



Godavari Biorefineries Ltd.

Annual Report 2016-2017



Our Mission

- To be a world-class global organization.
- To be the leading integrated biorefinery.
- To continuously add value to every part of sugarcane and any other biomass that the company processes.
- To visualise, understand and meet customer needs and expectations.
- To provide superior returns to shareholders through efficient management, innovation and teamwork.
- To participate in, and contribute to the all-round development of the community in which the company operates.
- To be a place where individuals aspire to and can make a difference, where good performance is applauded and of which people are proud to be a part of.



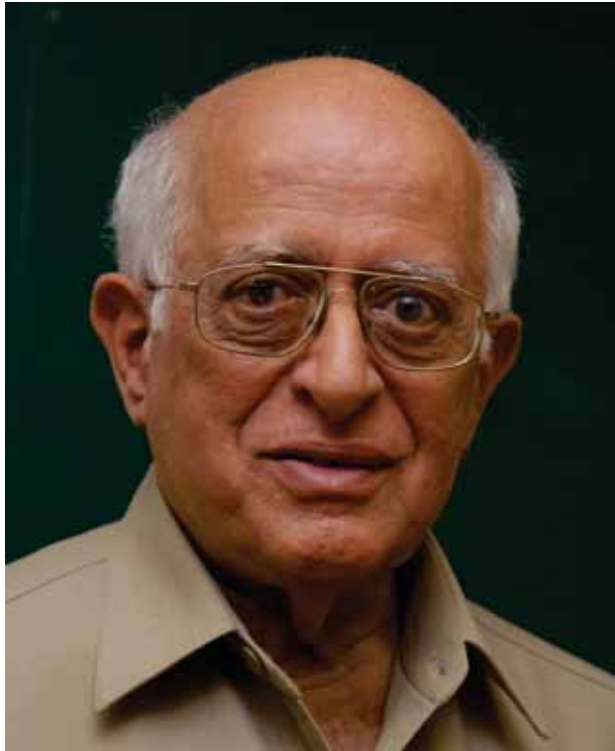
New Research & Development Centre - Navi Mumbai

Our Founder



Our Founder
Padmabhushan Late Shri K J Somaiya
1902-1999

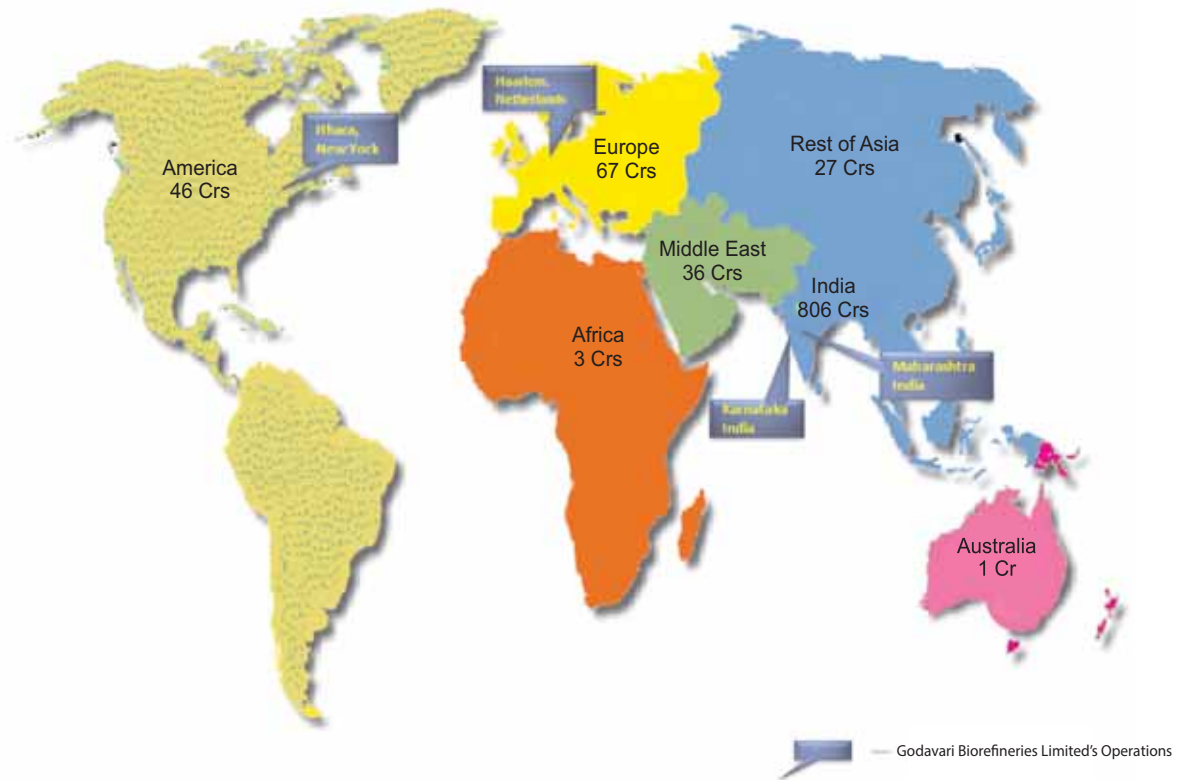
Our Mentor



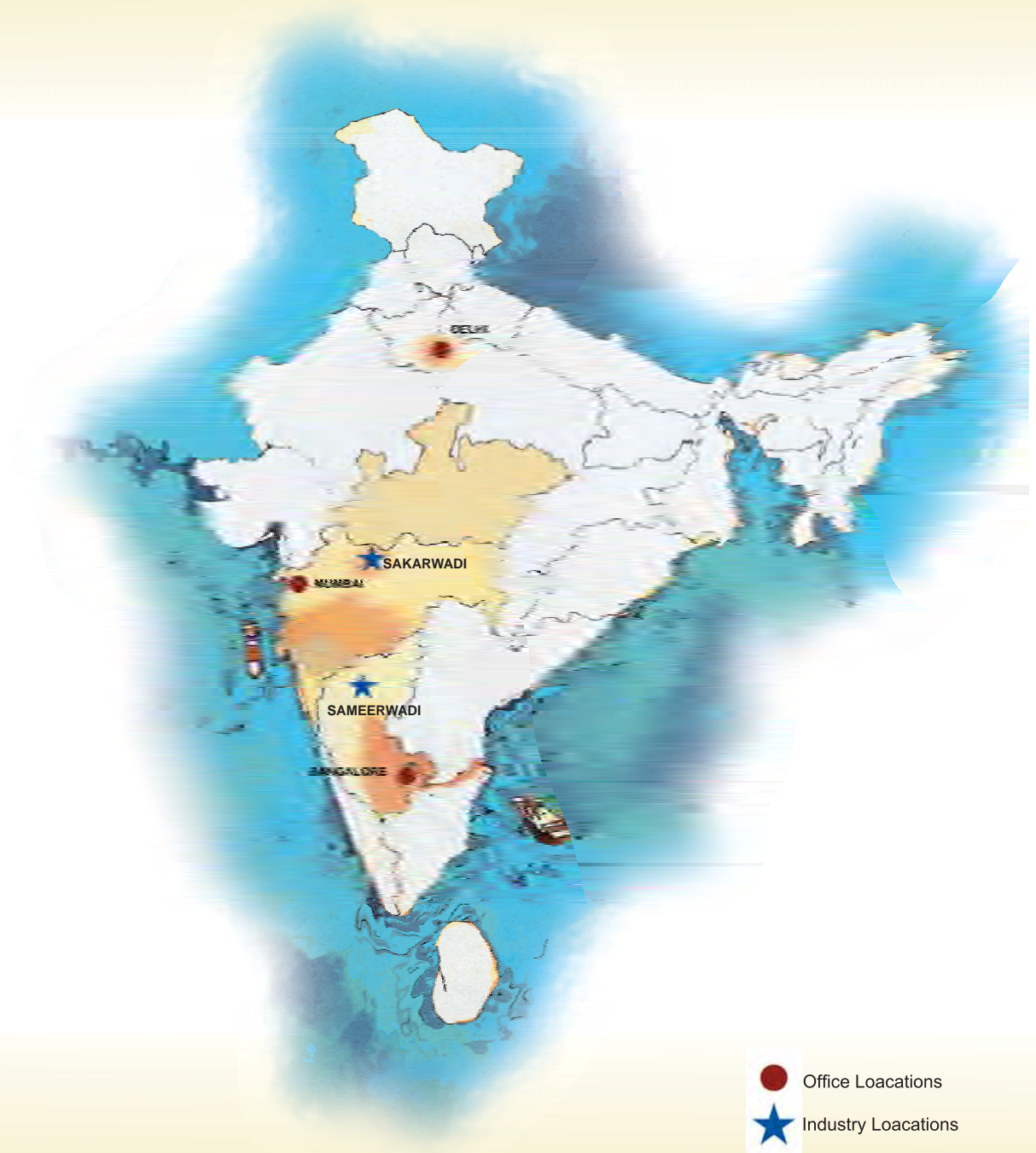
Late Dr Shantilal K Somaiya

1927 - 2010

Godavari Biorefineries Ltd's Global Presence



Locations



Awards



ICC Award

Mr. Samir Somaiya, Chairman & Managing Director, Mr. Bableswhar, Director (Works) - Sameerwadi Unit & Mr. S. U. Godage, GM (Distillery) receiving the ICC Award for water conservation.



FICCI Chemicals & Petro-Chemicals Award

Mr. B. M. Kuri, GM (Mfg.), Mr. Suryaprakash Rao, GM (Co-gen) & Mr. S. U. Godage, GM (Distillery) receiving the FICCI Chemicals & Petro-Chemicals Award.



Incineration Boiler - Sameerwadi



Inaugration Ceremony of the Incineration Boiler, Sameerwadi by Honourable Minister for Industries, Shri R. V. Deshpande, Shri Samir Somaiya, Chairman & Managing Director, Smt Umashree, Minister for Women and Child Development, Kannada and Culture, Shri Govind Karjol, MLA Mudhol, Shri R B Timmapur, MLC



Standing From Left - Mr. Werner Wutscher, Mr. Mohan Somanathan, Mr. Shrinivas Bableshtar, Mr. Kailash Pershad, Mr. Vinay V. Joshi, Mr. Jayendra Shah, Mr. Paul Zorner

Sitting From Left - Mr. Uday Garg, Dr. K. V. Raghavan, Mr. Samir S. Somaiya (Chairman & MD), Dr. Badrinarayan R Barwale, Dr. Preeti Singh Rawat

Chairman & Managing Director

Mr. Samir S. Somaiya

Executive Director

Mr. Vinay V. Joshi

Non - Executive Director

Dr. Preeti Singh Rawat

Mr. Paul Zorner

Mr. Werner Wutscher

Late Dr. Badrinarayan R Barwale (upto 1st September, 2016)

Independent Directors

Dr. K. V. Raghavan

Mr. Kailash Pershad

Mr. Jayendra Shah

Director - Works

Mr. Shrinivas Bableshwar (Sameerwadi Unit)

Mr. Mohan Somanathan (Sakarwadi Unit – w.e.f. 1st September, 2016)

Investor Nominee Director

Mr. Uday Garg

Chief Financial Officer

Mr. Naresh S. Khetan

Company Secretary

Ms Nishi VijayVargiya

Board of Directors

CORPORATE IDENTITY NUMBER

U67120MH1956PLC009707

REGISTERED OFFICE

Somaiya Bhavan,
45/47, Mahatma Gandhi Road,
Fort, Mumbai – 400 001. INDIA.
Tel. : +91 22 2204 8272 / +91 22 6170 2100
Fax : + 91 22 2204 7297
Website: www.godavaribiorefineries.com
Email: investors@somaiya.com

FACTORIES

Sameerwadi

(Via Mahalingpur),
Dist. Bagalkot, Taluka Mudhol, Karnataka - 587316.

Sakarwadi

(Stn Kanhegaon),
Dist Ahmednagar,
Maharashtra – 413708.

AUDITORS

Desai Saksena & Associates (Chartered Accountants)

COST AUDITORS

B J D Nanabhoy & Co. (Cost Accountants)

SOLICITORS & ADVOCATES

Economic Law Practice
Gagrats
Hariani & Co.

REGISTRAR AND TRANSFER AGENTS

Link Intime India Pvt. Ltd. (w.e.f. 28th July, 2016)
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Tel: 91 22 4918 6000
Fax: 91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE

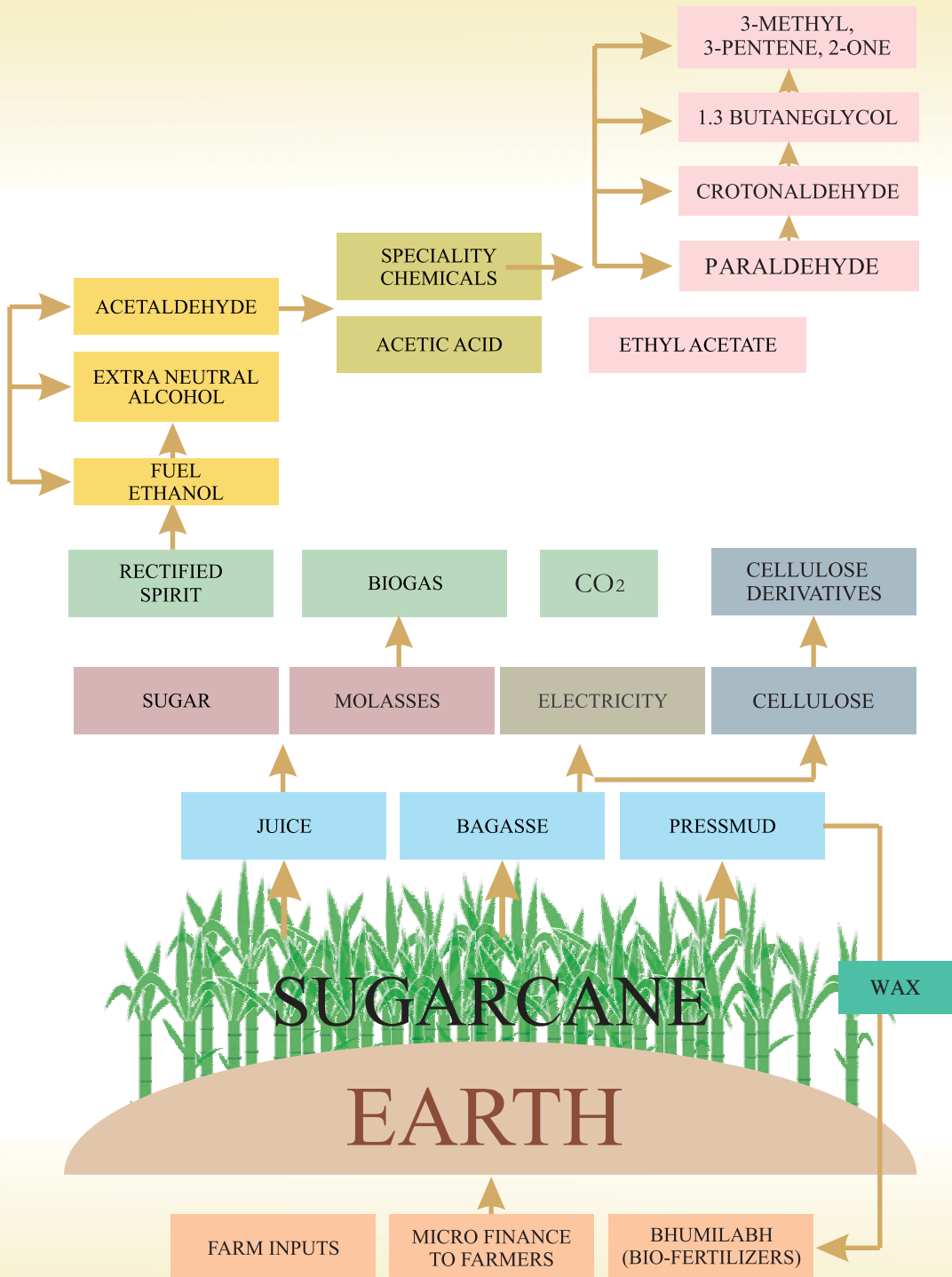
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17. R. Kamani Marg, Ballard Estate,
Mumbai – 400 001

BANKS AND INSTITUTIONS

Andhra Bank
Bank of Baroda
Bank of India
Corporation Bank
Council for Scientific and Industrial Research
Punjab National Bank
State Bank of Patiala
Syndicate Bank
Sugar Development Fund
Union Bank of India

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GBL's Value Chain



Chairman's Outlook



Dear Shareholders,

We continue to implement our strategy to 'Go beyond the ordinary'. Our strategy is to add value to our feedstock and its related biomass. To convert biomass into useful product, chemically, physically or biologically. It is to create a brand, offer solutions to our customers and to do so sustainably. It is to contribute to the community.

A successful implementation of this strategy would lead to a big difference in our sales, value add and the value derived per ton of biomass. Our researchers are working in these areas, either to develop our own knowledge, protect the IP where possible and license it where we need to.

We have made progress on all these fronts. We have completed the Projects as envisaged under the investment made by Mandala, Private Equity. Under the same, we have commissioned the production of two new chemicals which are sold in the Fragrance and the Cosmetics industries. In fact, because of these products, we have successfully penetrated markets in North America and the Far East.

We have also optimised the production of sugar and substantially expanded the production of ethanol and renewable electricity. The increased ethanol production will be in financial year 2018 and the increased power production in the financial year 2019. We have also spent

Chairman's Outlook

much effort in water use efficiency and energy efficiency. For water conservation and reuse, we were given two awards last year. One by the ICC, and the other by FICCI. We also won the FKCCI award for export excellence in 2017 for Bagalkot district amongst all industries.

In energy, we have implemented a bagasse dryer, and we have also installed an incineration boiler that extracts energy from the waste of distillation. With these improvements, we will be generating surplus bagasse, that will be used for added power generation in the coming couple of years, and then as a feedstock for making our cellulose based products. Our aim is to work on conversion of biomass to cellulose, hemicellulose, lignin, and their derivatives. Our surplus bagasse will be used to make these products at an industrial scale. We have been engaging with customers to get product approvals, and we have made progress on this front by receiving customer approvals.

We have already laid the Foundation stone for this next generation bagasse based biorefinery and ethanol based specialty chemicals. The Foundation stone was laid by Honourable Minister for Industries, Shri R. V. Deshpande. He was accompanied by Smt Umashree, Minister for Women and Child Development, Kannada and Culture, Shri Govind Karjol, MLA Mudhol, Shri R B Timmapur, MLC.

Much of our pipeline has been created by our research. To give further impetus to research, we built a new Research Laboratory that was inaugurated by Padma Vibhushan Professor. M. M. Sharma. Dr. M. M. Sharma is a living legend in the Indian Chemical industry, and his support and guidance has always been a motivating force as we move forward. The new State of the Art Laboratory, further strengthens the company's resources to build a future based on innovation and research.

But as we continue on our march forward, we have to live and face the challenges of the present. The severe drought in Karnataka and Maharashtra affected our operations in the season as we had predicted, in terms of recovery and crushing. Our recovery fell to 10.23% (we last had this recovery in 1987-88), and our crushing was 11.85 lakh tons of cane. This deeply affected our capacity utilisation, and in turn our profitability. Profitability was further affected by the collapse in power prices in the open access market.

Currently, we have signed a new Power Purchase Agreement (PPA) with the Government of Karnataka. To help bridge the gap between demand and supply of sugar, the Government announced an quota based import policy of raw sugar to convert to white sugar. We have been allocated over 11,000 tons of raw sugar for processing to refined sugar during the 2017 off season. This will help the financials in the March 2018 financial year. Also, rains in the 2016 monsoon season were better and the cane was not affected, so we expect normal recoveries this year and improved crushing in the coming season. With higher crushing, a diversified range of chemicals and substantial increase in ethanol and power sales, we expect the company to do show a much better financial performance in the coming years.

Chairman's Outlook

In spite of the ups and downs of weather, it is necessary for us to work closely with the farmer, for the long term health of both of us. We are inextricably linked together. Our aim is to see that the farmer and the farm are healthy. In the short and long term. To do this, we continue to work on introducing drip irrigation, intercropping, soil testing, subsequent supply of quality inputs, supply of tissue culture plantlets and agronomic practices for achieving high yield. We have launched a new app, Kisan Khazana, to help the farmer connect with us.

As we continue on this journey and transformation, we are conscious that as the world changes, we will need to change faster. In our pursuit of our objectives, we will also keep our attention on the triple bottom line, Financial, Social, and Environmental. In our CSR initiatives, we continue to make education opportunity available to the communities around us through schools, scholarships and vocational training centres.

Before I conclude, I would like to pay my respects to Dr B. R, Barwale, who passed away in July, 2017. He was a wonderful man and served on the Board of Godavari Biorefineries for over two decades. He had resigned from the Board of Godavari last year, due to his advancing age. He was the Founder of Mahyco and was also a recipient of the World Food Prize. He was a great support to the company and also to me, personally.

Samir S. Somaiya

Chairman and Managing Director

Jivāna™



Boards' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Sixty Second Annual Report on the business and operations of the Company and the audited financial accounts for the year ended 31st March, 2017.

FINANCIAL PERFORMANCE

	(` in Lakhs)	
Particulars	2016-17	2015-16
Sales	98,515	136,478
Profit / (Loss) before Exceptional items, Depreciation, Interest and Tax	8,013	11,104
Exceptional Items	1,026	-
Profit / (Loss) before Depreciation, Interest and Tax	6,987	11,104
Finance costs	7,956	8,323
Profit / (Loss) after Interest but before Depreciation and Tax	(969)	2,781
Depreciation & Amortization	4,978	4,344
Profit / (Loss) Before Tax	(5,947)	(1,563)
Taxes (Income) / Expense	(1,452)	(434)
Profit / (Loss) After Tax	(4,495)	(1,129)

Division wise Sales Turnover

	(` in Lakhs)	
Divisions	2016-17	2015-16
Sugar	49,862	79,478
Cogeneration	2,579	5,645
Chemicals	34,788	37,816
Distillery	11,286	13,539
Total	98,515	136,478

OPERATING HIGHLIGHTS

On a Standalone basis, your Company have achieved Sales Turnover of ` 98,515 Lacs for the financial year 2016-17 as compared to the Sales Turnover of ` 136,478 Lacs in the previous year. The drop in the Sales turnover is majorly on account of reduction in sugarcane crushing and recovery which resulted into low sugar and ethanol sales and lower power exports and prices. This was further accentuated due to Government of India's measures like sugar stock limits on traders and sugar mills, demonetization and dumping of surplus sugar produced by UP mills in the market which affected our Sugar sales volume during FY 2016-17.

During the year under review, your company reported Loss of ` 4,495 Lacs as against loss of ` 1,129 Lacs in FY 2015-16. On a consolidated basis, the turnover is ` 1,00,634 Lacs and the loss after tax is ` 4,824 Lacs.

DIVIDEND

In view of loss incurred during the year, your Directors regret their inability to recommend any dividend for FY 2016-17.

Boards' Report

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' state that:

- a) In the preparation of the annual financial statements for the year ended 31st March, 2017 the applicable accounting standards have been followed with no material departures;
- b) 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 as at 31st March, 2017 and of the profit and loss of the company for that period;
- c) Proper and sufficient care 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 financial statements 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.

INDUSTRY OUTLOOK – SUGAR:

(A) Sugar Production In India:

Sugar production in India during season 2016-17 is estimated to be 203 Lac MT i.e., 19% lower compared with previous year (251 Lac MT) due to drought situation in the states of Maharashtra, Karnataka, Tamilnadu, Andhra Pradesh (Seemandhra) & Telangana. This production is the lowest in the last 7 years. The sugarcane production in the drought affected states was substantially lower by about 40-50% than the last year.

(In Lac tons)

State	PRODUCTION	
	2015-16	2016-17
Maharashtra	84.10	42.01
Karnataka	40.29	20.51
Uttar Pradesh	68.40	87.73
All India basis	248.23	203.00

Source: Indian Sugar Mills Association (ISMA)

State of UP which normally produces about 65 Lac MTs of Sugar has produced about 87.73 Lac MTs of sugar in the Current season. Sugar production in Karnataka State, (wherein our Sameerwadi sugar factory is located) and Maharashtra State has recorded almost 50% reduction in sugar production compared to last year. In view of the fall in all India sugar production, the sugar balance sheet for the season would show stock of about 43 Lac MTs as on 30th September, 2017 as against 77 Lac MTs as on 30th September, 2016.

Boards' Report

Indian Sugar Production, Supply and Distribution (Figure in Lac MT)

(in Lac tons)

Sugar Balance Sheet for Sugar Season	2015-16(P)	2016-17 (E)
Opening Stock as on 1st Oct	90.80	77.50
Production during the Season	251.25	203.30
Imports	0	5.0
Total Availability	342.05	285.80
Off-take		
i) Internal Consumption	248.49	242.00-244.00
ii) Exports	16.56	0.50
Total offtake	265.05	242.50 - 244.50
Closing Stock as on 30th Sept.	77.00	41.30 - 43.30

Source: Indian Sugar Mills Association (ISMA)

(P) – Provisional and (E) – Estimated

(B) Sugarcane production in Karnataka

The total sugarcane acreage in the country in 2016-17 came down to less than 50 lac hectares – reduction of 5.5% over the previous season.

State of Karnataka is facing drought-like situation due to the deficiency in monsoon rains season from 2015 onwards. This has severely affected the plantation of the sugarcane, yield of sugarcane per hectare and the sugar content in sugarcane. The area under sugarcane plantation in Karnataka declined from 5.10 lac hectares in 2015-16 to 4.15 lac hectares during 2016-17.

The sugar production in Karnataka has, due to the reasons mentioned above, come down to 20.51 Lac MTs against 40.29 Lac MTs of last year. Due to the lower cane availability, most of the sugar mills in the State of Karnataka operated for less than 90 days. Due to this, the capacity utilisation of most of the mills in the State was below 50% which resulted in the steep increase in the cost of production of sugar.

Sugarcane Pricing:

Sugarcane price for the season 2013-14, 2014-15 & 2015-16:

South Indian Sugar Mills Association, Karnataka, on behalf of its Members, including our Company, had filed an appeal before the Supreme Court against the coercive steps taken by the Karnataka State Government for recovery of the disputed sugarcane price, fixed by the Karnataka Sugarcane Control Board, for the season 2013-14. Hon'ble Supreme Court granted stay in the matter against the recovery of the payment of the balance cane bill (which was ` 100/MT out of the cane price of ` 2,500/MT) and coercive action by the Government till the matter is decided by the Court.

Meanwhile, Karnataka Government offered to waive off sugarcane purchase tax for the seasons 2016-17 and 2017-18 to those mills who complete the following cane payments, including the disputed payment against season 2013-14, before 31st July, 2016:

1. Balance of ` 100/MT for the Season 2013-14.
2. FRP for the season 2014-15.
3. FRP for the season 2015-16.

In view of the above offer by the State Government, private sugar mills in the state, including your company, decided to avail this benefit and pay the disputed liability under protest while keeping the appeal before the Supreme Court alive.

Our Company decided to accept the offer of the State Government; we have therefore cleared the liabilities against sugarcane payments for the seasons 2013-14, 2014-15 and 2015-16. Government of Karnataka has issued certificate regarding clearance of dues for the above 3 seasons.

Sugarcane price for the season 2016-17:

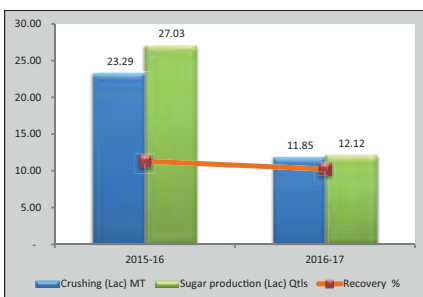
Government of India has accepted recommendation of Commission for Agricultural Costs and Prices (CACP) regarding sugarcane price of ₹ 2,300/MT as FRP linked to 9.5% recovery. FRP applicable to Sameerwadi sugar factory for season 2016-17 works out to ₹ 2,782/- ex-factory including H&T charges based on the actual sugar recovery of 11.49% for season 2015-16.

GOVERNMENT POLICY FOR CONTROLLING INFLATORY SUGAR PRICE:

Government of India came up with various strategies to curtail the shortage situation in India. These policies were majorly focused towards mechanism of adequate sugar availability and controlling Sugar price in the market.

1. Imposed sugar stock holding limits on sugar traders and sugar mills.
2. Government levied export duty of 20% on exports of raw, white & refined sugar which have now made the sugar exports unattractive as compared to domestic market.
3. Duty on import of sugar under the Open General License (OGL) is 40 percent.
4. Government allowed duty free imports of raw sugar for 5 Lac MT under Tariff Rate Quota (TRQ).

SAMEERWADI SUGAR FACTORY:



Sameerwadi sugar factory crushed 11.85 Lac MT of sugarcane in FY 2016-17 with sugar production of 12.12 Lac Qtls as against crushing of 23.29 Lac MT crushing with Sugar production of 27.03 Lac Qtls in previous year.

Due to continuous drought during last 3 years, the availability of cane has come down by almost 50% of the normal supply. This had adverse effect on quality and quantity of cane availability for the season 2016-17. The average recovery of Sugar from sugarcane dropped to 10.23% in the current year from 11.29% in the previous year.

However, India Meteorological Department has forecasted normal monsoon rains during the current monsoon period, which will be good for sugarcane planting this year and cane availability for next Sugar season 2017-18.

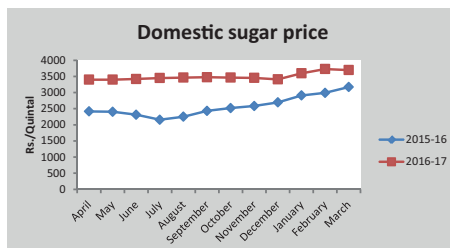
Sameerwadi sugar factory has achieved highest sugarcane crushing and production in South India as a single unit for season 2016-17. The factory has consistently maintained its premium position in terms of Sugar production.

Sugar sales have been adversely affected during the year 2016-17. Our sales dropped by about 50% compared to the previous year especially in Wholesale and Retail segments due to following economic factors:

- a. Demonetization of Currency.
- b. Dumping of excess sugar produced by Uttar Pradesh mills in the market.

Trend in Domestic Sugar prices:

Sugar prices started to rise due to lower production forecasts because of drought conditions that affected cane planting in Maharashtra and Karnataka. Decline in production for Sugar Season 2016-17 has stimulated the domestic sugar prices. All India average ex-mill sugar prices have increased by about 35% against the previous year. Average All India sugar prices surged from ₹ 2,570/ quintal in the previous year to ₹ 3,495/quintal in the current year.



Source: ISMA

Boards' Report

Exports:

We have exported sugar during the year as per the quota allocated on the basis of Minimum Indicative Export Quota (MIEQ) announced by the Government. With Government's imposition of 20% Export duty on sugar exports, Sugar exports from India have become unavailable.

"Jivana":



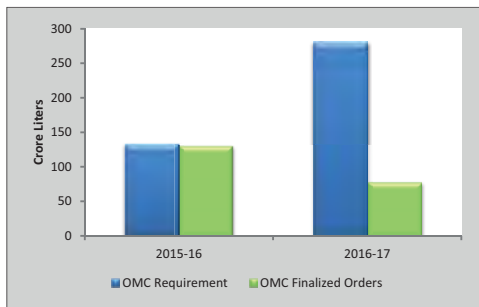
The Company is selling Sugar and Salt under the brand "Jivana". Jivana is present over 10,600 stores across metros, and few select mini-metros of Gujarat, Rajasthan, Maharashtra and Karnataka. We have changed our distribution model during current year in order to be competitive in the market.

Jivana Classic Sugar comes from our sugar refinery in Karnataka. Superior quality sugarcane, eco-friendly farming practices, innovative and certified production processes, and stringent quality control ensure purity, hygiene and consistency in our sugar. Jivana sugar sales have increased by over 65% in the current year as compared to the previous year.

Jivana Salt is marketed in the same regions like Jivana Sugar. Sale of Jivana Salt has increased by over 25% as compared to the previous year.

DISTILLERY DIVISION:

Sameerwadi Distillery unit caters to the demand of beverage industry, fuel industry and chemical industry with various grades of Alcohol.



Government of India has withdrawn the exemption of Excise duty on Ethanol i.e. 12.5% on Basic sale price which works out to ₹ 5 per litre of Ethanol. Sugar mills through various Sugar associations have been requesting the Government to restore the exemption on Excise duty in view of enabling the sugar factories to pay high FRP.

Gap between Oil Marketing Companies (OMCs) Requirement and Final orders is high in 2016-17 (Dec-Nov) due to:

- Downward revision of Ethanol price i.e. ₹ 39 per litre as fixed by the Government and
- Withdrawal of the waiver of central excise duty from ethanol i.e. by about ₹ 5 per litre.



2016-17:

The Company has contracts with OMCs for 7 Million litres against previous year's 17.91 Million litres.

We had to reduce the quantity offered to OMCs due to shortage of Molasses during the Sugar Season 2016-17, as well as downward revision in Ethanol price and Removal of Exemption on Excise duty.

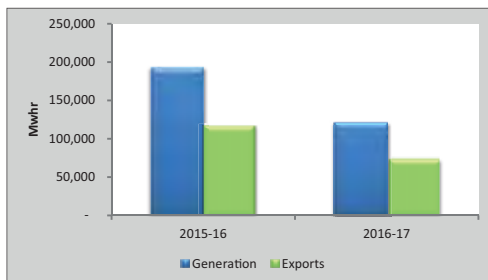
Sameerwadi distillery, to be more environmental friendly has

Boards' Report

successfully installed Incineration Boiler in April 2017. This would enable us to achieve Zero Liquid Discharge (ZLD) for distillery. With this, we expect to improve the capacity utilization of the distillery.

COGENERATION DIVISION:

Cogeneration division has generated 121,710 MWhr in the current year as compared to the power generation of 193,365 MWhr in the previous year. This reduction is due to lower sugarcane crushing and resultant lower Bagasse availability. Initially, Company sold its power on IEX, where the power rate was low about ` 2.5-2.8/Kwh.



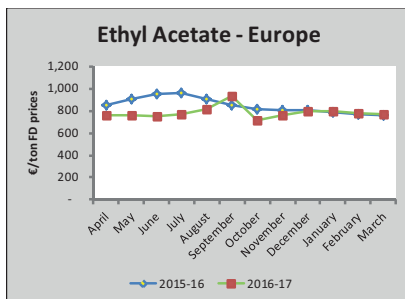
Due to the lower IEX Power Price, Private Sugar factories in Karnataka approached the Government of Karnataka through South Indian Sugar Mill Association Karnataka (SISMA) to enter into the Power Purchase Agreement (PPA) for export of power to Karnataka Power Transmission Corporation Limited (KPTCL).

PPA has been signed in January 2017 for the period of 5 years. Accordingly KPTCL gave the clearance to start the export of power under Temporary Tariff ` 3.47/Kwhr. Karnataka Electricity Regulatory Commission (KERC) has by its order revised the price based of commissioning dates of Cogeneration plants.

Cogeneration plants have undertaken capacity enhancement of Unit-1 boiler from 130 TPH to 140 TPH and capacity enhancement of Unit-2 boiler from 120 TPH to 132 TPH. This will improve the operating efficiencies during the next season and will result in lower Bagasse consumption.

SAKARWADI CHEMICAL DIVISION:

Sakarwadi Chemical Division has recorded a sales turnover of ` 34,788 Lacs for the FY 2016-17 against the previous year sales turnover of ` 37,817 Lacs i.e. drop in sales turnover by about 8%. Despite of decrease in Sales turnover of Chemical division, the Operating performance of Sakarwadi chemical division has been improved compared to the previous year.



Chemicals produced in Sakarwadi serve industries like printing ink & packaging, paints & coatings, adhesives, agrochemical, dyes, pharmaceutical intermediates, APIs, flavor & fragrance, food, personal care & cosmetics, mining, construction etc. Company has identified new market opportunities that are making impact in the country & worldwide in line with the mission and vision of your Company.

Low availability of cane and resultant low availability of Molasses in the domestic market coupled with domestic production being diverted to the petrol blending program resulted into supply crunch of Ethanol in the domestic market. We, being Ethanol based chemical manufacturer, had to fill the gap

between demand and supply through import of Ethanol for manufacturing Chemicals.

Ethyl Acetate prices in European market were about 7% lower than the previous year. This coupled with increase in ocean freight has affected sales realization from exports in the current year.

Factors that helped to improve the chemical business performance are:

- Continuous assessment of chemical market and scrupulously monitoring of the procurement of Raw materials and selling of Ethyl Acetate on "spot basis" depending upon the market price.
- Change in our channel of sales in the domestic market i.e. shift from traditional dealer channel to direct sale to the customer.

Boards' Report

AWARDS & RECOGNITION:

The Company has received the following Awards during the FY 2016-17:

- Indian Chemical Council Award – 2016 for Water Resource Management.
- FICCI Chemicals and Petrochemicals Awards – 2016 for Efficiency in Water Usage for Chemicals.

NEW PROJECTS:

New chemicals and Bagasse based Bio-refinery in Sameerwadi:

We had applied for permission to Karnataka Government under the Karnataka Udyog Mitra (KUM) program for setting up of ethanol based specialty chemicals plant and Bagasse based bio-refinery at Sameerwadi. We are happy to inform that we have received approval from State High Level Clearance Committee for these projects.

REVIEW THE STATUS OF IMPLEMENTATION OF SEBI ORDER:

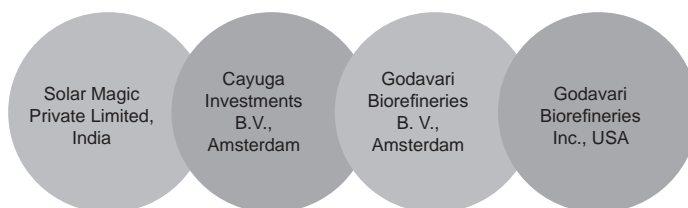
Under the SEBI Order dated 1st January, 2016 your Company and the Sameerwadi Sugarcane Farmers' Welfare Trust were directed to comply with the directions of the Hon'ble SEBI and file a Compliance Report within 12 months from the date of the aforementioned order. Pursuant to the orders issued by SEBI, your Company had filed the Compliance Report with the Hon'ble SEBI on 22nd December, 2016.

The Company and Trust received letters dated 7th March, 2017 from SEBI where the Hon'ble SEBI acceded to the Company's prayers and issued further directions to your Company.

In view of the same your Company completed all the formalities that were required to be done to comply with the directions issued by SEBI and on 10th April, 2017 through its advocates, filed a report with SEBI together with the documents evidencing compliance with the directions issued on 7th March, 2017.

SUBSIDIARIES & ASSOCIATES COMPANIES

As on 31st March, 2017, your Company had four (direct and indirect) subsidiaries (One in India and three overseas), the Company does not have any joint venture companies and associate company.



i. **Solar Magic Private Limited (CIN: U01100MH1998PTC113856)**

The subsidiary is engaged in manufacturing of farm products and provides services to the farmers by way of sale and supply of fertilizers, irrigation facilities and other agriculture inputs.

ii. **Cayuga Investments B.V. (KVK NO: 34319213)**

The Subsidiary is engaged in investment activities. Cayuga has following two subsidiaries which are the Step Down Subsidiaries of Godavari Biorefineries Limited:

- a. Godavari Biorefineries B.V., Amsterdam (KVK NO : 34325188)

The Step Down Subsidiary of the company acts as intermediaries, consultants to provide support services, penetrate European markets.

Boards' Report

b. Godavari Biorefineries Inc., USA (EIN : 30-0546856)

The Company carried on the business as intermediaries, consultants to provide support services, penetrates USA markets during the year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India (ICAI) , forms part of the Annual Report and are reflected in the consolidated financial statements of the Company. In compliance with section 129 of the Companies Act, 2013 a statement containing requisite details including financial highlights of the operation of all the subsidiaries in **Form AOC-1** is annexed to this report.

MATERIAL CHANGES & COMMITMENTS

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2016-17.

DETAILS OF BOARD MEETINGS

During the financial year under review, four meetings of the Board of Directors were held on 24th May, 2016, 1st September, 2016, 5th November, 2016 and 21st February, 2017. Particulars of Directors, their attendance at the Board Meetings held during the Financial Year 2016-17 are as under:

Name of the Director	Category of the Director	Number of Board Meetings held during the FY 2016-17	Number of Board Meetings attended during the FY 2016-17
Mr. Samir S. Somaiya DIN - 00295458	Chairman & Managing Director	4	4
Mr. Vinay V. Joshi DIN - 00300227	Executive Director	4	4
Dr. Preeti Singh Rawat DIN - 07154417	Non-Independent, Non-Executive	4	4
Mr. Paul Zorner DIN - 01888805	Non-Independent, Non-Executive	4	1
Mr. Werner Wutscher DIN - 06456562	Non-Independent, Non-Executive	4	2
Dr. B. R. Barwale DIN - 00001479	Non-Independent, Non-Executive	4	0
Dr. K. V. Raghavan DIN - 00144054	Independent, Non-Executive	4	3
Mr. Kailash Pershad DIN - 00503603	Independent, Non-Executive	4	4
Mr. Jayendra Shah DIN - 00084759	Independent, Non-Executive	4	3
Mr. S. N. Bableshwar DIN - 05101183	Director – Works (Sameerwadi Unit)	4	3
Mr. Mohan Somanathan DIN - 03184356	Director – Works (Sakarwadi Unit - w.e.f. 1st Sept, 2016)	4	3
Mr. Uday Garg DIN - 03285941	Nominee Director Non-Executive	4	4

Boards' Report

DIRETORS AND KEY MANAGERIAL PERSONNEL

During the year Dr. B. R. Barwale, Director of the Company had tendered his resignation from the Board of Directors of your Company w.e.f. 1st September, 2016 due to advanced age.

Currently your Board comprises of eleven (11) Directors including three (3) Independent Directors, four (4) Executive Directors and four (4) Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations.

Mr. Mohan Somanathan was appointed as Director (Works) of Sakarwadi unit with effect from 1st September, 2016, and the same was approved by the members at the Annual General Meeting (AGM) held on 30th September, 2016.

Mr. Bableshtar was re-appointed as Director (Works) of Sameerwadi unit with effect from 1st April, 2017, and the same will be placed for approval at the ensuing AGM.

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. Preeti Singh Rawat, Non-Executive Director and Mr. Mohan Somanathan, Director - Works (Sakarwadi unit) of the Company, retires by rotation at the ensuing AGM, and being eligible, have offered themselves for re-appointment.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Samir Somaiya, Chairman & Managing Director, Mr Naresh Khetan, Chief Financial Officer and Ms Nishi VijayVargiya, Company Secretary & Compliance Officer of the Company continue as Key Managerial Personnel of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year. In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman, Managing Director and other Non-Independent Directors along with performance of the Board and its Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Share Transfer and Allotment Committee.

AUDIT COMMITTEE:

Currently the Audit Committee of the Board comprises of five (5) Directors including Mr. Kailash Pershad, as Chairman, Mr Samir Somaiya, Dr. K. V. Raghavan, Mr. Jayendra Shah and Mr. Uday Garg as its Members

During the year under review, four (4) meetings of the Audit Committee were held on 24th May, 2016, 1st September,

Boards' Report

2016, 5th November, 2016 and 21st February, 2017

NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. Kailash Pershad as Chairman, Mr. Uday Garg, Mr. Jayendra Shah and Mr. Samir Somaiya as its Members.

During the year under review the Committee met thrice on 24th May, 2016, 1st September, 2016 and 21st February, 2017.

SHARE TRANSFER & ALLOTMENT COMMITTEE (STAC)

STAC Committee was constituted by the Board in its meeting held on 9th February, 2016.

Currently the STAC comprises of Mr Samir Somaiya as Chairman, Mr. Vinay V. Joshi, Mr. S. N. Bableshwar and Mr Mohan Somanathan, as its Members

During the year under review, STAC met eleven (11) times on 9th April, 2015, 12th July, 2016, 1st August, 2016, 24th August, 2016, 5th October, 2016, 14th October, 2016, 25th November, 2016, 12th December, 2016, 29th December, 2016, 17th March, 2017 and 30th March, 2017.

WHISTLE BLOWER & VIGIL MECHANISM

As per Section 177, Rule 7 of the Companies Act, 2013 a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of the Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

SHARE CAPITAL

The Authorised Capital of your Company is ₹ 60 Crores divided into 4,20,00,000 (Four Crores Twenty Lakhs) Equity Shares of ₹ 10/- each and 18,00,000 (Eighteen Lakh) Preference Shares of ₹ 100/- each. On 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at ₹ 36,95,23,470/- (Thirty Six Crores Ninety Five Lakhs Twenty Three Thousand Four Hundred and Seventy) comprising 3,69,52,347 (Three Crores Sixty Nine Lakhs Fifty Two Thousand Three Hundred and Forty Seven) Equity shares of ₹ 10/- each.

During the year under review, your Company had issued 12,14,600 (Twelve Lakhs Fourteen Thousand Six Hundred) Equity Shares of ₹ 10/- each on a preferential basis at a price of ₹ 190/- each.

DEPOSITS

Pursuant to Section 73 of the Companies Act, 2013 read with Rule 2 (e) of Companies (Acceptance of Deposits) Rules, 2014 your Company has obtained consent of the members to accept Public Deposits at its Annual General Meeting held on 30th September, 2016 and started accepting the deposits after due compliance of the provisions laid down in the Act.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

Boards' Report

In compliance with the requirements of section 135 read with Schedule VII of the Companies Act 2013, the Board had constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company comprising of Mr. K.V. Raghavan as Chairman, Mr. Samir Somaiya and Mr. Paul Zorner as its members.

A detailed report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Companies Act, 2013, is annexed to this report as **Annexure I**.

RELATED PARTY TRANSACTIONS

The Details of transactions entered into with the Related Parties is annexed to this report as **Annexure II**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure III** to this report.

RESEARCH AND DEVELOPMENT

Research and Development continues to be a strong backbone for the continuous innovation and business plans of your Company. It focuses on the key areas of:

- i) new process development exploring new value added products out of sugarcane biomass
- ii) continuous improvement in the existing processes for value creation and to achieve sustainable growth and
- iii) continuous improvement in the products quality as perceived by the customer

The detailed disclosure is annexed to this report as **Annexure III**.

AUDITORS' REPORT

The notes to accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments. The observations and comments given in the report of the Auditors read together with notes to accounts are self explanatory and hence do not call for any further information and explanation under Section 134 of the Companies Act, 2013.

AUDITORS

Statutory Auditor: The Statutory Auditors M/s Desai Saksena & Associates, Chartered Accountants, Mumbai, having Firm Registration No 102358W, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Your Company has received confirmation from the Auditors to the effect that their reappointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. The re-appointment proposed is within the time frame for transition as provided under the third proviso to sub-section (2) of section 139 of Companies Act 2013.

Secretarial Auditor: During the year, Secretarial Audit was carried out by Mr. Tushar Shridharani, Practising Company Secretary having Membership No. FCS 2690 and COP No. 2190 in compliance with section 204 of the Companies Act, 2013.

Boards' Report

The report of the Secretarial Audit is annexed to this report as **Annexure IV**.

Cost Auditors: In terms of the section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. B.J.D Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company having Firm Registration No. 000011 to conduct the Cost Audit for the financial year 2017-18. The Cost Auditor has given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under Section 141 of the Companies Act, 2013. Further the remuneration payable to the cost auditor is placed before the Members for their ratification.

RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by your Company. The Board has approved Risk Management Policy, which acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization. The Board monitors and reviews the implementation of various aspects of the Risk Management Policy through a duly constituted Risk Management Committee (RMC)

Your Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review no complaint on sexual harassment was received.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments by your Company to other bodies corporate or persons are given in notes to the financial statements.

PARTICULARS OF EMPLOYEES

The disclosures in terms of the provisions of section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as **Annexure V**.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as **Annexure VI**.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and

Boards' Report

ensuring compliance with corporate policies. As a means to further strengthen the control environment, during the year, the processes were benchmarked with industry practices to identify the gaps, if any, and remedial measures were taken.

The Audit Committee reviews adherence to internal control systems and internal audit reports.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by the Government Authorities, Banks, Financial Institutions, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges and Depositories, Sugarcane Growers Association, Suppliers, Customers, Investors and finally to all its members for the trust and confidence reposed on the Company.

The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

Your Directors also acknowledge the support extended by the employees with their dedicated service and contribution to the Company.

For and on behalf of the Board of Directors

Date : 30th May, 2017

Place : Mumbai

**sd/-
Samir S. Somaiya
Chairman and Managing Director
DIN -00295458**

ANNEXURE I

Annual Report on Corporate Social Responsibility

(Pursuant to section 135 of the Act & Rules made thereunder)

A brief outline of your Company’s CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs:

Pursuant to section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Gender Equality and Women Empowerment.

- **Composition of the CSR Committee:**

1. Mr. K.V. Raghavan, Chairman
2. Mr. Paul Zorner, Member
3. Mr. Samir Somaiya, Member

- **Salient features of Corporate Social Responsibility (CSR) Policy:**

Your Company undertakes CSR activities on founder’s philosophy “**What we receive gives back multifold**” in its area of Company’s operations in Karnataka and Maharashtra. The prominent focus is on promotion of Education, Healthcare, Gender equality and empowering women, providing safe drinking water and environmental sustainability.

- Average Net Profit / (Loss) before Tax for your Company for last three financial years: NA
- Prescribed CSR Expenditure (two per cent of the amount as mentioned above): NA
- Details of CSR spent for the financial year:
 1. Total amount spent for the financial year. – ` 1,62,53,253
 2. Amount unspent, if any. – NIL
 3. Areas where spent – The manner in which the amount is spent is detailed in part A to the annexure.

Annexure “I” to the Boards’ Report

A. CSR Expenditure for 2016-17:

Sr. No	CSR Project or Activity Identified	Sector in which Project covered	Specify state and district where projects or programmes was undertaken	Amount Outlay (in `) budget program wise)	Amount Spent on the projects (in `)	Cumulative Expenditure upto the reporting period (in `)	Amount spent Direct or through implementing agency
1	Help a Child	Education	Sameerwadi, Karnataka, Dist- Mudhol	12,00,000	12,09,587	12,09,587	Through Somaiya Vidyavihar (SVV) Trust
2	Sponsorship of Schools	Education	Sameerwadi, Sakarwadi & Mumbai Office	98,50,000	75,87,725	75,87,725	Direct & through SVV Trust
3	Somaiya Shishuvihar (Anganwadi)	Education	Sameerwadi	3,60,000	3,58,058	3,58,058	Direct
4	Self employment (Tailoring Centers)	Self employment	Sameerwadi	6,90,000	5,49,200	5,49,200	Direct
5	Medical Camps	Healthcare	Sakarwadi, Dist- Ahmednagar, Maharashtra	4,00,000	2,96,344	2,96,344	Direct
6	Organising Sports and Cultural Programmes	Rural Development	Sameerwadi	50,00,000	Nil	Nil	-
7	Tree Plantation, Soil and Water Conservation, adopting animal at Zoo	Environmental Sustainability	Sakarwadi	0	30,20,079	30,20,079	Direct
8	National relief / others	Flood relief woks, contribution Prime Minster's relief funds such as earth quick, floods, etc.	Sakarwadi	0	34,247	34,247	Direct
9	Salary	Staff Salary	Sameerwadi & Mumbai Office	22,00,000	26,69,657	26,69,657	Direct
10	Administration	Travelling, Stationery, Seminars stc.	Sameerwadi & Mumbai Office	5,00,000	5,28,355	5,28,355	Direct
TOTAL				2,00,00,000	1,62,53,253	1,62,53,253	

ANNEXURE II

Details of contracts or arrangements or transactions at Arm’s Length Basis

(₹ in Lakhs)

Sr. No	Name of the Related Party	Nature of Transaction	Nature of Relationship	Duration of Contract	Salient terms of the Contract	Date of Approval by the Board	Advance paid/ received for the Contract
1	Jasmine Trading Co. Pvt. Ltd.	Property on Leave and License	Associate Company	1 year	Leave and License for the period of 1 year	24-05-2016	Nil
2	Somaiya Properties & Investments Pvt. Ltd.	Property on Leave and License	Associate Company	1 year	Leave and License for the period of 1 year	24-05-2016	Nil
3	Arpit Limited	Property on Leave and License	Associate Company	1 year	Leave and License for the period of 1 year	24-05-2016	Nil
4	Somaiya Chemicals Industries Pvt. Ltd.	Property on leave and License	Associate Company	1 year	Leave and License for the period of 1 year	24-05-2016	Nil
5	K.J.Somaiya & Sons Pvt. Ltd.	Property on Leave and License	Associate Company	1 year	Leave and License for the period of 1 year	24-05-2016	Nil
6	Godavari Biorefineries INC.	Commission paid for sale of goods	Step Down Subsidiary Company	1 year	2-3% on FOB Value or \$ 20-25 Per MT	24-05-2016	Nil
7	Godavari Biorefineries INC.	Liaisoning Fees paid	Step Down Subsidiary Company	1 year	N.A.	24-05-2016	Nil
8	Godavari Biorefineries B. V.	Liaisoning Fees paid	Step Down Subsidiary Company	1 year	N.A.	24-05-2016	Nil
9	Godavari Biorefineries B. V.	Sale of Goods	Step Down Subsidiary Company	1 year	As per Term Agreed, for each transaction	24-05-2016	Nil
10	Ms. Harinakshi Somaiya	Salary	Sister of Mr. Samir S. Somaiya, CMD	1 year	General Manager (Communication & Development)	24-05-2016	Nil
11	The Book Centre Ltd.	Printing & art work of stationary and reports etc.	Associate Company	1 year	As per PO issued, for each transaction	24-05-2016	Nil
12	Pentokey Organy (India) Ltd.	Purchase of goods	Associate Company	1 year	As per PO issued, for each transaction	24-05-2016	Nil

Annexure “II” to the Boards’ Report

(` in Lakhs)

Sr. No	Name of the Related Party	Nature of Transaction	Nature of Relationship	Duration of Contract	Salient terms of the Contract	Date of Approval by the Board	Advance paid/ received for the Contract
13	Pentokey Organy (India) Ltd.	Sale of goods	Associate Company	1 year	As per Term Agreed, for each transaction	24-05-2016	231.98
14	Arpit Ltd.	Sale of goods	Associate Company	1 year	As per Term Agreed, for each transaction	24-05-2016	Nil
15	Mrs. Maya S. Somaiya	Purchase of goods	Mother of Mr. Samir S. Somaiya, CMD	1 year	As per FRP declared by Government / Cane price paid to sugar farmers whichever is higher	24-05-2016	Nil
16	Mr. Samir S. Somaiya	Purchase of goods	Chairman & Managing Director	1 year	A Government / Cane price paid to sugar farmers whichever is higher	24-05-2016	Nil
17	Ms. Harinakshi Somaiya	Purchase of goods	Sister of Mr. Samir S. Somaiya, CMD	1 year	As per FRP declared by Government / Cane price paid to sugar farmers whichever is higher	24-05-2016	Nil
18	K.J. Somaiya & Sons Pvt. Ltd.	Royalty paid for use of Trademark	Associate Company	1 year	If turnover is upto 1000 Cr Royalty @ 0.1% on Sales, Above 1000 Cr And upto 2500 Cr, 0.075% on Sales	24-05-2016	Nil
19	Filmedia Communications System Pvt. Ltd	Service Charges paid for manpower services	Associate Company	1 year	NA	24-05-2016	Nil
20	Solar Magic Pvt. Ltd.	Unsecured Loans	Wholly owned Subsidiary Company	1 year	NA	24-05-2016	Nil
21	Solar Magic Pvt. Ltd.	Purchase of goods	Wholly owned Subsidiary Company	1 year	As per PO issued, for each transaction	24-05-2016	Nil
22	Solar Magic Pvt. Ltd.	Interest Received	Wholly owned Subsidiary Company	1 year	Interest Received	24-05-2016	8% per annum
23	Acharya Travels	Air Ticket Bookings	Mrs. Amrita Somaiya, Wife of Mr. Samir S. Somaiya, is Partner in the firm.	1 year	As per PO term agreed, for each transaction	24-05-2016	Nil

Annexure “II” to the Boards’ Report

(` in Lakhs)

Sr. No	Name of the Related Party	Nature of Transaction	Nature of Relationship	Duration of Contract	Salient terms of the Contract	Date of Approval by the Board	Advance paid/ received for the Contract
24	Design Craft [Division of Somaiya Agencies Pvt. Ltd. (SAPL)]	Purchase of Gift Articles and Books	Mr. Samir Somaiya is Director of SAPL.	1 year	As per Maximum Retail Price	24-05-2016	Nil
25	Zenith Commercial Agency Pvt. Ltd. (Gayatri Salt Works)	Purchase of Salt	Associate Company	1 year	As per PO issued, for each transaction	24-05-2016	Nil
26	K. J. Somaiya Institute of Applied Agricultural Research	Purchase of Seeds etc.	Associate	1 year	NA	24-05-2016	Nil
27	K. J. Somaiya Institute of Applied Agricultural Research	Donation	Associate	1 year	NA	24-05-2016	Nil
28	K J Somaiya Medical Trust	Donation	Associate	1 year	NA	24-05-2016	Nil
29	Somaiya Vidyavihar	Donation	Associate	1 year	NA	24-05-2016	Nil
30	Jasmine Trading Co. Pvt. Ltd.	Inter - Corporate Deposits (ICD)	Associate	Max 6 Months	9% Rate of Interest Per Annum	01-09-2016	Nil
31	K.J.Somaiya & Sons Pvt. Ltd.	Inter - Corporate Deposits (ICD)	Associate	Max 6 Months	9% Rate of Interest Per Annum	01-09-2016	Nil
32	Sakarwadi Trading Company Ltd	Inter - Corporate Deposits (ICD)	Associate	Max 6 Months	9% Rate of Interest Per Annum	01-09-2016	Nil
33	Mr. Samir S. Somaiya	Advance / Loan	Chairman & Managing Director	Max 6 Months	ROI : Nil	01-09-2016	Nil
34	Somaiya VidyaVihar Trust	Consultancy	Trustee	1 year	As per Term Agreed, for each transaction	01-09-2016	Nil
35	K.J.Somaiya Institute of Management Studies	Payment for Leadership Development Programme	Associate	N.A.	As per Term Agreed, for each transaction	21-02-2017	Nil
36	Godavari Biorefineries B. V	Payment of Commission on Sale of Goods	Step Down Subsidiary Company	1 year	As per Term Agreed, for each transaction	21-02-2017	Nil

ANNEXURE III

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3)(m) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3)(m) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of energy:

1. Steps taken for conservation of energy:

The Company has taken various steps towards energy conservation. The Company continues to give high priority to the conservation of energy on an ongoing basis. Some of the important measures taken are:

Sugar Division

Sr. No.	Description of Energy conservation Implemented	Remarks/Result
1	For Unit-1 Co-gen plant	
	a) Installation of 54 TPH capacity of Bagasse drier for Unit-1 Boiler 130 TPH capacity	The bagasse feeding to boiler, the moisture in let boiler was dropped from 50% to 44%, 6 units of moisture drop achieved. Thereby saving bagasse.
	b) Boiler feed water pump drive 6.6 HT drive replaced by 415 V LT drive with VFD	5% energy saving in bagasse.
	c) Boiler Capacity enhancement implemented. From 130 TPH to 140 TPH	The steam generation in sugar boiler reduced by 10 TPH and steam fuel ratio enhanced.
2	For Unit-2 Co-gen plant	
	a) Unit-2 Boiler Capacity enhancement implemented. From 120 TPH to 132 TPH	The steam generation in sugar boiler 12 TPH reduced. The steam fuel ratio in sugar boiler is 1.9. The steam fuel ratio in Co-gen boiler is 2.25 Bagasse saving/Hr 0.97 T/Hr
3	Street Light and plant lighting	
	a) In co-gen plant total 30 numbers street light sodium vapor lamps 250 Watt replaced by 100 Watt LED	Energy saving /day , 12 Hours consideration : 54 Kwh
	b) In co-gen plant total 300 numbers plant lighting sodium vapor lamps 70 watt is replaced by 26 watt LED	Energy saving /day , 12 Hours consideration : 160 Kwh

- (i) Melt concentration at boiling house –2 was done from 4th Vapour in place of 3rd Vapour.
- (ii) 4th vapours were used against 3rd vapours for final heating of raw juice at BH-2.
- (iii) Plate type heater was installed to heat raw juice by utilizing heat in E2 condensate at BH-1.

Annexure “III” to the Boards’ Report

Chemical Division:

1. Replacement of Conventional steam jet ejector by Dry Vacuum pumps
2. Conventional low efficiency lamps are being replaced in phased manner with energy saving efficient bulbs.
3. The steps taken by the company for utilizing alternate source of energy : Converting Solar energy is under progress on trial basis.

The Capital Investment in energy conservation equipment during the year 2016-17 was ` 754 lacs.

B. Technology Absorption:

1. Efforts made towards Technology Absorption:

Your Company is pursuing Research & Development (R&D) activities in the following broad areas:

1. Biomass based bio refining
2. Acetaldehyde chemistry
3. Fermentation of sugars
4. Polymers
5. Cane
6. Cancer Biology
7. Other value added products (Juice)

A new area being explored by R&D is screening of anti-cancer molecules from varied source and capture market value of the molecules by demonstrating superiority of molecules to existing therapies.

- To reduce water requirement and reduction in effluent generation.
- Processes for various acetaldehyde based acetals were developed .
- Pilot scale MCC production plant was commissioned and trials samples were given to various customers..
- To arrive at Zero discharge we are installing incineration boiler which uses spent wash and coal as a fuel.
- Providing “E scale off” on the Industrial cooling water at the cost of 14 Lacs, which resulted in saving of Cooling Tower chemicals @ ` 13.7 Lakhs per year.

2. Benefits derived as a result of above R&D:

- In house process Diethyl Acetal process was implemented in the plant and have received export orders.
- Various modifications on mining chemicals were done to adopt customer needs.
- Primary extraction, Brix curves and big mill tests are conducted to assess the varietal and Sugar Mill performance.
- Adoption of incineration boiler at Distillery to utilize caloric value of the spent wash and generation power.
- Adoption of new developments by extending of Grooved Roller Pressure Feeder (GRPF) to second mill in sugar milling plant and commissioning of continuous panes, and latest high capacity, energy efficient machines enabled to improve the crushing rate, avoid jamming of bagasse, higher crushing rate and better quality of

Annexure “III” to the Boards’ Report

sugar.

- R&D is involved in developing many new molecules and analogues of its lead molecule that can extend life of cancer patients where current medications are insufficient.

3. In case of imported technology (imported during last three years reckoned from the beginning of the financial year: NIL

4. Expenditure incurred on Research and Development:

(` in Lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
A) Capital	52.00	39.24
b) Recurring	1072.65	1,039.57
Total	1,124.65	1,078.81

A. Foreign Exchange earnings and outgo:

(` in Lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
Foreign exchange earned in terms of actual inflows	18,898.01	35,646.54

For and on behalf of the Board of Directors

Date : 30th May, 2017
Place : Mumbai

sd/-
Samir S. Somaiya
Chairman and Managing Director
DIN -00295458

Annexure IV

**Secretarial Audit Report
For the Financial Year ended on 31 March 2017**

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

The Members -
Godavari Biorefineries Limited
45/47, Mahatma Gandhi Road, Fort
Mumbai – 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godavari Biorefineries Limited (“the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
2. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to the Foreign Direct Investment and Overseas Direct Investment;
4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
5. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

Having regard to the compliance system prevailing, on examination of the relevant documents on a test check basis, explanations provided; I further report that the Company has complied with the following laws applicable specifically to the Company.

Annexure “IV” to the Boards’ Report

1. Essential Commodities Act, 1955
2. Sugar (Control) Order, 1966
3. The Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013
4. Sugarcane (Control) Order, 1966
5. Sugar (Packing and Marking) Order, 1970
6. Sugar Cess Act, 1982
7. Sugar Development Fund Act, 1982
8. The Karnataka Sugar (Regulation of Production) Order, 1975
9. Food Safety and Standard Act, 2006
10. Export (Quality Control and Inspection) Act, 1963
11. Agriculture and Processed Food Products Exports Act, 1986
12. Karnataka Land Reforms Act, 1974
13. Minimum Wages Act, 1948 as applicable to Sugar Industry
14. Indian Electricity Act, 1910
15. The Electricity Act, 2003
16. The Electricity Regulatory Commission Act 1998
17. The Electricity Act, 2015
18. The Electricity Supply Act, 1948
19. The Electricity Tax Amendment Act, 1959
20. The Electricity Tax Amendment Act, 2013
21. Karnataka Excise (Distillery and Warehouse) Rules, 1967
22. Licensing related regulation of Petroleum and Explosives Safety Organisation as applicable for manufacturing and storing Ethyl Alcohol
23. Petroleum Act, 1934

During the Audit Period; the following Acts, Regulations and Guidelines were not applicable to the Company.

1. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
2. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
3. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
4. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
6. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

Annexure “IV” to the Boards’ Report

7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
9. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to External Commercial Borrowings.

I further report that -

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

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

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

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

I further report that during the Audit Period the Company had no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(Tushar Shridharani)

Practicing Company Secretary

FCS: 2690 / COP: 2190

Place: Mumbai

Date: May 30, 2017

Annexure “V” to the Boards’ Report

Annexure V

Particulars of Remuneration of Employees

(Pursuant to section 197 read with Rule 5 of Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014)

(A) EMPLOYED THROUGHOUT THE PERIOD AND RECEIPT OF REMUNERATION IN THE AGGREGATE OF NOT LESS THAN ₹ 102 LACS PER ANNUM.

Name of the Employee	Designation and Nature of Duties	Remuneration Received (₹ in lacs)	Nature of the Employment whether contractual or otherwise	Qualifications and Experience of the Employee before joining	Date of Commencement of Employment of the Company	Age	Last Employment held by such Employee
Mr. Samir S. Somaiya	Chairman & Managing Director	202.79	Contractual	B.S. Chemical Engineering, Cornell M. Chemical Engineering, Cornell MBA, Cornell MPA, Harvard 20 years of experience.	29 / 09 / 2009	49 years	The Godavari Sugar Mills Limited, Director

(B) EMPLOYEES OF THE COMPANY WHO WERE EMPLOYED PART OF THE YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR THAT YEAR IN THE AGGREGATE OF NOT LESS THAN ₹ 8.50 LACS PER MONTH: NIL

NOTES : Remuneration received as shown in the statement includes Salary, Bonus, Commission, Leave Encashment, House Rent Allowance or value for perquisites for accommodation, motor car perquisite and other allowance like contribution to provident fund and superannuation Fund, Gratuity, Leave Travel Facility and Reimbursement of Medical Expenses as applicable

For and on behalf of the Board of Directors

Date : 30th May, 2017
Place : Mumbai

sd/-
Samir S. Somaiya
Chairman and Managing Director
DIN -00295458

Annexure VI

Extract of Annual Return

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

- i. **CIN** U67120MH1956PLC009707
- ii. **Registration date** 12th January, 1956
- iii. **Name of the Company** Godavari Biorefineries Limited
- iv. **Category / Sub-Category of the Company** Public Company/ Company Limited by Shares
- v. **Address of the Registered Office & Contact Details** Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai- 400001
- vi. **Whether listed or unlisted** Yes (with respect to Non-Convertible Debentures on Bombay Stock Exchange - BSE)
- vii. **Name, Address and Contact details of Registrar Transfer Agent** Link Intime India Private Limited
C – 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Tel: 022- 4918 6000
Email: rnt.helpdesk@linkintime.co.in

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	1072	47.74%
2.	Ethyl Acetate	20116	19.36%

Annexure “VI” to the Boards’ Report

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

NAME & ADDRESS OF THE COMPANY	CIN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Solar Magic Pvt. Ltd. Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai- 400001	U51900MH1998PTC113856	Subsidiary	100%	2(87)
Cayuga Investments B.V WTC Schiphol Airport D Tower, 11th Floor, Schiphol Boulevard 359 1118 BJ Schiphol Amsterdam The Netherlands.	KVK No 34319213	Subsidiary	100%	2(87)
Godavari Biorefineries B.V., WTC Schiphol Airport D Tower, 11th Floor, Schiphol Boulevard 359 1118 BJ Schiphol Amsterdam The Netherlands.	KVK No: 34325188	Step-Down Subsidiary of Cayuga Investments B.V.	100%	2(87)
Godavari Biorefineries Inc., 200 Centennial Avenue, Suite # 260, Piscataway, NJ 08854	EIN No. 30-0546856	Step-Down Subsidiary of Cayuga Investments B.V.	100%	2(87)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	-	38,17,765	38,17,765	10.68	-	41,60,815	41,60,815	11.26	0.58
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	236,39,749	236,39,749	66.15	-	243,76,649	243,76,649	65.97	(0.18)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	274,57,514	274,57,514	76.83	-	285,37,464	285,37,464	77.23	0.4
2. Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	274,57,514	274,57,514	76.83	-	285,37,464	285,37,464	77.23	0.4
B. Public Shareholding									
1. Institutions.									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-

Annexure “VI” to the Boards’ Report

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Company)	47,65,033	-	47,65,033	13.33	49,26,983	-	49,26,983	13.33	0
Sub-total (B)(1):-	47,65,033	-	47,65,033	13.33	49,26,983	-	49,26,983	13.33	0
2.Non-Institutions									-
a) Bodies Corp.									-
i) Indian	-	1,12,500	1,12,500	0.30	-	1,12,500	1,12,500	0.30	0
ii) Overseas		0	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	0	32,470	32,470	0.09	600	22,74,170	22,74,770	6.15	6.06
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	0	11,00,630	11,00,630	3.08	0	11,00,630	11,00,630	2.98	(0.1)
c) Others (specify) Trust	-	22,69,600	22,69,600	6.35	-	0	0	0	(6.35)
Sub-total (B)(2):-	-	35,15,200	35,15,200	9.84	600	34,87,300	34,87,900	9.43	(0.41)
Total Public Shareholding									-
(B)=(B)(1)+(B)(2)	47,65,033	35,15,200	82,80,233	23.17	49,27,583	34,87,300	84,14,883	22.77	(0.4)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	47,65,033	309,72,714	357,37,747	100	49,27,583	320,24,764	369,52,347	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	Somaiya Properties and Investments Pvt. Ltd.	1,20,000	0.34	-	1,20,000	0.32	-	(0.02)
2	Sindhur Construction Pvt. Ltd.	26,05,120	7.29	-	26,05,120	7.05	-	(0.24)
3	Arpit Limited	73,000	0.20	-	73,000	0.20	-	0
4	Filmedia Communication Systems Pvt. Ltd.	7,00,000	1.96	-	7,00,000	1.89	-	(0.07)
5	K.J. Somaiya and Sons Pvt. Ltd.	3,71,250	1.04	-	5,02,850	1.36	-	0.32
6	Karnataka Organic Chemicals Pvt. Ltd.	2,50,000	0.70	-	2,50,000	0.68	-	(0.02)
7	Somaiya Agencies Pvt. Ltd.	85,49,965	23.92	-	85,49,965	23.14	-	(0.78)
8	Somaiya Chemicals Industries Pvt. Ltd.	20,000	0.06	-	20,000	0.05	-	(0.01)
9	Zenith Commercial Agencies Pvt. Ltd.	6,30,000	1.76	-	6,30,000	1.70	-	(0.06)
10	Lakshmiwadi Mines & Minerals Pvt. Ltd.	51,93,462	14.53	-	52,19,762	14.13	-	(0.40)
11	Sakarwadi Trading Company Pvt. Ltd.	49,81,952	13.94	-	53,63,552	14.51	-	0.57
12	Jasmine Trading Co. Pvt. Ltd.	1,45,000	0.41	-	3,42,400	0.93	-	0.52
13	Shri Samir S. Somaiya Karta of S K Somaiya HUF.	1,49,950	0.42	-	1,49,950	0.41	-	(0.01)
14	Shri Samir Shantilal Somaiya	36,67,815	10.26	-	40,10,865	10.85	-	0.59
	Total	274,57,514	76.83	-	285,37,464	77.23	-	0.40

Annexure “VI” to the Boards’ Report

(iii) Change in Promoters’ Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Somaiya Properties and Investments Pvt. Ltd.	1,20,000	0.34	-	-	No Change	1,20,000	0.32
2	Sindhur Construction Pvt. Ltd.	26,05,120	7.29	-	-	No Change	26,05,120	7.05
3	Arpit Limited	73,000	0.20	-	-	No Change	73,000	0.20
4	Filmedia Communication Systems Pvt. Ltd.	7,00,000	1.96	-	-	No Change	7,00,000	1.89
5	K.J. Somaiya and Sons Pvt. Ltd.	3,71,250	1.04	-	-	1,31,600 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 at a Premium of ₹ 180/- per Equity Share.	5,02,850	1.36
6	Karnataka Organic Chemicals Pvt. Ltd.	2,50,000	0.70	-	-	No Change	2,50,000	0.68
7	Somaiya Agencies Pvt. Ltd.	85,49,965	23.92	-	-	No Change	85,49,965	23.14
8	Somaiya Chemicals Industries Pvt. Ltd.	20,000	0.06	-	-	No Change	20,000	0.05
9	Zenith Commercial Agencies Pvt. Ltd.	6,30,000	1.76	-	-	No Change	6,30,000	1.70
10	Lakshmiwadi Mines & Minerals Pvt. Ltd	51,93,462	14.53	-	-	26,300 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 at a Premium of ₹ 180/- per Equity Share.	52,19,762	14.13
11	Sakarwadi Trading Company Pvt. Ltd	49,81,952	13.94	-	-	92,100 and 2,89,500 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 and 29th December, 2016 respectively at a Premium of ₹ 180/- per Equity Share.	53,63,552	14.51
12	Jasmine Trading Co. Pvt. Ltd.	1,45,000	0.41	-	-	1,97,400 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 at a Premium of ₹ 180/- per Equity Share.	3,42,400	0.93
13	Shri Samir S. Somaiya Karta of S K Somaiya HUF.	1,49,950	0.42	-	-	No Change	1,49,950	0.42
14	Shri Samir Shantilal Somaiya	36,67,815	10.26	-	-	3,15,750 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 at a Premium of ₹ 180/- per Equity Share. Pursuant to SEBI Order dated 7th March, 2017, Mr. Samir Somaiya was permitted to purchase 27,300 shares of the Company, which were held in the name of the Sameerwadi Sugarcane Farmers Welfare Trust, at a price of ₹ 200/- share.	40,10,865	10.85
	Total	274,57,514	76.83				285,37,464	77.23

Annexure “VI” to the Boards’ Report

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

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mandala Capital AG Limited	47,65,033	13.33%	49,26,983	13.33%	1,61,950	0.003
2	Smt. Mayadevi Shantilal Somaiya	5,27,680	1.48%	5,27,680	1.43%	-	-
3	Dr. S K Somaiya (Harinakshi Somaiya(B.) Trust)	3,00,000	0.84%	3,00,000	0.81%	-	-
4	Ankit Raj Organo Chemicals Limited	1,12,500	0.31%	1,12,500	0.30%	-	-
5	Shri Vijay V. Mithani	68,750	0.19%	68,750	0.19%	-	-
6	Shri Upendra V. Mithani	68,750	0.19%	68,750	0.19%	-	-
7	Smt. Savitriben H. Daiya	19,350	0.05%	19,350	0.05%	-	-
8	Smt. Nirupama K. Maskai	19,350	0.05%	19,350	0.05%	-	-
9	Smt. Pratima K Somaiya	19,350	0.05%	19,350	0.05%	-	-
10	Smt Leelaben M. Kotak	19,350	0.05%	19,350	0.05%	-	-
	Total	59,20,113	16.54%	60,82,063	16.45%	1,61,950	0.003

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Promoters Share holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Shri. Samir Shantilal Somaiya	36,67,815	10.26	3,43,050	0.59	3,15,750 Equity Shares of ₹ 10/- each were allotted by Godavari Biorefineries Ltd on 14th October, 2016 at a Premium of ₹ 180/- per Equity Share. Pursuant to SEBI Order dated 7th March, 2017, Mr. Samir Somaiya was permitted to purchase 27,300 shares of the Company, which were held in the name of the Trustees, at a price of Rs. 200/- share.	40,10,865	10.85

Annexure “VI” to the Boards’ Report

V. INDEBTEDNESS

Indebtedness Of The Company Including Interest Outstanding / Accrued but Not Due For Payment

(` in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	51,155	30,266	97	81,517
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,144	2,079	-	3,223
Total (i+ii+iii)	52,299	32,345	97	84,740
Change in Indebtedness during the financial year				
- Addition				
Principal Amount	8,125	36,476	539	45,141
Interest accrued but not due	533	1,748	13	2,294
- Reduction				
Principal Amount	(6,400)	(28,766)		(35,166)
Interest accrued but not due	(47)	(2,079)	(5)	(2,131)
Net Change	2,212	7,378	547	10,137
Indebtedness at the end of the financial year				
i) Principal Amount	52,880	37,976	636	91,492
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,631	1,747	8	3,386
Total (i+ii+iii)	54,511	39,723	644	94,877

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL

A. Remuneration To Managing Director, Whole-Time Directors and / or Manager:

(Amount in `)

Sr. No.	Particulars of Remuneration	Chairman and Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	Total Amount
		Shri S.S. Somaiya	Shri V.V. Joshi	Shri S. N. Bableshtar	*** Shri S. Mohan	
1	Gross salary					
	*(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,89,43,690	55,96,765	32,14,991	18,63,981	2,96,19,427
	** (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	-	-	79,200
	(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	Contribution to PF	12,96,000	5,30,424	-	1,47,000	19,73,424
	Total (A)	2,02,79,290	61,66,789	32,14,991	20,10,981	3,16,72,051
	Ceiling as per the Act	As Per Limits Provided in the Schedule V of Companies Act, 2013 & rules there under				
* Includes leave encashment & LTA availed during this year and provided for in the books.						
*** Shri S. Mohan appointed as Director w.e.f 1st September, 2016.						

Annexure “VI” to the Boards’ Report

B. Remuneration To Other Directors:

(Amount in `)

Particulars of Remuneration	Name of Director							Total Amount
	K.V Raghavan	Kailash Pershad	Jayendra Shah	Preeti Singh Rawat	Uday Garg	Paul Zorner	Werner Wutscher	
Fees for attending board/ committee meetings	2,01,900	2,42,100	2,01,700	80,700	1,81,700	44,154	40,000	9,92,254
Commission								
Others, please specify								
TOTAL	2,01,900	2,42,100	2,01,700	80,700	1,81,700	44,154	40,000	9,92,254
Overall Ceiling as per the Act	The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Director. The Board has fixed ` 20,000/- as sitting fees for Board/ Committee meetings.							

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in `)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
		Nishi VijayVargiya	Naresh Khetan	
1	Gross salary	10,16,214	54,35,800	64,52,014
	*(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	-	39,600	39,600
	(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	Contribution to PF	58,488	1,80,000	2,38,488
	Total (A)	10,74,702	56,55,400	67,30,102

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors

Date: 30th May, 2017
Place: Mumbai

sd/-
Samir S. Somaiya
Chairman & Managing Director
DIN - 00295458

Corporate Social Responsibility

Godavari Biorefineries Ltd is doing CSR activities on founder's philosophy "What we receive gives back multifold" in its area of operation in Karnataka and Maharashtra. Your Company's CSR activities are focused on different sectors with main emphasis on promotion of education, health, gender equity and empowering women etc.

Promotion of Education:

Help A Child To Study Project:

Help A Child Project was started in 2001 through which we are extending scholarships and necessary assistance such as laptops, text books, carrier guidance, spoken English etc, to the needy and meritorious students. Most of the students provided with scholarship and other benefits are orphans, students with single parent, children of devadasi, children of alcoholic parents, children of daily wage labourer etc. Few of our beneficiaries do not have electricity and stays in hut etc. About 56% of ours scholarship went to girl child. During the year we have sponsored 674 students and total sponsorships from 2001 is 5583.

The Company provides financial support and other necessary assistance such as books, computers, learning aids etc, to the needy and meritorious students. This project was started with following aims and objectives:

1. To support financially weak and poor students to achieve and excel in life.
2. In rural areas, we encourage the female students to study further by providing value based education and other necessary assistance
3. To motivate and encourage sponsorship of promising students.
4. To provide all the necessary materials & assistance required for scholastic advancement. These materials include textbooks, learning aids and computers etc.
5. To provide counseling, tutoring, mentoring, support and access to career opportunities upon completion of studies.

Our Vision: Help A Child believes that all children have a right to education, regardless of their gender, religion, caste or socioeconomic status. Students who are unable to continue their education due to a lack of funds should be assisted to do so and there should be no stone left unturned to nurture these young minds.

Our Mission: Help A child aims to fulfill its vision by sponsoring the college fees of meritorious students from underprivileged backgrounds.



Help A Child students at career guidance workshop

Corporate Social Responsibility

Scholarship award function:

We conduct scholarship award ceremony every year during August / September by inviting all the beneficiary students of the project. During the function the student will be awarded with first installment scholarship cheque, text books and laptops for their project works / assignments. Also felicitate the students that have done extremely well in their studies so as to motivating other students to do well



Mr. Samir S. Somaiya awarding Scholarship cheque to one of the Engineering beneficiary student

Laptop distribution:

The project provides laptops to the final year BE, MBA and MCA students for their project as most of the students are unable to purchase the same. The laptops will be distributed on student's personal account on returnable basis.



Mr. Samir S. Somaiya awarding laptop to one of the MCA beneficiary student

Felicitation:

Every year during scholarship award function we will also felicitate outstanding student of the project such as gold medallist, University blues, National level participants etc to motivate other students.

Book Bank:

Help A Child Project have more than 1000 books representing Science, Arts, Commerce and CET books for 11th and 12th standard. These books are being distributed to the beneficiaries of the project on returnable basis every year. Once the final exams over, these books would be collected and are being distributed to next batch students.



Mr. Samir S. Somaiya awarding text books to one of the beneficiary student

Career Counseling:

The career counseling programs, personality development, resume writing, interview skills etc. was organized for the benefit our project beneficiaries in association with CONNECT -NGO as most of our students do not have wider exposure about different courses available after 12th and degree. At present our students opts only few courses as a result of which most of our arts students are unemployed.



Students at workshop

Corporate Social Responsibility

Get-together for help a child student:

We also conduct regular Get-together for the beneficiaries of the project during the vocation. We also invite alumni of the project to share the valuable thoughts such as how face interviews and challenges to achieve their dreams. Past benefices explore the different opportunities available for the new students.



Students and Alumni at the Get-together

Success Story:



I.D. No. : 2252
Name : Ms. Shilpa H. Dhupad
Sponsored course : 4 years B.E.
Course completed : Engineering

Present status : Shilpa has just completed her Engineering. She is shortlisted by TATA Consultancy Service in campus interview and waiting for order to join the duties.

Brief history : Shilpa's father passed away when she was in 6th standard. Mother works as daily wages labour. She has elder sister, and younger brother. Sister just completed her post-graduation with help of relatives, while brother is studying in 11th grade.

Supports to Somaiya Vidyavihar Schools:

The Company supports 2 Marathi medium, 2 Kannada medium, 2 English medium and residential schools in Maharashtra and Karnataka supporting more than 4500 students that are run by Somaiya Vidyavihar. Support is in the form of providing financial assistance for the basic facilities such as construction of new school buildings, libraries, science laboratories, indoor and outdoor playground developments, text books and computers to libraries, beautification with landscaping etc.



Financial assistance extended for construction of new high school building



Financial assistance for computer lab in high school at Karnataka

Early Childhood Education through Anganwadis (Preprimary schools)

Early childhood education is an important step in rural development, as this gets young children, who know only the tribal language familiar with the language in which education is taught.



Students at Anganwadi centres (Pre-primary)

With a mission to provide nutrition value to under-privileged children in the age group of 0-6 years; we have joined hands with the State Governments to support Anganwadi Project. We support 16 Anganwadi Centres called SOMAIYA SHISHUVIHAR in different villages in Bagalkot and Belgaum districts of Karnataka for value based education to the kids of 3 to 5 years of age benefiting more than 380 kids every year. We provide teaching materials and toys, honorarium to volunteers, training to teachers as well as monitoring to ensure that classes are held regularly. Total kids benefited so far are 386.

Health Camps:

Dental Camp:

We have arranged Dental camp at Sameerwadi in association with P. M. Nadagouda Dental College and Hospital, Bagalkot on 25th February, 2016. Team of 14 doctors including supporting staff conducted the camp. During the camp, patient were examined and treated with scaling, filling and extractions of decayed teeth.

162 patients from Sameerwadi and surrounding villages took the benefit of this camp. Out 162 patients, 42 were female and 120 were male.



Patient examination during the dental camp

Environmental Sustainability:

Tree plantation:

The Company has undertaken the scheme of 'Tree Plantation' on a large scale in the surrounding areas. In 2016, more than 1000 trees planted in the company and Wari village in near Sakarwadi unit. Tree plantations are protected with tree guards.



in the premises of nearby villages. For survival of plantation we provided tree guards and drip irrigation facility for water conservation.

Self-Employment Training Program

The Company conducts self-employment programs such as, tailoring classes, bakery training, painting class, vermi composting etc.

Tailoring classes:

When women are empowered, it has a multiplying positive impact on the health and progress of their families and communities. We run 20 tailoring centers in different locations in Bagalkot and Belgaum dist. of Karnataka every year around 400 women in the age group of 15 to 30 learn the art of tailoring and get the opportunity to become self-employed and earn around Rs 3000/- per month. This allows them to take care of their children while supplementing the family income thus making a better life for her and her children. Total number of beneficiaries in Financial Year was 393.



Candidates at tailoring class

Auditors' Report



Independent Auditors' Report

To the Members of
Godavari Biorefineries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Godavari Biorefineries Limited** ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 and the Companies (Accounting Standards) Amendment Rules, 2016 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the

provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone financial statements.

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

Opinion

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 31st March 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 the paragraphs 3 and 4 of the Order.

Independent Auditors' Report

2. As required by Section 143 (3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) on the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report and;
 - (g) with respect to the other matters to be included in the Independent 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 standalone financial statements – Refer Note 38 a) i), 38 b) to 38 c) to the standalone financial statements;
 - ii. there are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards. The Company has made provision in respect of derivative contracts as required under the applicable law or accounting standard;
 - iii. The Company do not have any unpaid dividend amount. Accordingly, there is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company and;
 - iv. the Company has provided requisite disclosures in note 53 to these standalone financial statements as to holding as well as dealings in the Specified Bank Notes (SBNs) during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures and relying on the management's representation, we report that the disclosures are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management.

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 102358W

Dr. S. N. Desai
Partner

Membership No: 32546

Place : Mumbai
Date : 30th May, 2017

Annexure - A to the Independent Auditors' Report

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

(i) In respect of Company's property plant and equipment:

(a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.

(b) The Company has a regular programme of physical verification of its property plant and equipment by which property plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) in respect Company's inventories:

The inventory, except goods-in-transit and inventory lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) in respect of loans secured or unsecured, granted to companies, firms, Limited Liability Partnerships or other parties covered in register maintained under section 189 of the Act:

The Company has granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to a wholly owned subsidiary listed in the register maintained under Section 189 of the Act are

not, prima facie, prejudicial to the interest of the Company.

(b) Schedule of repayment of principal and payment of interest has been stipulated. The borrower has been regular in the payment of the interest as stipulated. Principal is repayable within a period of five years.

(c) There are no overdue amounts in respect of the interest. As the principal is repayable within five years question of overdue do not arise.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the wholly owned subsidiary covered under Section 186.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other applicable provisions of the Act and the (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) in respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of excise, duty of customs, service tax, professional tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate

Annexure - A to the Independent Auditors' Report

authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, professional tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty and electricity duty:

Name of the Statute	Nature of Dues	Period to which it pertains	Forum Where Dispute is Pending	Amount (Excluding Interest and Penalty) (Rs. in Lacs)
The Central Excise Act, 1944	Excise Duty	2009-2010 to 2010-2011	Commissioner of Central Excise	130.86
	Excise Duty	2008-2009 to 2010-2011 2014-2015 to 2015-2016	CESTAT*	280.62
Service Tax under Finance Act 1994	Service Tax	2004-2005 to 2006-2007	High Court	2.16
		2014-2015 to 2015-2016	Assistant Commissioner Central Excise**	3.47
Customs Act, 1962	Customs Duty	2013-2014	CESTAT	12.03
Electricity Duty Act, 1958	Electricity Duty	2000-2001 to 2005-2006	Government of Maharashtra	34.59
Income Tax Act, 1961	Income Tax	F.Y. 2012-13	Commissioner of Income Tax (Appeal), Mumbai	2.27

- (viii) According to the information and explanations given to us, the Company has not defaulted any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied, on an overall basis, for the purposes for which they were raised.

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

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for

managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made any preferential allotment of shares. The Company has not made private placement of partly or fully convertible debentures during the year under review. Requirements of Section 42 of the Act has been complied with in this regard. Amount raised have been used for the purpose for which the funds were raised.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 102358W

Dr. S. N. Desai
Partner

Membership No: 32546

Place : Mumbai

Date : 30th May, 2017

Annexure - B to the Independent Auditors' Report

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2017 on Standalone Financial Statement:

(Referred to in our report of even date)

Report on the Internal Financial Controls over financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Godavari Biorefineries Limited** ("the Company") as of 31st March 2017 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For **DESAI SAKSENA & ASSOCIATES**

Chartered Accountants

Firm's Registration Number: 102358W

Dr. S. N. Desai

Partner

Membership No: 32546

Place : Mumbai

Date : 30th May, 2017

GODAVARI BIOREFINERIES LIMITED

Standalone Balance Sheet As at 31st March, 2017

(` in Lacs)

	Notes	As at 31st March, 2017	As at 31st March, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	3,695.23	3,573.77
b) Reserves & Surplus	3	9,202.93	11,512.09
		<u>12,898.16</u>	<u>15,085.86</u>
2 Non Current Liabilities			
a) Long Term Borrowings	4	17,327.74	22,950.55
b) Other Long Term Liabilities	5	593.28	109.33
c) Long Term Provisions	6	106.10	92.25
		<u>18,027.12</u>	<u>23,152.13</u>
3 Current Liabilities			
a) Short Term Borrowings	7	68,115.31	53,116.54
b) Trade Payables		11,834.41	16,616.47
c) Other Current Liabilities	8	10,291.73	9,972.50
d) Short Term Provisions	9	242.11	213.33
		<u>90,483.56</u>	<u>79,918.85</u>
TOTAL		<u>121,408.84</u>	<u>118,156.84</u>
II ASSETS			
1 Non Current Assets			
a) Property, Plant and Equipment			
	10		
i) Tangible Assets		45,153.17	46,568.30
ii) Intangible Asset		0.45	0.52
iii) Tangible Assets Capital Work In Progress		7,859.59	1,933.39
		<u>53,013.21</u>	<u>48,502.21</u>
b) Non Current Investments	11	651.64	351.64
c) Deferred Tax Assets / (Liabilities) Net	12	1,154.69	(301.15)
d) Long Terms Loans And Advances	13	1,816.45	3,492.78
		<u>3,622.78</u>	<u>3,543.27</u>
		<u>56,635.99</u>	<u>52,045.48</u>
2 Current Assets			
a) Current Investments	14	5.00	4.16
b) Inventories	15	49,813.74	47,363.61
c) Trade Receivables	16	6,283.64	10,810.79
d) Cash And Bank Balances	17	3,413.62	3,402.24
e) Short Term Loans And Advance	18	4,422.40	2,909.87
f) Other Current Assets	19	834.46	1,620.69
		<u>64,772.85</u>	<u>66,111.36</u>
TOTAL		<u>121,408.84</u>	<u>118,156.84</u>
Significant Accounting Policies & Notes forming part of Financial Statements 1 to 57			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

GODAVARI BIOREFINERIES LIMITED

Standalone Statement of Profit and Loss for the year Ended on 31st March, 2017

	Notes	2016 - 2017		(` in Lacs)
				2015 - 2016
I REVENUE :				
a Revenue From Operations (Gross)	20	104,318.05		142,164.61
b Less : Excise Duty		5,802.70		5,686.14
c Revenue From Operations (Net)			98,515.35	136,478.47
II OTHER INCOME	21		576.42	633.99
TOTAL			99,091.77	137,112.46
III EXPENDITURE:				
a Cost of Material Consumed	22		70,474.48	98,117.85
b Purchase of Traded Goods	23		174.88	647.67
c Manufacturing Expenses	24		9,051.09	10,422.54
d Changes in Inventories of Finished Goods, Work in Progress & Traded Goods	25		(330.00)	4,233.54
e Employee Benefits Expenses	26		7,133.99	6,570.04
f Sales, Administration & other Expenses	27		4,574.70	6,017.18
g Interest & Financial Charges	28		7,956.11	8,322.70
h Depreciation & Amortisation	10		4,977.97	4,343.79
TOTAL			104,013.22	138,675.31
IV PROFIT / (LOSS) BEFORE EXCEPTIONAL & TAXES			(4,921.45)	(1,562.85)
Exceptional Items (Refer Note 51)			1,025.52	-
V PROFIT / (LOSS) BEFORE TAXES			(5,946.97)	(1,562.85)
VI Tax Expenses				
a Deferred Tax (Income) / Expense			(1,455.83)	(433.42)
b (Excess) / Short Provision for Income Tax			4.29	-
			(1,451.54)	(433.42)
VII PROFIT / (LOSS) AFTER TAX FOR THE PERIOD			(4,495.43)	(1,129.43)
VIII Basic and Diluted Earnings Per Share of Face Value of Rs. 10/-			(12.41)	(3.16)
Significant Accounting Policies & Notes forming part of Financial Statements 1 to 57				

As per our Report of even date attached

For and on behalf of the Board of Directors

 For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

 Place : Mumbai
Date : 30th May, 2017

 Place : Mumbai
Date : 30th May, 2017

GODAVARI BIOREFINERIES LIMITED

Standalone Cash Flow for the Year Ended 31st March, 2017

	2016 - 2017		2015 - 2016	
	(` in Lacs)			
A Cash Flow from Operating Activities:				
Net Profit / (Loss) Before Tax		(5,946.97)		(1,562.85)
Adjusted for :				
Depreciation	4,977.97		4,343.79	
Interest on Fixed Deposits and Others	(322.88)		(316.32)	
Loss on Sale of Property, Plant and Equipment	(0.77)		(7.01)	
Sundry Debit/Credit Balances Written Off/Back (Net)	(3.57)		(170.50)	
Interest & Finance Charges	7,956.11		8,322.70	
Provision For Diminution In Investment Value (net)	(150.84)		217.85	
Provision for Doubtful Debts / Advances	194.11		407.24	
Provision for Diminution in stores value	-		17.00	
Unrealised Foreign Currency (Gain)/Losses	(66.47)	12,583.66	17.82	12,832.57
Operating Profit before Working Capital Changes		6,636.70		11,269.72
Adjustments for:				
Trade Payables	(4,680.65)		6,730.13	
Other Current Liabilities	170.80		(391.91)	
Short Term Provisions	28.78		(3.12)	
Other Long Term Liabilities	(0.37)		89.24	
Long Term Provisions	13.84		18.64	
Trade Receivables	4,490.33		(1,136.77)	
Inventories	(2,450.13)		3,946.30	
Short Term Loans and Advances	(796.46)		2,487.71	
Other Current Assets	38.73		(1,558.10)	
Other Non-Current Assets	1,487.22	(1,697.91)	(2,069.28)	8,112.84
Cash Generated From Operations		4,938.78		19,382.56
Income Tax Paid		(20.36)		(42.96)
Net Cash From/ (Used In) Operating Activities		4,918.42		19,339.60
B Cash Flow From Investing Activities:				
Addition To Property, Plant and Equipment (Net)	(9,489.31)		(2,899.20)	
Sale / Scrap of Property, Plant and Equipment	1.11		10.63	
Share Application Money in Subsidiary	(700.00)		-	
Non Current Investments in Subsidiary	(150.00)		-	
Interest Received on Fixed Deposits and Others	310.04		271.86	
Net Cash From/ (Used in) Investing Activities		(10,028.16)		(2,616.71)
C Cash Flow From Financing Activities:				
Repayment of Long Term Borrowings	(5,679.12)		(4,193.38)	
Proceeds of Long Term Borrowings	41.98		-	
(Decrease) / Increase Short Term Borrowings	15,483.50		(11,156.80)	
Issue of Share Capital	121.46		-	
Share Premium received on Equity Share issued	2,186.28		-	
Issue of Debenture	-		6,500.00	
Interest accrued on debenture	346.70		305.26	
Interest & Finance Charges Paid	(8,140.03)		(7,546.59)	
Net Cash from/ (Used in) Financing Activities		4,360.77		(16,091.51)
Net Changes in Cash and Cash Equivalents		(748.97)		631.38
Add : Opening Balance Of Cash and Cash Equivalents		955.75		324.37
Closing Balance Of Cash and Cash Equivalents (Refer note 49)		206.78		955.75

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting and Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the Act (to the extent notified).

B) Use of Estimates:

The preparation of Financial Statement requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of the Financial Statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C) Property, plant and equipment:

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of Property , Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

D) Depreciation on Property, plant and equipment:

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation and experience.

Depreciation for additions to/deductions from Property , Plant & Equipment is calculated from the date of capitalisation /deductions.

E) Intangible assets:

Intangible Assets are related to 'Patents', which have been recognised at nominal value. Intangible assets are amortised on straight line method other than patents.

Notes forming part of the Standalone Financial Statements

F) Leased Assets:

Operating Leases: Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

G) Foreign Currency Transactions:

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii) Monetary items denominated in Foreign Currencies are reinstated at the year end rates.
- iii) Premium or discount on foreign exchange forward contracts are amortised and recognised in the statement of profit and loss over the period of the contract.

H) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

I) Inventories:

- i) Raw Materials are valued at lower of moving average cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a transaction moving moving average cost.. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- ii) Stores and Spares are valued at moving average cost.
- iii) Work-in-Progress valued at lower of cost and net realisable value.
- iv) Finished stocks are valued at cost and net realisable value whichever is lower.
- v) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- vi) Bagasse, Molasses and waste/scrap generated in the production process are valued at net realisable value.
- vii) The valuation of raw materials ,components and stores & spares includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of these inventories, net of excise duty/ countervailing duty / education cess and value added tax.

J) Provision for Current Tax and Deferred Tax:

- i) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in

accordance with the provisions of the Income Tax Act, 1961 and Income Computation and Disclosure Standards (ICDS) and based on the expected outcome of assessments/appeals.

- ii) Deferred Tax resulting from “timing differences” between book and taxable profit is accounted for using the tax rates and laws that have been enacted and substantively enacted as on the Balance Sheet date.
- iii) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty or virtual certainty as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

K) Provisions:

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

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

L) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

Contingent Assets

Contingent assets are neither recognised nor disclosed.

Impairment of Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Notes forming part of the Standalone Financial Statements

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

M) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- ii) Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.
- iii) Dividends are recognised when right to receive is established.
- iv) Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.

N) Turnover:

Turnover includes sale of goods, excise duty net of value added tax, adjusted for discounts.

O) Expenditure on Research & Development:

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to plant, property & equipment and are depreciated in accordance with policies of the Company.

P) Retirement Benefits:

i) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

ii) Post-employment benefits:

a. Defined contribution plans: The state governed provident fund scheme, employee state insurance scheme, employee pension scheme are defined contribution plans . The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

b. Defined Benefit plans: The group gratuity scheme and leave encashment are defined benefit plans.

Q) Extraordinary and Exceptional Items:

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expenses, is classified as an extraordinary items and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to ordinary activities of the Company is such that its disclosure improves an understanding of performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

R) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

S) Segment Accounting:

- i) Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:
 - a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
 - b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses, which relate to the Company as a whole and not allocable to segments, are included under “unallocable corporate expenditure”.
- ii) The Company’s reporting segments are identified based on activities/products, risk and reward structure, organisational structure and internal reporting systems.

T) Commodity Futures:

Transactions in commodity futures are accounted based on the mode of final settlement. Transaction, which are ultimately settled net, without taking delivery, are recorded net with the gains/losses being recognised as income/ expenses in the Financial Statements. Transactions, which stipulate physical delivery of the goods and where the Company intends to take delivery, are recorded at gross, as purchases and sales as a part of the Company’s sugar manufacturing activities

Notes forming part of the Standalone Financial Statements

(` in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
2 SHARE CAPITAL		
Authorised		
4,20,00,000 (Previous Year 4,20,00,000) Equity Shares of Rs.10/- each	4,200.00	4,200.00
18,00,000 (Previous Year 18,00,000) Redeemable Cumulative Preference Shares of Rs.100/- each	1,800.00	1,800.00
	6,000.00	6,000.00
Issued, Subscribed & Paid up		
Equity Share Capital		
3,57,37,747 (Previous Year 3,57,37,747) Equity Shares of Rs.10/- each fully paid up.	3,573.77	3,573.77
Add : 12,14,600 (Previous year Nil) Equity Share of Rs. 10/- each fully paid up	121.46	-
3,69,52,347 (Previous Year 3,57,37,747) Equity Shares of Rs.10/- each fully paid up.	3,695.23	3,573.77

a) Reconciliation of the number of Equity Shares and Share Capital outstanding at the beginning and at the end of the reporting Year

Particulars	2016-2017		2015-2016	
	No. of shares held	Amount in Lacs	No. of shares held	Amount in Lacs
Equity shares of Rs. 10/- each fully paid :				
Shares outstanding at the beginning of the year	35,737,747	3,573.77	35,737,747	3,573.77
Shares issued during the year	1,214,600	121.46	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	36,952,347	3,695.23	35,737,747	3,573.77

b) Rights, Preferences and Restrictions attached to Shares

Equity Shares

- The Company has one class of Equity shares having a par value of Rs.10/- each.
- Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders, if any.
- The Equity share holders are also subject to restrictions as prescribed under the Companies Act, 2013
- The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.
- In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders

c) Shareholders holding more than 5% of Equity shares of the Company

Particulars	2016-2017		2015-2016	
	No. of shares held	% Holding	No. of shares held	% Holding
Somaiya Agencies Pvt.Ltd.	8,549,965	23.14	8,549,965	23.92
Sakarwadi Trading Company Pvt. Ltd	5,363,552	14.51	4,981,952	13.94
Lakshmiwadi Mines & Minerals Pvt. Ltd	5,219,762	14.13	5,193,462	14.53
Mandala Capital AG Limited	4,926,983	13.33	4,765,033	13.33
Shri Samir Shantilal Somaiya	4,010,865	10.85	3,667,815	10.26
Sindhur Construction Pvt. Ltd.	2,605,120	7.05	2,605,120	7.29
Trustees of Sameerwadi Sugarcane Farmers' Welfare Trust	-	-	2,269,600	6.35
	30,676,247	83.01	32,032,947	89.62

Notes forming part of the Standalone Financial Statements

(` in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
3 RESERVES AND SURPLUS :		
(a) Capital Reserve		
At the beginning and at the end of the year	727.42	727.42
(b) Capital Redemption Reserve		
At the beginning and at the end of the year	573.50	573.50
(c) Share Premium Reserve		
At the beginning and at the end of the year	15,308.68	15,308.68
Add : Nil (Previous Year 51,35,647 equity share issued at a premium of Rs. 178.8759 per share)	2,186.28	-
At the end of the year	17,494.96	15,308.68
(d) General Reserve		
At the beginning and at the end of the year	1,865.38	1,865.38
(e) Surplus in Statement of Profit and Loss		
At the beginning of the year	(6,962.89)	(5,833.46)
Add : Profit / (Loss) for the year	(4,495.43)	(1,129.43)
At the end of the year	(11,458.33)	(6,962.89)
	<u>9,202.93</u>	<u>11,512.09</u>
4 LONG TERM BORROWINGS		
Secured		
a) From Banks		
Term Loans	3,860.86	9,298.95
b) From Others		
(i) Sugar Development Fund	4,786.92	5,342.19
(ii) Others	28.30	4.45
	4,815.22	5,346.63
c) Debentures		
(i) Debentures	6,500.00	6,500.00
(ii) Interest accrued on Debentures	651.95	305.26
	7,151.95	6,805.26
Unsecured		
a) From Others		
(i) Council of Scientific & Industrial Research	485.00	485.00
(ii) Deferred Cane Purchase Tax	1,014.71	1,014.71
	<u>17,327.74</u>	<u>22,950.55</u>

Notes forming part of the Standalone Financial Statements

(` in Lacs)

As at 31st March, 2017

As at 31st March, 2016

l) Details of Terms of repayment for Long Term Secured Borrowings

	Current	Non - Current	Current	Non - Current
1 Andhra Bank (Repayable in 8 equal quarterly installments, last Installment falling due on March 2019.)	51.50	51.50	51.50	115.88
2 Union Bank of India (Repayable in 6 equal quarterly installments, last Installment falling due on July 2018.)	892.00	432.00	892.00	1,324.00
3 Union Bank of India (Repayable in 3 equal half yearly installments, last Installment falling due on June 2018.)	216.00	108.00	216.00	324.00
4 Bank of India (Repayable in 26 equal Monthly installments, last Installment falling due on May 2019.)	2,010.00	2,345.00	1,675.00	4,355.00
5 Bank of India (Repayable in 5 equal quarterly installments, last Installment falling due on June 2018.)	892.00	209.00	892.00	1,101.00
6 Corporation Bank (Repayable in 7 equal quarterly installments, last Installment falling due on October 2018.)	684.00	511.00	684.00	1,195.00
7 Punjab National Bank (Repayable in 3 equal half yearly installments, last Installment falling due on June 2018.)	679.71	204.36	679.71	884.07
8 Sugar Development Fund (Repayable in 5 equal yearly installments, last Installment falling due on June 2023.)	-	3,954.02	-	3,954.02
9 Sugar Development Fund (Repayable in 5 equal half yearly installments, last Installment falling due on June 2019.)	555.27	832.90	555.27	1,388.17
10 Hire Purchase Finance	13.30	28.30	15.93	4.45
11 IDBI Trusteeship Services Ltd (Bullet payment on June 2021) Call Option after three years (June 2018)	-	7,151.95	-	6,805.26
	<u>5,993.78</u>	<u>15,828.03</u>	<u>5,661.41</u>	<u>21,450.84</u>

* Period of Maturity w.r.t the Balance Sheet date

* Number of Instalment outstanding as at 31st March, 2017

Notes forming part of the Standalone Financial Statements

(` in Lacs)

As at 31st March, 2017

As at 31st March, 2016

II) Nature of Securities:

- i) Loan covered in Sr. No. 1 to 5, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Subservient First Ranking Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and First Pari Passu Charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd). Corporate Guarantee of SPIPL. Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka. #
- ii) Loan covered in Sr.No. 6, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Second Pari Passu Charge on Current Assets of Sugar & Cogen Division, #
- iii) Loan covered in Sr.no. 7 First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and second Pari Passu Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and second pari passu charge on current Asset of Sugar Division,#
- iv) Loan covered in Sr.No. 8 & 9, All Immoveable & Moveable Properties at Sameerwadi Factory, Karnataka on First Pari Passu Charge basis.
Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.
- v) Loan covered in Sr.No. 10, Exclusive Charge on Assets purchased under Hire purchase arrangements
- vi) Debenture covered in Sr.No. 11, Exclusive Charge on the Property, Plant & Equipment of Capital Investment Programme as per the agreement dated 09th July, 2015 and First Pari Passu Charge on Property, Plant & Equipment at Sakarwadi @ Rs. 10% p.a inclusive of Withholding tax

III) Interest for above loans varies from 4% to 15% (Previous Year 4% to 13.90%).

5 OTHER LONG TERM LIABILITIES

- (i) Public Deposits
- (ii) Others

578.52	94.20
14.76	15.13
593.28	109.33

6 LONG TERM PROVISIONS

- Leave Encashment

106.10 92.25

7 SHORT TERM BORROWINGS

Secured

From Banks

- (i) Cash Credit / Packing Credit *

31,581.39 24,347.74

Unsecured

From Banks

36,476.00 28,766.00

From Others

- (a) Public Deposits

57.92 2.80
68,115.31 53,116.54

I Nature of Security:

* Secured by First Pari Passu charge over current assets of the company (respective division), both present and future and second Pari Passu charge on Property, Plant & Equipment; and Second charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd) as a Corporate Guarantee of SPIPL. ##

Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

II Interest for above Cash credit Rupee loans varies from 12.6% to 13.2% (Previous Year 12.5% to 14.5%)

Notes forming part of the Standalone Financial Statements

(` in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
8 OTHER CURRENT LIABILITIES				
(a) Interest accrued but not due on Borrowings	2,733.76		2,917.69	
(b) Statutory Dues	155.05		151.97	
(c) Others Liabilities	1,139.60		980.38	
(d) Others Liabilities- Related Parties	1.36		2.02	
(e) Security Deposits	117.78		114.06	
(f) Advance from Customers	150.40		144.97	
(h) Current Maturities of long-term debts	5,993.78		5,661.41	
		<u>10,291.73</u>		<u>9,972.50</u>
9 SHORT TERM PROVISIONS				
Provision for Leave Encashment		221.97		187.46
Provision for Gratuity		20.14		25.87
		<u>242.11</u>		<u>213.33</u>
11 NON CURRENT INVESTMENTS (at cost unless otherwise specified)				
(I) Long Term Trade Investments				
Investments in Equity Shares-Fully paid				
a) Unquoted				
Investments in Subsidiaries :				
(i) 4,45,000 (Previous Year 4,45,000) Equity Shares of Cayuga Investments B.V. of EURO 1/- each	301.92		301.92	
Less : Provision For Diminution in Investment Value	-		150.00	
		<u>301.92</u>		<u>151.92</u>
(ii) 34,50,000 (Previous Year 19,50,000) Equity Shares of Solar Magic Pvt. Ltd. of Rs.10/- each	345.00			195.00
		<u>646.92</u>		<u>346.92</u>
b) Quoted				
Investments in Associate				
(i) 25,000 (Previous Year 25,000) Equity Shares of Rs. 10/- each of Pentokey Organy (India) Limited	4.50			4.50
		<u>651.42</u>		<u>351.42</u>
(II) Long Term Non -Trade Investments				
a) Unquoted				
Investments in Associates:				
(i) 210 (Previous Year 210) Equity Shares of Rs.100/- each of The Book Centre Ltd.	0.21			0.21
Other Company				
(i) 357,604 Nonassessable shares of Series B preferred Stock of \$ 0.001 par value (Previous Year 357,604 Nonassessable shares of Series B preferred Stock of \$ 0.001 par value) of e2e Material INC, USA	134.65		134.65	
Less : Provision For Diminution in Investment Value	134.64	0.01	134.64	0.01
		<u>0.22</u>		<u>0.22</u>
		<u>651.64</u>		<u>351.64</u>
	Market Value as at		Book Value as at	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Quoted	3.12	4.63	4.50	4.50
Unquoted	-	-	647.14	347.14
	<u>3.12</u>	<u>4.63</u>	<u>651.64</u>	<u>351.64</u>

Notes forming part of the Standalone Financial Statements

(` in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
Details of Raw Materials				
a) Special Denatured Spirit	5,378.69		1,979.30	
b) Bagasse	342.01		1,194.37	
c) Molasses	1,668.88		1,323.74	
d) Acetic Acid	991.56		675.62	
e) Methyl Ethyl Ketone	227.04		412.41	
f) Coal	70.60		319.74	
g) Others	254.60		249.53	
	<u>8,933.38</u>		<u>6,154.71</u>	
Details of Raw Materials In Transit				
a) Acetic Acid	-		356.17	
Details of Work in Progress				
Bhumilabh	<u>31.68</u>		<u>29.99</u>	
Details of Finished Goods				
a) Sugar	35,259.62		34,151.57	
b) Rectified Spirit & Extra Neutral Alcohol	368.66		1,241.96	
c) Ethanol	131.49		423.67	
d) Ethyl Acetate	994.46		299.97	
e) Others	1,964.75		2,382.85	
	<u>38,718.98</u>		<u>38,500.02</u>	
Details of Finished Goods in Transit				
a) Ethyl Acetate	42.60		29.21	
b) Sugar	-		15.68	
c) Speciality Chemicals	111.64		-	
	<u>154.24</u>		<u>44.89</u>	
16 TRADE RECEIVABLES (Unsecured, Considered Good) :				
I) Due over six months	200.79		544.11	
Less : Provision for Doubtful Debts	<u>25.03</u>	175.76	<u>20.03</u>	524.08
II) Due less than six months		5,490.03		7,585.37
III) Due from Related Party		617.85		2,701.34
		<u>6,283.64</u>		<u>10,810.79</u>
17 CASH AND BANK BALANCES:				
a) Cash and Cash Equivalants				
(i) Cash on Hand	7.55		18.09	
(ii) In Current Account	122.41		880.69	
(iii) Fixed Deposits with Banks upto 3 months maturity including Interest accrued	<u>76.82</u>		<u>56.97</u>	
b) Other Bank Balance				
(i) Fixed deposits for margin money and other earmarked fixed deposit including interest accrued	2,909.98	206.78	1,055.56	955.75
(ii) Others Fixed Deposits including Interest accrued	<u>296.86</u>		<u>1,390.93</u>	
	<u>3,206.84</u>		<u>2,446.49</u>	
	<u>3,413.62</u>		<u>3,402.24</u>	

Notes forming part of the Standalone Financial Statements

(` in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good):		
a) Cenvat / VAT Credit Receivables	1,076.18	997.78
b) Prepaid Expenses	177.37	221.03
c) Advance to Suppliers and other advances (Refer Note 52)	2,422.52	1,668.02
d) Share Application Money	700.00	-
e) Security Deposit and other Advance	46.33	23.04
	<u>4,422.40</u>	<u>2,909.87</u>
19 OTHER CURRENT ASSETS:		
a) Export Incentives Sugar Cane	25.68	853.25
b) Export Benefits - MEIS and Others	376.69	586.68
c) Claims Receivables	432.09	180.76
	<u>834.46</u>	<u>1,620.69</u>

10 Fixed Assets

(in Lacs)

Sr. No	Particulars	Gross Block			Depreciation & Amortisation			Net Block			
		As at 31st March 2016	Additions	Deductions/ Adjustments	As at 31st March 2017	Upto 31st March 2016	During the period	Deductions/ Adjustments	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
A	Tangible Asset										
1	Freehold Land	610.72	1.89	-	612.61	5.01	-	-	5.01	607.60	605.71
2	Building	5,292.45	65.78	-	5,358.24	1,235.35	211.72	-	1,447.07	3,911.16	4,057.10
3	Plant & Machinery	74,459.36	3,391.09	0.00	77,850.45	32,947.99	4,647.33	0.00	37,595.31	40,255.14	41,511.38
4	Office Equipments	1,817.41	42.73	0.00	1,860.14	1,680.29	60.35	0.00	1,740.64	119.50	137.12
5	Motor Vehicles	786.95	61.59	6.84	841.70	529.97	58.46	6.50	581.93	259.77	256.99
	Total A	82,966.89	3,563.08	6.84	86,523.14	36,398.61	4,977.86	6.50	41,369.96	45,153.17	46,568.30
B	Intangible Asset										
1	Patents	0.60	0.03	0.00	0.63	0.07	0.11	0.00	0.18	0.45	0.52
	Total B	0.60	0.03	0.00	0.63	0.07	0.11	0.00	0.18	0.45	0.52
	Grand Total A + B	82,967.49	3,563.11	6.84	86,523.77	36,398.68	4,977.97	6.50	41,370.14	45,153.62	46,568.82
	Previous Year 2015-16	77,863.33	5,159.10	54.93	82,967.50	32,106.20	4,343.79	51.31	36,398.68	46,568.82	45,757.13
	Work in Progress									7,859.59	1,933.39

Notes forming part of the Standalone Financial Statements

	2016 - 2017	2015 - 2016
		(` in Lacs)
20 REVENUE FROM OPERATIONS		
Sales of Products	104,318.05	142,164.61
Less Excise Duty	5,802.70	5,686.14
Revenue From Operations (Net)	<u>98,515.35</u>	<u>136,478.47</u>
20 a Details of Sales of Products (Net of Excise Duty)		
Sugar	49,801.73	78,188.81
Power	2,509.99	5,616.53
Rectified Spirit & Extra Neutral Alcohol	4,172.73	6,430.31
Ethanol	6,567.07	6,499.04
Ethyl Acetate	20,195.18	20,128.36
Speciality Chemicals	8,061.04	11,386.70
Fertilisers	102.06	311.47
Others	7,105.55	7,917.25
	<u>98,515.35</u>	<u>136,478.47</u>
21 OTHER INCOME :		
Interest on Fixed Deposits & Others	322.88	316.32
Miscellaneous Income	253.54	317.67
	<u>576.42</u>	<u>633.99</u>
22 RAW MATERIALS CONSUMED:	<u>70,474.48</u>	<u>98,117.85</u>
Details of Raw Material Consumed		
Sugar Cane *	43,257.07	70,631.56
Cogeneration Fuel	249.13	309.39
Molasses	1,164.45	476.41
Specially Denatured Spirit	13,877.61	13,244.73
Acetic Acid	7,053.93	8,144.17
Others	4,872.29	5,311.59
	<u>70,474.48</u>	<u>98,117.85</u>
* The Sugar cane cost Rs. 43,257.07 lacs (Previous Year 70,631.56 lacs) includes Rs. 4911.93 Lacs (Previous Year 6,440.76 lacs) in respect of cane price of earlier years is accounted in the current year		
23 PURCHASES OF TRADED GOODS	<u>174.88</u>	<u>647.67</u>
Details of Cost of Traded Goods		
Di Ammonium Phosphate	-	54.67
Urea-Agro Product	-	12.09
MOP Mixer	-	99.00
Acetic Acid	-	280.81
Turmeric	50.24	11.48
Salt	37.92	37.28
Croto Resin Solid	32.64	-
Others (Chemicals, Fertilisers etc.,)	54.08	152.34
	<u>174.88</u>	<u>647.67</u>
24 MANUFACTURING EXPENSES:		
Stores and Spare consumed	1,569.35	2,555.74
Power and Fuel	3,632.51	3,243.63
Packing, Forwarding and Storage	1,021.94	1,564.65
	<u>6,223.80</u>	<u>7,364.02</u>

Notes forming part of the Standalone Financial Statements

	(` in Lacs)	
	2016 - 2017	2015 - 2016
Repairs & Maintenance		
Plant and Machinery	2,092.33	2,028.56
Buildings	78.97	49.74
Others	655.99	980.22
	<u>2,827.29</u>	<u>3,058.52</u>
	<u>9,051.09</u>	<u>10,422.54</u>
25 CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS & TRADED GOODS		
Closing Stock :	38,904.92	38,574.92
Less : Opening Stock	38,574.92	42,808.46
Increase / (Decrease) in Stock	<u>330.00</u>	<u>(4,233.54)</u>
26 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	6,048.44	5,518.17
Directors Remuneration	305.46	213.63
Contribution to Provident Fund,Gratuity Fund and Other Fund	449.35	467.14
Staff Welfare Expenses	330.74	371.10
	<u>7,133.99</u>	<u>6,570.04</u>
27 SALES , ADMINISTRATION & OTHER EXPENSES		
Selling Expenses :	1,100.18	2,117.04
Administration Expenses		
Rent , Rates and Taxes	407.04	401.61
Insurance	129.60	140.77
Contribution to Scientific Research Institution	75.00	96.00
General Expenses (Including travelling,telephone, etc.)	2,088.07	2,498.90
Professional Charges	741.66	734.92
Director Fees	9.72	14.76
Loss/(Profit) on Sale of Assets	(0.77)	(7.01)
	<u>3,450.32</u>	<u>3,879.94</u>
Auditors' Remuneration :		
Audit Fees and Tax Audit Fees	24.00	20.00
Out of pocket expenses	0.20	0.20
	<u>24.20</u>	<u>20.20</u>
	<u>4,574.70</u>	<u>6,017.18</u>
28 INTEREST & FINANCIAL CHARGES:		
Cash Credit	2,671.67	2,602.08
Term Loan	1,895.13	2,253.17
Others	3,389.31	3,467.45
	<u>7,956.11</u>	<u>8,322.70</u>

Notes forming part of the Standalone Financial Statements

29. Excise Duty and Sales Tax :

Finished goods attracting excise duty and Value added tax, lying in the factory as at 31st March, 2017 could not be separated into those for sale in domestic market and /or export market. Hence excise duty and value added tax payable is not determinable on the manufactured goods lying in the stock at the year-end. However, non-provisioning has no impact on the profit for twelve months ended 31st March, 2017.

30. Borrowing Costs:

The Company has capitalised interest cost during the construction period for the projects, aggregating to Rs.1,676 Lacs (Previous Year Rs.Nil) in accordance with the Accounting Standard 16 on Borrowing Costs.

31. C.I.F. Value of Imports

(` in Lacs)

Sr. No.	Particulars	2016-2017	2015 – 2016
1.	Raw material and Traded Goods	17,389.13	13,334.75
2.	Capital Goods	54.71	20.43
	Total	17,443.84	13,355.18

32. Expenditure in Foreign Currency

(` in Lacs)

Sr. No.	Particulars	2016-2017	2015 – 2016
1.	Traveling Expenses	65.69	114.97
2.	Professional & Others Charges	479.34	119.48
3.	Commission / Reimbursement of Expenses	149.33	63.32
4.	Ocean Freight Charges	---	82.18
5.	Director's Sitting Fees	0.60	1.40
	Total	694.96	381.35

33. Value of Raw Materials Consumed

(` in Lacs)

Sr. No.	Particulars	2016- 2017	%	2015- 2016	%
1.	Indigenous	55,726.81	79.07	82,963.13	84.55
2.	Imported	14,747.67	20.93	15,154.72	15.45
	Total	70,474.48	100.00	98,117.85	100.00

34. Value of Stores and Spare Parts Consumed

(` in Lacs)

Sr. No.	Particulars	2016-17	%	2015 – 2016	%
1.	Indigenous	1,566.02	99.79	2,555.74	100.00
2.	Imported	3.33	0.21	--	--
	Total	1,569.35	100.00	2,555.74	100.00

35. Earning in Foreign Currency (Accrual Basis):

(` in Lacs)

2016 – 2017	2015 – 2016
18,898.01	35,646.54

36. Small Scale & Auxiliary Industries:

The Company does not have outstanding to Micro, Small and Medium Enterprises as at 31st March, 2017. The Company does not have outstanding for more than 45 days to Micro, Small and Medium Enterprises during the twelve months ended 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes forming part of the Standalone Financial Statements

37. SEBI Order dated 1st January, 2016 and amendment thereon.

The Company had allotted 22,69,600 shares to the Trustees of Sameerwadi Sugarcane Farmers' Welfare Trust in the Financial Year 2009 – 2010. Securities and Exchange Board of India (SEBI), delivered its Order in the matter on the 1st of January, 2016.

As per the said Order company has allotted 22,42,300 Equity shares to the consented contributories/beneficiaries and made the payment to contributories/beneficiaries as per the SEBI Order. The company has also filed Compliance Report to the SEBI on 23/12/2016.

38. Contingent Liabilities:

(` in Lacs)

(a)	Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
	i)	Excise duty and Service Tax (Excluding Interest and Penalty)	429.14	414.61
	ii)	Bank Guarantee	1026.58	1,656.05
	iii)	Corporate Guarantee and Comfort Letter	602.98	591.63
	iv)	Letter of Credits	754.90	1,841.56

(b) Council of Scientific & Industrial Research (CSIR)

The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of Rs. 485 Lacs to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR.

CSIR is demanding repayment of the financial assistance and the matter is presently under Arbitration. If the Arbitration Award goes against the Company, the Company will be required to repay Rs. 485 Lacs plus applicable interest. The company is constantly following up with CSIR for concluding the arbitration, but there is no response from them.

(c) National Green Tribunal:

National Green Tribunal (NGT) has accepted short term and long term remedial measures of Central Pollution Control Board (CPCB) and directed the CPCB to deal with study of ground water contamination caused due to the Company.

On 17th March-2017 NGT passed following Orders :

- 1) Financial bid to be opened by CPCB and place work order on qualifying parties for execution within 4 months.
- 2) CPCB has to submit the technical assessment report to court on next hearing, considering the merits and demerits of all the methods including the proposal submitted by Prof. C.R. Babu.
- 3) Next hearing date is 1st August 2017.

(d) 1. The Company does not expect any reimbursements in respect of the above contingent liabilities.

2. It is not practicable to estimate the timing of cash flows, if any, in respect of matters stated in (a) i, ii, iii (b) and (c) above.

39. Capital Commitments

Estimated amount of contract on Capital Account remaining to be executed and not provided for Rs. 2,252.62 Lacs (Previous Year – Rs. 4,406.93 Lacs).

40. Details of Research and Development Expenditure

(` in Lacs)

Particulars	2016 – 2017	2015 – 2016
Capital Expenditure	52.00	39.24
Revenue Expenditure	1,072.65	1,039.57
Total	1,124.65	1,078.81

41. Earnings Per Share:

(` in Lacs)

Particulars	2016 – 2017	2015 – 2016
Profit / (Loss) After Tax	(4,495.43)	(1,129.43)
Weighted average number of shares (in Lacs)	362.21	357.38
Basic and Diluted Earnings Per Share (Face Value Rs. 10)	(12.41)	(3.16)

Notes forming part of the Standalone Financial Statements

42. Contribution to Provident Fund & Gratuity

(` in Lacs)

Particulars	2016 – 2017	2015 – 2016
Contribution to Provident Fund	343.41	335.90
Contribution to Group Gratuity Scheme	105.93	131.24

43. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Forward contracts entered into by the Company and outstanding as on 31st March, 2017

(i) For hedging currency related risks:

(` in Lacs)

Sr. No.	Particulars	Cross Currency	As at 31st March, 2017	As at 31st March, 2016
l)	Forward Contracts			
a.	Buy	USD	5493.23	2476.19
b.	Sell	USD	1468.51	5896.29
	Sell	EUR	875.72	3605.25

(ii) For hedging commodity related risks :

Category wise break up is given below:

(` in Lacs)

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
		Sales	Purchases	Sales	Purchases
l)	Futures (Sugar)	Nil	Nil	Nil	Nil

b) Foreign currency exposures that have not been hedged by derivative instruments or otherwise as at year end.

(` in Lacs)

Sr. No.	Particulars	Cross Currency	As at 31st March, 2017	As at 31st March, 2016
a.	Buy	USD	980.76	6.20
	Buy	EUR	53.76	---
b.	Sell	USD	1006.08	55.03
	Sell	EUR	398.55	49.17

44. Foreign Exchange Gain/(Loss) has been included in statement of Profit & Loss under following heads:

(` in Lacs)

Sr. No.	Particulars	2016-2017	2015 – 2016
1	Revenue from Operations	3.64	174.28
2	Raw Materials Consumed	46.34	(101.10)
3	Interest & Financial Charges-Others	0.41	(40.48)
	Total	50.39	32.70

45. In Terms of Accounting Standard – 22, Deferred Tax Asset (DTA) of Rs.9291.15 Lacs (Previous Year Rs. 7,555.41 Lacs) has been recognised as at 31st March, 2017. There is carried forward unabsorbed depreciation and business losses as at the Balance Sheet date. However, based on the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

46. Capital work in Progress includes Consultancy fees aggregating to Rs.78.03 Lacs. (Previous Year Rs. 16.46 Lacs).

47. Trade payable includes amounts payable to related parties Rs. 79.48 lacs (Previous year 27.62 Lacs).

Notes forming part of the Standalone Financial Statements

48. Loans and advances in the nature of loans to subsidiary

(Disclosure as per section 186(4) of the Act:

			(` in Lacs)	
Name	2016 – 2017	2015 – 2016		
Solar Magic Private Limited				
Closing Balance	300.58	227.45		
Maximum Balance	472.86	526.03		

Solar Magic Limited has utilised the loan for meeting working capital requirements. It is repayable over a period of 5 years and carries 8 % rate of interest.

49. Reconciliation of Cash and Cash Equivalents:

				(` in Lacs)	
Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016		
1	Cash and Bank Balance as per Note No. 17	3,413.62	3,402.24		
2	Less: Fixed deposit earmarked for Margin Money and other Fixed Deposits	3,206.84	2,446.49		
3	Cash and Cash equivalents as per cash flow statement	206.78	955.75		

50. In view of the losses for the year, the company has not created Debenture Redemption Reserve.

51. Exceptional item includes, interest paid pursuant to SEBI Order dated 1st of January, 2016, aggregating to Rs. 1,025.52 Lacs (Net of interest capitalised)

52. Advances to Suppliers and other Advances includes Rs. 358.77 Lacs (P.Y.Nil) towards Share Premium refunded to contributories/beneficiaries of Equity Shares. The said amount will be debited to General Reserve Account after approval of the Equity Share Holders, in General Body Meeting.

53. Advances to Suppliers and other Advances includes Rs.700.00 lacs (P.Y.Nil) towards share application money in Cayuga Investments B. V.

53. Details of Specified Bank Notes (SBN)

Details of SBN during period 8th November 2016 to 30th December 2016

				(` in Lacs)	
Particulars	SBNs	Other denomination notes	Total		
Closing cash in hand as on 08.11.2016	3.59	5.5	9.09		
(+) Permitted receipts	-	55.53	55.53		
(-) Permitted payments	-	46.1	46.1		
(-) Amount deposited in Banks	3.59	4.21	7.79		
Closing cash in hand as on 30.12.2016	-	10.72	10.72		

Notes forming part of the Standalone Financial Statements

54. Particulars of Segment Information as required by Accounting Standard (AS-17) "Segment Reporting"

A) Primary Segment

(` in Lacs)

	Sugar		Cogen		Chemical		Distillery		Interunit Transfer		Unallocated		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
I Segment Revenue														
External Sales revenue	52,972.97	83,239.05	2,579.46	5,644.69	36,864.13	39,340.36	11,901.48	13,940.51					104,318.05	142,164.61
Less Excise Duty	3,268.41	3,878.52	-	0.13	1,912.48	1,364.79	621.81	442.70					5,802.70	5,686.14
External Sales revenue	49,704.57	79,360.53	2,579.46	5,644.56	34,951.65	37,975.56	11,279.67	13,497.81					98,515.36	136,478.46
Inter Segment Transfers	7,728.89	11,944.94	3,947.74	7,551.70	34.97	32.93			(11,711.60)	(19,529.57)				
	57,433.46	91,305.47	6,527.21	13,196.26	34,986.62	38,008.49	11,279.67	13,497.81	(11,711.60)	(19,529.57)			98,515.36	136,478.46
Other Income	218.24	210.37	1.43	17.68	33.14	43.47	0.73	46.15			322.88	316.32	576.43	633.99
II Segment Result														
Operating Profit Before Interest & Exceptional Items	836.47	(3,100.57)	(504.59)	3,938.96	1,558.78	1,292.54	1,799.06	5,327.23			(655.05)	(698.32)	3,034.66	6,759.85
Interest & Exceptional Items											8,981.63	8,322.70	8,981.63	8,322.70
Excess / (Short) provision for Income Tax											4.29	-	4.29	-
Deferred Tax (Income) / Expenses											(1,455.83)	(433.42)	(1,455.83)	(433.42)
Net Profit / (Loss)													(4,495.43)	(1,129.43)
III Other information														
Segment Assets	39,798.80	43,443.16	2,155.30	3,189.52	20,816.10	16,006.55	4,188.59	6,553.04			1,436.84	462.35	68,395.63	69,654.62
Capital assets including CWIP	17,072.41	17,915.10	11,594.03	11,361.30	11,021.51	10,773.56	12,848.09	7,968.51			477.18	483.73	53,013.21	48,502.21
Segment Assets	56,871.21	61,358.26	13,749.32	14,550.82	31,837.61	26,780.11	17,036.68	14,521.55			1,914.02	946.08	121,408.84	118,156.84
Segment liabilities	82,590.09	82,020.29	2,858.84	5,085.99	20,705.13	14,669.83	2,356.61	1,294.88			-	-	108,510.67	103,070.99
IV Capital Expenditure	1,921.19	414.61	776.82	264.51	746.78	3,262.77	43.11	1,184.80			75.20	32.41	3,563.10	5,159.10
V Segment Depreciation	2,539.99	1,953.82	834.21	810.59	888.76	922.40	623.80	562.48			91.21	94.50	4,977.97	4,343.78
VI Non cash expenses other than Depreciation	(0.77)	(3.93)	-	-	-	(3.08)	-	-					(0.77)	(7.01)

B) Secondary Segment

Geographical segment has been identified as secondary segment based on segment revenue.

` in Lacs

	2016-2017	2015-2016
Domestic Sales	86,393.92	107,548.55
Export Sales	17,924.13	34,616.06
Total	104,318.05	142,164.61

Significant Accounting Policies:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business Segment as the primary segment.
- Types of products and services in each business segment:
 - Sugar : Production and sale of Sugar
 - Cogen : Production and sale of Power
 - Chemical : Production and sale of Ethyl Acetate, 3-Methyl-3-Pentene-2-One etc.
 - Distillery : Production and sale of Rectified Spirit, Extra Neutral Alcohol, Ethanol etc.
- Segment Report is prepared in conformity with accounting policies adopted for preparing and presenting financial statements.
- Inter-segment transfers are recorded at cost except for by-products Bagasse and Molasses, cost of which are unascertainable and which are recorded at prevalent market prices.

` in Lacs

	2016-2017	2015-2016
Capital expenditure		
within India	3,563.10	5,159.10
Outside India	-	-
Total	3,563.10	5,159.10

` in Lacs

Segment Assets	As at 31st March 2017	As at 31st March 2016
within India	121,408.84	118,156.84
Outside India	-	-
Total	121,408.84	118,156.84

Notes forming part of the Standalone Financial Statements

55) Related party disclosures As required by AS-18, "Related Party Disclosure" are given below :

A) Names of Related parties

CATEGORY I :

Subsidiaries: Solar Magic Pvt. Ltd., Cayuga Investment B.V., Godavari Biorefineries B.V. & Godavari Biorefineries Inc.

CATEGORY II :

i) Key Management Personnel

Shri. Samir S. Somaiya, Shri V.V.Joshi, Shri S.N. Bableshwar, Shri G. M. Kajaria (Till 20th June, 2015), Shri N. S. Khetan, Smt Rutika S Pawar (Till 29th February, 2016), Miss Nishi Vijayavargia (From 15th March, 2016)

ii) Relatives of key management personnel

Smt. Maya S. Somaiya, Ms. Harinakshi Somaiya

CATEGORY III :

Associates

Somaiya Properties and Investments Pvt Ltd., The Book Centre Ltd., Jasmine Trading Co. Pvt. Ltd., K.J.Somaiya & Sons Pvt. Ltd., Lakshmiwadi Mines & Minerals Pvt. Ltd., Somaiya Chemical Industries Pvt. Ltd., Pentokey Organy (India) Ltd, Arpit Ltd., Filmedia Communication System Pvt Ltd, Zenith Commercial Agency Pvt Ltd, Acharya Travels Somaiya Vidyavihar, K.J. Somaiya Institute of Applied Agricultural Research, K J Somaiya Medical Trust

B) Details of material transaction with the related parties during the year :

(` in Lacs)

Sr. No.	Particulars	2016 - 2017	2015 - 2016
	CATEGORY I		
1	Investments in Equity Shares		
	Solar Magic Pvt. Ltd.	150.00	-
	Share Application Money		
	Cayuga Investments B. V.	700.00	-
2	Loans and Advances Given / (Received)		
	Solar Magic Pvt. Ltd. (Net for the year)	73.12	(194.46)
3	Interest income Received		
	Solar Magic Pvt. Ltd.	25.92	33.84
4	Purchases from		
	Solar Magic Pvt. Ltd.	24.51	35.31
5	Commission / Reimbursement of Expenses		
	Godavari Biorefineries INC.	77.83	59.62
	Godavari Biorefineries B. V.	143.34	-
6	Sales		
	Godavari Biorefineries BV	2,374.43	7,097.27
	CATERGORY II		
7	Remuneration		
	Shri Samir S. Somaiya	202.40	128.54
	Shri V V Joshi	61.27	53.59
	Shri S N Bableshwar	28.20	32.70
	Shri S Mohan	16.95	-
	Shri G M Kajaria	-	10.20
	Shri N S Khetan	56.16	48.69
	Smt Rutika S Pawar	-	15.01
	Miss Nishi Vijayavargia	10.76	0.45
		<u>375.74</u>	<u>289.17</u>

Notes forming part of the Standalone Financial Statements

		(` in Lacs)	
Sr. No.	Particulars	2016 - 2017	2015 - 2016
8	Loans and Advances Received		
	Shri Samir S. Somaiya	600.00	-
9	Loans and Advances Repaid		
	Shri Samir S. Somaiya	600.66	-
10	Salary		
	Ms. Harinakshi Somaiya	5.01	4.86
11	Sales to		
	Shri Samir S. Somaiya	-	0.47
12	Purchases from		
	Mrs Maya S. Somaiya	5.33	5.63
	Shri Samir S. Somaiya	16.56	11.82
	Ms. Harinakshi Somaiya	1.76	2.86
		<u>23.65</u>	<u>20.31</u>
	CATEGORY III		
13	Purchases from		
	The Book Centre Ltd.	40.22	36.61
	Pentokey Organy (India) Ltd.	56.85	65.02
	K.J. Somaiya Institute of Applied Agricultural Research	14.28	19.14
	Acharya Travels	34.10	60.55
	Zenith Commercial Agency Pvt Ltd	40.06	51.84
	Arpit Limited	0.61	-
	Somaiya Agency Pvt Ltd	0.64	1.59
		<u>186.76</u>	<u>234.75</u>
14	Rent paid to		
	Jasmine Trading Co. Pvt. Ltd.	99.29	98.48
	Somaiya Properties & Investments Pvt. Ltd.	59.68	58.21
	Arpit Limited	1.03	1.02
	Somaiya Chemicals Industries Pvt. Ltd.	2.09	1.74
	K.J.Somaiya & Sons Pvt. Ltd.	14.24	11.79
		<u>176.33</u>	<u>171.23</u>
15	Royalty paid		
	K.J.Somaiya & Sons Pvt. Ltd.	106.30	135.65
16	Service Charges paid		
	Filmedia Communications System Pvt. Ltd	6.17	5.47
		<u>6.17</u>	<u>5.47</u>
17	Inter Corporate Deposits Received		
	Sakarwadi Trading Company Ltd	175.00	-
	K.J.Somaiya & Sons Pvt.Ltd.	250.00	-
	Jasmine Trading Co.Pvt.Ltd.	375.00	-
		<u>800.00</u>	<u>-</u>
18	Inter Corporate Deposits Repaid		
	Sakarwadi Trading Company Ltd	175.00	-
	K.J.Somaiya & Sons Pvt.Ltd.	250.00	-
	Jasmine Trading Co.Pvt.Ltd.	375.00	-
		<u>800.00</u>	<u>-</u>

Notes forming part of the Standalone Financial Statements

(` in Lacs)

Sr. No.	Particulars	2016 - 2017	2015 - 2016
19	Interest Paid on Inter Corporate Deposits		
	Sakarwadi Trading Company Ltd	4.83	-
	K.J.Somaiya & Sons Pvt.Ltd.	5.18	-
	Jasmine Trading Co.Pvt.Ltd.	6.57	-
		<u>16.58</u>	-
20	Sales to		
	Arpit Limited	1,048.77	1,250.81
	Pentokey Organy (India) Ltd.	-	261.99
		<u>1,048.77</u>	<u>1,512.81</u>
21	Training Expenses	7.58	-
	K.J.Somaiya Institute of Management Studies and Research		
22	Donation paid		
	K.J, Somaiya Institute of Applied Agricultural Research	75.00	96.00
	K J Somaiya Medical Trust	-	2.00
	Somaiya Vidyavihar	68.94	55.50
		<u>143.94</u>	<u>153.50</u>

C) Debit / (Credit) Balance with related parties as at 31 st March, 2017 :

CATEGORY I

23	Investments in Equity Shares		
	Solar Magic Pvt. Ltd.	345.00	195.00
	Cayuga Investments B. V.	301.92	301.92
	Share Application Money Cayuga Investments B. V.	700.00	-
24	Loans and Advances		
	Solar Magic Pvt. Ltd.	300.58	227.45
25	Trade Receivable / (Trade Payable)		
	Solar Magic Pvt. Ltd.	1.20	(1.20)
	Godavari Biorefineries INC.	(12.44)	(3.70)
	Godavari Biorefineries BV	(66.37)	-
	Godavari Biorefineries BV	604.71	2,445.66

CATERGORY II

26	Advances Received		
	Shri Samir S. Somaiya	1.36	2.02

Notes forming part of the Standalone Financial Statements

Sr. No.	Particulars	2016 - 2017	2015 - 2016
CATEGORY III			
27	Trade Receivable / (Trade Payable)		
	The Book Centre Ltd.	(1.68)	(10.11)
	Somaiya Chemicals Industries Pvt. Ltd.	-	0.06
	Acharya Travels	-	(0.09)
	Zenith Commercial Agency Pvt Ltd	-	(1.98)
	Somaiya Agency Pvt Ltd	(0.19)	
	Arpit Limited	13.14	23.70
	K.J.Somaiya & Sons Pvt. Ltd.	-	(10.53)
	Pentokey Organy (India) Ltd	-	231.98
28	Training Expenses		
	K.J.Somaiya Institute of Management Studies and Research	(0.56)	-

56) The Values of Current Assets and Loans and Advances are stated at realisable in the ordinary course of business, as stated in Balance Sheet as per the opinion of the Management of the Company.

57) Previous year figures are regrouped and rearranged wherever necessary.

Signature to Note No. 1 to 57 attached to Balance Sheet and Statement of Profit and Loss

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

Auditors' Report



Independent Auditors' Report

To the Members of
Godavari Biorefineries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Godavari Biorefineries Limited** (hereinafter referred to as "the Holding company") its subsidiaries, (the holding company and its subsidiaries together referred to as "the Group"), comprising the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The holding company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 and the Companies (Accounting Standards) Amendment Rules, 2016 ("the Rules") (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and the application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the 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 sub-section 10 of Section 143 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the holding company's preparation of the consolidated 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 holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and based on the unaudited financial statements of three subsidiaries furnished to us by the Management referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the unaudited financial statements of three subsidiaries furnished to us by the Management as noted in "Other Matters" paragraph, the aforesaid consolidated financial statements give the information required by the Act (to

Independent Auditors' Report

the extent applicable) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2017;
- ii) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated loss for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs.1649.37 lacs as at 31st March 2017, total revenues of Rs.3871.71 lacs and net cash inflows amounting to Rs.132.11 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on these unaudited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter with respect to our reliance on the financial statements furnished to us by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and unaudited financial statements of three subsidiaries furnished to us by the Management as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2017 taken on record by the Board of Directors of the holding company and our reports as the auditor of its subsidiary company, which is incorporated in India, none of the Directors of the respective Companies are disqualified as on 31st March 2017 from being appointed as a Director of that company in terms of sub section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the holding company and its subsidiary company incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the unaudited financial statements of three subsidiaries furnished to us by the Management as noted in the 'Other Matter' paragraph to the extent applicable:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note Nos. 34 a) (i), 34 b) & 34 c) to

Independent Auditors' Report

the consolidated financial statements. The subsidiary company incorporated in India and subsidiary companies incorporated outside India do not have any pending litigation;

- ii. there are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards. The Holding Company has made provision in respect of derivative contracts as required under the applicable law or accounting standard;
- iii. The holding company and subsidiary company do not have any unpaid dividend amount. Accordingly, there is no amount, required to be transferred, to the Investor Education and Protection Fund; and
- iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30th December 2016, by the Holding company has been requisitely disclosed in the note 45 to these consolidated financial statements, on the basis of information available with company. Based on audit procedures and

relying on the management representation, we report that, the disclosures are in accordance with the Books of accounts maintained by the Holding company as produced to us by the Management. Subsidiary company incorporated in India did not have any closing balance of SBN as at 08th November 2016 and did not have any transaction in SBN during the period 09/11/2016 to 31/12/2016.

For **DESAI SAKSENA & ASSOCIATES**

Chartered Accountants

Firm's Registration Number: 102358W

Dr. S. N. Desai

Partner

Membership No: 32546

Place : Mumbai

Date : 30th May, 2017

Annexure - A to the Independent Auditors' Report

ANNEXURE A

to the Independent Auditor's Report – 31st March 2017 on the Consolidated Financial Statements (Referred to in our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of **Godavari Biorefineries Limited** ("the holding company") as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of the holding company, its subsidiary company incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the holding company, its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the holding company, its subsidiary company incorporated in India considering the essential components of the internal controls 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial controls 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 controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

Annexure - A to the Independent Auditors' Report

of unauthorised 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 holding company, its subsidiary company incorporated in India, have 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 2017, based on the internal controls over financial reporting criteria established by the holding company, its subsidiary company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DESAI SAKSENA & ASSOCIATES**

Chartered Accountants

Firm's Registration Number: 102358W

Dr. S. N. Desai

Partner

Membership No: 32546

Place : Mumbai

Date : 30th May, 2017

Financial Statements



GODAVARI BIOREFINERIES LIMITED
Consolidated Balance Sheet As at 31st March 2017

(` in Lacs)

	Notes	As at 31st March, 2017	As at 31st March, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	3,695.23	3,573.77
b) Reserves & Surplus	3	7,946.24	10,764.64
		<u>11,641.47</u>	<u>14,338.41</u>
2 Non Current Liabilities			
a) Long Term Borrowings	4	17,387.20	23,029.65
b) Deferred Tax Liabilities (net)	5	593.28	109.33
c) Other Long Term Liabilities	6	106.10	92.25
		<u>18,086.58</u>	<u>23,231.23</u>
3 Current Liabilities			
a) Short Term Borrowings	7	68,548.82	53,579.70
b) Trade Payables		11,860.28	16,795.91
c) Other Current Liabilities	8	10,482.17	10,185.74
d) Short Term Provisions	9	242.11	213.33
		<u>91,133.38</u>	<u>80,774.68</u>
TOTAL		<u>120,861.43</u>	<u>118,344.32</u>
II ASSETS			
1 Non Current Assets			
a) Property , Plant and Equipment			
i) Tangible Assets		45,410.47	46,841.06
ii) Intangible Asset		0.63	0.79
iii) Tangible Asset Capital Work In Progress		7,859.59	1,933.39
		<u>53,270.69</u>	<u>48,775.24</u>
b) Non Current Investments	11	4.72	4.72
c) Deferred Tax Assets / (Liabilities) Net	12	1,192.69	(265.13)
d) Long Terms Loans and Advances	13	1,529.08	3,277.69
		<u>2,726.49</u>	<u>3,017.28</u>
2 Current Assets			
a) Current Investments	14	5.00	4.16
b) Inventories	15	50,072.24	48,879.10
c) Trade Receivables	16	6,381.34	9,403.59
d) Cash And Bank Balances	17	3,769.87	3,632.66
e) Short Term Loans And Advance	18	3,801.34	3,011.60
f) Other Current Assets	19	834.46	1,620.69
		<u>64,864.25</u>	<u>66,551.80</u>
TOTAL		<u>120,861.43</u>	<u>118,344.32</u>
Significant Accounting Policies & Notes forming part of Financial Statements 1 to 50			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

GODAVARI BIOREFINERIES LIMITED

Consolidated Statement of Profit and Loss for the year Ended on 31st March 2017

	Notes	2016 - 2017	2015 - 2016
(` in Lacs)			
I REVENUE :			
a Revenue From Operations (Gross)	20	106,437.04	144,281.36
b Less : Excise Duty		5,802.70	5,686.14
c Revenue From Operations (Net)		<u>100,634.34</u>	<u>138,595.22</u>
II OTHER INCOME	21	754.17	651.39
TOTAL		<u>101,388.51</u>	<u>139,246.61</u>
III EXPENDITURE:			
a Cost of Material Consumed	22	70,474.48	98,188.21
b Purchase of Traded Goods	23	1,926.41	3,212.58
c Manufacturing Expenses	24	9,580.49	10,470.83
d Changes in Inventories of Finished Goods, Work in Progress & Traded Goods	25	(199.07)	4,018.49
e Employee Benefits Expenses	26	7,301.96	6,708.87
f Sales, Administration & other Expenses	27	4,521.20	5,950.04
g Interest & Financial Charges	28	8,036.07	8,360.69
h Depreciation & Amortisation	11	4,997.04	4,360.43
TOTAL		<u>106,638.58</u>	<u>141,270.14</u>
IV PROFIT / (LOSS) BEFORE EXCEPTIONAL & TAXES		(5,250.06)	(2,023.52)
Exceptional Items (Refer Note 43)		1,025.52	-
PROFIT / (LOSS) BEFORE TAXES		<u>(6,275.58)</u>	<u>(2,023.52)</u>
V Tax Expenses			
a Current Tax		-	-
b Deferred Tax (Assets) / Liabilities		(1,455.83)	(433.42)
c (Excess) / Short Provision for Income Tax		4.29	-
		<u>(1,451.54)</u>	<u>(433.42)</u>
VI PROFIT / (LOSS) AFTER TAX FOR THE PERIOD		<u>(4,824.05)</u>	<u>(1,590.10)</u>
Basic and Diluted Earnings Per Share of Face Value of Rs. 10/-		(13.32)	(4.45)
Significant Accounting Policies & Notes forming part of Financial Statements 1 to 50			

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

GODAVARI BIOREFINERIES LIMITED

Consolidated Cash Flow for the Year Ended 31st March, 2017

	(` in Lacs)	
	2016 - 2017	2015 - 2016
A Cash Flow from Operating Activities :		
Net Profit / (Loss) Before Tax	(6,275.60)	(2,023.53)
Adjusted for :		
Depreciation	4,997.04	4,360.43
Interest on Fixed Deposits and Others	(296.96)	(282.47)
Loss on Sale of Property Plant & Equipment	(0.77)	(7.01)
Sundry Debit/Credit Balances Written Off/Back (Net)	(101.65)	(170.50)
Interest & Finance Charges	8,036.06	8,283.39
Provision For Diminution In Investment Value (net)	(247.50)	67.85
Provision for Doubtful Debts / Advances	194.11	407.24
Provision for Diminution in stores value	-	17.00
Foreign Translation / Consolidated reserve	43.01	245.23
Unrealised Foreign Currency (Gain)/Losses	(66.47)	41.69
Operating Profit before Working Capital Changes	12,556.87	12,962.85
	6,281.27	10,939.32
Adjustments for :		
Trade Payables	(4,539.75)	3,768.57
Other Current Liabilities	133.70	(406.29)
Short Term Provisions	28.78	(3.12)
Other Long Term Liabilities	(0.37)	316.69
Long Term Provisions	13.84	18.64
Trade Receivables	2,928.24	742.72
Inventories	(1,267.38)	3,784.01
Short Term Loans and Advances	(819.80)	2,426.76
Other Current Assets	38.73	(1,558.10)
Other Non-Current Assets	1,713.83	(2,301.45)
Cash Generated From Operations	4,511.09	17,727.75
Income Tax Paid	(20.36)	(42.96)
Net Cash From/ (Used In) Operating Activities	4,490.73	17,684.79
B Cash Flow From Investing Activities :		
Addition To Property, Plant and Equipments (Net)	(9,492.83)	(2,984.43)
Sale / Scrap of Property Plant & Equipment	1.11	10.63
Interest Received on Fixed Deposits and Others	311.23	271.85
Net Cash From/ (Used in) Investing Activities	(9,180.49)	(2,701.95)
C Cash Flow From Financing Activities :		
Repayment of Long Term Borrowings	(5,934.34)	(4,081.91)
Proceeds of Long Term Borrowings	22.53	109.96
(Decrease) / Increase Short Term Borrowings	15,479.80	(10,838.55)
Issue of Share Capital	121.46	-
Share Premium received on Equity Share issued	2,184.48	-
Issue of Debenture	-	6,500.00
Interest accrued on debenture	346.70	305.26
Interest & Finance Charges Paid	(8,154.00)	(7,546.60)
Net Cash from/ (Used in) Financing Activities	4,066.61	(15,551.84)
Net Changes in Cash and Cash Equivalents	(623.15)	(569.00)
Add : Opening Balance Of Cash and Cash Equivalents	1,186.17	1,755.17
Closing Balance Of Cash and Cash Equivalents (Refer note 39)	563.03	1,186.17

As per our Report of even date attached

For and on behalf of the Board of Directors

 For **DESAI SAKSENA & ASSOCIATES**
 Chartered Accountants
 Firm Registration Number: 102358W

Samir S. Somaiya
 Chairman & Managing Director
 DIN: 00295458

Vinay V. Joshi
 Executive Director
 DIN: 00300227

Dr. S. N. Desai
 Partner
 Membership No: 32546

N. S. Khetan
 Chief Financial Officer
 Membership No: F037264

Nishi VijayVargiya
 Company Secretary
 Membership No: A26319

 Place : Mumbai
 Date : 30th May, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

A) Corporate Information

Godavari Biorefineries Limited is a Company incorporated under the provisions of Indian Companies Act, 1913, having its registered office at Somaiya Bhavan, 45-47, M.G. Road, Fort, Mumbai-400 001, India. Godavari Biorefineries Limited's origins can be traced to The Godavari Sugar Mills Limited, which was founded in 1939 by Late Padmabhushan Shri Karamshibhai Jethabhai Somaiya (1902-1999). The Godavari Sugar Mills Limited transferred its operating assets, namely, sugar, power, chemical & distillery business to the Company, on a going concern basis, on March 20, 2009 with effect from April 01, 2008, vide an order from the High Court of Bombay.

The Company is a fully integrated unit and is among the top sugar companies in India. The quality of its sugar is also comparable to the best and therefore fetches premium in the domestic and international markets. The Company is one of the largest producers of alcohol and a pioneer in manufacture of alcohol based chemicals in India. The Company manufactures various products from renewable resources, thereby forming an entire value chain right from sugarcane to sugar and other value added products like power, ethanol, bio-fertilizers etc. The Company's chemical unit at Sakarwadi, Maharashtra is an Export Oriented Unit (EOU).

The Company is actively pursuing the goal of creating a unique bio-refinery using green and renewable sugarcane as a feedstock.

B) Principles of Consolidated Financial Statements:

The Consolidated Financial Statements of the Company and its Subsidiary Companies (collectively referred as "the Group") have been prepared on the following basis:

- i) The Financial Statements of the Company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like item of Assets, Liabilities, Income and Expenditure, after fully eliminating intra Group balances, intra group transactions and any unrealized profit / loss included therein in accordance with Accounting Standard (AS-21) "Consolidated Financial Statement".
- ii) The Consolidated Financial Statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are prepared, to the extent possible, in the same manner as the Company's separate financial statements.
- iii) The Subsidiary Companies considered in the Financial Statements are as follows:

Name	Country of Incorporation	% of ownership / voting power	
		31st March 2017	31st March 2016
Solar Magic Pvt Ltd	India	100.00	100.00
Cayuga Investments B. V.	Netherlands	100.00	100.00
Godavari Biorefineries B.V.			
(Subsidiary of Cayuga Investments B. V.)	Netherlands	100.00	100.00
Godavari Biorefineries Inc.			
(Subsidiary of Cayuga Investments B. V.)	United States of America	100.00	100.00

C) Basis of Accounting and Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the Act (to the extent notified).

D) Use of Estimates:

The preparation of Financial Statement requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of the Financial Statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

E) Property, plant and equipment and Depreciation:

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of Property, Plants & Equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Depreciation on Property, plant and equipment:

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation and experience.

Depreciation for additions to/deductions from Property , Plants & Equipment is calculated from the date of capitalisation /deductions.

F) Intangible assets:

Intangible Assets are related to 'Patents', which have been recognised at nominal value. Intangible assets are amortised on straight line method other than patents.

G) Leased Assets:

Operating Leases: Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

H) Foreign Currency Transactions:

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii) Monetary items denominated in Foreign Currencies are reinstated at the year end rates.

Notes forming part of the Consolidated Financial Statements

- iii) Premium or discount on foreign exchange forward contracts are amortised and recognised in the statement of profit and loss over the period of the contract.

I) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

J) Inventories:

Raw Materials are valued at lower of moving average cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a transaction moving moving average cost.. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Stores and Spares are valued at moving average cost.

Work-in-Progress valued at lower of cost and net realisable value.

- iv) Finished stocks are valued at cost and net realisable value whichever is lower.
- v) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Bagasse, Molasses and waste/scrap generated in the production process are valued at net realisable value.

The valuation of raw materials, components and stores & spares includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of these inventories, net of excise duty/ countervailing duty / education cess and value added tax.

K) Provision for Current Tax and Deferred Tax:

- i) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and Income Computation and Disclosure Standards (ICDS) and based on the expected outcome of assessments/appeals.
- ii) Deferred Tax resulting from “timing differences” between book and taxable profit is accounted for using the tax rates and laws that have been enacted and substantively enacted as on the Balance Sheet date.
- iii) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty or virtual certainty as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

L) Provisions:

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

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

Contingent Assets

Contingent assets are neither recognised nor disclosed.

M) Impairment of Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of

Notes forming part of the Consolidated Financial Statements

depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

N) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- ii) Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.
- iii) Dividends are recognised when right to receive is established.
- iv) Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.

O) Turnover:

Turnover includes sale of goods, excise duty net of value added tax, adjusted for discounts.

P) Expenditure on Research & Development:

Revenue expenditure on research and development is charged to revenue in the year in which it is incurred. Capital expenditure on research and development is added to plant, property & equipment's and are depreciated in accordance with policies of the Company.

Q) Retirement Benefits:

i) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

ii) Post-employment benefits:

- a. Defined contribution plans: The state governed provident fund scheme, employee state insurance scheme, employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- b. Defined Benefit plans: The group gratuity scheme and leave encashment are defined benefit plans.

R) Extraordinary and Exceptional Items:

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expenses, is classified as an extraordinary items and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to ordinary activities of the Company is such that its disclosure improves an understanding of performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

S) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

T) Segment Accounting:

- i) Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:
 - a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
 - b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses, which relate to the Company as a whole and not allocable to segments, are included under “unallocable corporate expenditure”.
- ii) The Company's reporting segments are identified based on activities/products, risk and reward structure, organisational structure and internal reporting systems.

U) Commodity Futures:

Transactions in commodity futures are accounted based on the mode of final settlement. Transaction, which are ultimately settled net, without taking delivery, are recorded net with the gains/losses being recognised as income/expenses in the Financial Statements. Transactions, which stipulate physical delivery of the goods and where the Company intends to take delivery, are recorded at gross, as purchases and sales as a part of the Company's sugar manufacturing activities

Notes forming part of the Consolidated Financial Statements

(` in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
2 SHARE CAPITAL		
Authorised		
4,20,00,000 (Previous Year 4,20,00,000) Equity Shares of Rs.10/- each	4,200.00	4,200.00
18,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	1,800.00	1,800.00
	<u>6,000.00</u>	<u>6,000.00</u>
Issued, Subscribed & Paid up		
Equity Share Capital		
3,57,37,747 (Previous Year 3,57,37,747) Equity Shares of Rs.10/- each fully paid up.	3,573.77	3,573.77
Add : 12,14,600 (Previous year Nil) Equity Share of Rs. 10/- each fully paid up	121.46	-
3,69,52,347 (Previous Year 3,57,37,747) Equity Shares of Rs.10/- each fully paid up.	<u>3,695.23</u>	<u>3,573.77</u>

a) Reconciliation of the number of Equity Shares and Share Capital outstanding at the beginning and at the end of the reporting Year

Particulars	2016-2017		2015-2016	
	No. of shares held	Amount in Lacs	No. of shares held	Amount in Lacs
Equity shares of Rs. 10/- each fully paid :				
Shares outstanding at the beginning of the year	35,737,747	3,573.77	30,602,100	3,060.21
Shares issued during the year	1,214,600	121.46	5,135,647	513.56
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	36,952,347	3,695.23	35,737,747	3,573.77

b) Rights, Preferences and Restrictions attached to Shares

i) Equity Shares

- The Company has one class of Equity shares having a par value of Rs.10/- each.
- Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders, if any.
- The Equity share holders are also subject to restrictions as prescribed under the Companies Act, 2013
- The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.
- In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders

c) Shareholders holding more than 5% of Equity shares of the Company

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% Holding	No. of shares held	% Holding
1 Somaiya Agencies Pvt.Ltd.	8,549,965	23.14	8,549,965	23.92
2 Sakarwadi Trading Company Pvt. Ltd	5,363,552	14.51	4,981,952	13.94
3 Lakshmiwadi Mines & Minerals Pvt. Ltd	5,219,762	14.13	5,193,462	14.53
4 Mandala Capital AG Limited	4,926,983	13.33	4,765,033	13.33
5 Shri Samir Shantilal Somaiya	4,010,865	10.85	3,667,815	10.26
6 Sindhur Construction Pvt. Ltd.	2,605,120	7.05	2,605,120	7.29
7 Trustees of Sameerwadi Sugarcane Farmers' Welfare Trust	-	-	2,269,600	6.35
	30,676,247	83.01	32,032,947	89.62

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders, regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares of the above shareholding.

Notes forming part of the Consolidated Financial Statements

3 RESERVES AND SURPLUS :

(a) Capital Reserve			
At the beginning and at the end of the year		727.42	727.42
(b) Capital Redemption Reserve			
At the beginning and at the end of the year	573.50		573.50
(c) Share Premium Reserve			
At the beginning and at the end of the year	15,308.68		15,308.68
Add : 12,14,600 (Previous year Nil) Equity Share of Rs. 180/- each fully paid up	<u>2,186.28</u>		<u>-</u>
At the end of the year		17,494.96	15,308.68
(d) General Reserve			
At the beginning of the year		1,865.38	1,865.38
(e) Surplus in Statement of Profit and Loss			
At the beginning of the year	(7,550.39)		(5,960.28)
Less : Transfer to Capital redemption	-		-
Add : Profit / (Loss) for the year	<u>(4,824.04)</u>		<u>(1,590.11)</u>
At the end of the year		(12,374.43)	(7,550.39)
Consolidation Reserve			
At the beginning of the year	(159.95)		117.65
Add / (Less): During the year	<u>(180.64)</u>		<u>(277.60)</u>
At the end of the year		<u>(340.59)</u>	<u>(159.95)</u>
		<u>7,946.24</u>	<u>10,764.64</u>

4 LONG TERM BORROWINGS

Secured

a) From Banks

(i) Term Loans		3,911.24	9,372.67
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b) From Others

(i) Sugar Development Fund	4,786.92		5,342.19
(ii) Others	<u>28.30</u>		<u>4.63</u>
		4,815.22	5,346.82

c) Debentures

(i) Debentures	6,500.00		6,500.00
(ii) Interest accrued on Debentures	<u>651.95</u>		<u>305.26</u>
		7,151.95	6,805.26

Unsecured

a) From Others

(i) Council of Scientific & Industrial Research	485.00		485.00
(ii) Deferred Cane Purchase Tax	1,014.71		1,014.71
(iii) Ratnakar Bank Ltd (Interest rate @ 12.50% P.A., Terms of Payment 2 Annual Installments)	<u>9.08</u>		<u>5.19</u>
		<u>17,387.20</u>	<u>23,029.65</u>

Notes forming part of the Consolidated Financial Statements

(` in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
	Current	Non - Current	Current	Non - Current
I) Details of Terms of repayment for Long Term Secured Borrowings	As at 31st March, 2017		As at 31st March, 2016	
Particulars				
1 Andhra Bank (Repayable in 8 equal quarterly installments, last Installment falling due on March 2019.)	51.50	51.50	51.50	115.88
2 Union Bank of India (Repayable in 6 equal quarterly installments, last Installment falling due on July 2018.)	892.00	432.00	892.00	1,324.00
3 Union Bank of India (Repayable in 3 equal half yearly installments, last Installment falling due on June 2018.)	216.00	108.00	216.00	324.00
4 Bank of India (Repayable in 26 equal Monthly installments, last Installment falling due on May 2019.)	2,010.00	2,345.00	1,675.00	4,355.00
5 Bank of India (Repayable in 5 equal quarterly installments, last Installment falling due on June 2018.)	892.00	209.00	892.00	1,101.00
6 Corporation Bank (Repayable in 7 equal quarterly installments, last Installment falling due on October 2018.)	684.00	511.00	684.00	1,195.00
7 Punjab National Bank (Repayable in 3 equal half yearly installments, last Installment falling due on June 2018.)	679.71	204.36	679.71	884.07
8 Sugar Development Fund (Repayable in 5 equal yearly installments, last Installment falling due on March 2023.)	-	3,954.02	-	3,954.02
9 Sugar Development Fund (Repayable in 5 equal half yearly installments, last Installment falling due on June 2019.)	555.27	832.90	555.27	1,388.17
10 Hire Purchase Finance	13.30	28.30	15.74	4.63
11 IDBI Trusteeship Services Ltd (Bullet payment on June 2021) Call Option after three years (June 2018)	-	7,151.95	-	6,805.26
12 Sustainable Agro Commercial Finance Ltd. Repayable in 2 Annual Installments	75.51	50.38	49.56	73.72
	<u>6,069.29</u>	<u>15,878.41</u>	<u>5,710.78</u>	<u>21,524.75</u>
* Period of Maturity w.r.t the Balance Sheet date				
* Number of Instalment outstanding as at 31st March, 2017				

II) Nature of Securities:

- i) Loan covered in Sr. No. 1 to 5, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Subservient First Ranking Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and First Pari Passu Charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd). Corporate Guarantee of SPIPL . Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka #

Notes forming part of the Consolidated Financial Statements

(` in Lacs)

As at 31st March, 2016

As at 31st March, 2015

- ii) Loan covered in Sr.No. 6, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Second Pari Passu Charge on Current Assets of Sugar & Cogen Division, #
- iii) Loan covered in Sr.No. 7 First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka and second Pari Passu Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and second pari passu charge on current Asset of Sugar Division #
- iv) Loan covered in Sr.No. 8 & 9, All Immoveable & Moveable Properties at Sameerwadi Factory, Karnataka on First Pari Passu Charge basis.
- # Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.
- v) Loan covered in Sr.No. 10, Exclusive Charge on Assets purchased under Hire purchase arrangements
- vi) Debenture covered in Sr.No. 11, Exclusive Charge on the Property, Plant & Equipment Of Capital Investment Programme as per the agreement dated 09th July, 2015 and First Pari Passu Charge on Property, Plant & Equipment at Sakarwadi @ Rs. 10% p.a inclusive of Withholding tax
- vii) Loan Covered in Sr.no.12 Secured by Corporate Guarantee of Godavari Biorefineries Limited
- viii) Interest for above loans varies from 4% to 15% (Previous Year 4% to 13.90%).

5 OTHER LONG TERM LIABILITIES

(i) Public Deposit	578.52	94.20	
(ii) Others	<u>14.76</u>	<u>15.13</u>	
	593.28		109.33

6 LONG TERM PROVISIONS

Leave Encashment	106.10		92.25
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7 SHORT TERM BORROWINGS

Secured

From Banks

(i) Cash Credit	32,014.89	24,802.27	
(ii) Buyers' Credit	<u>-</u>	<u>-</u>	
	32,014.89		24,802.27

I Nature of Security:

- (a) * Secured by First Pari Passu charge over current assets of the company (respective division), both present and future and second Pari Passu charge on Property, Plant & Equipment; and Second charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd) as a Corporate Guranatee of SPIPL.

Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

- (b) For Loan availed by Solar Magic Pvt Ltd corporate guarantee is given by Godavari Biorefineries Limited.

II Interest for above Cash credit Rupee loans varies from 12.6% to 13.2% (Previous Year 12.5% to 14.5%)

Unsecured

From Banks

36,476.00 28,774.63

From Others

- (a) Public Deposit

57.92	2.80		
<u>57.92</u>			<u>2.80</u>
68,548.81			53,579.70

Notes forming part of the Consolidated Financial Statements

(` in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
8 OTHER CURRENT LIABILITIES				
(a) Interest accrued but not due on Borrowings	2,733.76		2,934.92	
(b) Statutory Dues	206.37		276.34	
(c) Others Liabilities	1,183.05		996.57	
(d) Others Liabilities - Related Parties	2.12		2.02	
(e) Advance from Customers	169.81		120.14	
(f) Security Deposits	117.78		144.97	
(g) Current Maturities of long-term debts	6,069.28		5,710.78	
		<u>10,482.17</u>		<u>10,185.74</u>
9 SHORT TERM PROVISIONS				
(a) Provision for Leave Encashment	221.97		187.46	
(b) Provision for Gratuity	20.14		25.87	
		<u>242.11</u>		<u>213.33</u>
11 NON CURRENT INVESTMENTS (at cost unless otherwise specified)				
(l) Long Term Trade Investments				
Investments in Equity Shares-Fully paid				
a) Quoted				
Investments in Associate				
(i) 25,000 (Previous Year 25,000) Equity Shares of Rs. 10/- each of Pentokey Organy (India) Limited	4.50		4.50	
		4.50		4.50
Long Term Non -Trade Investments				
a) Unquoted				
(i) 210 (Previous Year 210) Equity Shares of Rs.100/- each of The Book Centre Ltd.		0.21		0.21
Other Company				
357,604 Nonassessable shares of Series B preferred Stock of \$ 0.001 par value (Previous Year 357,604 Nonassessable shares of Series B preferred Stock of \$ 0.001 par value) of e2e Material INC, USA	134.65		134.65	
Less : Provision For Dimunition in Investment Value	134.64	0.01	134.64	0.01
		0.22		0.22
		<u>4.72</u>		<u>4.72</u>
	Market Value as at	Book Value as at	Market Value as at	Book Value as at
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
Quoted	3.12	4.50	4.63	4.50
Unquoted	-	0.22	-	0.22
	3.12	4.72	4.63	4.72
12 DEFERRED TAX ASSET / (LIABILITIES)				
Deferred Tax Asset				
Unabsorbed Depreciation and Business Losses		9,329.15		7,591.43
Deferred Tax Liability				
On account of difference in Depreciation		8,136.46		7,856.56
		<u>1,192.69</u>		<u>(265.13)</u>

Notes forming part of the Consolidated Financial Statements

(` in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
13 LONG TERMS LOANS AND ADVANCES (Unsecured, Considered Good):				
Advances for Property, Plant and Equipment	108.95		1,143.40	
Advances Income Tax (Net of Provision of Rs. 428.46 lacs (Previous Year 925.95 lacs))	272.44		754.62	
Balances with Statutory and Government Authorities	362.39		367.45	
Security Deposit and other Deposits	230.21		267.60	
Advances for Supplies and Services	555.09		744.62	
		1,529.08		3,277.69
14 CURRENT INVESTMENTS (At lower of cost and fair value)				
a) Quoted				
Investments in Mutual Fund				
(i) 50,000 ((Previous Year 50,000) units of Rs. 10/- each State Bank of India PSU FUND	5.00		5.00	
Less : Provision For Diminution in Investment Value	-		0.84	
		5.00		4.16
	Market Value as at 31.03.2017	Book Value as at 31.03.2017	Market Value as at 31.03.2016	Book Value as at 31.03.2016
Quoted	5.82	4.16	4.16	4.16
Unquoted	-	-	-	-
	5.82	4.16	4.16	4.16
15 INVENTORIES (Mode of valuation as per note no.1 (I))				
(a) Raw Materials				
Raw Materials	8,983.31		6,216.11	
Raw Material in Transit	-	8,983.31	356.16	6,572.27
(b) Work in Progress		31.68		29.99
(c) Finished Goods				
(i) Finished Goods	38,746.96		38,809.86	
(ii) Finished Goods in Transit	154.24		44.89	
		38,901.20		38,854.75
(d) Traded Goods		306.70		1,288.33
(e) Stores, Chemicals and Spares		1,849.35		2,133.76
		50,072.24		48,879.10
16 TRADE RECEIVABLES (Unsecured, Considered Good) :				
I) Due over six months	877.96		850.41	
Less :Provision for Doubtful Receivables	84.08	793.88	105.66	744.75
II) Due less than six months		5,574.33		8,403.16
III) Due from Related Party		13.13		255.68
		6,381.34		9,403.59
17 CASH AND BANK BALANCES :				
a) Cash and Cash Equivalants				
(i) Cash, Cheques and Drafts on Hand	7.66		18.30	
(ii) In Current Account	478.55		1,110.89	
(iii) Fixed Deposits with Banks upto 3 months maturity including Interest accrued	76.82		56.97	
		563.03		1186.17

Notes forming part of the Consolidated Financial Statements

b) Other Bank Balance				
(i) Fixed deposits for margin money and other earmarked fixed deposit including interest accrued	2,909.98		1,055.56	
(ii) Others Fixed Deposits including Interest accrued	296.86		1,390.93	
		3,206.84		2,446.49
		3,769.87		3,632.66
18 SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good):				
a) Cenvat / VAT Credit Receivables	1,076.43		997.78	
b) Prepaid Expenses	187.21		281.30	
c) Advances to suppliers and others advances (Refer Note 44)	2,476.96		1,709.48	
d) Interest receivables	14.41		-	
e) Security Deposit and other Deposits	46.33		23.04	
		3,801.34		3,011.60
19 OTHER CURRENT ASSETS :				
a) Export Incentives Sugar Cane	25.68		853.25	
b) Export Benefits - MEIS and Others	376.69		586.68	
c) Claims Receivables	432.09		180.76	
		834.46		1,620.69

11 Fixed Assets

(in Lacs)

Sr. No	Particulars	Gross Block				Depreciation			Net Block		
		As at 31st March 2016	Additions	Deductions/ Adjustments	As at 31st March 2017	Upto 31st March 2016	During the period	Deductions/ Adjustments	Upto 31st March 2016	As at 31st March 2017	As at 31st March 2016
A	Tangible Asset										
1	Freehold Land	610.72	1.89	-	612.61	5.01	-	-	5.01	607.60	605.71
2	Building	5,441.66	65.78	-	5,507.44	1,259.24	216.50	-	1,475.74	4,031.71	4,182.42
3	Plant & Machinery	74,664.38	3,391.58	-	78,055.96	33,006.19	4,660.61	-	37,666.80	40,389.16	41,658.19
4	Office Equipments	1,827.88	45.77	-	1,873.65	1,690.12	61.27	-	1,751.39	122.25	137.75
5	Motor Vehicles	786.96	61.59	6.84	841.71	529.97	58.46	6.49	581.95	259.75	256.99
	Total A	83,331.60	3,566.61	6.84	86,891.37	36,490.53	4,996.84	6.49	41,480.89	45,410.47	46,841.06
B	Intangible Asset										
1	Patents	0.60	0.03	-	0.63	0.07	0.11	-	0.18	0.45	0.52
2	Trade Mark	0.45	-	-	0.45	0.18	0.09	-	0.27	0.18	0.27
	Total B	1.05	0.03	-	1.08	0.25	0.20	-	0.45	0.63	0.79
	Grand Total A + B	83,332.65	3,566.64	6.84	86,892.45	36,490.78	4,997.04	6.49	41,481.34	45,411.10	46,841.85
	Previous Year 2015-16	78,137.46	5,250.12	54.93	83,332.65	32,181.68	4,360.43	51.31	36,490.80	46,841.85	45,955.78
	Tangible Assets Capital Work In Progress									7,859.59	1,933.39

Notes forming part of the Consolidated Financial Statements

		(` in Lacs)	
		2016 - 2017	2015 - 2016
20	REVENUE FROM OPERATIONS (Net)		
	Sales of Products	106,437.04	144,281.36
	Less Excise Duty	<u>5,802.70</u>	<u>5,686.14</u>
		<u>100,634.34</u>	<u>138,595.22</u>
21	OTHER INCOME :		
	Interest on Fixed Deposits & Others	370.92	315.12
	Write back of Provision for Investments	96.66	-
	Write back of Provision for Loan given	115.96	-
	Miscellaneous Income	<u>170.63</u>	<u>336.27</u>
		<u>754.17</u>	<u>651.39</u>
22	RAW MATERIALS CONSUMED : *	<u>70,474.48</u>	<u>98,188.21</u>
	* The Sugar cane cost Rs. 43,257.07 lacs (Previous Year 70,631.56 lacs) includes Rs. 4911.93 Lacs (Previous Year 6,440.76 lacs) in respect of cane price of earlier years is accounted in the current year		
23	PURCHASE OF TRADED GOODS	<u>1,926.41</u>	<u>4,524.82</u>
24	MANUFACTURING EXPENSES :		
	Stores and Spare consumed	2,071.49	2,557.04
	Power and Fuel	3,639.33	3,249.37
	Packing, Forwarding and Storage	<u>1,021.94</u>	<u>1,564.64</u>
		<u>6,732.76</u>	<u>7,371.05</u>
	Repairs and Maintenance :		
	Plant and Machinery	2,092.33	2,028.56
	Buildings	78.97	49.74
	Others	<u>676.44</u>	<u>1,021.48</u>
		<u>2,847.74</u>	<u>3,099.78</u>
		<u>9,580.49</u>	<u>10,470.83</u>
25	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TARDE		
	Closing Stock :	39,083.84	38,884.77
	Less : Adjustment of Stock in Transit Pertaining to FY 14-15 reversed		(1,671.27)
	Less : Opening Stock	<u>38,884.77</u>	<u>44,574.53</u>
	Increase / (Decrease) in Stock	<u>199.07</u>	<u>(4,018.49)</u>
26	EMPLOYEE BENEFITS EXPENSES		
	Salaries, Wages and Bonus	6,150.46	5,591.05
	Directors Remuneration	371.41	279.58
	Contribution to Provident Fund, Gratuity Fund and Other Fund	449.35	467.14
	Staff Welfare Expenses	<u>330.74</u>	<u>371.10</u>
		<u>7,301.96</u>	<u>6,708.87</u>
27	SALES , ADMINISTRATION & OTHER EXPENSES		
	Selling Expenses :	<u>880.99</u>	<u>2,058.82</u>
	Administration Expenses		
	Rent , Rates and Taxes	432.19	428.52
	Insurance	<u>133.51</u>	<u>149.97</u>

Notes forming part of the Consolidated Financial Statements

	2016 - 2017	2015 - 2016
Contribution to Scientific Research Institution	75.00	96.00
General Expenses (Including travelling,telephone,professional etc.)	2,174.54	2,401.23
Professional Charges	788.27	769.06
Director Fees	9.72	14.76
Loss/(Profit) on Sale of Assets	(0.77)	(7.01)
	<u>3,612.46</u>	<u>3,852.53</u>
Auditors' Remuneration :		
Audit Fees and Tax Audit Fees	27.55	38.69
Out of pocket expenses	0.20	-
	27.75	38.69
Total	<u>4,521.20</u>	<u>5,950.04</u>
28 INTEREST & FINANCIAL CHARGES :		
Cash Credit	2,671.67	2,622.23
Term Loan	1,895.13	2,253.17
Others	3,469.27	3,485.29
Total	<u>8,036.07</u>	<u>8,360.69</u>

29. Excise Duty and Value Added Tax :

Finished goods attracting excise duty and value added tax, lying in the factory as at 31st March, 2017 could not be separated into those for sale in domestic market and /or export market. Hence excise duty and value added tax payable is not determinable on the manufactured goods lying in the stock at the year-end. However, non-provisioning has no impact on the profit for twelve months ended 31st March, 2017.

30. Borrowing Costs:

The Company has capitalised interest cost during the construction period for the projects, aggregating to Rs.1,676 Lacs (Previous Year Rs. Nil) in accordance with the Accounting Standard AS 16 on Borrowing Costs.

31. Small Scale & Auxiliary Industries:

The Company does not have outstanding to Micro, Small and Medium Enterprises as at 31st March, 2017. The Company does not have outstanding for more than 45 days to Micro, Small and Medium Enterprises during the twelve months ended 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

32. SEBI Order dated 1st January, 2016 and amendment thereon.

The Company had allotted 22,69,600 shares to the Trustees of Sameerwadi Sugarcane Farmers' Welfare Trust in the Financial Year 2009 – 2010. Securities and Exchange Board of India (SEBI), delivered its Order in the matter on the 1st of January, 2016.

As per the said Order company has allotted 22,42,300 Equity shares to the consented contributories/beneficiaries and made the payment to contributories/beneficiaries as per the SEBI Order. The company has also filed Compliance Report to the SEBI on 23/12/2016.

33. Contingent Liabilities:

(a)

(` in Lacs)

Sr. No.	Particulars	2016-2017	2015 - 2016
i)	Excise duty and Service Tax (Excluding Interest and Penalty)	429.14	414.61
ii)	Bank Guarantee	1,026.58	1,656.05
iii)	Corporate Guarantee and Comfort Letter	602.98	591.63
iv)	Letter of Credits	754.90	1,841.56

Notes forming part of the Consolidated Financial Statements

(b) Council of Scientific & Industrial Research (CSIR)

The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of Rs. 485 Lacs to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR.

CSIR is demanding repayment of the financial assistance and the matter is presently

under Arbitration. If the Arbitration Award goes against the Company, the Company will be required to repay Rs. 485 Lacs plus applicable interest. The company is constantly following up with CSIR for concluding the arbitration, but there is no response from them.

(c) National Green Tribunal:

National Green Tribunal (NGT) has accepted short term and long term remedial measures of Central Pollution Control Board (CPCB) and directed the CPCB to deal with study of ground water contamination caused due to the Company.

On 17th March-2017 NGT passed following Orders:

- 1) Financial bid to be opened by CPCB and place work order on qualifying parties for execution within 4 months.
- 2) CPCB has to submit the technical assessment report to court on next hearing, considering the merits and demerits of all the methods including the proposal submitted by Prof. C.R. Babu.
- 3) Next hearing date is 1st August 2017.

- (d)
1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
 2. It is not practicable to estimate the timing of cash flows, if any, in respect of matters stated in (a) i, ii, iii (b) and (c) above.

34. Capital Commitments

Estimated amount of contract on Capital Account remaining to be executed and not provided for Rs.2,252.62 Lacs (Previous Year Rs.4,406.93 Lacs).

35. Details of Research and Development Expenditure:

(` in Lacs)		
Particulars	2016 – 2017	2015 – 2016
Capital Expenditure	52.00	39.24
Revenue Expenditure	1072.65	1,039.57
Total	1124.65	1,078.81

36. Earnings Per Share

(` in Lacs)		
Particulars	2016 – 2017	2015 – 2016
Profit / (Loss) After Tax	(4824.05)	(1,590.11)
Weighted average number of shares (in Lacs)	362.21	357.38
Basic and Diluted Earnings Per Share (Face Value Rs.10)	(13.32)	(4.45)

37. In Terms of Accounting Standard – AS 22, deferred tax Asset (DTA) of Rs. 9329.15 Lacs (Previous year Rs.7,591.43 Lacs.) has been recognised as at 31st March, 2017. There is carried forward unabsorbed depreciation and business losses as at the Balance Sheet date. However, based on the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

38. Capital work in Progress includes Consultancy fees aggregating to Rs.78.03 Lacs. (Previous Year Rs.16.46 Lacs)

39. Reconciliation of Cash and Cash Equivalents:

(` in Lacs)			
Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
1	Cash and Bank Balance as per Note No. 17	3,769.87	3,632.66
2	Less: Fixed deposit earmarked for Margin Money and other Fixed Deposits	3,206.84	2,446.49
3	Cash and Cash equivalents as per cash flow statement	563.03	1,186.17

Notes forming part of the Consolidated Financial Statements

40. The accounting policies of the foreign subsidiaries in respect of certain matters e.g. Depreciation, property plant & equipment accounting are different with respect to accounting policies of the holding Company in this regard. However, impact of the said difference in accounting policy is not material.

41. Gratuity and Leave Encashment

Disclosure in respect of Actuarial Valuation as required by Accounting Standard AS 15 is same as per the Standalone Financial Statements.

42. In view of the losses for the year, the company has not created Debenture Redemption Reserve.
43. Exceptional item includes, interest paid pursuant to SEBI Order dated 1st of January, 2016, aggregating to Rs. 1025.52 Lacs (Net of interest capitalised).
44. Advances to suppliers and other advances includes Rs. 358.77 Lacs (P.Y Nil) . towards share premium refunded to contributories/beneficiaries of Equity Shares. The said amount will be debited to reserve after approval of the Equity Share Holders, in General Body Meeting.
45. **Details of Specified Bank Notes (SBN)**

Details of SBN during period 8th November 2016 to 30th December 2016

(` in Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3.59	5.50	9.09
(+) Permitted receipts	-	55.53	55.53
(-) Permitted payments	-	46.10	46.10
(-) Amount deposited in Banks	3.59	4.21	7.79
Closing cash in hand as on 30.12.2016	-	10.72	10.72

46. The disclosure of the net assets and share in Profit or Loss percentage of the Holding Company and Subsidiary Companies pursuant to Schedule III of the Companies Act, 2013 is as under:

(` in Lacs)

Particulars	31.03.2017				31.03.2016			
	Net Assets, ie , total asset minus total liabilities		Share in Profit or Loss		Net Assets, ie , total asset minus total liabilities		Share in Profit or Loss	
	Consolidated				Consolidated			
	As % of Net Assets	Amount	As % of Profit or (Loss)	Amount	As % of Net Assets	Amount	As % of Profit or (Loss)	Amount
Godavari Biorefineries Ltd (Parent)	110.80%	12,898.18	(93.19%)	(4,495.42)	(105.21%)	15,085.86	(71.03%)	(1,129.44)
Solar Magic Pvt Ltd (Subsidiary)	0.33%	38.35	(0.80%)	(38.67)	0.51%	(72.97)	(3.22%)	(51.25)
Cayuga Investments B. V. (Subsidiary)	9.15%	1,065.37	4.09%	197.52	(2.07%)	297.12	(0.02%)	(0.31)
Godavari Biorefineries B.V. (Subsidiary of Cayuga Investments B. V.)	(0.38%)	(44.36)	(6.32%)	(304.78)	2.66%	(381.49)	(35.61%)	(566.29)
Godavari Biorefineries Inc. (Subsidiary of Cayuga Investments B. V.)	(0.42%)	(48.63)	0.35%	17.05	0.49%	(69.88)	(0.91%)	(14.54)
CFS Adjustments	(19.48%)	(2,267.44)	(4.14%)	(199.74)	3.63%	(520.22)	10.80%	171.7
	100.00%	11,641.47	100.00%	(4,824.05)	100.00%	14,338.41	100.00%	(1,590.11)

47. Particulars of Segment Information as required by Accounting Standard (AS-17) "Segment Reporting"

A) Primary Segment

(` in Lacs)

	Sugar		Cogen		Chemical		Distillery		Unallocated		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2016-2017	2016-2017	2015-2016	2016-2017	2015-2016
I Segment Revenue												
External Sales revenue	52,800.72	83,239.05	2,579.46	5,644.69	37,988.73	40,853.06	11,901.48	13,940.51	25.87	604.06	106,437.04	144,281.36
Less Excise Duty	3,268.41	3,878.52	-	0.13	1,912.48	1,364.79	621.81	442.70	-	-	5,802.70	5,686.14
External Sales revenue	49,532.32	79,360.53	2,579.46	5,644.56	36,076.25	39,488.27	11,279.67	13,497.81	25.87	604.06	100,634.35	138,595.22
Inter Segment Transfers	7,728.89	11,944.94	3,947.74	7,551.70	-	32.93	-	-	-	-	-	-
	57,261.21	91,305.47	6,527.21	13,196.26	36,076.25	39,521.19	11,279.67	13,497.81	25.87	604.06	100,634.35	138,595.22
Other Income	218.24	210.37	1.43	17.68	136.67	54.27	0.73	46.15	321.69	322.92	754.17	651.39
II Segment Result												
Operating Profit Before Interest & Exceptional items	1,045.96	(3,100.57)	(504.58)	3,938.96	1,251.14	734.34	1,799.06	5,327.23	(655.05)	(562.83)	2,786.01	6,337.14
Interest & Exceptional items									9,061.58	8,360.69	9,061.58	8,360.69
Excess / (Short) provision for Income Tax									4.29	-	4.29	-
Deferred Tax (Income) / Expenses									(1,455.83)	(433.42)	(1,455.83)	(433.42)
Net Profit / (Loss)											(4,824.05)	(1,590.13)
III Other information												
Segment Assets	39,735.65	43,443.16	2,155.32	3,189.52	19,105.03	15,766.35	4,188.61	6,553.04	1,436.85	1,146.07	67,590.74	70,098.13
Capital assets including CWIP	17,072.41	17,915.09	11,594.03	11,361.30	11,024.55	10,773.65	12,848.09	7,968.51	477.18	756.66	53,270.69	48,775.22
Segment Assets	56,808.06	61,358.25	13,749.34	14,550.82	30,129.58	26,540.00	17,036.70	14,521.55	1,914.03	1,902.72	120,861.43	118,873.35
Segment liabilities	82,268.42	82,019.03	2,858.84	5,085.99	20,292.13	14,802.60	2,356.61	1,294.88	-	803.42	109,219.94	104,005.93
IV Capital Expenditure	1,921.18	414.61	776.81	264.51	749.81	3,262.77	43.11	1,184.80	75.24	123.26	3,566.64	5,249.95
V Segment Depreciation	2,539.07	1,953.82	834.21	810.59	888.84	923.70	623.80	562.48	91.21	109.84	4,997.04	4,360.42
VI Non cash expenses other than Depreciation	(0.77)	(3.93)	-	-	-	(3.08)	-	-	-	-	(0.77)	(7.01)

B) Secondary Segment

Geographical segment has been identified as secondary segment based on segment revenue.

` in Lacs

	2016-2017	2015-2016
Domestic Sales	88,512.91	116,762.58
Export Sales	17,924.13	27,518.78
Total	106,437.04	144,281.36

Significant Accounting Policies:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business Segment as the primary segment.
- Types of products and services in each business segment:
 - Sugar : Production and sale of Sugar
 - Cogen : Production and sale of Power
 - Chemical : Production and sale of Ethyl Acetate, 3-Methyl-3-Pentene-2-One etc.
 - Chemical : Production and sale of Rectified Spirit, Extra Neutral Alcohol, Ethanol etc.
- Segment Report is prepared in conformity with accounting policies adopted for preparing and presenting financial statements.
- Inter-segment transfers are recorded at cost except for by-products Bagasse and Molasses, cost of which are unascertainable and which are recorded at prevalent market prices.

` in Lacs

	2016-2017	2015-2016
Capital expenditure		
within India	3,566.64	5,250.12
Outside India	-	-
Total	3,566.64	5,250.12

` in Lacs

Segment Assets	As at 31st March 2017	As at 31st March 2016
within India	120,241.50	116,333.98
Outside India	619.93	2,539.37
Total	120,861.43	118,873.35

Notes forming part of the Consolidated Financial Statements

44) Related party disclosures As required by AS-18, “ Related Party Disclosure” are given below :

A) Names of Related parties

CATEGORY II :

i) Key Management Personnel

Shri. Samir S. Somaiya, Shri V.V.Joshi, Shri S.N. Bableshwar, Shri S Mohan (From 1st September, 2016) , Shri G. M. Kajaria (Till 20th June, 2015), Shri N. S. Khetan, Shri R. Rangarajan, Shri Prajesh Mistry (From 1st August, 2016), Smt Rutika S Pawar (Till 29th February, 2016), Miss Nishi Vijayavargia (From 15th March, 2016)

ii) Relatives of key management personnel

Smt. Maya S. Somaiya, Ms. Harinakshi Somaiya

CATEGORY III :

Associates

Somaiya Properties and Investments Pvt Ltd., The Book Centre Ltd., Jasmine Trading Co. Pvt. Ltd., K.J.Somaiya & Sons Pvt. Ltd., Lakshmiwadi Mines & Minerals Pvt. Ltd., Somaiya Chemical Industries Pvt. Ltd., Pentokey Organy (India) Ltd, Arpit Ltd., Filmedia Communication System Pvt Ltd, Zenith Commercial Agency Pvt Ltd, Acharya Travels Somaiya Vidyavihar, K.J, Somaiya Institute of Applied Agricultural Research, K J Somaiya Medical Trust

B) Details of material transaction with the related parties during the year :

(` in Lacs)

Particulars	2016 - 2017	2015 - 2016
CATERGORY II		
1 Remuneration		
Shri Samir S. Somaiya	202.40	128.54
Shri V V Joshi	61.27	53.59
Shri S N Bableshwar	28.20	32.70
Shri S Mohan	16.95	-
Shri G M Kajaria	-	10.20
Shri N S Khetan	56.16	48.69
Smt Rutika S Pawar	-	15.01
Miss Nishi Vijayavargia	10.76	0.45
Shri R Rangarajan	55.15	65.95
Shri Prajesh Mistry	49.79	-
	480.68	289.17
2 Loans and Advances Received		
Shri Samir S. Somaiya	600.00	-
3 Loans and Advances Paid		
Shri Samir S. Somaiya	600.66	-
4 Salary		
Ms. Harinakshi Somaiya	5.01	4.86
5 Sales to		
Shri Samir S. Somaiya	-	0.47
6 Purchases from		
Mrs Maya S. Somaiya	5.33	5.63
Shri Samir S. Somaiya	16.56	11.82
Ms. Harinakshi Somaiya	1.76	2.86
	23.66	20.31

Notes forming part of the Consolidated Financial Statements

Particulars	2016 - 2017	2015 - 2016
CATERGORY III		
7 Purchases from		
The Book Centre Ltd.	40.22	36.61
Pentokey Organy (India) Ltd.	56.85	65.02
K.J. Somaiya Institute of Applied Agricultural Research	14.28	19.14
Acharya Travels	34.10	60.55
Zenith Commercial Agency Pvt Ltd	40.06	51.84
Arpit Limited	0.61	-
Somaiya Agency Pvt Ltd	0.64	1.59
	186.76	234.75
8 Rent paid to		
Jasmine Trading Co. Pvt. Ltd.	99.29	98.48
Somaiya Properties & Investments Pvt. Ltd.	59.68	58.21
Arpit Limited	1.03	1.02
Somaiya Chemicals Industries Pvt. Ltd.	2.09	1.74
K.J.Somaiya & Sons Pvt. Ltd.	14.24	11.79
	176.33	171.23
9 Royalty paid		
K.J.Somaiya & Sons Pvt. Ltd.	106.30	135.65
10 Service Charges paid		
Filmedia Communications System Pvt. Ltd	6.17	5.47
	6.17	5.47
11 Inter Corporate Deposits Received		
Sakarwadi Trading Company Ltd	175.00	-
K.J.Somaiya & Sons Pvt.Ltd.	250.00	-
Jasmine Trading Co.Pvt.Ltd.	375.00	-
	800.00	-
12 Inter Corporate Deposits Repaid		
Sakarwadi Trading Company Ltd	175.00	-
K.J.Somaiya & Sons Pvt.Ltd.	250.00	-
Jasmine Trading Co.Pvt.Ltd.	375.00	-
	800.00	-
13 Interest Paid on Inter Corporate Deposits		
Sakarwadi Trading Company Ltd	4.83	-
K.J.Somaiya & Sons Pvt.Ltd.	5.18	-
Jasmine Trading Co.Pvt.Ltd.	6.57	-
	16.57	-
14 Sales to		
Arpit Limited	1,048.77	1,250.81
Pentokey Organy (India) Ltd.	-	261.99
	1,048.77	1,512.81
15 Training Expenses		
K.J.Somaiya Institute of Management Studies and Research	7.58	-

Notes forming part of the Consolidated Financial Statements

16 Donation paid		
K.J. Somaiya Institute of Applied Agricultural Research	75.00	96.00
K J Somaiya Medical Trust	-	2.00
Somaiya Vidyavihar	68.94	55.50
	<u>143.94</u>	<u>153.50</u>

C) Debit / (Credit) Balance with related parties as at 31 st March, 2017 :

	As at 31st March, 2017	As at 31st March, 2016
CATERGORY II		
17 Advances Received		
Shri Samir S. Somaiya	1.36	2.02
CATEGORY III		
18 Trade Receivable / (Trade Payable)		
The Book Centre Ltd.	(1.68)	(10.11)
Somaiya Chemicals Industries Pvt. Ltd.	-	0.06
Acharya Travels	-	(0.09)
Zenith Commercial Agency Pvt Ltd	-	(1.98)
Somaiya Agency Pvt Ltd	(0.19)	-
Arpit Limited	13.14	23.70
K.J.Somaiya & Sons Pvt. Ltd.	-	(10.53)
Pentokey Organy (India) Ltd	-	231.98
19 Training Expenses		
K.J.Somaiya Institute of Management Studies and Research	(0.56)	-

49) Current Assets and Loans and Advances are stated at realisable values in the ordinary course of business, as stated in Balance Sheet as per the opinion of the Management of the Company.

50) Previous year figures are regrouped and rearranged wherever necessary.

Signature to Note No. 1 to 50 attached to Balance Sheet and Statement of Profit and Loss

As per our Report of even date attached

For and on behalf of the Board of Directors

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 102358W

Samir S. Somaiya
Chairman & Managing Director
DIN: 00295458

Vinay V. Joshi
Executive Director
DIN: 00300227

Dr. S. N. Desai
Partner
Membership No: 32546

N. S. Khetan
Chief Financial Officer
Membership No: F037264

Nishi VijayVargiya
Company Secretary
Membership No: A26319

Place : Mumbai
Date : 30th May, 2017

Place : Mumbai
Date : 30th May, 2017

ANNEXURE to the Consolidated Financial Statements : Form AOC -1
Statement Containing Salient features of the Financial Statement of Subsidiaries , Joint Ventures and Associates
Pursuant to section 129(3) read with rules 5 of Companies (accounts) Rules, 2014.

Particulars	Solar Magic Pvt Ltd (WOS)		Cayuga Investments B.V (WOS)		Godavari Biorefineries B.V. **		Godavari Biorefineries Inc **	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Reporting period								
Reporting Currency	INR	INR	EURO	EURO	EURO	EURO	USD	USD
Exchange Rate	-	-	69.32	75.404	69.32	75.404	64.850	66.243
Share Capital	34,500,000	19,500,000	30,847,400	33,554,708	1,247,760	1,357,269	10,050,975	10,267,665
Reserves & Surplus	(30,665,788)	(26,797,481)	75,688,905	(3,843,096)	(5,683,856)	(39,506,520)	(14,914,526)	(17,255,236)
Total Assets	116,060,456	95,786,742	106,961,887	29,939,754	52,158,272	219,237,149	2,017,840	4,759,854
Total Liabilities	116,060,457	95,786,742	106,961,887	29,939,754	52,158,272	219,237,149	2,017,840	4,759,854
Investments (included in Total Assets)	-	-	92,833,490	18,851,111	-	-	-	-
Total Income (incl. Other income)	106,978,742	67,981,410	-	-	358,252,632	862,077,144	7,537,732	5,948,046
Profit / (Loss) Before Tax	(3,868,306)	(5,124,749)	19,752,479	(30,678)	(30,478,064)	(56,629,135)	1,704,618	(1,453,894)
Provision for Tax	-	-	-	-	-	-	-	-
Profit / (Loss) after Tax	(3,868,306)	(5,124,749)	19,752,479	(30,678)	(30,478,064)	(56,629,135)	1,704,618	(1,453,894)
Proposed Dividend (incl.Dividend Tax)	-	-	-	-	-	-	-	-
Percentage of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

WOS - Wholly Owned Subsidiary

** Step Down Subsidiary being Subsidiary of Cayuga Investment B.V.



Inauguration of Incineration Boiler Sameerwadi, Karnataka by Honourable Minister for Industries, Shri R. V. Deshpande



Incineration Boiler - Sameerwadi, Karnataka



Godavari Biorefineries Ltd

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Fax: +91-22- 2204 7297
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