawadi
Company Secretary

sd/-

B.S.Gaikwad
Vice
Chairman

Notes forming part of the Financial Statements for the year ended 31st March 2020.

1.0 Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared on going concern basis under historical cost convention on the accrual basis of accounting in conformity with the accounting principles generally accepted in India (Indian GAAP) and relevant provisions prescribed in the Companies Act, 2013, besides the pronouncements / guideline of ICAI and Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

1.2 Use of estimates

The preparation of the Financial Statements in conformity with GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities and assets as at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results might differ from the estimates.

Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.3 Fixed assets, intangible assets and capital work-in-progress

Fixed Assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses directly attributable to bringing the asset to its working condition for the intended use and also includes pro-rata allocation of preoperative expenses incurred during the construction / installation stage and after deducting the Central Excise CENVAT claimed against Capital goods and Capital subsidies received for assets under construction or installation.***

On 31st March, 2015, the company had revalued its fixed asset mainly Land, Building, Plant & Machinery of Sugar Factory as at 31st March, 2015 on net replacement value as per the report of **M/s Inventa Engineering Services**, Government Approved valuer (Regd. No. CAT-I/796 and the cost of respective asset aggregating to ₹ 35,01,16,841/- was substituted by the revalued amount of ₹ 1,24,89,53,000/- and the resultant increase was credited to Revaluation Reserve A/c.

1.4 Depreciation and amortisation

- a) Depreciation on Fixed Assets is provided in accordance with the useful life of the asset as specified in Schedule II to the Companies Act, 2013 (as amended) and estimated by the management.
- b) Depreciation/amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.

1.5 Impairment of assets

In accordance with Accounting Standard 28- Impairment of Assets (As 28), the carrying amounts of the Company's assets are reviewed of each Balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated as the higher of the net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost

1.6 Government grants

- a) Government grants related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve. During the period under audit Government Grant of ₹.1,44,97,133/- relating to transport, freight, handling and other charges incurred for Export of Sugar is received and paid to farmers for the payment of outstanding Sugar cane dues and ₹.7,05,96,456.00 Grant received relating to Sugar Cane FRP payment to farmers for 2018-19 sugar season.
- b) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

1.7 Foreign currency transactions

During the financial year 2019-20, 109160 qtls. Sugar was Deemed Export & Revenue of ₹ 24,94,92,600/- (in Indian Rupees) was generated from the Deemed Export.

1.8 Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long-term investments are carried at cost less provisions for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and fair value, category wise. Cost includes acquisition charges such as brokerage, fee and duties

1.9 Inventories

- a) Inventories (other than By-products) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories.

- b) Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.
- c) By-products are valued at net realisable value.

1.10 Excise Duty, Service Tax, Sales Tax, Vat & GST

- a) GST Benefit is accounted for by reducing the purchase cost of Material/Fixed Assets.
- b) Vat Tax related earlier to GST Act is shown as receivable to the extent receivable.

1.11 Revenue recognition

- a) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Gross turnover excludes VAT, GST etc.
- c) Dividend income is recognised when the Company's right to receive dividend is established.
- d) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.
- e) All other income are accounted for on accrual basis.

1.12 Expenses

All the expenses are accounted for on accrual basis.

1.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

1.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.15 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

1.16 Taxes on income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain to be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

1.17 Retirement Benefits

- a) Contributions to Provident Fund are accounted on accrual basis and charged to Profit and Loss Account for the year under consideration.
- b) AS 15 "Employee Benefits": Provision for Gratuity has been provided in the books of Accounts of the Company on actual basis by way of debit to P&L A/c, however no actuarial valuation has been obtained by the Company. The Company has not invested separately the amount of gratuity payable.
- c) Provision of Leave Encashment was not done by the Company.

1.18 Segment reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment.
- c) Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

2 . Notes to accounts

Previous period's figures have been grouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

2 . 1 . Share Capital**2 . 1 . A) Authorized, Issued, Subscribed and Paid-up share capital**

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	Number of Shares	Amount	Number of Shares	Amount
a) Authorised Share Capital				
Equity Shares of ₹ 100 each	16,50,000	16,50,00,000	16,50,000	16,50,00,000
Preference Share of ₹ 1,00,000 each (10% Non-Convertible Cumulative Redeemable Preference Shares-term 20 years)	605	6,05,00,000	605	6,05,00,000
Preference Share of ₹ 5000 each (5% Non-Convertible Cumulative Redeemable Preference Shares-term 20 years)	6,900	3,45,00,000	6,900	3,45,00,000
Total	16,57,505	26,00,00,000	16,57,505	26,00,00,000
b) Subscribed and fully paid				
Equity Shares of ₹ 100 each	15,12,862	15,12,86,200	15,12,862	15,12,86,200
Preference Share of ₹ 1,00,000 each (10% Non-Convertible Cumulative Redeemable Preference Shares-term 20 years)	380	3,80,00,000	390	3,90,00,000
Preference Share of ₹ 5,000 each (5% Non-Convertible Cumulative Redeemable Preference Shares-term 20 years)	6,362	3,18,10,000	6,362	3,18,10,000
Total	15,19,604	22,10,96,200	15,19,614	22,20,96,200
c) Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the reporting year				
Equity Shares (Face Value ₹ 100)				
Shares outstanding at the beginning of the year	15,12,862	15,12,86,200	15,12,862	15,12,86,200
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,12,862	15,12,86,200	15,12,862	15,12,86,200
Preference Shares (Face Value ₹ 1,00,000)				
Shares outstanding at the beginning of the year	390	3,90,00,000	412	4,12,00,000
Shares Issued during the year	-	-	-	-
Shares Redeem during the year	(10)	(10,00,000)	(22)	(22,00,000)
Shares outstanding at the end of the year	380	3,80,00,000	390	3,90,00,000
Preference Shares (Face Value ₹ 5,000)				
Shares outstanding at the beginning of the year	6,362	3,18,10,000	6,362	3,18,10,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,362	3,18,10,000	6,362	3,18,10,000

d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend when declared and are entitled to one vote per share.

e) The company has extended the period of redemption of preference share of ₹ 100000/- each for period not exceeding 20 years from the date of issue of preference shares instead of 8 years as per extraordinary general meeting held on 01/05/2018

f) The company has extended the period of redemption of preference share of ₹ 5000/- each for period not exceeding 20 years from the date of issue of preference shares instead of 7 years as per extraordinary general meeting held on 01/05/2018

g) The company has restructured its authorized share capital in the EGM held on February 14th 2014.

h) Shareholders holding more than 5% of Share

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	Number of Shares	Amount	Number of Shares	Amount
Preference Share Holder (₹ 100000/- each)				
Babanrao Sopanrao Gaikwad	36	36,00,000	36	36,00,000
Madhav Pandurang Raut	27	27,00,000	27	27,00,000
Pandurang Abaji Raut	19	19,00,000	-	-
Vikas Ramchandra Raskar	34	34,00,000	34	34,00,000

2 . Notes to accounts

Previous period's figures have been grouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

2.1 Share Application money pending allotment

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	Number of Shares	Amount	Number of Shares	Amount
a) Application money received against subscription and fully paid up share capital				
Equity Shares of ₹ 100 each	-	-	-	-
Preference Share of ₹ 1,00,000 each (10% Non-Convertible Cumulative Redeemable Preference Shares-term 8 years)	-	-	-	-
Preference Share of ₹ 5,000 each (5% Non-Convertible Cumulative Redeemable Preference Shares-term 7 years)	-	-	-	-
Total	-	-	-	-

2.2. Reserves and Surplus

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
a) Revaluation Reserve		39,96,40,740		39,96,40,740
Balance as per last account	39,96,40,740		39,96,40,740	
b) General Reserve		2,59,16,888		1,82,10,091
Balance as per last account	1,82,10,091		1,74,84,988	
Add: Transfer from Surplus in the Statement of Profit and Loss	77,06,797		7,25,103	
c) Capital Redemption Reserve		5,03,03,500		3,88,00,000
d) Surplus in the Statement of Profit and Loss		29,71,62,959		23,48,22,376
Balance as per last account	23,48,22,376		22,60,51,729	
Less : Earlier year MAT Written Off	2,51,731		-	
Add : Capital Redemption Reserve	(1,15,03,500)		22,00,000	
Add: Profit for the year/period	7,35,92,352		65,70,647	
Total		77,30,24,087		69,14,73,207

i) Revaluation reserve has been credited with ₹ 39,96,40,740/- on account of revaluation of fixed asset as stated below the schedule no.2.9 Fixed asset point no.(i) & (iii).

2.3. Long-Term Borrowings

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Secured				
Term Loans				
From banks		46,52,24,450		36,78,98,498
PDCC - Soft Loan New	19,75,00,000		-	
Consortium Finance Account-Expansion	3,07,03,840		5,52,99,348	
JSB - Distillery Consortium Loan	8,33,27,989		12,34,89,286	
JSB - Machinery	2,22,59,682		-	
Vehicle Loan	41,244		2,92,104	
PDCC Godown Loan	-		22,78,000	
PDCC Soft Loan	1,34,67,310		4,06,13,062	
JSB - Expansion	11,79,24,386		14,59,26,698	
Less : Installment-Next Year		9,80,10,000		12,09,95,048
Total		36,72,14,450		24,69,03,451

a) Nature of securities:

- Rupee Term Loans from Consortium Finance Banks is secured by way of first equitable mortgage on immovable properties, hypothecation of movable properties and guaranteed by all the directors of the company, both present and future, pertaining to Company.
- Rupee Term Loans from Consortium Finance Banks for Expansion, Co-Generation, Boiler, Excise, Soft Loan & Distillery is secured by way of first equitable mortgage on immovable properties, hypothecation of movable properties and guaranteed by all the directors of the company, both present and future, pertaining to Company.
- Rupee Term Loans from Shreenath Mhaskoba Credit Co-Op Soc. Ltd. for Vehicle is secured by way of hypothecation of Bus 17 sitter and guaranteed by all the directors of the company, both present and future, pertaining to Company.

b) Terms of Repayment :

Amount in lacs

Name of the banks / entities	Amount outstanding as on 31st March, 2020	Rate of interest	Repayment of loan installment amount	Repayment of loan interest amount
A. Consortium Finance Account-Expansion				
1. Janaseva Sahakari Bank (Lead Bank)	1,482	11.75%		
F.Y. 2020 - 2021			256	150
F.Y. 2021 - 2022			479	78
F.Y. 2022 - 2023			288	32
F.Y. 2023 - 2024			288	3
F.Y. 2024 - 2025			126	0
B. SMCOP SOC.-Vehicle Loan				
	5	15% & 13%		
F.Y. 2020 - 2021			1.35	0.51
F.Y. 2021 - 2022			1.07	0.37
F.Y. 2022 - 2023			1.22	0.22
F.Y. 2023 - 2024			0.93	0.06
C. JSB Distillery Consortium Loan				
	833	11.75%		
F.Y. 2020 - 2021			190	95
F.Y. 2021 - 2022			380	59
F.Y. 2022 - 2023			263	8
D. PDCC Soft Loan				
	2,110	Bank Int.12%, Govt. Subsidy 10% & remaining 2% borne by Company, 11% for 2019-20 new loan		
F.Y. 2020 - 2021			505	208
F.Y. 2021 - 2022			494	156
F.Y. 2022 - 2023			494	102
F.Y. 2023 - 2024			494	48
			123	3
E. JSB Machinery Loan				
	223	11.75%		
F.Y. 2020 - 2021			28	26
F.Y. 2021 - 2022			55	20
F.Y. 2022 - 2023			55	14
F.Y. 2023 - 2024			55	8
F.Y. 2024 - 2025			30	1

Deferment and moratorium

Pursuant to the RBI (Reserve Bank of India) circular no. RBI/2019-20/186 dated March 27, 2020, permitting banks to grant three months moratorium on the repayment of loan and payment of interest thereon falling due between March 1, 2020 and May 31, 2020, and further extending the period of moratorium up to six months vide letter dated May 22, 2020, in the wake of extended lockdown; thus all the instalments and interest falling due from March 1, 2020 to August 31, 2020, can be rescheduled for further six months and the tenor of such loans may be shifted accordingly. The Company has sought from all the Banks to avail the extended time for the repayment of loan and moratorium on payment of interest as per RBI guidelines.

2.4. Deferred Tax Liabilities (Net)

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Depreciation		(32,71,534)		3,47,949
As per Income Tax Act	9,13,67,065		9,17,30,853	
Less : As per Company Act	9,46,38,599		9,13,82,904	
Add : Allowable Expenses disallowed last year u/s 40(a)(ia) & 43(b)		21,24,430		11,99,408
ISMA & Wisma Fees	84,546		91,900	
Chief Minister Fund	20,39,884		11,07,508	
Less : disallowed u/s 40(a)(ia) & 43(b) 36(i)(va)		15,78,001		21,24,430
Chief Minister Fund	15,20,836		20,39,884	
ISMA & Wisma Fees	57,165		84,546	
Total difference as per Income Tax Act and Companies profit Tax difference on above		(27,25,105)		(5,77,073)
Balance as per last account		(1,92,650)		(1,92,650)
Net transfer to profit and loss appropriation a/c		(6,00,900)		(4,42,718)
Total Deferred Tax Liability		(7,93,550)		(1,92,650)

i) Carried forward losses have been recognised as deferred tax assets as per latest Income Tax assessment order / return of income filed by the Company as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years

ii) Deferred tax assets and deferred tax liabilities have been offset wherever they relate to the same governing taxation laws.

2.5. Short-Term Borrowings

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Loans repayable on demand				
Working capital loans				
From banks		1,08,94,87,239		1,41,32,73,920
Secured				
PDCC-Short Term	-		4,36,83,000	
PDCC - Pledge CC	1,03,96,10,222		1,33,19,45,877	
JSB-CC-Distillery	4,98,77,017		3,76,45,043	
Unsecured				
Other Loans and advances		6,04,43,764		3,10,82,603
From banks				
H&T Loan	6,04,43,764		3,10,82,603	
Add : Long Term Installment-Next		9,80,10,000		12,09,95,048
Total		1,24,79,41,003		1,56,53,51,570

a) Nature of securities:

i) Working capital (cash credit) loans with PDCC Bank is secured by way of hypothecation of entire stock of sugar, sugar in process including book debts, second equitable mortgage on movable and immovable properties and guaranteed by all the directors of the company, both present and future, pertaining to Company.

ii) H&T loans with Janseva Sah. Bank as lead bank under Consortium finance are secured by way of pari passu charge on fixed assets of the Company and personal guarantee of all the directors of the company, both present and future, pertaining to Company.

iii) Working capital (cash credit) loans with Janseva Bank is secured by way of hypothecation of stock, stores material and receivables of distillery and registered simple mortgage on assets of the Company.

2.6. Trade Payables

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Total outstanding dues of Micro and Small Enterprises	47,77,746		24,06,951	
Total outstanding dues of other than Micro and Small Enterprises	12,34,11,247	12,81,88,992	42,69,42,231	42,93,49,182
Total		12,81,88,992		42,93,49,182

2.7. Other current liabilities

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Retention Money		46,76,162		82,10,010
Unpaid salaries and other payroll		1,23,26,912		1,27,77,452
Salary & Wages	83,65,891		89,96,479	
Bonus Payable	35,64,523		35,84,896	
Labour Welfare	376		376	
Union Fees Payable	2,01,596		17,220	
Petrol Allowance Payable	1,63,144		1,49,085	
LIC Payable	31,382		29,396	
Statutory remittance		3,11,92,810		2,90,97,706
State Excise Fees	-		(6,00,890)	
TDS Payable	2,62,350		2,88,985	
Profession Tax	36,125		35,225	

Provident Fund	6,06,502		6,46,486	
GST	36,26,012		20,56,579	
Electricity Duty-Co-Gen	2,50,63,031		2,50,63,031	
Unpaid Dividend	15,98,790		16,08,290	
Total		4,81,95,884		5,00,85,167

2.8 . Short-Term Provisions

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Provision for employee benefits		2,00,02,735		1,96,88,167
Gratuity	1,83,55,578		1,80,41,010	
Leave Encashment	16,47,157		16,47,157	
Other Provisions		4,27,17,109		98,70,306
Society Deduction	3,96,820		-	
H&T Annual Fees	860		12,760	
Drip-Thibak Sinchan	12,372		12,372	
Bank of India Cane Bill Deductions	-		(10)	
Loan Installment - Employee	-		21,800	
Panipatti Deduc	41,884		4,745	
Loan Installment - Employee Bank	4,21,489		-	
Loan Installment - Harvester	4,48,154		4,48,154	
Chief Minister Fund	32,74,946		37,94,052	
Wisma	57,321		84,702	
Insurance Claim Payable	19,045		19,045	
Harvester Insurance	2,25,000		-	
Professional Fees	19,42,270		18,24,543	
Transport Charges Payable-Ethanol	4,374		2,900	
Electricity Bills	11,85,320		36,17,300	
Sugar Cane Scheme	36,226		27,943	
Loan Deduction - Farmer	3,47,54,917		-	
Loan Installment - Employee SMCCS	(1,03,889)			
Income Tax		1,94,05,066		-
Current Year Tax	3,49,50,491		-	
Less : MAT entitlement	80,19,858		-	
Less : Advance Tax	50,00,000		-	
Less : TDS	25,25,567		-	
Proposed Dividend & Tax		2,05,19,120		46,93,948
On Equity Shares	1,51,28,620		-	
On Preference Shares	53,90,500		39,00,000	
Provision of Tax on Proposed Dividend	-		7,93,948	
Total		10,26,44,029		3,42,52,421

SHREENATH MHASKOBA SAKHAR KARKHANA LIMITED

2.9 Fixed Assets Schedule

Particular	Gross Block				Depreciation and Amortization				Net Block	
	Opening Balance	Additions	Deletions Transfer	Closing Balance	Opening Balance	Depreciation charge	On Disposals / Reversals	Closing Balance	Opening Balance	Closing Balance
Tangible Assets										
Buildings										
Buildings	20,77,86,003	-		20,77,86,003	4,67,32,326	57,24,986		5,24,57,312	16,10,53,677	15,53,28,691
Buildings - Distillery	5,50,32,706	-		5,50,32,706	63,08,439	15,71,216		78,79,655	4,87,24,267	4,71,53,051
Plant and Equipment										
Plant and Equipment	65,18,08,539	48,92,500	-	65,67,01,039	26,27,00,434	4,80,82,739		31,07,83,173	38,91,08,105	34,59,17,866
Plant and Equipment-Co-Gen	14,62,39,199	3,49,23,550	-	18,11,62,749	2,82,73,188	43,66,130		3,26,39,319	11,79,66,011	14,85,23,431
Plant and Equipment - Distillery	49,11,71,964	-		49,11,71,964	11,94,15,299	3,13,34,721		15,07,50,020	37,17,56,665	34,04,21,944
Electrical Installation	1,39,51,242	-		1,39,51,242	1,29,26,229	2,60,449		1,31,86,678	10,25,013	7,64,564
Furniture and Fixtures										
Furniture and Fixtures	86,47,785	2,44,700		88,92,485	68,79,638	4,36,802		73,16,440	17,68,147	15,76,045
Furniture and Fixtures - Distillery	39,100	-		39,100	16,759	3,717		20,476	22,341	18,624
Computer Hardware & Soft-Sugar	38,58,975	5,87,176		44,46,151	30,00,655	4,51,759		34,52,414	8,58,321	9,93,737
Computer Hardware & Soft-Co-Gen	6,00,000	-		6,00,000	27,068	2,17,797		2,44,866	5,72,932	3,55,134
Computer Hardware & Soft-Distillery	8,19,405	-		8,19,405	6,15,874	1,26,975		7,42,849	2,03,531	76,556
Furniture and Fixtures - Pump	-		-	-	-			-	-	-
Land										
Land-Sugar	16,14,76,800	-	-	16,14,76,800				-	16,14,76,800	16,14,76,800
Land - Distillery	6,19,04,426	-	-	6,19,04,426				-	6,19,04,426	6,19,04,426
Vehicles										
Vehicles	2,11,44,003	12,88,320	(4,69,924)	2,29,02,247	1,31,20,731	20,61,307		1,51,82,038	80,23,272	77,20,209
Office Equipment										
Office Equipment	-		-	-	-			-	-	-
Total Tangible Assets	1,82,44,80,149	4,19,36,246	(4,69,924)	1,86,68,86,319	50,00,16,641	9,46,38,599	-	59,46,55,239	1,32,44,63,508	1,27,22,31,079
Intangible Assets										
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Capital Work-in-Progress	-	16,21,121	-	16,21,121				-	-	16,21,121
Total	-	16,21,121	-	16,21,121	-	-	-	-	-	16,21,121
Grand Total	1,82,44,80,149	4,35,57,367	(4,69,924)	1,86,85,07,440	50,00,16,641	9,46,38,599	-	59,46,55,239	1,32,44,63,508	1,27,38,52,200

i) There is a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of the Company as stated in the above note No. 2.3 Long Term Borrowing and No. 2.5 Short Term Borrowing.

ii) Land, Building, Plant & Machinery of the Company was revalued as at 31st March, 2015 on net replacement value as per the report of M/s Inventa Engineering Services, Government Approved valuer (Regd. No. CAT-I/796 and the cost of respective asset aggregating to ₹ 35,04,47,013/- was substituted by the revalued amount of ₹ 1,24,89,53,000/- and the resultant increase was credited to Revaluation Reserve A/c.

2.10 Non Current Investments

A

Particulars	Balance		Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Whether Stated at Cost
	2019-20	2018-19				2019-20	2018-19			Yes / No
Other Investments										
Investments in equity instruments										
Dindayal Nagari Sh.B.k	5,00,000	5,00,000	Dindayal Nagari Sh.B.k	Others	50	10000	10000	Unquoted	Fully paid	Yes
Jalgaon Janata Sh. Bk	1,00,000	1,00,000	Jalgaon Janata Sh. Bk	Others	25	4000	4000	Unquoted	Fully paid	Yes
Janseva Sh Bk(Borivali)	5,00,000	5,00,000	Janseva Sh Bk(Borivali)	Others	25	20000	20000	Unquoted	Fully paid	Yes
Janseva Sah Bank ltd Pune	5,00,000	5,00,000	Janseva Sah Bank ltd Pune	Others	25	20000	20000	Unquoted	Fully paid	Yes
Jijamata Mahila Sah.Bk	5,00,000	5,00,000	Jijamata Mahila Sah.Bk	Others	25	20000	20000	Unquoted	Fully paid	Yes
Rajashri Shahu Sah. Bank Ltd	1,75,000	1,75,000	Rajashri Shahu Sah. Bank Ltd	Others	100	1750	1750	Unquoted	Fully paid	Yes
Sangli Urban Co.Op Bank Ltd	5,00,000	5,00,000	Sangli Urban Co.Op Bank Ltd	Others	10	50000	50000	Unquoted	Fully paid	Yes
Vai Urban Bank	5,00,000	5,00,000	Vai Urban Bank	Others	25	20000	20000	Unquoted	Fully paid	Yes
Vardha Nagri Sah. Bank	5,00,000	5,00,000	Vardha Nagri Sah. Bank	Others	50	10000	10000	Unquoted	Fully paid	Yes
Vasai Janata Sh. Bank	4,99,500	4,99,500	Vasai Janata Sh. Bank	Others	25	19980	19980	Unquoted	Fully paid	Yes
Yavatmal Urbano-opBk	3,10,000	3,10,000	Yavatmal Urbano-opBk	Others	25	12400	12400	Unquoted	Fully paid	Yes
Shreenath Mhaskoba Credit Co-Op. Society	5,00,000	5,00,000	Shreenath Mhaskoba Credit Co-Op. Society	Others	100	5000	5000	Unquoted	Fully paid	Yes
Pune Cantonment Sh.Bk	5,00,000	5,00,000	Pune Cantonment Sh.Bk	Others	100	5000	5000	Unquoted	Fully paid	Yes
Deonagari Sah. Bank	5,00,000	5,00,000	Deonagari Sah. Bank	Others	25	20000	20000	Unquoted	Fully paid	Yes
The Vaidyanath Urban Co.Op.Bank Ltd	5,00,000	5,00,000	The Vaidyanath Urban Co.Op.Bank Ltd	Others	25	20000	20000	Unquoted	Fully paid	Yes
PDCC Bank	10,000	10,000	PDCC Bank	Others	50	200	200	Unquoted	Fully paid	
The Bhagyalaxmi Mahila Sah. Bank Ltd	5,00,000	5,00,000	The Bhagyalaxmi Mahila Sah. Bank Ltd	Others	1000	500	500	Unquoted	Fully paid	Yes
Khamgaon Urban co-opBk	5,00,000	5,00,000	Khamgaon Urban co-opBk	Others	100	5000	5000	Unquoted	Fully paid	Yes
Total	75,94,500	75,94,500								

i) Market value of unquoted investment is unascertainable. Hence valued at Cost.

2.11 Other Non-Current Assets

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Income Tax				
Opening Balance	-	-	-	-
MAT on Book Profit	-	-	-	-
Add : Advance Tax	50,00,000	-	-	-
Less : Adjusted	-	-	-	-
Less : Income Tax Transfer	50,00,000	-	-	-
MAT credit entitlement		1,84,50,226		4,09,36,347
Opening Balance	4,09,36,347		4,04,33,236	
Mat Paid	(1,44,66,263)		-	
Less:-excess provided last year	-		-	
Less : Current year entitlement	80,19,858		-	
Add : TDS	-		5,03,111	
Service Tax-Pre-Deposit		4,45,163		4,45,163
Excise Duty-Pre-Deposit	4,45,163		4,45,163	
GST		13,53,252		5,87,000
Total		2,02,48,641		4,19,68,510
Preliminary Expenses				
Distillery-Unit		-		-
Opening	-		12,71,400	
Addition Current year	-		-	
Deduction	-		12,71,400	
Considered Doubtful				
Total		2,02,48,641		4,19,68,510

2.12. Inventories (valued at lower of cost or net realisable value, unless stated otherwise)

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
a.Finished goods		1,14,61,31,800		1,40,02,06,060
Free Sugar	1,14,61,31,800		1,40,02,06,060	
b.Distillery		3,48,07,859		2,82,34,048
ENA	49,50,166		1,07,77,075	
RS	44,96,473		1,16,26,532	
Ethanol	2,21,08,734		33,88,985	
IS/TA	22,15,364		-	
Fusel Oil	31,200		31,928	
Compost	10,05,923		24,09,527	
c.By-Products *		2,07,04,685		2,03,85,566
Molasses	39,55,050		1,65,67,500	
Bagasse	1,67,49,635		38,18,066	
Pressmud	-		-	
d.Work-in-Process		4,86,13,549		4,99,92,500
Molasses @	4,86,13,549		4,93,87,500	
Compost	-		6,05,000	
c.Stock-in-trade		4,75,285		8,61,886
Diesel	4,75,285		8,61,886	
e.Stores and Spares Parts @		2,07,82,339		1,77,56,978
Store Stock	2,07,82,339		1,77,56,978	
Total		1,27,15,15,517		1,51,74,37,037

* Valued at net realizable value.

@ Valued at FIFO method

2.13 Trade receivables

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Unsecured, Considered Goods		9,38,11,368		9,05,30,269
Outstanding for exceeding 6 months from the due date	4,27,09,305		51,61,408	
Other trade receivables	5,11,02,063		8,53,68,861	
Total		9,38,11,368		9,05,30,269

2.14 Cash and Cash Equivalents

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Balances with banks		9,21,10,212		11,97,14,891
On current accounts	5,23,46,363		8,95,49,452	
Fixed Deposits	3,97,63,848		3,01,65,440	
Cash on hand		2,45,552		81,806
Total		9,23,55,764		11,97,96,697

2.15 Short-Term Loans and Advances

Amount in ₹

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
Security Deposits		61,19,715		58,08,298
Advance to suppliers and others		6,63,21,335		7,21,65,000
Advance-Farmers	5,23,73,639		4,76,46,551	
Advance-Staff	7,59,573		8,21,300	
Advance-Land	25,04,000		27,29,000	
Advance-Suppliers	1,06,84,124		2,09,68,150	
Cenvat, Vat and other taxes/duties		3,43,53,726		4,15,07,718
VAT	3,43,53,726		4,15,07,718	
Prepaid expenses		31,31,394		18,26,243
Others		1,91,46,782		1,60,85,732
Stationery Stock	78,617		1,80,748	
Misc. Assets	(3)		(5)	
Interest Receivable-Excise Loan	1,56,703		3,73,094	
Interest Receivable-Buffer Stock	1,89,11,465		1,55,31,895	
TDS (Tax Deducted at Source)		-		-
TDS-Fixed Deposit (Bank)	1,34,749		84,542	
TDS-MSEDCL	38,662		37,123	
TDS-Praj Industries	23,15,657		3,58,276	
TDS-Ghodganga Sah. Bank Ltd	23,248		-	
TDS-Bharati Airtel Ltd	368		1,646	
TCS-My Car Pune Pvt Ltd (P.Y.Kothari Automotive LLP)	12,883		21,524	
Less-Transfer to Income Tax	25,25,567		5,03,111	
Dividend Receivable		-		1,35,036
Total		12,90,72,952		13,75,28,028

2 . 16 . Revenue from Operations

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Sale of goods (Net)		1,50,31,40,302		1,76,27,41,553
Sugar	1,38,39,35,072		1,63,51,00,133	
Power	6,65,00,344		8,41,09,509	
Molasses	-		45,500	
Bagasse	3,23,16,509		3,03,67,669	
Thin Slope	85,250		38,157	
Store Spares	2,42,614		-	
Power-Other than MSEDCL	26,29,556		55,15,076	
Trading Income-Co-Gen	1,70,04,000		66,49,716	
Water	1,12,790		53,083	
Steam	3,14,168		8,62,710	
Other Operating Revenues		4,32,22,662		1,39,29,537
Pressmud	-		60,893	
Ash	6,78,814		3,30,302	
Sales relating project management services	3,65,20,299		47,32,986	
Chemical	20,98,136		2,31,245	
Scrap	39,25,413		85,74,111	
Traded Goods		11,38,896		24,94,665
Diesel	11,38,896		24,94,665	
Distillery Unit		44,21,27,970		42,39,09,786
ENA(Extra Neutral Alcohol)	3,55,39,358		3,04,00,334	
Ethanol	37,20,02,009		36,79,40,586	
IS (Impure Spirit)	18,40,700		23,46,054	
RS (Rectified Spirit)	2,53,06,794		1,01,88,350	
Compost	74,39,109		1,29,36,962	
Fusel Oil	-		97,500	
Revenue from operations (Net)		1,98,96,29,830		2,20,30,75,541
Less : Excise Duty and Cess on sale of goods		-		-
Revenue from operations (Net)		1,98,96,29,830		2,20,30,75,541

2 . 17 . Other income

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Interest & Dividend income		27,74,973		24,97,373
Interest on Deposits	22,24,803		18,66,592	
Dividend Income-Bank Shares	5,50,170		6,30,781	
Other non-operating income				
Sugar Unit		9,07,60,318		3,35,17,793
Hire Charges-Tyregadi	13,08,835		19,41,325	
Other Income	39,85,173		11,17,460	
Other Deduction-H&T	3,66,271		98,300	
Weighbridge Fees	6,450		6,750	
Subsidy Received-FRP Payment	8,50,93,589		2,71,34,800	
Subsidy Received-Co-Gen	-		32,19,158	
Distillery Unit		9,188		3,762
Lease-Land (New Project)	1,188		3,762	
Penalty	8,000		-	
Total		9,35,44,479		3,60,18,929

2 . 18 . Cost of Materials Consumed

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Cost of Material Consumed		1,05,47,90,014		1,66,99,21,453
Sugar Cane	1,05,47,90,014		1,66,99,21,453	
Total		1,05,47,90,014		1,66,99,21,453

2 . 19 . Purchases of Trade Goods

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Purchases of Stock-in-Trade		39,27,077		26,54,977
Diesel	39,27,077		26,54,977	
Total		39,27,077		26,54,977

2 . 20 . Changes in Inventories

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Stock-in-Trade-Diesel		3,86,601		(2,38,456)
-Opening Balance	8,61,886		6,23,430	

Less : Closing Balance	4,75,285		8,61,886	
Total		3,86,601		(2,38,456)

2. 21 . Changes in Inventories of Finished goods, By-products and work-in-progress

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Finished goods - Sugar				
-Opening Balance		1,40,02,06,060		1,34,13,45,159
Free Sugar	1,40,02,06,060		1,34,13,45,159	
-Less : Closing Balance		1,14,61,31,800		1,40,02,06,060
Free Sugar	1,14,61,31,800		1,40,02,06,060	
Total (A)		25,40,74,260		(5,88,60,901)
By Products				
-Opening Balance		2,03,85,566		3,81,64,783
Molasses	1,65,67,500		3,24,75,600	
Bagasse	38,18,066		56,89,183	
-Less : Closing Balance		2,07,04,685		2,03,85,566
Molasses	39,55,050		1,65,67,500	
Bagasse	1,67,49,635		38,18,066	
Total (B)		(3,19,119)		1,77,79,217
Work-In-Progress				
-Opening Balance		4,99,92,500		2,37,32,028
Molasses	4,93,87,500		2,37,32,028	
Compost	6,05,000		-	
-Less : Closing Balance		4,86,13,549		4,99,92,500
Molasses	4,86,13,549		4,93,87,500	
Compost	-		6,05,000	
Total (C)		13,78,951		(2,62,60,472)
Distillery Unit				
-Opening Balance		2,82,34,048		5,77,39,170
ENA	1,07,77,075		52,52,253	
RS	1,16,26,532		2,54,20,457	
Ethanol	33,88,985		1,65,16,393	
IS/TA	-		6,21,256	
Fusel Oil	31,928		1,87,360	

Compost	24,09,527		97,41,452	
-Less : Closing Balance		3,48,07,859		2,82,34,048
ENA	49,50,166		1,07,77,075	
RS	44,96,473		1,16,26,532	
Ethanol	2,21,08,734		33,88,985	
IS/TA	22,15,364		-	
Fusel Oil	31,200		31,928	
Compost	10,05,923		24,09,527	
Total (C)		(65,73,812)		2,95,05,123
Total		24,85,60,280		(3,78,37,033)

2 . 22 . Employee Benefit Expenses

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Salaries and Wages		8,76,88,318		8,31,79,344
Salaries and Wages-Factory	5,84,41,685		4,67,39,399	
Salaries and Wages-Office	1,26,39,976		2,22,52,695	
Salaries and Wages-Co-Gen	35,20,287		35,24,050	
Dist-Salary & Wages Exp.	49,04,471		50,93,361	
Bonus-Salary	81,81,899		55,69,839	
Contribution to Provident Fund and other Gratuity Expenses		59,81,264		62,37,797
		11,48,576		29,63,669
Staff Welfare Expenses		95,88,234		35,65,929
Petrol & Telephone Allowance	5,37,091		5,80,111	
Conveyance & Tour Allowance	71,55,481		11,13,104	
Hospitality Expenses	4,61,890		5,83,311	
Hospitality Expenses-Dist	1,460		44,971	
Hospitality Expenses-Co-Gen	3,100		100	
Hotel, Boarding & Lodging Expenses	87,320		97,963	
Medical & Other Welfare Expenses	12,13,892		10,22,369	
Director Allowance	1,28,000		1,24,000	
Total		10,44,06,392		9,59,46,739

2 . 23 . Finance Costs

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Interest Expense		7,53,46,900		6,40,57,991
On Long-term borrowings				
Sugar Factory	5,59,78,904		3,95,68,166	
Co-Gen Unit	17,82,157		-	
Distillery Unit	1,75,85,839		2,44,89,825	
On Short-term borrowings		7,27,35,159		9,31,78,628
Others		35,82,972		30,18,373
Loan Relating Expenses	26,44,234		19,45,962	
Bank Charges	9,38,738		10,72,411	
Total		15,16,65,031		16,02,54,993

2 . 24 . Depreciation and Amortization Expenses

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Depreciation		9,46,38,599		9,13,82,904
Sugar Unit	5,70,18,043		5,44,96,655	
Co-Gen Unit	45,83,928		38,54,982	
Distillery Unit	3,30,36,628		3,30,31,267	
Preliminary Expenses Written Off		-		12,71,400
Total		9,46,38,599		9,26,54,304

2 . 25 . Other Expenses

Amount in ₹

Particulars	For the year ended 31-Mar-2020		For the year ended 31-Mar-2019	
Consumption of stores and spare parts				
-Opening Balance		1,77,56,978		1,77,39,981
Store Material	1,77,56,978		1,77,39,981	
Add : Purchases				
Sugar Unit		4,97,47,964		6,42,67,432
Chemicals	87,32,030		1,25,54,765	
Sugar	-		31,00,000	
Grease	8,72,540		8,02,192	
Oil	13,54,295		13,93,906	
Store Spares Consumable	2,48,89,114		2,51,09,282	
Packing Material	1,33,05,000		2,12,08,662	
Boiler Wood	1,94,040		-	
Consumable	4,00,945		79,961	
Ash	-		18,664	
Distillery Unit		7,17,64,454		3,95,72,424
Chemicals	72,78,845		72,32,819	
Oil	23,95,900		92,90,827	
Molasses	6,07,13,754		2,15,50,000	
Boiler Wood-Dist	2,01,760		-	
Spares	11,74,195		14,98,778	
-Less : Closing Balance		2,07,82,339		1,77,56,978
Store Material	2,07,82,339		1,77,56,978	
Consumption of stores and spare parts		11,84,87,057		10,38,22,859
Payment to Auditors		4,70,000		4,70,000
As Auditor for Statutory Audit	2,25,000		2,25,000	
As Tax Audit	95,000		95,000	
As Auditor for Internal Audit	1,50,000		1,50,000	
Professional Fees		29,91,731		31,52,076
Charity & Donation		9,85,076		15,35,156
ROC Fees		1,41,500		48,000
Power and fuel		2,13,03,069		1,89,59,148
Electrical Bill-Factory	81,26,985		60,22,101	
Petrol & Diesel-DG Set	1,21,350		16,00,895	
Electrical Bill-Office	16,42,322		40,07,392	
Electrical Bill-Dist.	1,00,53,741		69,49,798	
Electrical Bill-Co-Gen	13,58,671		3,78,963	
Rent		26,92,177		29,18,168
Hire Charges-Other	26,92,177		29,18,168	
Repairs to machinery		3,57,28,001		1,89,11,281
Building & Machinery	2,80,19,600		1,30,94,543	
Other Repairs	9,30,916		16,23,184	
Distillery	10,39,998		26,32,913	
Co-Gen	57,37,487		15,60,641	

Insurance		16,27,885		16,10,446
Insurance-Manufacturing Related	6,69,737		6,95,026	
Insurance-Other	9,58,148		9,15,420	
Rates and taxes (excluding taxes on income)		19,59,232		2,500
GST on Income	33,212		-	
Professional Tax	2,500		2,500	
VAT	19,23,520		-	
Office & Site Expenses		6,87,374		5,28,969
Office Expenses	5,90,428		5,21,299	
Site Expenses	96,796		7,670	
Office Expenses-Dist	150		-	
Advertisement Expenses		23,62,718		10,57,295
Legal Fees		60,39,315		76,95,411
Govt Permission & License Exp-Factory	38,87,630		64,07,683	
Govt Permission & License Exp-Distillery	21,28,537		12,17,117	
Govt Permission & License Exp-Co-Gen	23,148		70,611	
Telephone Expenses		2,81,675		3,21,675
Labour Charges Paid		2,97,74,010		4,11,33,495
Labour Charges-Factory	1,51,08,447		1,92,56,174	
Labour Charges-Distillery	36,25,354		45,67,092	
Sugar Cane H&T Relating Labour Charges	1,10,40,209		1,73,10,229	
Other Admin Expenses		1,70,58,760		2,00,24,024
Petrol & Diesel	2,25,008		16,46,507	
Function & Festival Expenses	5,78,073		5,16,130	
Postage, Telegram, Fax & Stamp Expenses	99,868		94,430	
Printing & Stationery Expenses-Pump	1,430		-	
Printing & Stationery Expenses	6,14,616		5,68,944	
Printing & Stationery Expenses-Distillery	11,400		21,938	
Store Packing Expenses	(8,802)		65,380	
AMC Charges	6,000		5,000	
Transport Charges Paid	9,01,338		24,52,617	
Transport Charges Paid-Distillery	1,12,51,383		1,30,92,958	
Internet Expenses	6,11,161		5,13,953	
Sample Testing Expenses	1,25,973		1,46,120	
Co-Gen Admin Exp.	22,700		44,650	
Supervision Charges-Distillery	11,98,926		8,45,397	
Distillery Relating Expenses	14,19,685		10,000	
Miscellaneous expenses		5,36,071		13,50,921
Interest, Surcharge & Cess on MAT		2,51,731		-
Expenses relating to Management Services		2,72,86,986		1,76,94,000
Total		27,06,64,367		24,12,35,424

2.26 Other Disclosure

A) The Company has obtained balance confirmation letters from some of the creditors and parties to whom company has given advances against amounts due to and/or from them. In respect of the parties from whom confirmation is not received, their balances are carried as reflected in the books of accounts. The accounts of some Debtors & Creditors & Advances given are subject to confirmation / reconciliation. The Management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

B) Contingent Liabilities not provided for in respect of :-

- i) In respect of A.Y. 2007-08 amount of expenditure ₹ 2,62,67,302/- was disallowed by the Income Tax Department. The Company has filed an appeal with Tribunal of Income Tax, Mumbai.
- ii) The company has not charged excise duty on sale of Bagasse as per Circular No.904/24/2009-CX dated 28.10.2009, regarding excisability of Bagasse, Aluminum/ Zinc Dross and other such products termed as waste or residue or refuse arising during the course of manufacture. In terms of rule 6 of Cenvat Credit Rule, 2004 the assessee is required to reverse the proportionate credit or pay 5% amount. The Company has filed an appeal with Tribunal of Customs, Excise & Service Tax Appellate.

b-3) Office of the commissioner of the CGST Audit I, Pune has issued show cause cum demand of ₹ 1857080.00/- vide notice No.SCN No.CGST-I/D-V/R-IV/Audit-I/AC/03/2018-19 dated 04/07/2018. Company has submitted reply to show cause on 15.09.2018. However case is still pending.

b-4) As per notification No.ELD 2016/CR.252/Energy-1 of Industries, Energy and Labour Department of Maharashtra State electricity duty of 120 paise per unit for captive power consumption is required to be paid to Government. During the period under audit total captive power consumption is 15318164 units. Company has not paid or provided electricity duty as per above mentioned notification.

b-5) During the period under audit company has given corporate guarantee to Shreenath Mhaskoba Credit Co-Op Society Ltd for individual loans sanction to H&T Contractors of the Company.

C) Dividend & DDT of ₹ 6,93,375/- was proposed on Preference Share of ₹ 5000/- each for F.Y.2016-17. However this dividend was not approved at AGM. Hence reversal of that proposed dividend and DDT of ₹ 6,93,375/-.

D) Based on the information / documents available with the Company, information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Amount in ₹

Sr. No	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	47,77,746	24,06,951
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-
c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this	-	-
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year*	-	-
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	-	-

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Notes no. 2.6.

E) Based on the review made at the Balance Sheet date, MAT credit of ₹ 4,09,36,347/- recognised in earlier years is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilise the same.

F) Related party disclosures as per Accounting Standard-18 are given below**I Key Management Personnel**

1 Mr. Raut Pandurang Abaji	Chairman & Managing Director
2 Mr. Raskar Vikas Ramchandra	Executive Chairman
3 Mr. Gaikwad Babanrao Sopanrao	Vice Chairman
4 Mr. Raskar Dattaram Maruti	Chief Executive Officer
4 Mr. Narake Baban Mahadev	Chief Finance Officer
4 Mr. Naikwadi Pratik Vilas	Company Secretary

II Directors

1 Mr. Sasane Yogesh Dattatray	5 Mr. Badhe Anil Laxman
2 Mr. Karpe Mahesh Sambhajirao	6 Mr. Shinde Kisan Dinkar
3 Mr. Karanje Hemant Sambhaji	7 Mr. Raut Madhav Pandurang

4 Mr.Bhujbal Anil Jaywantrao

III Relatives of Director & Key Management Personnel

1 Mrs.Raut Poonam Madhav
 2 Mr.Shinde Someshwar Dinkar
 3 Mr.Shinde Kisan Dinkar
 4 Mr.Bhujbal Subhash Jaywantrao

5 Mr.Karanje Virbhaval Sambhaji
 6 Mr.Karanje Raosaheb Sambhaji
 7 Mr.Kedari Shivaji Baburao

IV Other entities in which KMP/Relatives of KMP can exercise significant influence

1 Shrinath Mhaskoba Credit Co-op. Soceity Ltd., Pathethan
 2 Regola Bio Chemical Pvt. Ltd.
 3. Zenith Bio Chemical
 4. Shri Shri Milk Products

V Transactions with Related parties :

Sr. No	Particulars	Key Management Personnel	Enterprise in which Directors has significant influence	Relatives of Director & Key Management personnel
1	Purchase of Goods	9,11,076	27,13,318	20,22,251
2	Purchase of Fixed Assets	-	-	-
3	Hire Charges	7,26,000	-	-
4	Other Services	-	4,01,915	6,05,900
5	Sale of Goods	-	2,92,08,002	-
6	Remuneration paid / provided	50,48,876	-	-
7	Amount received for Shares	-	-	-
8	Advance Paid against Fixed Assets	-	-	-
9	Outstanding Balances as on 31.03.2020			
i)	Payables	3,553	1,44,541	1,01,396
ii)	Receivables	-	3,59,02,979	-

- 1 The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
 2 No amount has been written back / written off during the year in respect of due to / from related parties.
 3 The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

G) Remuneration to Directors (KMP)

	Amount in ₹
a) During the financial year 2019-20 Company has earned a Profit	15,41,35,949
b) Salary to Chairman and Managing Director Mr.P.A.Raut	13,35,881
c) Salary to Executive Chairman Mr.V.R.Raskar	6,69,527
d) Salary to Vice Chairman Mr.B.S.Gaikwad	6,69,527
e) Salary to Company Secretary Mr.P.V.Naikawadi	2,52,000
f) Salary to Chief Executive Officer Mr.D.M.Raskar	16,21,100
g) Salary to Chief Finance Officer Mr.B.M.Narake	5,00,841

H) Remuneration to Auditors

Particulars	2019-20(₹)	2018-19(₹)
Statutory Audit Fees	2,25,000	2,25,000
Tax Audit Fees	95,000	95,000
Income Tax Consultation	95,000	95,000
Internal Audit	1,50,000	1,50,000

I) QUANTITATIVE DETAILS

Sr. No.	Product	Unit	2019-20		2018-19	
			Qty	Value	Qty	Value
a)	Raw Material Consumed :					
i)	Sugarcane	M.T.	3,80,209	1,05,47,90,014	5,09,971	1,66,99,21,453
ii)	Bagasse	M.T.	88,468	25,31,43,738	1,21,000	16,94,10,915
ii)	Molasses	M.T.	30,366	28,39,26,027	28,893	11,57,12,400
b)	Stock of Raw Material					
i)	Sugarcane	M.T.	-	-	-	-
ii)	Molasses	M.T.	5,622	5,25,68,599	8,795	6,59,55,000
iii)	Bagasse	M.T.	5,854	1,67,49,635	2,727	38,18,066
iv)	Ash	M.T.	-	-	-	-
v)	Pressmud	M.T.	-	-	-	-

Sr. No.	Product	Unit	Opening Stock		Production Qty	Purchase Qty	Conversion of partly process stock Qty	Intr. & Own Consumption Qty	Sale		Closing Stock	
			Qty	Value					Qty	Value	Qty	Value
c)	Finished Goods		(Installed Capacity - 4500 TCD)									
1	Sugar	Qtl.	4,57,402	1,40,02,06,060	3,81,000	-	-	-	4,70,500	1,38,39,35,072	3,67,902	1,14,61,31,800
2	Molasses	M.T	8,794	6,59,55,000	20,150	7,045	-	30,366	-	-	5,622	5,25,68,599
3	Baggase	M.T	2,727	38,18,066	1,04,350	-	-	88,468	12,756	3,23,16,509	5,854	1,67,49,635
4	Ash	M.T	-	-	3,394	-	-	-	3,394	6,78,814	-	-
5	Pressmud	M.T	-	-	13,846	-	-	13,846	-	-	-	-
d)	Electricity (10 M.W. TG Set)											
1	Electricity	kwh	-	-	2,11,19,366	19,67,048	-	1,29,18,203	1,01,68,211	6,91,29,900	-	-
e)	Finished Goods		(Installed Capacity - 35000 KLPD)									
1	Rectified Spir	Ltr	4,73,393	1,16,26,532	69,55,602	-	67,14,599	8,629	5,90,187	2,53,06,794	1,15,580	44,96,473
2	ENA	Ltr	4,38,806	1,07,77,075	16,93,898	-	12,37,300	3,448	7,64,714	3,55,39,358	1,27,242	49,50,166
3	Impure Spirit	Ltr	-	-	3,47,094	-	2,26,475	1,971	53,648	18,40,700	65,000	22,15,364
4	Ethanol	Ltr	1,37,988	33,88,985	79,48,184	-	-	8,740	75,09,136	37,20,02,009	5,68,296	2,21,08,734
5	Fusel Oil	Ltr	1,300	31,928	1,100	-	-	-	-	-	2,400	31,200
6	Compost	M.T	5,481	30,14,527	10,960	-	-	1,100	13,512	74,39,109	1,829	10,05,923
f)	Trading											
1	Diesel	Ltr	13,473	8,61,886	-	80,526	-	70,079	16,126	11,38,896	7,794	4,75,285

J) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a) REGISTRATION DETAILS :-

Registration No	25-13976 of 1999
Start Code	11
Balance Sheet Date	31.03.2020

b) CAPITAL RAISED DURING THE YEAR (In ₹)

Public Issue	-
Preference Shares	-
Rights Issue	-
Bonus Shares	-
Private Placement (Equity Shares)	-
Share Application Money	-

c) POSITON OF MOBILISATION AND DEPLOYMENT OF FUNDS (₹)

Total Liabilities	2,88,83,04,645
Total Assets	2,88,83,04,645

d) SOURCES OF FUNDS(₹):-

Paid Up Capital	22,10,96,200
Share Application Money	-
Reserve & surplus	77,30,24,087
Secured Loan	36,72,14,450
Short-Term Loan	1,24,79,41,003

e) APPLICATION OF FUNDS(₹):-

Net Fixed Assets	1,27,29,12,352
Net Current Assets	5,97,85,693
Investments	75,94,500
Misc. Expenditure	-
Profit & Loss A/c Debit Balance	-

f) PERFORMANCE OF THE COMPANY

Turnover /Income	2,08,31,74,309
Total Expenditure	1,92,90,38,361
Profit/Loss Before Extraordinary items & Tax	15,41,35,949
Profit/Loss Before Tax	15,41,35,949
Profit/Loss After Taxation	11,97,86,358
Earnings Per Share	75.62
Dividend Rate (%) (Proposed)	
i) Equity Shares (Face Value ₹ 100)	10%
ii) Preference Shares (Face Value ₹ 1 lac)	10%
iii) Preference Shares (Face Value ₹ 5000)	5%

g) GENERIC NAMES OF THREE PRINCIPLE PRODUCTS/SERVICE OF COMPANY

Item Code No(ITC Code)	White Crystal Sugar
	Co-Generation
	Distillery
Service Description	-

K) Segment information as per Accounting Standard-17 on 'Segment Reporting' for 2019-20

- a) The Company has identified three primary business segments viz. Sugar, Distillery, Petrol Pump and Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.
- b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- c) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Sr. No	Particulars	Sugar Division	Distillery Division	Petrol Pump	Co-Gen Division	Subtotal	Elimination	Total
1	2	3	4		5	6	7	8
1	Segment Revenue							
a)	External Turnover	1,43,97,19,970	47,86,48,269	54,12,324	6,94,44,068	1,99,32,24,630	-	1,99,32,24,630
b)	Inter Segment Turnover	24,25,32,408	-	42,73,428	22,29,18,887	46,97,24,723	(46,97,24,723)	-
	Gross Turnover	1,68,22,52,378	47,86,48,269	96,85,752	29,23,62,955	2,46,29,49,353	(46,97,24,723)	1,99,32,24,630
	Net Turnover	1,68,22,52,378	47,86,48,269	96,85,752	29,23,62,955	2,46,29,49,353	(46,97,24,723)	1,99,32,24,630
2	Segment Result							
	Profit / (Loss) Before Tax	(18,33,78,518)	27,92,75,756	53,70,644	5,28,68,067	15,41,35,949	-	15,41,35,949
	Less : Provision for Tax	-	-	-	-	-	-	3,43,49,591
	Net Profit after Tax	(18,33,78,518)	27,92,75,756	53,70,644	5,28,68,067	15,41,35,949	-	11,97,86,358
3	Other Information							
	Segment Assets	2,16,22,37,765	54,34,91,044	-	18,25,75,837	2,88,83,04,645	-	2,88,83,04,645
	Segment Liabilities	1,78,57,93,338	8,33,27,989	-	2,50,63,031	1,89,41,84,358	-	1,89,41,84,358
	Depreciation	5,70,18,043	3,30,36,628	-	45,83,928	9,46,38,599	-	9,46,38,599

L) Earnings per share - the numerators and denominators used to calculate basic / diluted earnings per share :

Sr. No	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
a)	Profit after tax	11,97,86,358	1,42,52,001
b)	Amount used as the numerator - (A) Profit available to Equity Share holders	11,43,95,858	95,58,052
c)	Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	15,12,862	15,12,862
d)	Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - C	15,12,862	15,12,862
e)	Nominal value of Equity Shares (₹)	100	100
f)	Basic & Diluted Earnings per Share (₹) (A/B)	75.62	6.32