Directors' Report

To
The shareholders,

Your Directors have pleasure in presenting their Report and the audited accounts of the Company for the year ended 31st March, 2010.

2. **Financial Results**

	Rs.	Rs.
The Profit & Loss Account shows a profit of		1,82,47,934
To which is added the balance brought forward from the previous year		8,76,64,655
Making a total of		10,59,12,589
Out of this provisions have been made for -		
Reserve fund	34,20,000	
Taxation (after written back excess provision in respect of an earlier year Rs. 3,551)	11,71,449	45,91,449
Balance to be carried forward		10,13,21,140

3. **Dividend**
Your Directors have not recommended any dividend.

4. **Directors**
Shri Chandra Shekhar Nopany and Shri R. N. Jhunjhunwala retire from the Board by rotation and are eligible for re-appointment.

5. **Auditors**
The Auditors, Messrs S.S. Kothari & Co., Chartered Accountants, retire and are eligible for re-appointment.

6. **Conservation of energy, technology absorption, foreign exchange earnings and outgo :**
As the Company has no manufacturing activity, it is not required to furnish any information with regard to conservation of energy. There is no information to furnish with regard to technology absorption. During the year, no foreign exchange was earned or used by the Company.

7. **Particulars of Employees :**
The provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable to the Company as there is no employee.

8. **Directors' Responsibility Statement :**
Your Directors confirm that -
   i) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
   ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year ;
   iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
   iv) They have prepared the annual accounts on a going concern basis.

9. **Audit Committee**
As required under the provisions of the Companies Act, 1956, an Audit Committee has been constituted by the Board of Directors consisting of Shri R.N. Jhunjhunwala as Chairman and Smt. Nandini Nopany and Shri A.L. Tulsian as Members.

9/1, R.N. Mukherjee Road,
Kolkata - 700 001
Dated: 26th April, 2010

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Auditors' Report

To
The Members

1. We have audited the attached Balance Sheet of Uttar Pradesh Trading Company Limited as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted In India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit Includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in temps of Sub-section (4A) of Section 227 of Me Companies Act, 1966, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments In the Annexure referred to above, we report that:
   a) We have obtained all the Information and explanations, which to the best of ar knowledge and belief, were necessary for the purposes of our audit.
   b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
   c) The Balance Sheet and Profit & Loss Account, dealt with by this report, are in agreement with the books of account as submitted to us.
   d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
   e) On the basis of written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors Is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company. as at 31st March, 2010; and
      ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date.

Centre Point
21, Old Court House Street
Kolkata - 700 001
Dated : 26th April, 2010

For **S. S. Kothari & Co.**
Chartered Accountants

A. Datta
Partner
Membership No. 5634

Annexure to the Auditors' Report

Annexure referred to in Paragraph 3 of our report of even date

1. The Company has maintained proper records showing full particulars and location of land. The fixed assets of the Company have been physically verified by the management during the year and no fixed assets were disposed of during the year.
2. The Company has no manufacturing and/or trading activities and as such the question of having any stock and maintenance of record in respect thereof and physical verification of Inventory does not arise.
3. (a) The Company has granted unsecured Interest free loan to the holding company which considering the strategic relationship are stated to be on reasonable terms.
   (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. According to the Information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company for purchase of fixed assets. No major weakness has been noticed in the internal control system.
5. There was no transaction which required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted .any deposits from the public.
7. The Internal audit was conducted by a service company and In our opinion the internal audit system was commensurate with the size of the Company and the nature of Its business.
8. The Company Is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section 209 of the Companies Act, 1956.
9. The Company is regular In deposifing undisputed statutory dues as applicable. As the Company has no employee and no manufacturing and/or trading activities are carried on by the Company the question of payment of provident fund, employees' state Insurance, sale-tax, custom duty, excise duty, cess etc. does not arise. According to the information and explanations given to us no undisputed amounts payable In respect of statutory dues relating to Income Tax, Wealth Tax, Service Tax and Cess were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable. There are no dues outstanding In respect of statutory dues on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities hence maintenance of records in respect thereof does not arise.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. In respect of dealing in shares, securities, debentures and other investments, in our opinion and according to the Information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other Investments have been held by the Company in Its own name.
15. The Company has not given any guarantee for loans taken by others, from bank and financial Institutions.
16. The Company has not taken any term loan from any financial institutions or bank. The Company does not have any borrowing by way of debentures.
17. We have been informed by the management that no funds raised on short term basis have been used for long term purposes.
18. The Company has not made any preferential allotment of shares to parties and companies covered In the register maintained under Section 301 of the Companies Act, 1956. The Company has not raised any money through a public issue during the year.
19. The Company has not issued any debentures during the year.
20. The Company, during the year has not raised any money by public issue.
21. Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. S. Kothari & Co.**
Chartered Accountants

Centre Point
21, Old Court House Street
Kolkata - 700001
Dated : 26th April, 2010

A. Datta
Partner
Membership No. 5634

Balance Sheet As at 31st March, 2010

(Amount in Rupees)

	Schedule	31st March, 2010	31st March, 2009
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	163,624,995	163,624,995
Reserves & Surplus	2	178,491,140	161,414,655
		342,116,135	**325,039,650**
APPLICATION OF FUNDS:			
Fixed Assets :			
Land (at cost)		**1,500,072**	**1,500,072**
Investments	3	**329,333,085**	**283,083,111**
Current Assets, Loans & Advances :			
Current Assets	4	57,975	48,144
Loans & Advances	5	12,406,014	41,439,383
		12,463,989	**41,487,527**
Less : Current Liabilities & Provisions :	6		
Current Liabilities		6,011	6,060
Provisions		1,175,000	1,025,000
		1,181,011	1,031,060
Net Current Assets		**11,282,978**	**40,456,467**
		342,116,135	**325,039,650**
Accounting Policies & Notes on Accounts	8		

As per our Report attached.

For **S. S. Kothari & Co.**
Chartered Accountants

A. Datta
Partner
Membership No. 5634

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Centre Point
21, Old Court House Street
Kolkata – 700 001
Dated : 26th April, 2010

Profit and Loss Account For the year ended 31st March, 2010

(Amount in Rupees)

	Schedule	2009-10	2008-09
INCOME :			
Dividend		10,777,438	6,802,416
Interest on Loans (Tax deducted at source Rs. 1,80,264; previous year Rs. 7,47,781)		1,802,639	3,300,001
Land Rent		14	14
Profit on Sale of Investments		5,760,891	–
		18,340,982	**10,102,431**
EXPENDITURE:			
Directors' Fees		4,600	5,000
Other Expenses	7	88,448	85,459
		93,048	**90,459**
Profit before Taxation & Extra-ordinary Items		18,247,934	10,011,972
Less : Extraordinary items		–	100,310
Profit before Taxation		**18,247,934**	**9,911,662**
Less : Provision for taxation (after adjusting excess provision in respect of an earlier year Rs. 3,551 (net) written back)		1,171,449	1,028,033
Profit after Taxation		**17,076,485**	**8,883,629**
Add: Balance brought forward from last year		87,664,655	80,581,026
Profit available for appropriation		**104,741,140**	**89,464,655**
APPROPRIATIONS :			
Transfer to Reserve Fund		3,420,000	1,800,000
Balance carried to Balance Sheet		101,321,140	87,664,655
		104,741,140	**89,464,655**
Accounting Policies and Notes on Accounts	8		

This is the Profit & Loss Account referred to in our report of even date

For **S. S. Kothari & Co.**
Chartered Accountants

A. Datta
Partner
Membership No. 5634

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Centre Point
21, Old Court House Street
Kolkata – 700 001
Dated : 26th April, 2010

Schedules to the Balance Sheet

(Amount in Rupees)

	31st March, 2010	31st March, 2009
SCHEDULE 1 SHARE CAPITAL		
Authorised		
16,70,00,000 Ordinary Shares of Re.1 each	167,000,000	167,000,000
3,00,000 Preference Shares of Rs.10 each	3,000,000	3,000,000
	170,000,000	**170,000,000**
Issued:		
16,37,25,000 Ordinary Shares of Re.1 each	163,725,000	163,725,000
	163,725,000	**163,725,000**
Subscribed & Paid-up:		
16,36,24,995 Ordinary Shares of Re.1 each fully paid up	163,624,995	163,624,995
	163,624,995	**163,624,995**

Notes:

1) Out of 16,36,24,995 Ordinary Shares 7,20,000 Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve.

2) The entire Subscribed Ordinary Share Capital is held by Upper Ganges Sugar & Industries Ltd., the holding company.

SCHEDULE 2 RESERVES & SURPLUS		
Share Premium Account		
As per last Account	10,750,000	10,750,000
Reserve Fund		
As per last Account	32,000,000	30,200,000
Add : Transfer from Profit & Loss Account	3,420,000	1,800,000
	35,420,000	32,000,000
General Reserve		
As per last Account	28,000,000	28,000,000
Capital Redemption Reserve		
As per last Account	3,000,000	3,000,000
Surplus as per Profit & Loss Account	101,321,140	87,664,655
	178,491,140	**161,414,655**

Schedules to the Balance Sheet

(Amount in Rupees)

	No. of Shares	Face Value (Rs.)	31st March, 2010	31st March, 2009
SCHEDULE 3 INVESTMENTS (AT COST)				
QUOTED				
Equity Shares (Fully Paid)				
Chambal Fertilisers & Chemicals Ltd.	12,62,635	10	27,911,525	27,911,525
The Oudh Sugar Mills Ltd.	3,326,901	10	172,489,373	116,039,399
	(2395014)			
Haryana Oxygen Ltd.	5,000	10	50,000	50,000
New India Retailing & Investment Ltd.	83,073	10	6,360,619	6,360,619
SIL Investments Ltd.	20,19,339	10	47,835,629	47,835,629
Sutlej Textiles & Industries Ltd.	20,27,798	10	59,389,117	59,389,117
Manbhawani Investment Ltd.	73,500	10	225,296	225,296
Manavta Holdings Ltd.	73,500	10	225,296	225,296
Gobind Sugar Mills Ltd.	–	10	–	10,200,000
	(320000)			
			314,486,855	268,236,881
UNQUOTED:				
Equity Shares (Fully Paid)				
Taparia Ltd.	3,500	10	40,105	40,105
Shree Vihar Properties Ltd.	2,24,307	10	1,973,070	1,973,070
Modern Diagen Services Ltd.	13,196	10	131,960	131,960
Moon Corporation Ltd.	2,874	5	39,287	39,287
India Educational & Research Institutions Pvt. Ltd.	4,900	10	49,000	49,000
Leas Communications Ltd.(value written off)	21,000	10	–	–
Chandausi Rice Mills Ltd. (value written off)	1,000	10	–	–
Maruti Ltd. (In liquidation - value written off)	40,000	10	–	–
APV Texmaco Ltd.(In liquidation - value written off)	20,400	10	–	–
			2,233,422	2,233,422
Equity Shares (Partly Paid)				
Modern Diagen Services Ltd. (Rs. 2 paid-up per share)	13,06,404	10	2,612,808	2,612,808
8% Cumulative Redeemable Preference Shares				
New India Retailing & Investment Ltd.	1,00,000	100	10,000,000	10,000,000
			329,333,085	283,083,111
Aggregate Book Value of Quoted Investments			314,486,855	268,236,881
Aggregate Book Value of Unquoted Investments			14,846,230	14,846,230
			329,333,085	283,083,111
Market Value of Quoted Investments			634,578,318	310,693,529

Schedules to the Balance Sheet

(Amount in Rupees)

	31st March, 2010	31st March, 2009
SCHEDULE 4 CURRENT ASSETS		
Cash & Bank Balances		
With Scheduled Banks on Current Accounts	57,975	48,144
	57,975	**48,144**
SCHEDULE 5 LOANS & ADVANCES		
(Unsecured, Considered good)		
Loans:		
Loan to Upper Ganges Sugar & Industries Ltd., the holding company (not bearing interest)	11,200,000	9,800,000
To a body corporate	–	30,000,000
Advance payment of Income-tax & tax deducted at source	1,206,014	1,010,068
Interest Receivable	–	629,315
	12,406,014	**41,439,383**
SCHEDULE 6 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors for Expenses	6,011	6,060
	6,011	**6,060**
Provisions :		
For Taxation	1,175,000	1,025,000
	1,175,000	**1,025,000**

Schedules to the Profit and Loss Account

(Amount in Rupees)

	2009-2010	2008-2009
SCHEDULE 7 OTHER EXPENSES		
Rates & Taxes	7,450	7,300
Service Charges	55,150	49,439
General Charges	15,921	19,168
Auditors Remuneration :		
As Audit Fees	6,000	6,000
For Certificates etc.	3,927	3,552
	88,448	**85,459**

Schedules forming part of the Accounts

SCHEDULE 8 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. **Accounting Policies :**

   (a) **Fixed Assets :**
   Fixed Assets are stated at cost

   (b) **Recognition of Income and Expenditure :**
   Income and Expenditure are recognised on accrual basis.

   (c) **Investments :**
   Long Term Investments are considered at cost on individual basis, unless there is permanent decline in value thereof, in which case adequate provision is made against the diminution in the value of Investments.

2. No provision has been made in respect of diminution in the value of certain quoted investments aggregating Rs. 4,10,02,523 as the same, in the opinion of management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted investments.

3. The Company has given undertakings to financial institutions/banks not to transfer, assign, pledge, charge or create any lien or otherwise dispose of its shareholdings in Sutlej Textiles & Industries Ltd, without their prior approval in writing till the financial assistance provided by them to the said companies remain outstanding.

4. The Company has given an undertaking to Darbhanga Mansion Co-operative Housing Society Ltd. not to transfer, create any charge, pledge or encumbrance or otherwise dispose of its shareholding in Manavta Holdings Ltd. without their written consent.

Signatories to Schedules 1 to 8

For **S. S. Kothari & Co.**
Chartered Accountants

A. Datta
Partner
Membership No. 5634

Centre Point
21, Old Court House Street
Kolkata – 700 001
Dated : 26th April, 2010

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. U51109WB1951PLC019450

Balance Sheet Date	31 03 2010	State Code	21

II. Capital Raised during the year (Amount in Rs. thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	3421166	Total Assets	3421166
Sources of Funds			
Paid-up Capital	1636225	Secured Loans	NIL
Reserves & Surplus	1784491	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	1500	Investments	3293333
Net Current Assets	112833	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. thousands)

Turnover	183418	Total Expenditure	93
Profit before Tax	18248	Profit after Tax	17076
Earning Per Share (Rs.)	0.10	Dividend Rate	NIL

V. Generic Names of Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)
Product Description
} Not Applicable since the Company is an Investment Company.

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Schedule to the Balance Sheet of a Non-Banking Financial Company

(As required in terns of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

(Rs. in lakhs)

Particulars	Amount outstanding	Amount overdue
	As on 31.03.2010	As on 31.03.2010
Liabilities Side		
1. Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	Nil	Nil
Unsecured	Nil	Nil
(Other than falling within the meaning of Public Deposits)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-Corporate Loans and Borrowings	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Other Loans (specify nature)	Nil	Nil

Assets Side:	Amount outstanding
2. Break-up of Loans and Advances including Bills receivables (other than those included in (4) below)	
(a) Secrued	Nil
(b) Unsecured	112.00
3. Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities	
i) Lease Assets including lease rentals under sundry debtors :	
(a) Financial Lease	Nil
(b) Operating Lease	Nil
ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on Hire	Nil
(b) Repossessed Assets	Nil
iii) Other Loans counting towards AFC activities :	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil
4) Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

(Rs. in lakhs)

	Amount outstanding
Long Term Investments:	
1. Quoted :	
(i) Shares :	
(a) Equity	3144.87
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted	
(i) Shares :	
(a) Equity	48.46
(b) Preference	100.00
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

5. Borrower group-wise classification of Assets, financed as in (2) and (3) above :

Category *(Rs. in lakhs)*

	Amount (net of provisions)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	112.00	112.00
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
Total	**Nil**	**112.00**	**112.00**

6. Investor group-wise classification of all Investments

(current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value/ Break-up or Fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	6483.72	3293.33
Total :	**6483.72**	**3293.33**

7. Other Information

Particulars	Amount
i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
iii) Assets acquired in satisfaction of debt	Nil

Chandra Shekhar Nopany
Managing Director

Nandini Nopany
Chairperson

Notes