



# **SYNERGY GREEN INDUSTRIES LIMITED**

**10<sup>TH</sup> ANNUAL REPORT FOR THE F.Y. 2019 - 2020**

# **SYNERGY GREEN INDUSTRIES LIMITED**

(Formerly known as Synergy Green Industries Pvt. Ltd.)

(CIN : L27100PN2010PLC137493)

## **10<sup>TH</sup> ANNUAL REPORT FOR THE F.Y. 2019 - 2020**

### **BOARD OF DIRECTORS**

(As on 26-06-2020)

Mr. Rajendra V. Shirgaokar	Chairman Non-Executive Director
Mr. Prafulla V. Shirgaokar	Non-Executive Director
Mr. Shishir S. Shirgaokar	Non-Executive Director
Mr. Chandan S. Shirgaokar	Non-Executive Director
Mr. Niraj S. Shirgaokar	Non-Executive Director
Mr. Jeevan V. Shirgaokar	Non-Executive Director
Mrs. Prabha P. Kulkarni	Independent Woman Director
Mr. Dattaram P. Kamat	Independent Director
Dr. M. R. Desai	Independent Director
Mr. Meyyappan Shanmugam	Independent Director
Mr. Subhash G. Kutte	Independent Director
Mr. Sachin R. Shirgaokar	Managing Director
Mr. Sohan S. Shirgaokar	Joint Managing Director
Mr. V. S. Reddy	Executive Director (Technical)

### **KEY MANAGERIAL PERSONNEL**

Mr. Suhas B. Kulkarni	Chief Financial Officer
Mr. Nilesh M. Mankar	Company Secretary

### **AUDITORS**

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

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**Registered Office:**

392, E Ward, Assembly Road, Shahupuri,  
Kolhapur-416001, Maharashtra.  
Tel. No.:0231 2658375  
Web.: www.synergygreenind.com

**Factory Office**

C-18, Five Star MIDC, Kagal, Tal.  
Hatkanangle, Kolhapur-416216.  
Tel. No.:0231 2305311, 2305312  
Email : info@synergygreenind.com

**Registrar & Transfer Agent**

Link Intime India Pvt. Ltd.  
Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road,  
Pune - 411 001 Phone: +91 20 26160084  
Email:- pune@linkintime.co.in

**Bankers**

Bank of Baroda

**ANNUAL GENERAL MEETING**

**10<sup>TH</sup> ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING OR  
OTHER AUDIO VISUAL MEANS ON TUESDAY, THE 8<sup>TH</sup> DAY OF SEPTEMBER,  
2020 AT 11.30 A.M. IST**

## **Chairman's Letter**

Dear Share Holders,

I am pleased to update you that, we have completed brown field expansion work and started production activities during fourth quarter of FY 2019-20. Capacity has been increased from 15,000 TPA to 30,000 TPA.

In spite of two major operational disturbance for a period of 4 weeks due to Kolhapur floods and COVID-19 lockdown, company could achieve a healthy double-digit growth supported by additional capacities and strong order book.

During the year, revenues grown by 26.3% from Rs 165.6 Crores to 209.15 Crores with an export's growth of 247% from Rs 11.94 Crores to Rs 29.34 Crores.

Profit before tax grown by 21.4% from Rs 5.15 Crores to Rs 6.24 Crores.

### ***Industry overview and future prospects:***

- a. During the year 2019, global wind installations surpassed 60 GW with a growth of 19% over previous year. GWEC forecast an average global installation of 71 GW during next five years.
- b. Indian installations grown by 31% from 1.58 GW to 2.07 GW. But these installations are way behind industry expectation of 5 GW due to various challenges faced by the Industry in execution.
- c. Demand for Indian wind turbine casting is projected to grow with all the WTG OEM's setting up plants in India for catering to domestic & global markets. Improved global buyers' sentiments towards Indian castings due to Trade war between USA & China offers further growth opportunity in export business.
- d. For the year FY 2020-21 domestic and global installations will be getting affected due to COVID-19 lockdowns. Other engineering castings demand will also be getting affected during this period.
- e. Supported by additional capacities and strong export demand, revenues are estimated to grow between 10 to 20% by factoring 8 weeks operational disturbance due to COVID-19 pandemic. Export revenues are estimated to grow over 100%.
- f. In spite of moderate growth forecast for FY 2020-21, profit before tax is estimated to grow substantially with higher export business and cost improvement initiatives.

I am highly thankful to our Board for their valuable guidance and our management team & all employees for their continued effort towards the vision and bringing excellent growth to organisation. I take this opportunity to thank our banker, Bank

of Baroda for their continued support in achieving our goals. I also acknowledge the support extended by Central & State governments and express our sincere thanks to them. I would like to express our appreciation to our partners in our various ventures. I would also like to thank our esteem shareholders for your continued support.

With Warm Regards

**Rajendra Vinayak Shirgaokar**  
**Chairman**

## **AGM NOTICE**

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, 8<sup>th</sup> September 2020 at 11.30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Board's Report and the Auditors' Report thereon
2. To appoint a Director in place of Mr. Shishir S. Shirgaokar (DIN:00166189), who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Jeevan V. Shirgaokar (DIN:00254572), who retires by rotation and being eligible, offers himself for reappointment

### **SPECIAL BUSINESS:**

4. **To consider and to pass if thought fit, with or without modification, the following resolution as Special Resolution:**

**"RESOLVED THAT** in supersession of all earlier resolutions passed till date, pursuant to provision of Section 197 & Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, other applicable provisions, if any, of the Act, and pursuant to recommendation of Nomination and Remuneration Committee and approval of Board of Directors the consent of the members of the Company be and is hereby accorded to approve remuneration of Shri Sachin R. Shirgaokar, Managing Director of the Company w.e.f. 1st April, 2020 for a period of 3 years as detailed below:

**Basic Salary** : Rs. 3,45,000/- p.m.

**Commission** : Commission not exceeding 4 % on Net profit of the Company as computed under the provisions of Section 198 of the Companies Act, 2013 or any amendment to the Act, as may be effected from time to time.

#### **Perquisites:**

1. Facility Allowance 40% of Basic Salary.
2. Special Allowance of Rs.1,39,250/- p.m.
3. Expenditure towards furnishing self-occupied property with other facilities and amenities or alternately provision of free furnished accommodation.
4. Personal Accident Insurance: The Annual Premium not exceeding Rs.1,00,000/- (Rupees-One Lakh only) per annum.
5. Bonus as applicable to other senior executives of the Company.
6. Reimbursement of medical expenses actually incurred for Managing Director, his spouse, dependent children and dependent parents which is not covered in Mediclaim insurance.
7. Leave Travel Reimbursement to the Managing Director and his spouse, dependent children and dependent parents.
8. Fees of clubs which will include admission and life membership fees, including personal club fees.
9. Mediclaim Insurance: The annual Premium not exceeding Rs.1,00,000/- (Rupees – One Lakh only) per annum.

**Retirement Benefits:**

1. Company's contribution to Superannuation Fund will be paid Not exceeding 15% of salary as extended to other Senior Executives of the Company, as and when such fund is created.
2. Gratuity: Not exceeding one month's salary for each completed year of service computed on the basis of last drawn salary.

**Other perquisites:**

1. All Charges of Mobile phone and Telephone be paid by the Company.
2. Leave facilities as applicable to other Senior Executives of the Company.
3. Reimbursement of gas, electricity and water charges, subject to limits prescribed under Income tax Act, 1961.
4. Such other benefits or amenities as may be applicable to other Senior Executives of the Company.
5. All expenses for the maintenance, running and upkeep of the motor car for business purpose to be borne and paid by the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, are hereby authorized to vary the remuneration of Shri. Sachin R. Shirgaokar, (DIN: 00254442), Managing Director anytime in the future, to the extent of the maximum limits specified in Part II of Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, by passing a resolution in their meeting."

**"RESOLVED FURTHER THAT** the Board of Directors are at full liberty in its description to fix, vary, alter the emoluments, allowances and or perquisites etc. within the above mentioned limits."

**"RESOLVED FURTHER THAT** if in any year the Company has no profits or its profits are inadequate, Shri. Sachin R. Shirgaokar, (DIN:00254442), Managing Director, shall be paid above remuneration as Minimum Remuneration, as detailed above, by way of Salary, perquisites, allowances & performance bonus, benefits etc. taken together."

**"RESOLVED FURTHER THAT** In case of Adequacy of Profits, Shri. Sachin R. Shirgaokar, (DIN:00254442), Managing Director, shall be paid remuneration within the maximum limit of 10% of the Profits of the company as computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said limit of 10% shall apply to all the whole time directors of the Company taken together viz. Managing Director, Joint Managing Director & Executive Director."

**"RESOLVED FURTHER THAT** Shri. Sachin R. Shirgaokar, (DIN: 00254442) Managing Director or Shri Sohan S. Shirgaokar, (DIN: 00217631) Joint Managing Director of the Company be and are hereby authorised to sign and file forms prescribed under the Company Act, 2013 and the Rules made there under."

**5. To consider and to pass if thought fit, with or without modification, the following resolution as Special Resolution:**

**"RESOLVED THAT** in supersession of all earlier resolutions passed till date, pursuant to provision of Section 197 & Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, other

applicable provisions, if any, of the Act, and pursuant to recommendation of Nomination and Remuneration Committee and approval of Board of Directors, the consent of the members of the Company be and is hereby accorded to approve remuneration of Shri Sohan S. Shirgaokar, Joint Managing Director of the Company w.e.f. 1st April, 2020 for a period of 3 years as detailed below:

**Basic Salary** : Rs. 3,45,000/- p.m.

**Commission** : Commission not exceeding 4 % on Net profit of the Company as computed under the provisions of Section 198 of the Companies Act, 2013 or any amendment to the Act, as may be effected from time to time.

**Perquisites:**

1. Facility Allowance 40% of Basic Salary.
2. Special Allowance of Rs.1,39,250/- p.m.
3. Expenditure towards furnishing self-occupied property with other facilities and amenities or alternately provision of free furnished accommodation.
4. Personal Accident Insurance: The Annual Premium not exceeding Rs.1,00,000/- (Rupees-One Lakh only) per annum.
5. Bonus as applicable to other senior executives of the Company.
6. Reimbursement of medical expenses actually incurred for Joint Managing Director, his spouse, dependent children and dependent parents which is not covered in Mediclaim insurance.
7. Leave Travel Reimbursement to the Joint Managing Director and his spouse, dependent children and dependent parents.
8. Fees of clubs which will include admission and life membership fees, including personal club fees.
9. Mediclaim Insurance: The annual Premium not exceeding Rs.1,00,000/- (Rupees – One Lakh only) per annum.

**Retirement Benefits:**

1. Company's contribution to Superannuation Fund will be paid Not exceeding 15% of salary as extended to other Senior Executives of the Company as and when such fund is created.
2. Gratuity: Not exceeding one month's salary for each completed year of service computed on the basis of last drawn salary.

**Other perquisites:**

1. All Charges of Mobile phone and Telephone be paid by the Company.
2. Leave facilities as applicable to other Senior Executives of the Company.
3. Reimbursement of gas, electricity and water charges, subject to limits prescribed under Income tax Act, 1961.
4. Such other benefits or amenities as may be applicable to other Senior Executives of the Company.
5. All expenses for the maintenance, running and upkeep of the motor car for business purpose to be borne and paid by the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, are hereby authorized to vary the remuneration of Shri. Sohan S. Shirgaokar, (DIN:00217631), Joint Managing Director anytime in the future, to the extent of the maximum limits specified in Part II of Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, by passing a resolution in their meeting."



**"RESOLVED FURTHER THAT** the Board of Directors are at full liberty in its description to fix, vary, alter the emoluments, allowances and or perquisites etc. within the above-mentioned limits."

**"RESOLVED FURTHER THAT** if in any year the Company has no profits or its profits are inadequate, Shri. Sohan S. Shirgaokar, (DIN:00217631), Joint Managing Director, shall be paid above remuneration as Minimum Remuneration, as detailed above, by way of Salary, perquisites, allowances & performance bonus, benefits etc. taken together."

**"RESOLVED FURTHER THAT** in case of Adequacy of Profits, Shri. Sohan Shirgaokar, (DIN:00217631), Joint Managing Director, shall be paid remuneration within the maximum limit of 10% of the Profits of the Company as computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said limit of 10% shall apply to all the whole time directors of the Company taken together viz. Managing Director, Joint Managing Director & Executive Director."

**"RESOLVED FURTHER THAT** Shri. Sachin R. Shirgaokar, (DIN: 00254442) Managing Director or Shri Sohan S. Shirgaokar, (DIN: 00217631) Joint Managing Director of the Company be and are hereby authorised to sign and file forms prescribed under the Company Act, 2013 and the Rules made there under."

**6. To consider and to pass if thought fit, with or without modification, the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 198 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the provisions of the Articles of Association of the Company and in supersession of the earlier resolution passed in this regard, the approval of the members be and is hereby accorded for the reappointment of Shri. Vendavagali Srinivasa Reddy (DIN: 03425960) as "Executive Director – Technical" for a period of 3 years with effect from 1st April, 2020 who shall be look after day to day activities of the factory situated at Five Star MIDC upon such specific terms and conditions as specified in the agreement executed with Shri. Vendavagali Srinivasa Reddy."

**"RESOLVED FURTHER THAT** in supersession of all earlier resolutions passed till date and pursuant to provision of Section 197 & Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, other applicable provisions, if any, of the Act, and pursuant to recommendation of Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 5<sup>th</sup> February, 2020, the consent of the members be and is hereby accorded to increase in remuneration of Shri. Vendavagali Srinivasa Reddy, (DIN 03425960) Executive Director – Technical of the Company w.e.f. 1st April, 2020 for a period of 3 years as detailed below;

**Remuneration :**Basic Rs.3,20,000/- (Rupees Three Lakh Twenty Thousand only) per month.

**Commission** :Commission not exceeding 2% on Net profit of the Company as computed under the provisions of Section 198 of the Companies Act, 2013 or any amendment to the Act, as may be effected from time to time.

**Perquisites:**

1. Facility Allowance not exceeding 40% of Basic Salary.
2. Special Allowance of Rs.98,000/- p.m.
3. Expenditure towards furnishing self-occupied property with other facilities and amenities or alternately provision of free furnished accommodation.
4. Personal Accident Insurance: The Annual Premium not exceeding Rs.1,00,000/- (Rupees-One Lakh only) per annum.
5. Bonus as applicable to other senior executives of the Company.
6. Reimbursement of medical expenses actually incurred for Executive Director, his spouse, dependent children and dependent parents which is not covered in Mediclaim insurance.
7. Leave Travel Reimbursement to the Executive Director and his spouse, dependent children and dependent parents.
8. Fees of clubs which will include admission and life membership fees, including personal club fees.
9. Mediclaim Insurance: The annual Premium not exceeding Rs.1,00,000/- (Rupees – One Lakh only) per annum.

**Retirement Benefits:**

1. Provident Fund: Company's contribution towards Provident Fund, subject to current provisions of Employees Provident Funds and Miscellaneous Provisions Act.
2. Company's contribution to Superannuation Fund will be paid Not exceeding 15% of salary as extended to other Senior Executives of the Company, as and when such fund is created.
3. Gratuity: Not exceeding one month's salary for each completed year of service computed on the basis of last drawn salary.
4. The Company's contribution in respect of Provident Fund and Superannuation shall not exceed 27% of the monthly salary as laid down under Income Tax Act, 1961.

**Other perquisites:**

1. Mobile phone and Telephone to be paid by the Company.
2. Leave facilities as applicable to other Senior Executives of the Company.
3. Reimbursement of gas, electricity and water charges, subject to limits prescribed under Income tax Act, 1961.
4. Such other benefits or amenities as may be applicable to other Senior Executives of the Company.
5. All expenses for the maintenance, running and upkeep of the motor car for business purpose to be borne and paid by the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company are hereby authorized to vary the remuneration of Shri. Vendavagali Srinivasa Reddy, (DIN: 03425960), Executive Director- Technical, anytime in the future, to the extent of the maximum limits specified in Part II of Schedule V of the Companies Act, 2013, read with Companies (Appointment and Managerial Personal) Rules, 2014, by passing a resolution in their meeting."