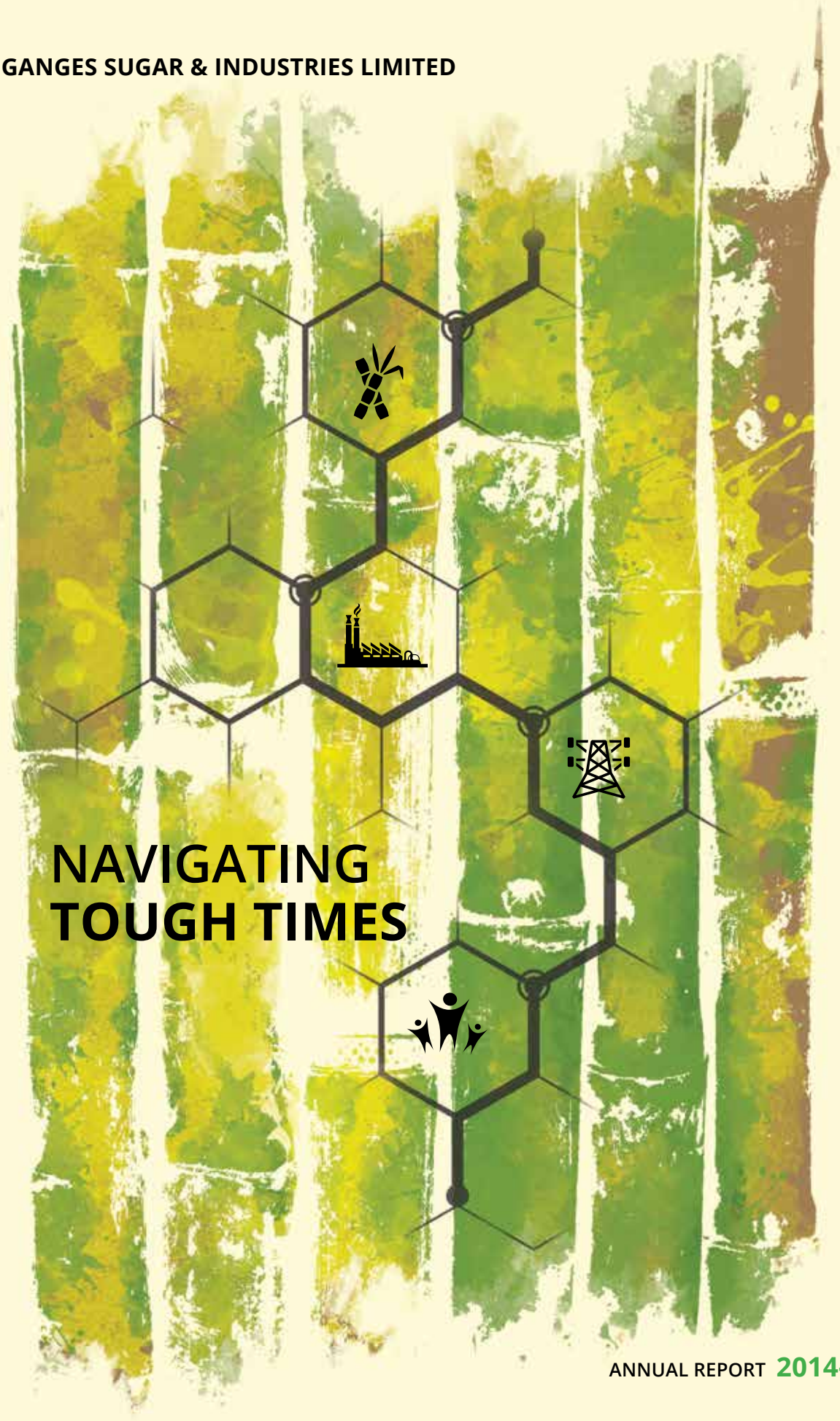
UPPER GANGES SUGAR & INDUSTRIES LIMITED



NAVIGATING TOUGH TIMES

ANNUAL REPORT 2014-15

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

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Corporate Information

BOARD OF DIRECTORS
Mrs. Nandini Nopany – Chairperson
Mr. Chandra Shekhar Nopany
Mr. Gaurav Swarup
Mr. Sunil Kanoria
Mr. Ishwari Prosad Singh Roy
Mr. Padam Kumar Khaitan
Mr. Pradeep Kumar Singhi
Mr. Bal Kishore Malpani, Whole-time Director

COMMITTEES OF DIRECTORS
Finance & Corporate Affairs Committee
Mrs. Nandini Nopany – Chairperson
Mr. Chandra Shekhar Nopany
Mr. Sunil Kanoria
Mr. Padam Kumar Khaitan

Audit Committee
Mr. Ishwari Prosad Singh Roy – Chairman
Mr. Pradeep Kumar Singhi
Mr. Bal Kishore Malpani

Stakeholders' Relationship Committee
Mr. Chandra Shekhar Nopany – Chairman
Mr. Ishwari Prosad Singh Roy
Mr. Gaurav Swarup
Mr. Bal Kishore Malpani

Nomination and Remuneration Committee
Mr. Ishwari Prosad Singh Roy – Chairman
Mr. Padam Kumar Khaitan
Mr. Gaurav Swarup
Mr. Bal Kishore Malpani

Risk Management Committee
Mr. Gaurav Swarup – Chairman
Mr. Sunil Kanoria

EXECUTIVES
Mr. Chand Bihari Patodia – Advisor
Mr. Santosh Kumar Poddar – Company Secretary
Mr. Shiv Kumar Maheshwari – Chief Financial Officer
Mr. Sukhvir Singh – Executive President (Seohara)
Mr. Bishnu Kumar Sureka – Executive President (Sidhwalia)
Mr. Mehtab Singh – Executive President (Hasanpur)
Mr. Shyam Sunder Binani – Executive Vice-President (Tea Garden)

AUDITORS
S.R. Batliboi & Co. LLP
Chartered Accountants
22, Camac Street,
3rd Floor, Block - C,
Kolkata - 700 016

ADVOCATES & SOLICITORS
Khaitan & Co., LLP

BANKERS
State Bank of India
Punjab National Bank
ICICI Bank Ltd.
DCB Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
59C, Chowringhee Road
3rd Floor
Kolkata -700 020
Tel. No.: 91-033-2289 0540
Fax No.: 91-033-2289 0539
E-mail : kolkata@linkintime.co.in

REGISTERED OFFICE
P.O. Seohara, Dist. Bijnor (U.P.)
Pin Code : 246 746
Tel. No.: (01344) 252401
Fax No.: (01344) 252321
Email: birlasugar@birla-sugar.com
Website: www.birla-sugar.com
CIN No. L15421UP1932PLC025141

CORPORATE & HEAD OFFICE
Birla Building, 5th Floor
9/1, R.N. Mukherjee Road,
Kolkata - 700 001
Tel. No.: 91-033-2243 0497/8
Fax No.: 91-033-2248 6369
E-mail : birlasugar@birla-sugar.com
Website : www.birla-sugar.com

SUGAR MILLS
1. Seohara, Dist. Bijnor (U.P.) - 246746
2. Sidhwalia, Dist. Gopalganj (Bihar) - 841428
3. Hasanpur, Dist. Samastipur (Bihar) - 848205

DISTILLERY
Seohara, Dist. Bijnor (U.P.)

CO-GENERATION
Co-generation Plant, Seohara
Co-generation Plant, Sidhwalia
Co-generation Plant, Hasanpur

TEA GARDEN
Cinnatolliah Tea Garden
North Lakhimpur (Assam)

Chairperson's Statement

At Upper Ganges, we remained focused on our object to navigate through tough times with resilience. In 2014-15, our Revenue from Operations (Gross) grew by 8%' and stood at ₹ 88,618.97 lacs (₹ 81,849.73 lacs 2013-14) owing to an increase in the scale of operations.

Dear Shareholders,

Most businesses face uncertainty and a swing in fortunes given the vagaries of the macroeconomic environment. That is the very nature of enterprise and risk-taking ability. However, it is not often that an industry that is the source of livelihood of six million farmers, contributes nearly 17% to global production, and covers an area equal to 3% of the gross cultivable area of a large country like India is constantly reeling under structural problems.

Globally, sugar is an important agri-based industry. However, surplus stocks, bumper production, currency fluctuations and other factors have led to a gradual decline in sugar realisations. In 2014-15, global sugar prices remained subdued, though sugar surplus is witnessing a decline from 2.6 million tonnes in 2013-14 to 0.6 million tonnes in 2014-15. However, consecutive surplus years, worldwide high stocks and the decline of the Brazilian currency against dollar have contributed to keeping prices low. While this is good for consumers, it is not good either for the industry or the farmers in the long run.

In 2014-15, Indian sugar industry was hit by several structural and regulatory challenges. The industry saw marginal rise in demand and higher production from 24.4 million tonnes in 2013-14 to 28.3 million tonnes in 2014-15. This led to an oversupply of sugar, facilitating increase in carry forward stocks of nearly 10 million tonnes at the year end.

The Indian sugar industry is facing its most daunting challenge to date. The unbalanced sugar policy has taken its toll on the fundamentals of the industry. The Indian economy is witnessing record production of sugar due to larger increase of sugarcane acreage on the one hand and falling sugar prices due to a glut in the market place on the other. A shake out in the industry seems imminent and it is hoped that the Governments, both in the Centre and the States, will take a close relook at the existing sugar and sugarcane policy.

The global scenario too is under pressure due to falling crude prices resulting in lower ethanol production and higher sugar production. International sugar prices have been under pressure due to global surplus as a result of which Indian exports have not been able to make significant inroads into the international market place.

Closer home, in India too, a reviving economy and higher prosperity levels are expected to drive sugar demand, going forward. If the industry is relieved of the shackles of unreasonable and unrealistic cane pricing, we believe that it can once again be the engine of value creation and better livelihoods for millions of farmers.

Our performance

At Upper Ganges, we remained focused on our object to navigate through tough times with resilience. In 2014-15, our Revenue from Operations (Gross) grew by 8%' and stood at ₹ 88,618.97 lacs (₹ 81,849.73 lacs 2013-14) owing to an increase in the scale of operations. We reported a net loss of ₹ 5,537.13 lacs against ₹ 1,939.38 lacs in 2013-14, primarily attributed to subdued sugar sales realisation and high cane prices. Looking back, we have undertaken multiple initiatives that enabled better utilisation of raw material and increase in operational efficiency.

Going forward, India will continue to remain one of the world's largest sugar producers and a sugar surplus country for a sixth season in a row. Demand for sugar remains strong from domestic food and beverages manufacturers and rising per capita sugar consumption. India's relatively strong economic growth and stable political situation, along with rising income of the young population and changing consumer expenditure trends are the key drivers for this rise in consumption.

We look forward to your continued support in our future journey.

Warm Regards,

Nandini Nopany
Chairperson

India's relatively strong economic growth and stable political situation, along with rising income of the young population and changing consumer expenditure trends are the key drivers for this rise in consumption.

Directors' Report

To
The Members,

Your Directors take pleasure in submitting their report as part of 83rd Annual Report alongwith the audited annual accounts of the Company for the financial year ended 31st March, 2015.

Financial Results and Appropriations

₹ in lacs

	Year ended 31st March, 2015		Year ended 31st March, 2014	
Revenue from Operations (Gross)		88,618.97		81,849.73
Profit before Finance Costs, Tax, Depreciation and Amortisation		(333.49)		6,373.89
Less: Depreciation & Amortisation Expenses	1,702.23		2,741.37	
Finance Costs	6,467.27	8,169.50	6,733.18	9,474.55
Profit/(Loss) Before Tax		(8,502.99)		(3,100.66)
Less: Provision for Tax:				
Current Tax	85.76		98.80	
Deferred Tax Charge/(Credit)	(3,051.62)	(2,965.86)	(1,260.08)	1,161.28
Profit/(Loss) After Tax		(5,537.13)		(1,939.38)

Operating Performance

In face of overall subdued market conditions, your Company has delivered top line growth and performed ahead of underlying sugar season 2014-15 which is mainly due to having supply of good cane quality resulting into higher recoveries and sales being expedited. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as **Annexure "A".**

Financial Performance 2014-15

The Company had recorded Total Revenue of ₹ 85,566.36 lacs (including other income aggregating to ₹ 282.16 lacs) during the financial year ended 31st March, 2015. The Revenue from Operations (Gross) of the Company for the year 2014-15 stood at ₹ 88,618.97 lacs.

The Loss before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹ 333.49 lacs. The decline in PBIDT of the Company during the period under review is mainly attributed to subdued sugar sales realisation and high cane prices.

There is no change in the nature of business of the Company. There were no significant or material orders passed by regulators, courts or tribunals impacting the going concern status and company's operation in future.

In view of continuing losses the Board does not propose to carry any amount to Reserves.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2015 and date of this report.

There is a continuous process to identify, evaluate and manage significant risk faced though a risk management process designed to identify key risks facing each business. During the year risk analysis and assessment were conducted.

Research & Development

During the year under review the Company has undertaken Research & Development initiatives with an intention to improve the sugar recovery ratio and to educate the cane growers to cultivate improved variety of sugarcane and to otherwise increase the sucrose contents in their produce.

Dividend

In view of the losses the Board of Directors do not recommend any dividend for the year under review.

Share Capital

During the year the Authorised Share Capital of the Company was increased to ₹ 50 crore by creation of

18,00,000 Preference Shares of ₹ 100/- each from ₹ 32 crore. The paid up Equity Share Capital as on 31st March 2015 stood at 1,155.73 lacs and the paid up Preference Share Capital of the Company stood at 3,000.00 lacs. During the year under review, the Company has carried out issue and allotment of 30,00,000 Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each.

Scheme of Arrangement

The Board of Directors at its meeting held on March 13, 2015 consented to the Composite Scheme of Arrangement subject to approval of Shareholders, Hon'ble High Court, SEBI, CCI and other regulatory authorities in order to restructure its business activities to achieve the Business alignment as per market dynamics and variant capital needs of each business as well as its ability to recognise the true value of assets in the books which have significantly appreciated over time and thereby improving the financial position and key ratios of the businesses.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, Management Discussion & Analysis Report, the Report on Corporate Governance, Declaration of Whole-time Director on Code of Conduct and Auditors' Certificate on compliance of conditions of Corporate Governance form an integral part of this Report and are annexed to this Report as **Annexure "A", "B", "C" and "D"** respectively.

Directors

The Board of Directors comprises of seven Non-Executive Directors having experience in varied fields and a Whole-time Director. Out of seven Non-Executive Directors, five of them are Independent Directors.

Shri Chandra Shekhar Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company. He is proposed to be re-appointed as Director and will be liable to retire by rotation.

Mr. Padam Kumar Khaitan, Mr. Ishwari Prosad Singh Roy, Mr. Pradeep Kumar Singhi, Mr. Gaurav Swarup and Mr. Sunil Kanoria were severally appointed as an Independent Directors at the Annual General Meeting (AGM) held on 18th September 2014 pursuant to the provisions of Section 149 of the Companies Act 2013 for a period of 5 years w.e.f. date of AGM and they will not be liable to retire by rotation during their respective terms of 5 years.

The Independent Directors have confirmed and declared that they are not disqualified to act as Independent Directors in compliance with the provisions of Section 149 of the Companies Act 2013 read with Listing Agreement and the Board is also of the opinion that Independent Directors fulfil all the conditions specified in the Companies Act, 2013 read with Listing Agreement to making them eligible to act as Independent Directors.

Other information on the Directors including required particulars of Directors retiring by rotation is provided in the Report of Corporate Governance annexed to this Report as **Annexure "B".**

Key Managerial Personnel

The following three persons were formally appointed as Key Managerial Personnel of the Company in compliance with Section 203 of the Companies Act 2013 viz:

a. Mr. Bal Kishore Malpani, Whole-time Director
b. Mr. Shiv Kumar Maheshwari, Chief Financial Officer
c. Mr. Santosh Kumar Poddar, Company Secretary

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct & Ethics applicable to Directors & employees of the Company and a declaration to the said effect by the Whole-time Director is made part of Corporate Governance Report which forms part of this report. The Code is available on the Company's website at www.birla-sugar.com. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Audit Committee

The Audit Committee was constituted on 11.09.2000 and the Committee now comprises of Mr. Ishwari Prosad Singh Roy, Mr. Pradeep Kumar Singhi and Mr. Bal Kishore

Malpani. The Company Secretary acts as the Secretary to the Committee and the Chief Financial Officer is an invitee to the meetings. During the year there were no instances where Board has not accepted the recommendation of Audit Committee.

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

Stakeholders' Relationship Committee

The Investors Grievance Committee was constituted on 11.09.2000 and was renamed as Stakeholders Relationship Committee w.e.f. 15.05.2014 to comply with the requirements of the Companies Act 2013 and the Listing Agreement. The Committee now comprises of Shri Chandra Shekhar Nopany, Shri Ishwari Prosad Singh Roy, Shri Gaurav Swarup and Shri Bal Kishore Malpani. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

Nomination And Remuneration Committee

The Remuneration Committee was constituted on 30.07.2002 and was renamed as Nomination and Remuneration Committee w.e.f. 15.05.2014 to comply with the requirements of the Companies Act 2013 and the Listing Agreement. The Committee now comprises of Mr. Ishwari Prosad Singh Roy, Mr. Padam Kumar Khaitan, Mr. Gaurav Swarup and Mr. Bal Kishore Malpani. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

Internal Complaints Committee

An Internal Complaints Committee was constituted by the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Act aims at protecting women's right to gender equality, life and liberty at workplace to encourage women participation at work. The Committee meets all the criteria including its composition mentioned in the Act and relevant Rules. No complaint has been received by the Committee during the year under review.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy as adopted by the Board of Directors is attached as **Annexure "E"** to this Report. The Committee has also framed criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation.

Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review six Board Meetings, five Audit Committee Meetings, four Stakeholders Relationship Committee Meetings and three Nomination & Remuneration Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Independent Directors of the Company have had a separate meeting on March 30, 2015 to review the performance and evaluation of Non-Independent Directors, Chairperson and Board as a whole and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in Note 2.1 of the Notes to the Financial Statements

have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors, Audit Qualifications and Board's Explanations

Statutory Auditors

Messrs S R Batliboi & Co LLP, Chartered Accountants, hold office as Auditors of the Company till the conclusion of ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. According to the certificate submitted to the Company by the said firm of Auditors the said re-appointment, if made by the Shareholders, will be well within the limits prescribed in Section 141 of the Companies Act, 2013.

The Board, on the recommendation of the Audit Committee, proposed that Messrs S R Batliboi & Co LLP, Chartered Accountants, be re-appointed as the Statutory Auditors of the Company for a period beginning the conclusion of the ensuing Annual General Meeting of the Company and ending on the conclusion of the Annual General Meeting to be held next thereafter. The remarks/observations made by the Statutory Auditors in their report are self explanatory and does not require any further clarification/explanation. However, the Statutory Auditors have commented upon recognition of Deferred Tax Asset (net) of (DTA) (net) of ₹ 7,217.36 lacs (including ₹ 3,051.62 lacs for the year) up to 31st March, 2015, based on the future profitability projections. The Industry is in active discussions with Central and State Governments on the matter of pricing of Sugarcane and other incentives in order to make operations viable. The Company is hopeful of positive outcome of the discussions with the Govt. and expects to be in a position to generate positive cash flows and profitability and is certain that there would be sufficient taxable income in future to claim the above tax credit.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Mr. Somnath Mukherjee, Cost Accountant as the Cost Auditor to audit the cost accounts of the Company for the financial year 2015-16. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as **"Annexure F"** and which is self explanatory.

Subsidiary Companies and Consolidated Financial Statements

The Company has M/s Uttar Pradesh Trading Company Limited as its wholly owned subsidiary company. During the year under review three more wholly owned subsidiaries being Magadh Sugar & Energy Limited, Ganges Securities Limited and Cinnatolliah Tea Limited and one joint venture company being M/s Avadh Sugar & Energy Limited have been set up to facilitate the proposed restructuring of the business and the said companies are yet to commence business.

The Company has also formulated a policy for determining material subsidiaries in line with the requirement of

Listing Agreement. The said Policy is being disclosed on the Company's website at www.birla-sugar.com.

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

The salient features of the financial statement of its subsidiaries are also provided in a separate statement being **"Annexure G"** and made part of this Report.

The Annual Accounts of the subsidiary companies will be made available for inspection by any shareholder at the Registered Office of the Company and would also be available on the Company's website at www.birla-sugar.com. Furthermore, a hard copy of the detailed accounts of the subsidiaries would be furnished to any shareholder on demand at any point of time.

Fixed Deposits

The Company had discontinued acceptance of fixed deposit after coming into effect of the Companies Act 2013. The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. As on 31st March, 2015 the Company had fixed deposits of ₹ 433.20 lacs

Investor Education and Protection Fund

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of the last Annual General Meeting held on 18th September, 2014 on the website of the Company www.birla-sugar.com, as also on the website of the Ministry of Corporate Affairs www.mca.gov.in.

Internal Control

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliances of various internal controls and other regulatory and statutory compliances, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The Committee review the effectiveness of internal controls and compliance controls, financial and operational risks, and related party transactions. Self certification exercises are conducted by which senior management certifies effectiveness of internal control system, their adherence to the Company's code and policies for which they are responsible.

Loans, Guarantee and Investments

It is the Company's policy not to give any loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or person. In compliance with Section 186 of the Companies Act, 2013, loans to employees bear applicable interest rates. During the year under review, the Company has made investment in securities of other body corporate as disclosed for the purpose of proposed restructuring exercise. However, Corporate Guarantees were issued to the Lenders to the tune of ₹ 125 crore in order to facilitate availment of loan by the sugarcane farmers in the command area of the Company, a normal business practice prevalent in Sugar Industry.

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related Party Contracts / Arrangements

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transaction are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.

Energy Conservation, Technology Absorption And Foreign Exchange Earnings & Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure H".**

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached as **Annexure "I"** and forms an integral part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure J".**

CEO/CFO Certification

Mr. Bal Kishore Malpani, the Whole-time Director and Mr. Shiv Kumar Maheshwari, Chief Financial Officer have submitted certificates to the Board as contemplated in Clause 49 of the Listing Agreement.

Acknowledgement

Your Directors take this opportunity of recording their appreciation of the shareholders, financial institutions, bankers, suppliers and cane growers for extending their support to the Company. Your Directors are also grateful to various ministries in the Central Government and State Governments of Uttar Pradesh and Bihar, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Directors also recognise the valuable contribution made by the employees at all levels towards Company's progress.

For and on behalf of the Board

Kolkata
Dated 12th May, 2015

Nandini Nopany
Chairperson

Annexure A

Management Discussion & Analysis

Global Economy

Enduring structural issues are still counteracting cyclical forces of recovery, keeping global activity in the slow path of growth. Lower global commodities prices played a key factor supporting stronger economic growth. While economies that are reliant on commodity exports may suffer, lower input prices for industry as well as lower fuel prices for households will provide a lift to aggregate demand and global growth. US led the recovery among advanced markets and is expected to be a substantial contributor to global growth.

According to IMF, global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. Looking ahead, current conditions remain fairly supportive of stronger and more sustainable growth. They include lower oil prices, historically low interest rates, currency revaluations vis-à-vis the U.S. dollar, improving U.S. economic prospects, and the potential for strategic infrastructure investments in various countries with large current account surpluses.

Global Growth Trend

(%)

	Projections			
	2013	2014	2015	2016
World Output	3.3	3.3	3.5	3.7
Advanced Economies	1.3	1.8	2.4	2.4
United States	2.2	2.4	3.6	3.3
Euro Area	-0.5	0.8	1.2	1.4
Japan	1.6	0.1	0.6	0.8
United Kingdom	1.7	2.6	2.7	2.4
Other Advanced Economies *	2.2	2.8	3.0	3.2
Emerging and Developing Economies	4.7	4.4	4.3	4.7
China	7.8	7.4	6.8	6.3

* (Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries)

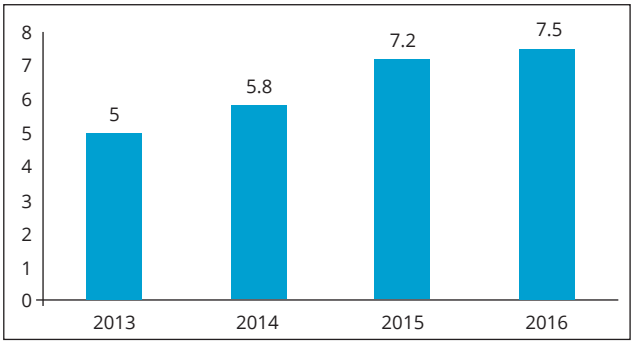
(Source: International Monetary Fund 2015)

Indian Economy

India's growth is expected to strengthen from 7.2% in 2014 to 7.5% in 2015. Growth will benefit from recent policy reforms, a resultant pickup in investment, and lower oil prices. Lower oil prices will raise real disposable incomes, particularly among poorer households, and help drive down inflation. There is a happy convergence in the macroeconomic factors as well.

Inflation has been reined in, the current account deficit is under control, Foreign Direct Investment (FDI) is picking up and international crude oil prices are at an all-time low. The inflation has declined by over 6% points since late 2013, and the current account deficit has declined from the peak of 6.7% of GDP (Q3, 2012-13) to an estimated 1.0% in the coming fiscal year (2015-16).

India GDP Growth Rate (in %)



Source: IMF, World Economic Outlook Update

Industry Structure and Development

Global Sugar Industry

The International Sugar Organization (ISO) predicts a global sugar surplus of 0.6 million tonnes in 2014-15, down from 2.6 million tonnes in 2013-14 due to rising consumption. Record high production is expected despite projected lower crops in several leading world sugar producing countries including Brazil, China and Thailand. Falling sugar outputs in Brazil, China and Pakistan are predicted to be offset by expansions in India, the EU and the Russian Federation.

Fast facts: Global sugar industry

- Sugar is one of the world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges
- Brazil, India, EU, China and Thailand rank amongst the global producers of sugar
- More than 80% of sugar is produced from sugarcane, while the balance is from sugar beet
- Brazil and India are the largest sugar producers from sugarcane and EU and US are the major sugar producers from beet

World Sugar Balance

(mn tonnes)

	2014/15	2013/14	Change in mn tonnes in %	
Production	172.083	171.002	1.081	0.63
Consumption	171.083	168.368	3.095	1.84
Surplus/Deficit	0.620	2.634		
Import demand	55.720	56.390	(0.670)	(1.19)
Export availability	56.036	56.366	(0.330)	(0.59)
End Stocks	79.885	79.581	0.304	0.38
Stocks/Consumption ratio in %	46.59	47.27		

Export and import figures will not match due to rounding and time lags between exports and imports

Source: International Sugar Organisation

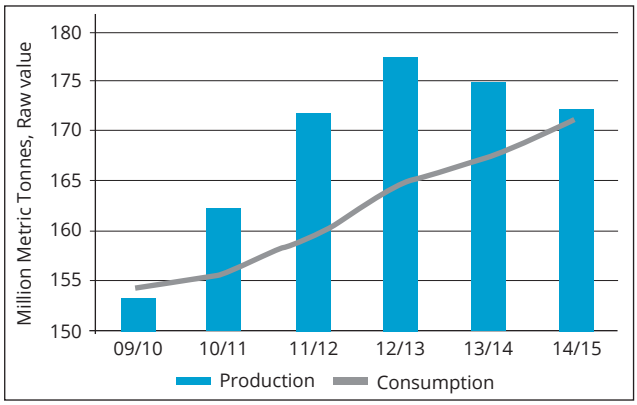
Global sugar demand and supply

Economic and population growth are the key drivers of global sugar consumption. In 2015, IMF expects world output to grow by 3.5% compared to 3.3% in 2013 and 2014. With rich supplies continuing to weigh on the market, global consumption is forecast to rise as demand in India and China is likely to increase.

(Source: IMF World Economic Outlook, update January 2015).

Production

According to International Sugar Organization (ISO), the world production will touch a record 172.1 million tonnes in 2014-15 despite projected lower crops in several leading world sugar producing countries. Favourable weather conditions, along with growing planted areas, are expected to lead to higher output in most countries.



Source: United States Department of Agriculture (USDA)

Regional play

Brazil's production is estimated to ease 2.0 million tonnes to 35.8 million tonnes as drought conditions lower yield and a lower percentage of the sugarcane (estimated 45%) is averted to sugar, compared to last year on better profitability for ethanol production. Brazil's sugar output is influenced by changes in the ethanol/sugar price ratio, which in due course determines how much of the two products will be produced out of sugarcane. Consumption is expected to increase to some extent reflecting population growth and expansion in the food processing sector. Exports are projected down 2.2 million tonnes to 24.0 million tonnes on lower exportable supplies.

Thailand's production is forecast to decline 1.1 million tonnes to 10.2 million tonnes as drought conditions lower yield. Exports are estimated to jump to a record 8.5 million tonnes as stocks are drawn down to meet high Asian demand, particularly from Indonesia and Cambodia. Consumption continues to trend higher, driven by rising industrial use.

Consumption

World sugar consumption has been growing at an average rate of 2.25% over the past ten years. The consumption is set to grow in agreement with its long-term trend, reflecting increase in several developing countries that are expected to benefit from falling domestic sugar prices as well as improved economic performance in 2015. Large supply availabilities and lower international and domestic prices are expected to support increases in per capita sugar consumption in 2014-15. Sugar consumption in the long-run is mostly driven by per capita income and population growth.

EXIM of sugar

Both export availability and import demand are expected to show a moderately minor year-on-year decrease in 2014-15. Exports are anticipated to decline to 56.036 million tonnes as against 56.366 million tonnes estimated for the previous season. Imports are expected to fall to 55.720 million tonnes as against 56.390 million tonnes estimated for 2013-14. Despite a projected drop in exports, Brazil remains by far the largest and dominant world sugar exporter. A smaller gap between consumption and production growth in importing countries is expected to reduce import demand.

World sugar prices

Sugar prices dropped 23% y-o-y dragged by appreciated US dollar. Falling international sugar prices are expected to encourage global import demand and boost world sugar trade in 2014-15, even though imports by China and the Russian Federation, are expected to contract.

Indian Sugar Industry

Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and around 5 lac workers directly employed in sugar mills. During the last few years not only the number of factories in India has increased but also product capacity (TCD) has almost doubled all over the country. Many factories both from private and public sectors are facing bad times due to slump in market. Product diversification adding cogeneration and concentrating on export is the need of the hour. As on 31st March, 2015 out of 530 sugar mills which were under operation during 2014-15 SS, 138 sugar mills have shut for the season and 392 are still working.

Fast facts: Indian sugar industry

- Second largest producer and largest consumer of sugar in the world
- Second largest agro processing industry after cotton, involving over 60 million farmers and dependents
- Unique industry structure with large number of stakeholders including millers, farmers, Government, industrial and retail consumers
- Small average farm size of around 1-2 hectares

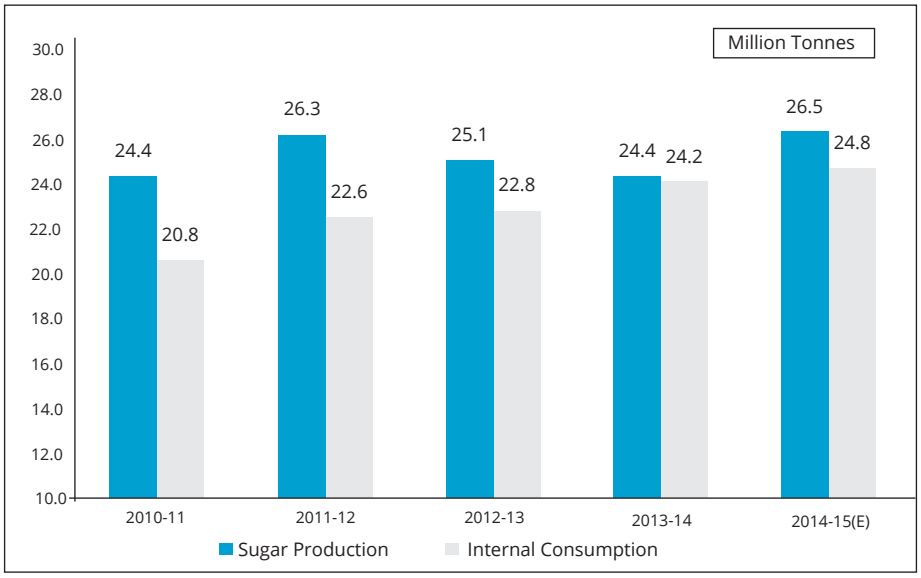
Indian sugar demand and supply

Production

India's sugar production rose 11.5% during the 2014-15 crushing season on bumper cane production. As per Indian Sugar Mills Association (ISMA) India's sugar production as on March 31 was 24.72 million tonnes — 2.84 million tonnes higher than the output reported a year ago. While the government has encouraged sugar exports through a subsidy assistance of ₹ 4,000 a tonne on raw sugar shipment up to 1.4 mt, falling raw sugar prices in the benchmark New York market have hit exports.

Consumption

Indian sugar consumption in 2015-16 is forecast to rise to 25.5 MMT. Strong domestic demand from food processing manufacturers will support higher levels of consumption. India's relatively strong economic growth, stable political situation, foreign investment, rising incomes, a young population, and changing consumer consumption patterns are the key drivers encouraging higher food consumption. Sugar production has consistently outshined domestic consumption, in the last five years with the 2014-15 production set to hit a high of 27.5 million tonnes against a demand of about 24 million tonnes.



Source: Indian Sugar Mills Association

Export
India exported 2.614 million tonnes including 1.2 million tonnes of raw sugar, out of which 0.7 million tonnes with state incentives.

Regional Play in India

The state-wise sugarcane production estimates are as follows:-

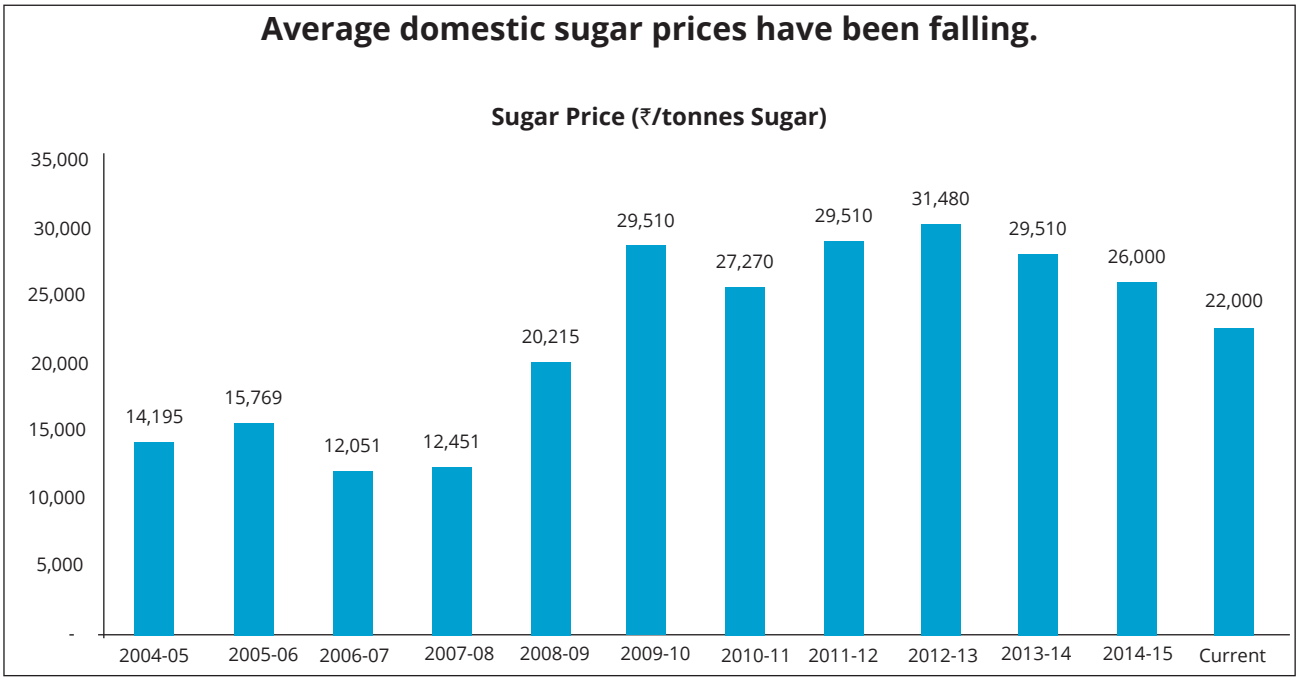
Maharashtra
Sugar mills in Maharashtra have produced 93.64 lac tonnes of sugar as against 70.69 lac tonnes produced during the corresponding period last year. As on March 31, 2015, 142 sugar mills were under operation as compared to 79 sugar mills in 2013-14.

Uttar Pradesh
Sugar mills of Uttar Pradesh produced 63.60 lac tonnes of sugar up to March 31, 2015 which was 59.16 lac tonnes at the corresponding period last season. As against 91 sugar mills operating last year at this time, 77 sugar mills are crushing sugarcane now.

Karnataka
Sugar production in Karnataka till 31st March, 2015 was 42.50 lac tonnes, as against 38.84 lac tonnes produced last season on the corresponding period. Of the 64 sugar mills which crushed during 2014-15 SS, 54 are working as of now.

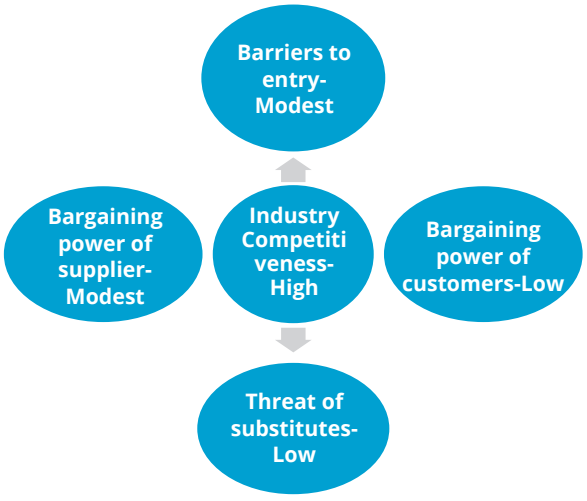
Tamil Nadu
In Tamil Nadu, sugar mills have produced 7.70 lac tonnes of sugar till 31st March, 2015. Out of the 44 sugar mills which operated, 4 have closed their operations for the season and remaining 40 are still running.

Sugarcane pricing
Domestic sugar prices continue to be impacted by sugar surplus scenario in both the domestic and international markets. Existing surplus situation coupled with the arrival of fresh sugar supply of FY15 season and delay in the notification of export subsidy for FY15 has resulted in a declining trend in the sugar prices, which have significantly fallen to ₹ 25,000/MT by March 2015 from ₹ 31,000/MT in September 2014.



Source: Indian Sugar Mills Association

Porters Five Force analysis of Indian sugar industry



To determine industry attractiveness and long-run profitability of the Indian sugar industry, we applied Porter's Five Forces in our analysis. Porter's Five Forces are: (1) Barriers to entry and exit, (2) Threat of substitutes, (3) Buyer bargaining power, (4) Supplier bargaining power, and (5) Industry competition.

Barriers to Entry and exit: The Indian sugar industry is characterised by modest entry and exit barriers. Integrated business model and increasing capital requirement in the industry restrict new entrants. The Government's earlier practice of giving incentives to set up new plants by granting higher free sales quota for the first five to eight years of operation led to mushrooming of small units. This incentive has been withdrawn and the new sugar units are required to comply with the levy quota regulation from the first year of operations. The Government has also put a restriction on setting up of two sugar factories within the radius of 15 kms.

Threat of substitutes: Being an essential commodity, the demand for sugar is not elastic. Gur and khandsari are alternate sweeteners to refined sugar in India. However, with increased per capita income and easy availability of sugar at competitive rates, consumption of gur and khandsari is seeing a downward trend and is mostly confined to rural areas. Hence, threat of substitute is low in the industry.

Buyer bargaining power: India's sugar market is highly regulated by the Government. This influences distribution, purchase price of levy sugar and free sale quota releases for sugar. Hence, buyer's power is highly restricted in this sector.

Supplier bargaining power: Allocation of the area from where the sugarcane can be procured is decided by the Government. Sugar mills have no choice but to purchase all the cane sold to them, even if it exceeds their requirement. Sugar producers are not allowed to own cane fields in India. Though recent sugar de-control is likely to give higher pricing power to the mills, the Government can still influence the prices with its PDS system.

Industry Competition: Competitiveness among the Indian sugar players is high. With around 500 units engaged in production of sugar, the industry is highly fragmented. Private individual players do not have a big market share. Cooperatives are relatively high as they account for more than 50% of the industry's production.

Problems faced by Sugar Industry

The health of the sugar industry in India worsened during the season 2014-15. The environment was not conducive for business, especially in the State of Uttar Pradesh. The industry continued to remain under more than warranted controls of the Central and State Governments whose decisions impacting the sugar industry were based more on political considerations than on economic criteria.

The problem is mainly due to a mismatch between sugarcane price and sugar realisation. In the state of U.P. higher Sugarcane prices are being fixed by State Government which are unaffordable i.e. not determined as per the linkage formula in relation to revenue realised from sugar and/or primary by products, similar to that adopted by the Governments of Maharashtra or Karnataka.

The Bihar Government was more pro-active in trying to alleviate the problems of the sugar industry. The State Advised Price (SAP) was fixed at the same levels, but the State Government granted subsidies to the industry which helped in reducing the problem somewhat.

However, the sugar industry witnessed a sharp fall in sugar realisation due to panic and irrational selling by the sugar mills. On one hand sugar production is expected to cross 275 lac tonnes against an estimated consumption of 248 lac tonnes. Apprehensive of further fall in prices, the sugar mills started selling sugar indiscriminately with each mill trying to realise revenues as early as possible. This resulted in a downward spiral of sugar prices to levels where even the cost of raw materials was not being realised by sugar prices. The Central Government and the State Government of Maharashtra has offered fiscal incentives to the sugar mills to export sugar. However, the fall in international prices of sugar has not seen any significant exports materialising.

For the first time in the history of the country, sugarcane arrears have crossed ₹ 21,000 crore. ISMA as well as the Cooperative Mills have approached the Central Government to provide a bail-out package for this industry. The industry has requested for the creation of a strategic/buffer stock of at least 3.5 million tonnes of sugar, restructuring loans of ₹ 36,000 crore and providing interest free loans to the industry to allow timely payment to the farmers. It is hoped that the Central Government would take a decision soon.

The performance of the distilleries was also adversely affected due to restrictions imposed by the State Government on the movement of molasses and ethanol. Even today, molasses are controlled by the State Government who allot molasses to the distilleries and issue permits for supply of ethanol outside the borders of UP. Delays in decision making and issuing permits resulted in irregular supply of molasses forcing the distilleries in UP to reduce its production.

Co-Generation and supply of power continue to be under pressure. Furthermore, delayed payments by the purchases of power also created financial problems for the sugar industry.

Government Initiative

In February 2015, the Cabinet Committee on Economic Affairs (CCEA) approved a proposal to extend the export subsidy for FY15 to support the mills in clearing the high cane arrears to the farmers – export subsidy of ₹ 4000/MT (higher than ₹ 3371/MT during FY14) on exports of 1.4 million MT of raw sugar. However, the Government also put a condition that mills having ethanol production capacity will be eligible for the raw sugar export incentive during FY15 only on supply of 25% of their annual alcohol production (as ethanol for the blending programme).

The Government has partially decontrolled the industry by removing levy sugar obligations and abolishing the monthly release mechanism of selling non-levy sugar. Further, to surge over immediate payment crisis of cane arrears and to correct surplus sugar stocks in the country, it provided interest free loans to sugar millers and allowed export subsidy. The Central Government has left decisions on some of the other key recommendations of the said committee to the State Governments which include linking sugarcane pricing with that of sugar, minimum distance between factories and reservation of area for factories from a medium term perspective. Also the linking of sugarcane price with sugar price will happen in the coming years.

Outlook for 2014-15

According to International Monetary Fund (IMF), the global economy is expected to grow more strongly in 2015, with a rebound expected in the developing and emerging economies. This encouraging economic prospect is likely to boost further sugar demand, as manufacturing and food preparation sectors, which account for the bulk of aggregate sugar consumption, are highly swayed by the economic environment.

In order to ensure sustainable growth in the Sector, a revenue sharing formula should be evolved between the sugar mills and the cane farmers in the ratio of their relative cost as per the recommendation of the Rangarajan Committee. As per Committee recommendations the ideal value-sharing is 70% for cane growers and 30% for mills including revenue from sugar and its by-products. Few States like Maharashtra and Karnataka have already constituted Sugar Control Board to implement the revenue sharing formula. For successful implementation, cane growers are to be guaranteed FRP payments, irrespective of the sugar market behaviour. In case the revenue in a particular season warrants higher payments to growers, they should be entitled to a second payment.

Upper Ganges Sugar & Industries Limited

Business Segment review

Sugar

Production

Sugar segment registered a production of 23.04 lac quintals during the sugar season 2014-2015, as against 20.69 lac quintals during the sugar season 2013-2014.

Crushing

At Upper Ganges, we crushed 233.81 lac quintals of sugarcane during the sugar season 2014- 2015, compared to 222.12 lac quintals in 2013-2014.

Sugar Realisations

The realisations per tonne (net of excise) of free sugar decreased to ₹ 2937.57 per Qtl in 2014-15 from ₹ 2987.35 per Qtl in 2013-14, thus registering a decrease of 1.67% .

Comparative Operational figures

	SS 2014-15			Total	
	Seohara	Sidhwalia	Hasanpur	SS 2014-15	SS 2013-14
Installed capacity (TCD)	10,000	5,000	5,000	20,000	20,000
Sugarcane crushed (lac quintals)	147.70	51.56	34.55	233.81	222.12
Recovery (%)	10.30	9.27	9.00	9.85	9.32
Sugar produced (lac quintals)	15.22	4.76	3.05	23.04	20.69
Crushing days (Gross)	152	110	99	-	-

Ethanol Industry Structure and Development

Global Scenario

Global fuel ethanol production is expected to grow by 0.8% in 2015 to reach a record of 93.77 billion litres. In response to unparalleled domestic usage and surging global demand, ethanol plants in 29 states churned out a record 14.3 billion gallons of ethanol in 2014. The volume passed the record of 13.9 billion gallons set in 2011.

Global Ethanol Market Balance

(bn litres)

Production	Consumption		Trade		Stock A
	Fuel	Non-Fuel	Import	Export	
			Q1 2015		
22,257	22,077	5,165	2,913	2,870	(4,943)
			Q2 2015		
29,034	23,480	4,848	2,905	2,785	877
			Q3 2015		
31,879	23,629	4,712	2,746	2,572	3,711
			Q4 2015		
29,472	23,867	5,533	2,741	2,704	108
			Total 2015		
112,641	**93,053**	**20,257**	**11,304**	**10,932**	**(297)**

Source: Green Pool

Production of ethanol

The United States led the world in ethanol production, accounting for nearly 60% of global output in 2014. Brazil which produced roughly 6.2 billion gallons was responsible for about 25% of world production, while the European Union followed with 6%. China and Canada were other leading producers.

Consumption

Global fuel ethanol consumption is forecast to rise from 90.95 billion litres in 2014 to a record 93.4 billion litres in 2015.

Indian Scenario

Fuel ethanol purchases via a tendering process by the oil majors continue to interest limited quantities for sugar mills. The Government of India announced a price fixing scheme for fuel ethanol procurement for the oil majors. The ethanol blending programme has received a major boost as OMCs have come up with the largest tender for the requirement of 1,560 million litres for supply between November 2014 and October 2015. The new Government is also assessing the feasibility of increasing the mandatory blending from the current 5% to 10%. Achieving the current 5% blending level would also go a long way in assisting the sugar industry to secure a stable source of income.

Upper Ganges Sugar & Industries Limited

Ethanol Division

Our Ethanol Operational Snapshot

	2014-15	2013-14
Spirit Ethanol produced (lac litres)	184.60	295.42
No of days worked	204	303

Comparative Operational Figures

	2014-15	2013-14
Distillery capacity (KLPD)	100	100
Distillery capacity utilisation (%)	61.53	98.47
Average recovery (litres per quintal) in percentage	23.83	23.87

Cogeneration industry

Sugar production is an energy-intensive industry and requires steam as well as electricity. Bagasse is the leftover of the sugarcane after crushing and is burnt as a fuel in the boilers of sugar mills. Bagasse cogeneration has been practiced in sugar mills to meet their captive energy needs. However, supplying excess electricity to the grid has gained impetus worldwide in the last one decade. It offers several advantages such as near zero fuel cost, increased viability of sugar mills, energy security, fuel diversity, reduced transmission or distribution losses and carbon emission reduction. In view of this the Government of India launched a programme to enhance surplus electricity generation from bagasse co-generation.

Bagasse cogeneration is a form of renewable energy and comes under the Ministry for New and Renewable Sources of Energy of Government of India. Bagasse-based co-generation potential in sugar mills is estimated at 5000 MW. Further, as per a KPMG study, this potential will be approximately 9700 MW by 2017. The country has a rising track record with cogeneration in targeted industries; this offers a strong base to build from in the future.

What is co-generation?

Co-generation is the simultaneous generation of two different forms of useful energy from a single energy source. The two different energy forms are:

- Electrical energy and thermal energy
- Mechanical energy and thermal energy

Why cogeneration?

Efficient conventional electricity generation using a large scale centralised power plant is assumed to be at 35%. A typical medium pressure boiler operates at an efficiency of about 85%. Assuming that an industrial process needs both heat and power in a ratio 1.5:1, the overall energy generation efficiency will thus be about 54%.

In case, similar thermal and electrical energy is supplied using a suitable co-generation system, the overall efficiency could range from 65 to 95%. If the efficiency is assumed to be 75%, the total primary fuel savings would be about 28%.

Government Policy

According to a Government policy regulating cooperative sugar factories, the State Government provides 5% of the capital expenditure on the cogeneration project while the factory concerned puts in an equal amount. The Sugar Development Fund of the Union Government provides 30% funding of capital investment and the remaining is secured through institutional funding. An investment of about ₹ 5.00 to 5.50 crore per MW is needed to start a cogeneration plant in a cooperative factory.

Upper Ganges Sugar & Industries Limited

Cogeneration Division

Our cogeneration operational snapshot

	2014-15	2013-14
Generation of power (lac units)	1,638.39	1,512.10
Sales of power to state grid (lac units)	1,121.24	1,049.38

Comparative Operational Figures

	2014-15			Total	
	Seohara	Sidhwalia	Hasanpur	2014-15	2013-14
Capacity (MW)	24	18	10	52	52
Power generated (in lac units)	744.14	754.96	139.29	1,638.39	1,512.10
Power supplied to state grid (in lac units)	462.25	584.99	73.99	1,121.24	1,049.38

India's Tea Industry

India is the second-largest tea producer in the world after China, with over 70% of the beverage produced, being consumed in the country itself. The tea produced in India is among the optimum in the world owing to strong geographical indications, heavy investments in tea processing units, continuous innovation, enlarged product mix and strategic market expansion. The main growing regions lie in Northeast India, including Assam, the Darjeeling district and the Dooars region of North Bengal, and in the Nilgiris in South India.

Fast facts of Indian Tea Industry

- India is the second largest producer of tea in the world and contributes to around 30% of the global tea production.
- India is also one of the world's largest consumers of tea.
- The tea industry is also India's second-largest employer with over 3.5 million workers employed in over 1,500 tea-growing estates.
- The tea sector in the country is largely organised since 72% of the total area under tea cultivation and 74% of the total production comes from the organised sector.

Production of Tea

Tea production during the April-October period stood at 947.73 million kg. Tea production from north Indian states - Assam, West Bengal and others - dropped to 779.49 million kg from 797.48 million kg during the corresponding period. However, production from south Indian states -Tamil Nadu, Kerala and Karnataka - marginally increased to 154.98 million kg in April-October period of 2014-15 from 150.25 million kg in the same period of 2013-14.

State wise and Month wise Production data for the year 2014 -15 - Qty. (in M.Kgs Estimated)

State/Month	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	(Apr to Feb) 2014-15
Assam Valley	22.76	38.66	64.47	85.38	86.88	81.44	84.60	41.97	16.63	0.57	0.16	523.52
Cachar	2.57	3.55	5.90	6.28	8.10	8.10	7.61	4.83	2.55	0.41	0.07	49.97
Assam	25.33	42.21	70.37	91.66	94.98	89.64	92.21	46.80	19.18	0.913	0.23	573.49
Dooars	7.98	13.16	22.25	24.90	26.94	26.39	26.61	17.86	10.83	1.10	112	179.14
Terai	4.41	7.89	14.40	16.82	17.98	17.88	17.39	13.91	8.98	1.76	0.83	122.25
Darjeeling	1.02	0.58	1.19	1.43	1.44	1.08	199	0.41	0.11	0.00	10	8.25
West Bengal	13.41	21.63	37.84	43.15	46.36	46.35	44.99	32.18	19.92	2.86	1.95	309.64
Others	1.50	2.04	3.07	3.39	3.83	3.41	122	2.20	0.97	0.11	0.01	23.75
North India	40.24	65.68	111.28	133.20	145.17	138.30	140.42	81.18	40.07	3.95	2.19	906.88
Tarnil Nadu	11.86	16.57	21.24	18.02	10.29	13.92	16.94	13.78	11.68	11.36	9.35	155.01
Kerala	4.11	8.16	8.06	5.36	3.38	5.26	7.58	5.66	5.36	5.36	3.91	62.20
Karnataka	0.56	0.8	0.74	0.51	0.28	0.62	0.32	0.69	0.48	0.45	0.37	6.22
South India	16.53	25.53	30.04	23.89	13.95	19.80	25.24	20.13	17.52	17.17	13.63	223.43
All India	56.77	91.41	141.32	162.99	159.12	158.10	166.66	101.31	67.59	21.12	16.62	1,130.31

(E) Estimated. subject to recision. (Source: Tea Board India)

Export

According to Tea Board of India, India's tea exports declined by 15% to ₹ 1,718.07 crore in the first six months of 2014-15. In the April-September period of last year, the total value of tea exports was ₹ 2,014.65 crore. In terms of quantity, the exports have dipped to 86.77 million kg from 95.70 million kg in the corresponding period.

Road ahead for the Tea Industry

Consumption of tea has increased compared to increase in production, which will expand realisations. The increasing health consciousness linked with tea drinking and emergence of new variants represents significant demand drivers. With the passage of time and excellent marketing techniques, consumers are better aware of the health benefits of different varieties of tea like green tea amongst others. Drinking habits and lifestyles changes in the last one decade have shown that consumers are ready to pay more for quality teas.

Though, India needs to take a number of initiatives to reinforce its position in the global market and address emerging markets by further refining the quality as well as packaging standards, thereby enhancing product quality.

Risk Management at Upper Ganges Sugar & Industries Limited

Risk is an accepted part of doing business. The real provocation for any business is to identify the principal risks and how it faces it and develops, monitor appropriate controls.

Risks and its mitigation are given as under:

Fluctuations in the production due to climatic changes

Climatic conditions not only affect the productivity but also the quality of leaves harvested.

Mitigation

India being the world's biggest sugar consumer is likely to produce 27 million tonnes of the sweetener in 2014-15, which is about 2% of growth. (Source: Economic Times)

Slower pace of re-plantation
India's productivity has not grown due to slow pace of re-plantation of old bushes.

Mitigation
According to ISMA higher sugar production in the current season, against the estimated consumption of 24.8 mt, carryover stock for the 2015-16 season is estimated at 8.5 mt, 2.5 mt higher than the normative requirement of six million tonnes. (Source: Business standard)

Shortfall in the raw material supply could impact the Company's operations
A lower cane output usually translates into lower production of sugar and by-products

Mitigation
In the past years, the Company has been working with large number of farmers in all its manufacturing facilities, resulting in the mitigation from any shortage of supply of raw material.

Increasing competition in the global tea market
India is a major exporter of CTC tea and faces stiff competition from Kenya.

Mitigation
Since Kenya is entirely a CTC producer, India's strategy is to cater different markets, differently. For China, it would be taken up at the diplomatic level, as there are non-tariff barriers. This will result to lesser competition and diversified market reach.

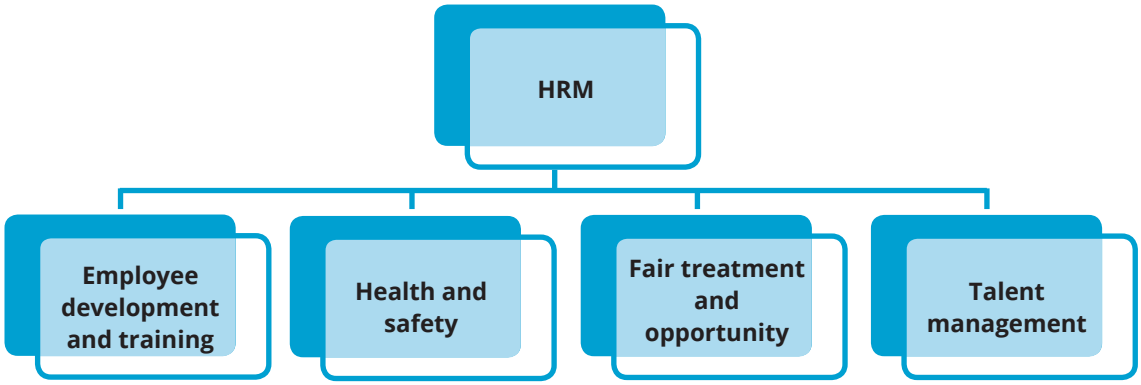
Coffee acting as a strong substitute to tea
Coffee is emerging as a near perfect substitute and is posing a huge challenge to tea consumption.

Mitigation
Tea is probably the most popular drink in India. The country is the largest consumer of tea in the world and we consume 25% of the tea produced world-wide. India is also the second largest producer of tea in the world. (Source: The India Express)

Human Resources Management

Human resource management at Upper Ganges Sugar & Industries Limited plays a pivotal role in achieving organisational goals and objectives.

The following initiatives were taken during the year under review:



The current strength of management staff in 2014-15 is 55 and non-management staff is 1,855.

Internal Control

The Company's internal control system is commensurate with its business size and structure. This system is designed to provide reasonable assurance about the integrity and reliability of the financial statements. Such systems provide adequate protection to its assets and adherence to performance standards. Regular internal audit is conducted by KSMN & COMPANY, a firm of Chartered Accountants. Such audits continuously monitor the authenticity of the financial statements and the compliance with statutory norms and standards. The audit findings, along with corrective actions taken, are forwarded to the Audit Committee.

The Audit Committee after reviewing the findings, provides assurance about the internal control system's efficiency and effective performance. The Company has already implemented a robust accounting and internal reporting system with SAP package.

Cautionary Statement

The statements in the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the scope of applicable securities laws and regulations. As these statements are based on industry associations' estimates, certain assumptions and expectations of future events by the Company, there is a strong likelihood of actual results differing materially from those expressed herein or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, Government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The Company assumes no responsibility in respect of all or any forward looking statement(s) contained in this Report as the same may be revised or modified in the future on the basis of subsequent developments, information or events.

Annexure B

Report on Corporate Governance

1. Company's Philosophy

Upper Ganges Sugar & Industries Limited (UGSIL), a part of Birla Group of Sugar Industries, is of the firm conviction that Corporate Governance in essence refers to the rules, procedures, values, systems or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well to formal laws. Governance practices may vary but the principles are generic and universal. Accordingly the Board of UGSIL manages its business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders which term includes every one ranging from the board of Directors, management, shareholders, cane growers, customers, employees and society at large.

Given the fact that the business operations of UGSIL is well diversified, sound governance practices are indispensable for it to build and sustain trust in all its stakeholders.

UGSIL is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeates throughout the organisation. Besides adhering to the prescribed corporate practices as per Clause 49 of the Listing Agreement, it voluntarily governs itself as per highest ethical and responsible standards of business.

This chapter, along with the chapters on Management Discussion and Analysis and Shareholders" information reports UGSIL's compliance with Clause 49 of the Listing Agreement highlighting the additional initiatives taken in line with international best practices.

Corporate Governance Philosophy

UGSIL's philosophy is to constantly achieve business excellence and optimise long term value through ethical business conditions. Being a value driven organisation UGSIL envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on. Strong Governance practices by the Company have boosted the level of stakeholder's confidence testified by improved performance and various recognitions achieved by the Company. This has helped UGSIL to pay uninterrupted value based services to all its stakeholders.

The Corporate Governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfil its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is the backbone of the ability to meet the aspirations of all stakeholders.

UGSIL's initiatives towards adhering to highest standards of governance include: professionalisation of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. At the highest level the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopt innovative approaches for leveraging resources, converting opportunities in to achievements through proper coordination, empowerment and motivation, fostering a healthy all round growth and development to take the Company forward.

2. Board of Directors

i) The Company has in all 8 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 8 Directors, 5 (62.50%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. The Board is headed by the Non-Executive Chairperson Mrs Nandini Nopany.

ii) The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its Directors, management, subsidiaries or associates.

iii) As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Clause 49 of the Equity Listing Agreement.

The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.

iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the Listing Agreement. Independent Directors do not serve in more than 7 listed companies.

v) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 except for the Chairperson who is related to Mr. Chandra Shekhar Nopany.

vi) During the period under review IDBI Bank Limited (IDBI) withdrew its Nominee Mr. Dilip Kumar Mandal from the Board of Directors of the Company with effect from 17th May, 2014. The Board has put on record its appreciation for the contributions received from Mr. Dilip Kumar Mandal during his tenure as Director of the Company.

Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review six Board Meetings were held on 15th May, 2014, 28th July, 2014, 14th August, 2014, 29th October, 2014, 29th January, 2015 and 13th March, 2015 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. Audit Committee and Stakeholders Relationship Committee as per SEBI's Corporate Governance Code) held by them during the year 2014-15 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Director-ships in other Bodies Corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held
					Chairman	Member	
Mrs. Nandini Nopany (DIN – 00051362)	C/NED	3	No	6	-	1	8,11,090
Mr. Chandra Shekhar Nopany (DIN – 00014587)	NED	6	No	8	2	-	39,600
Mr. Gaurav Swarup (DIN- 00374298)	I/NED	3	No	6	1	2	NIL
Mr. Sunil Kanoria (DIN – 00421564)	I/NED	2	No	4	1	4	NIL
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	I/NED	5	Yes	1	-	1	NIL
Mr. Padam Kumar Khaitan (DIN – 00019700)	I/NED	4	No	11	3	2	NIL
Mr. Pradeep Kumar Singhi (DIN – 00067296)	I/NED	5	No	3	2	1	NIL
Mr. Bal Kishore Malpani (DIN – 00209006)	WTD	3	No	-	-	-	750
Mr. Dilip Kumar Mandal-Nominee of IDBI Bank#	NED	-	No	-	-	-	NIL

C - Chairperson | I - Independent | NED - Non-Executive Director | WTD – Whole-time Director

Upto 17th May 2014

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of Directors liable to retire by rotation will retire by rotation every year. Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mr. Chandra Shekhar Nopany forms part of the Corporate Governance Report.

Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and non mandatory committees viz. Finance & Corporate Affairs Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3. Audit Committee (Constituted on 11th September, 2000)

i) Overall purpose/objective

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

ii) Terms of Reference

The terms of reference of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure/approval of any related party transactions
   g. Qualifications / observation / matter of emphasis in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds

utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Evaluation of internal financial controls and risk management systems;

11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

13. Discussion with internal auditors of any significant findings and follow up there on;

14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

15. To look into the functioning of the Whistle Blower mechanism;

16. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

17. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) Composition and Meetings

The Audit Committee comprises of two Non-Executive Directors viz. Mr. Pradeep Kumar Singhi and Mr. Ishwari Prosad Singh Roy and Mr. Bal Kishore Malpani, Whole-time Director, two third of them are Independent Directors.

Mr. Santosh Kumar Poddar, Company Secretary, is the Secretary of the Committee. The CFO is an invitee to the meetings. The meetings are also attended by the representatives of Statutory Auditors, the outside Internal Auditors to answer and clarify the queries raised at the Meetings. During the period the Committee met five times on 15th May, 2014, 28th July, 2014, 29th October, 2014, 29th January, 2015 and 12th March, 2015 and attendance of the members at the meetings was as follows :

Name of the Member	Status	No. of meetings Attended
Mr. Ishwari Prosad Singh Roy	Chairman	5
Mr. Pradeep Kumar Singhi	Member	5
Mr. Bal Kishore Malpani	Member	2

The Chairman of the Audit Committee Mr. Ishwari Prosad Singh Roy attended the last Annual General Meeting held on 18th September, 2014.

4. Stakeholders' Relationship Committee (Constituted on 11 September 2000)

This committee was formed by the Board as Investor Grievance Committee on 11.09.2000 specifically to look into the redressal of grievances of shareholders and other security holders of the Company. In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board renamed the Investors' Grievance Committee" as the "Stakeholders' Relationship Committee" w.e.f. 15.05.2014.

Terms of Reference:
The Stakeholders Relationship Committee oversees the redressal of complaints of investors such as transfer, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialised shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves allotment of shares and matters incidental thereto including listing thereof.

i) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2015 is as follows:

a) Mr. Chandra Shekhar Nopany, Chairman
b) Mr. Ishwari Prosad Singh Roy
c) Mr. Gaurav Swarup
d) Mr. Bal Kishore Malpani

Four meetings of the Committee were held during the period under review on 30th April, 2014, 16th July, 2014, 15th October, 2014 and 16th January, 2015. The attendance of the members at the meetings were as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Chandra Shekhar Nopany	Chairman	3
Mr. Ishwari Prosad Singh Roy	Member	4
Mr. Gaurav Swarup	Member	3
Mr. Bal Kishore Malpani	Member	-

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Secretary are periodically placed before the Committee. During the period under review the Company did not receive any complaints/ grievances from the shareholders. There were no share transfer applications pending for registration as on 31st March, 2015.

5. Nomination and Remuneration Committee (Constituted on 30.07.2002

i) Objectives:

- The Company had constituted the Remuneration Committee to review and determine the Company's policy on managerial remuneration and to recommend to the Board the specific remuneration of the Executive Director and executives just below the rank of the Executive Director, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry practice and standards.

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director

- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.

- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

To meet with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Board at its meeting held on 15th May, 2014, renamed the Remuneration Committee as the Nomination and Remuneration Committee.

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

ii) Terms of Reference:

The broad terms of reference of the Nomination & Remuneration Committee, inter-alia includes the following :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

iii) Composition and Meetings:

The Committee, comprises of the following Directors:

a) Mr. Ishwari Prosad Singh Roy (Chairman)
b) Mr. Gaurav Swarup
c) Mr. Padam Kumar Khaitan
d) Mr. Bal Kishore Malpani

During the period the Committee met thrice on 18th July, 2014, 22nd September, 2014 and 11th March, 2015. Attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings Attended
Mr. Ishwari Prosad Singh Roy	Chairman	3
Mr. Gaurav Swarup	Member	1
Mr. Padam Kumar Khaitan	Member	3
Mr. Bal Kishore Malpani	Member	-

iv) Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 28th July, 2014 adopted the Remuneration Policy recommended by the Nomination and Remuneration Committee. The Policy is attached as Annexure "E" to the Directors' Report

v) Remuneration of Directors

Details of remuneration paid to the Directors for the financial year 2014-15:

a) Whole-time Director – NIL

b) Non-Executive Directors:

The Company pays a sitting fee of ₹ 5,000/- and ₹ 2,500/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The details of sitting fees paid during the financial year 2014-15 is as follows:

Sl. No.	Name of the Director/ Institution	Amount ₹
1.	Mrs. Nandini Nopany	25,000
2.	Mr. Chandra Shekhar Nopany	45,000
3.	Mr. Gaurav Swarup	25,000
4.	Mr. Sunil Kanoria	15,000
5.	Mr. Ishwari Prosad Singh Roy	52,500
6.	Mr. Padam Kumar Khaitan	42,500
7.	Mr. Pradeep Kumar Singhi	37,500

The Non-Executive Directors may be paid remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013.

6. Risk Management Committee - (Constituted on 31st October, 2011)

Business Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor and minimise risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises of

- Oversight of risk management performed by the executive management;

- Reviewing the risk & its mitigation plans within framework and in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. Gaurav Swarup, an Independent Director as its Chairman and Mr. Sunil Kanoria, Independent Director as its member.

7. Independent Directors' Meeting

During the year under review, the Independent Directors met on March 30, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

8. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance of individual Directors were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc.

9. Subsidiary Companies

The Company does have material subsidiary wherein investments of the Company in the subsidiary exceeds 20% of its consolidated networth of the Company as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year and accordingly, a Policy for determining material subsidiaries has been formulated by the Board in its meeting held on 29th January, 2015 and such Policy has been disclosed on the Company website at www.birla-sugar.com.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. The copies of the Minutes of the Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings of the holding company. The management also periodically place before the Audit/Board of holding company a statement of all significant transactions and arrangements entered into by any such subsidiary.

10. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and such Policy has been disclosed on the Company website at www.birla-sugar.com.

11. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

12. General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location
2013-14	18.09.2014	11.00 a.m.	**Registered Office:** Sugar Mills Complex P.O. Seohara, Dist. - Bijnor Uttar Pradesh - 246 746
2012-13	08.08.2013	11.00 a.m.	
2011-12	29.11.2012	11.00 a.m.	

The last Annual General Meeting was held on 18th September, 2014, which was chaired by Mr. Bal Kishore Malpani, and Mr. Ishwari Prosad Singh Roy, Chairman of the Audit Committee was also present. Special resolutions were passed for the following business:

1. To amend the Articles of Association
2. Appointment of Mr. Bal Kishore Malpani as the Whole-time Director of the Company.
3. Approval under Section 180(1)(c) of the Companies Act, 2013.
4. Approval under Section 180(1)(a) of the Companies Act, 2013.
5. Approval under Section 188 of the Companies Act, 2013.
6. Authorisation for Private Placement of Preference Shares.

All the resolutions were passed through e-voting pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

No Special Resolution was passed through Postal Ballot during the Financial Year 2013-14.

One Special Resolution was passed at the Annual General Meeting held on 8th August, 2013 with respect to giving Corporate Guarantee to UCO Bank with respect to the financial assistance to sugarcane growers for cultivation of sugarcane crop in the command areas of Seohara Sugar Mill of the Company.

Postal Ballot:

Pursuant to the provisions of Section 110 of the Companies Act 2013, read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, the Company conducted Postal Ballot seeking approval of the shareholders by way of Special Resolutions:

a. To make any loan, invest or give guarantee or provide security beyond the prescribed limits and Sec 186 of the Companies Act, 2013; and

b. To adopt new Articles of Association in line with the provisions of Companies Act, 2013.

Mr. Mohan Ram Goenka, Practicing Company Secretary, having CP No 2551 was appointed as Scrutinizer for conducting the Postal Ballot Process.

13. Disclosures

i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 33 of the Accounts in the Annual Report.

ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.

iii) The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

iv) The Company has complied with all the applicable mandatory requirements.

v) In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

14. Means of Communication

i) The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Ltd (CSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English in Lucknow and 'Business Standard' or 'Aaj', in Hindi in Lucknow edition.

ii) The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website www.birla-sugar.com and can be downloaded.

ii) The Company also displays official press releases as and when released on the above website.

iii) In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited, National Stock Exchange of India Limited and The Calcuuta Stock Exchange Ltd are filed electronically on BSE's on-line portal and NSE's NEAPS portal.

iv) Email id earmarked for redressing Investor queries in terms of Clause 47(f) of the Listing Agreement is upperinvestor@birla-sugar.com.

viii) No presentation was made to any Institutional Investor or to any Analysts during the period under review.

15. General Shareholders' Information

i) 83rd Annual General Meeting

Day : Saturday
Date : 12th September 2015
Time : 11.00 a.m.
Venue : Registered Office of the Company at -
Sugar Mills Complex
P.O. Seohara, Dist. Bijnor
Uttar Pradesh - 246 746

ii) Tentative Financial Calendar for the year 2015-16

Approval of Audited Annual Results (2014-15)	12th May, 2015
First Quarter Results	On or before 14th August, 2015
Second Quarter Results	On or before 14th November, 2015
Third Quarter Results	On or before 14th January, 2016
Audited Annual Results (2015-16)	On or before 30th May, 2016

(iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from the 5th September, 2015 (Saturday), to 12th September, 2015 (Saturday) (both days inclusive).

(iv) Dividend Payment Date

The Board of Directors do not recommend any dividend for the period under review.

(v) Listing on Stock Exchanges and Stock Codes

The names of the stock exchanges at which the Equity Shares of the Company are listed and the respective stock codes are as under:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	530505	INE018B01012
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	UPERGANGES	
The Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range, Kolkata 700 001	10031097	

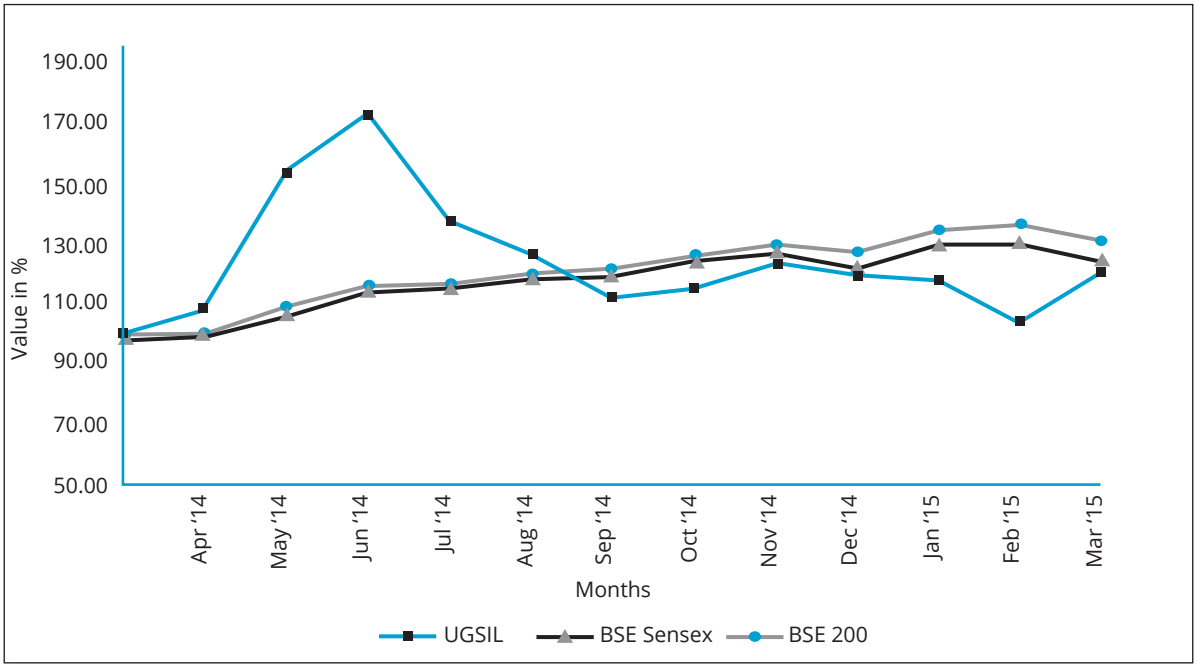
Annual Listing Fee for and up to the financial year 2015-16 has been paid to NSE, BSE and CSE.

vi) Market Price data

Monthly high/low of market price of the Company's Equity Shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. during the financial year 2014-15 were as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High ₹	Low ₹	High ₹	Low ₹
April, 2014	37.00	30.00	36.65	27.00
May, 2014	53.80	32.30	53.10	31.25
June, 2014	59.00	47.25	59.95	47.00
July, 2014	56.40	43.35	55.90	41.60
August, 2014	44.70	34.35	43.25	36.10
September, 2014	45.45	34.35	47.75	34.05
October, 2014	41.90	35.00	42.00	34.25
November, 2014	48.00	35.10	48.75	33.05
December, 2014	42.60	34.35	43.70	34.85
January, 2015	43.65	33.05	48.00	36.50
February, 2015	37.00	30.45	37.45	27.60
March, 2015	47.00	31.10	46.50	31.10

(vii) Performance of the Company's Equity Shares in comparison to BSE Sensex and BSE 200



viii) Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, shares for transfer demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Link Intime India Pvt. Ltd.
Unit: Upper Ganges Sugar & Industries Ltd.
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Tel: 91 033 2289 0540 / Fax : 91 033 2289 0539
E-mail: kolkata@linkintime.co.in

ix) Share Transfer System

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form are approved by the Stakeholders' Relationship Committee the same are sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. Share transfer requests, if found valid and complete in all respects, are normally effected within a period of 15 days from the date of receipt. A total of 901 physical shares were transferred/ transmitted during the financial year 2014-15. The dematerialised shares are directly transferred to the beneficiaries by the Depositories.

(x) Distribution of Shareholding

a) The Distribution of Shareholding as on 31st March, 2015 was as follows

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	5,443	83.56	7,20,183	6.23
501 - 1,000	494	7.58	3,93,997	3.41
1,001 - 2,000	250	3.84	3,75,448	3.25
2,001 - 3,000	112	1.72	2,83,092	2.45
3,001 - 4,000	40	0.61	1,42,390	1.23
4,001 - 5,000	40	0.61	1,89,351	1.64
5,001 - 10,000	57	0.87	3,98,246	3.44
10,001 and above	78	1.20	90,54,532	78.34
Total	**6,514**	**100.00**	**115,57,239**	**100.00**

b) Detail of Shareholding pattern of the Company as on 31st March, 2015 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	65,14,304	56.37
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	3,98,428	3.45
Private Bodies Corporate	6,58,124	5.69
Indian Public	38,94,246	33.69
NRIs / OCBs / FIIs / Foreign Nationals	92,137	0.80
Total	**1,15,57,239**	**100.00**

xi) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,13,68,893 Equity Shares viz. 98.37% of the Equity Share Capital of the Company have already been dematerialised.

xii) Outstanding GDRs /ADRs/Warrants or Convertible Instrument

The Company has never issued GDRs/ ADRs/ Warrants or any other Convertible Instrument.

xiii) Location of Plants:

Sugar Mills

a) Seohara, Dist. Bijnor, Uttar Pradesh, Pin – 246 746

b) Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428

c) Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

Distillery

Seohara, Dist. Bijnor, Uttar Pradesh, Pin – 246 746

Co-generation

a) Seohara, Dist. Bijnor, Uttar Pradesh, Pin – 246 746

b) Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428

c) Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

Tea Garden

Cinnatolliah Tea Garden
North Lakhimpur, Assam, Pin – 787001

xiv) Address for Correspondence:

The Company Secretary, Upper Ganges Sugar & Industries Ltd.	Link Intime India Pvt. Ltd. Unit : Upper Ganges Sugar & Industries Ltd.
9/1, R.N. Mukherjee Road, 5th Floor, Birla Building, Kolkata - 700 001, India	59C, Chowringhee Road, Kolkata - 700 020 India
Tel: 91 033 2243 0497/8	Tel: 91-033-2289 0540
Fax: 91 033 2248 6369	Fax: 91-033-2289 0539
E-mail: upperinvestor@birla-sugar.com	E-mail: kolkata@linkintime.co.in

xv) Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund

During the period under review, the Company was not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

16. CEO and CFO Certification

The Whole-time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

17. Re-appointment of Directors

Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment.

Brief particulars of Mr. Nopany are given below:

Mr. Chandra Sekhar Nopany, is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilisers and chemicals, etc. He is the past President of Indian Chambers of Commerce. Mr. Nopany holds 39,600 Equity Share in the Company.

Names of other Indian public limited companies in which Mr. Chandra Shekhar Nopany is a Director or Chairman/ Member of the Board Committees:

Sl. No.	Name of the Company	Name of Board Committee	Chairman/ Member
1.	The Oudh Sugar Mills Limited	--	--
2.	Sutlej Textiles and Industries Limited	--	--
3.	SIL Investments Limited	Stakeholders Relationship Committee	Chairman
4.	Chambal Fertilisers & Chemicals Limited	--	--
5.	Uttar Pradesh Trading Co. Limited	--	--
6.	Yashovardhan Investment & Trading Company Limited	--	--
7.	Ronson Traders Limited	Stakeholders Relationship Committee	Chairman

18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its promoters, employees and Directors including the Non-Executive Chairman and Whole-time Director. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at www.birla-sugar.com. The Code ensures the prevention of dealing in Company's shares / securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

19. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at www.birla-sugar.com. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Whole-time Director, is attached to this report and which forms an integral part of this report.

20. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company Secretary which is duly supported by the legal compliance report of the internal auditors and heads of different units. The Board also reviews periodically the steps taken by the Company to rectify instances of non compliances, if there be any.

21. Compliances with Corporate Governance Norms:

The Company has complied with all the mandatory requirements and one non-mandatory requirement of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Uttar Pradesh along with the Annual report.

22. Shareholders' Rights:

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases/intimation to stock exchanges by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.

Annexure C

Declaration on Code of Conduct

To
The Members
Upper Ganges Sugar & Industries Ltd.
P.O. Seohara, Dist – Bijnor
U.P – 246 746

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I, Bal Kishore Malpani, Whole-time Director of Upper Ganges Sugar & Industries Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2014-15.

Kolkata
Dated 12th May, 2015

Bal Kishore Malpani
Whole-time Director

Annexure D

Auditors' Certificate

To
The Members of
Upper Ganges Sugar & Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Upper Ganges Sugar & Industries Limited for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place : Kolkata
Date : 12th May 2015

Annexure E

Remuneration Policy

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company, to harmonise the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and Senior Management and to determine their remuneration.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Effective Date:

This policy shall be effective from the date of its approval by the Board.

Constitution of the Nomination and Remuneration Committee:

The Board of Directors at its meeting held on 15th May, 2014, in order to align with the requirements of Companies Act, 2013, changed the name of the Remuneration Committee constituted on 30th July, 2002 by renaming it as Nomination and Remuneration Committee.

Definitions

"Board" means Board of Directors of the Company.

"Directors" means Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Upper Ganges Sugar & Industries Limited.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel (KMP) means" -

a) Executive Chairman and / or Managing Director;
b) Whole-time Director;
c) Chief Financial Officer;
d) Company Secretary;
e) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

"Senior Management personnel" means personnel of the Company occupying the position of Executive President of any Unit and/or personnel of the Company who are members of its core management and which include members of management one level below the Executive Directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to

a. Directors (Executive and Non-Executive)
b. Key Managerial Personnel
c. Senior Management Personnel

General

This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Guiding principles

The guiding principle is that the while determining qualification, positive attributes and other criteria's, the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

- When determining the remuneration policy and arrangements for Executive Directors/ KMP's and Senior Management personnel, the Remuneration Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.
- The Committee while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman/Chairperson, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term as per the applicable laws prevailing from

time to time. In accordance with the Companies Act, 2013 and applicable Clauses of the Listing Agreement an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**
  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

  The Committee may also consider the report of evaluation carried out only by Independent Directors while reviewing the performance of Non Independent Directors and the board as whole.

- **Removal:**
  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**
  The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**
  1. The remuneration / compensation / commission etc. to the Managing/Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

  2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, wherever required.

  4. Where any insurance is taken by the Company on behalf of its Managing/Whole-time Director, Chief Executive Officer, Chief Financial

Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. Remuneration packages will be designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

6. Remuneration is designed to motivate delivery of company's key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

7. The Executives may be entitled to customary non-monetary benefits such as company cars and company health care, telephone etc. In addition thereto in individual cases company housing and other benefits may also be offered.

Remuneration to Whole-time / Executive / Managing Director, Key Managerial Personnel and Senior Management Personnel:

1. Fixed pay:

The Managing/Whole-time Director / Key Managerial Personnel and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing/Whole-time Director in accordance with the applicable provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Managing/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive / Independent Director:

1. **Remuneration / Commission:**
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **Sitting Fees:**
The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof in terms of applicable provisions of the Companies Act, 2013.

3. **Commission:**
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Disclosure

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

Approval of the Remuneration Policy

This Remuneration Policy shall apply to all future employment agreements with members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

Annexure F

Secretarial Audit Report

Form No. MR-3

For the period from April 1, 2014 to March 31, 2015 ('Audit Period')
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Upper Ganges Sugar & Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Upper Ganges Sugar & Industries Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in Annexure I and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

    d. 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;

6. The laws specifically applicable to the industry to which the Company belongs, as identified by the management are:
   A. Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Rules, 1954;
   B. Uttar Pradesh Sheera Niyantran Adiniyam, 1964;
   C. Uttar Pradesh Sheera Niyantran Niyamavali 1974;
   D. Sugar Cess Act, 1982
   E. Sugar Development Fund Act, 1982;
   F. Food Safety and Standards Act, 2006;
   G. The Essential Commodities Act, 1955;
7. We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with the stock exchanges.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices, separately placed before the Board, for its necessary consideration and implementation by the Company.

Observation based on assumptions:

1. We have relied on the representation made by the management and the certificate dated 27.06.2014 from the statutory auditor of the Company with regard to compliance of Section 74 and Companies (Acceptance of Deposit) Rules, 2015. The Company has neither renewed any old deposit nor accepted any fresh deposit on and from April 01, 2014 onwards. The Company as on March 31, 2015 has ₹ 433.20 Lacs amount pending to be repaid for which the Company will take suitable steps;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the Audit Period, if any, 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 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.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We 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.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows:

1. Special resolution in terms of section 180 (1) (a) & (c) was passed by the Company at the Annual General Meeting held on 18th September, 2014 to affirm the borrowing powers and power to create mortgage/charge/ hypothecation on the movable, immoveable property of the Company to the extent of ₹ 1,000 crore;
2. The Company has carried out, on private placement basis, issue and allotment of Non-Convertible Redeemable Preference Shares (NCCRPS) having Face Value of ₹ 100/- each vide private placement offer letter dated 18.09.2014, aggregating to ₹ 30 crore.

Vinod Kothari & Company
Company Secretaries in Practice

Vinod Kothari
ACS 4718
C P No. 1391

Kolkata
Dated 12th May, 2015

Annexure

List of documents

1. Corporate Matters
1.1 Minutes books of the following were provided in duplicate:
    1.1.1 Board Meeting
    1.1.2 Audit Committee
    1.1.3 Nomination and Remuneration Committee;
    1.1.4 General Meeting
1.2 Agenda papers for Board Meeting along with Notice.
1.3 Annual Report 2014;
1.4 Memorandum and Articles of Association;
1.5 Disclosures under Act, 2013;
1.6 Policies framed under Act, 2013;
1.7 Forms and returns filed with the ROC
1.8 Internal Audit Report obtained by the Company

Annexure G

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sl. No.	Financial Information	Uttar Pradesh Trading Company Limited	Magadh Sugar & Energy Limited	Ganges Securities Limited	Cinnatolliah Tea Limited
1	Reporting Currency	₹	₹	₹	₹
2	Share capital	16,36,24,995	5,00,000	5,00,000	5,00,000
3	Reserves & surplus	26,01,69,160	(48,210)	(28,828)	(28,828)
4	Total assets	42,42,07,074	5,00,000	5,00,000	5,00,000
5	Total Liabilities	42,42,07,074	5,00,000	5,00,000	5,00,000
6	Investments	31,95,29,085	-	-	-
7	Turnover/Total Income	2,93,30,691	-	-	-
8	Profit before taxation	2,69,75,382	(48,210)	(28,828)	(28,828)
9	Provision for taxation	-	-	-	-
10	Profit after taxation	2,69,75,382	(48,210)	(28,828)	(28,828)
11	Proposed Dividend	-	-	-	-
12	% of shareholding	100	100	100	100

1. Names of subsidiaries which are yet to commence operations -
   a. Magadh Sugar & Energy Limited
   b. Ganges Securities Limited
   c. Cinnatolliah Tea Limited
2. Names of subsidiaries which have been liquidated or sold during the year. NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
		No.	Amount of investment in joint venture	Extent of Holding %		Considered in consolidation	Not considered in consolidation		
Associate									
Avadh Sugar & Energy Limited	31.03.2015	25,000	2,50,000	50%	(24,105)	-	(24,105)	Due to percentage of shareholding	Refer to Note 1(e) of Consolidated Financial Statements

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time Director

Place : Kolkata
Date : 12th May 2015

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Annexure H

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2015.

A. Conservation of Energy:

(i) the steps taken or impact on Conservation of energy.

The Company continues to take following initiatives to conserve energy during the year 2014-15 :

(a) Various machineries and equipment installed during earlier year besides increasing generation of steam tend to reduce consumption of steam and fuel.

(b) Auto control combustion system fitted with all the boilers reduces the consumption of bagasse.

(c) The modified system of heating sugarcane juices and bleeding of vapours for pan boiling is working satisfactorily in the form of considerably reducing consumption of steam and fuel.

The above measures have reduced the consumption of fuel and power substantially and consequently the cost of production.

(ii) the steps taken by the Company for utilising alternate sources of energy;

(a) Use of DG sets for generating electricity has been kept to bare minimum.

(b) Electricity is generated in Co-Generation Power Plant using Bagasse as fuel which is a renewable source of energy. Captive requirement of electricity is met out of this generation and the balance power is sold to the State Grid.

(iii) the capital investment on energy conservation equipments;

In view of lesser availability of funds, the Company does not intend to commit its already strained financial resources towards implementation of energy reduction programmes though the Company shall continue to use its existing resources and implement conventional methods to substantially reduce consumption of energy.

B. Technology Absorption

(i) the efforts made towards technology absorption;

Continuous efforts are made to absorb the new technology for which Research and Development work is also undertaken in the following areas –

1) Control of Insect, Pest and Disease

i) **Through Moist, Hot Treatment:** In order to maintain the genetic purity of varieties of Sugarcane, treatment is given to cane seed with moist hot air treatment. It improves the quality and yield of sugarcane. This process shall continue for the future also.

ii) **Chemical Control:** In order to control the Insect, Pest and Borer, insecticide and pesticide is being applied on the crop just before indent of Pest and Borer for its control.

iii) **Biological Control of Bore:** Parasites Trichogramma have been applied in the crop to protect from Insects, Pests and Borers.

2) Ratoon Management

To increase the yield of the Ratoon, farmers are being educated on constant basis to burn the trash in the field, stubbing the plant and giving the proper dose of fertilisers and irrigation. Farmers are educated also to fill the gaps by new and improved plants.

Owing to above efforts, higher yield of disease free cane is being made available to the Company's sugar mills resulting in higher return to cane growers as well as to the Company. This has also contributed to higher recovery of cane.

(ii) The Company has not imported any new technology during last three years.

(iii) The Company had incurred an expenditure on research and cane development amounting to ₹ 200.45 Lacs.

C. Foreign Exchange Earnings and Outgo

a)	Earnings in foreign exchange	-	NIL
b)	Expenditure in foreign currency	-	₹ 47.67 lacs

Annexure I

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl.	Requirements of Rule 5(1)	Details
(i)	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	There is no payment of remuneration to Directors during current year.
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary	Mr. Bal Kishore Malpani, Whole-time Director - NA Mr. S. K. Maheshwari, CFO - NIL Mr. S. K. Poddar, Company Secretary - 9.22%
(iii)	Percentage increase in the median remuneration of employees in the financial year	6.59%
(iv)	Number of permanent employees on the rolls of Company;	1910 employees as on 31.3.2015.
(v)	Explanation on the relationship between average increase in remuneration and Company performance	Average increase in remuneration of all employees was 8% which is based on the performance of the employees and to cover up the inflationary cost.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	There is no significant increase in the remuneration of the Key Managerial Personnel during the current year when the overall increase in the remuneration of CFO and Company Secretary taken together during current year over previous year was 4.33% as against 8.45% growth in revenue.
(vii)	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	Share Price / As on 31.03.2015 / As on 31.03.2014 / % increase BSE: 37.95 / 29.00 / 30.86 NSE: 37.00 / 29.00 / 27.59 The market Capitalisation as on 31st March, 2015 was ₹ 43.86 crore (₹ 33.52 crore as on 31st March, 2014). The Company has not made any Public issue of securities in the recent past, so comparison of current share price with the public offer price has not been made. The Company's shares are listed on National Stock Exchange, BSE Ltd. and Calcutta Stock Exchange Ltd.
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average Salary increase of non-managerial employees is 6.63%. Average Salary increase of managerial employees is 4.33%. There are no exceptional circumstances for increase in the managerial remuneration.

Sl.	Requirements of Rule 5(1)	Details
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The financial performance of the Company is badly hit by price realisation of sugar and its by products. However, the increase in remuneration was to cover up the inflationary cost and comparable with Industry peers.
(x)	The key parameters for any variable component of remuneration availed by the Directors	There is no variable component in the remuneration of Directors.
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	There is no payment of remuneration to Directors during current year.
(Xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the financial year 2014-15 is as per the Remuneration Policy of the Company.

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2015.

Name	Age	No of shares held	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualification	Experience (years)	Date of commencement of employment	Previous employment & position held
Mr. C. B. Patodia	66	Nil	Advisor Advisory	1,92,78,862	Intermediate	47	February 1990	The New Swadeshi Sugar Mills Ltd., Narkatiaganj, Bihar

Notes :

1. The remuneration includes salary, Company's contribution to provident fund and perquisite, among others.
2. Other terms and conditions are as per rules of the Company.

Annexure J

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[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

CIN	L15421UP1932PLC025141
Registration Date	10-08-1932
Name of the Company	Upper Ganges Sugar & Industries Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares
Address of the Registered office and contact details	P O Seohara Dist Bijnor Uttar Pradesh 246 746 Tel No : 01344 252401
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 59C Chowringhee Road, Kolkata 700 020 Tel : 91 033 2849 0540 Fax : 91 033 2849 0539 E-mail : kolkata@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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sugar	1072	79.92%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Uttar Pradesh Trading Company Limited	U15424WB1951PLC019451	Subsidiary	100	2(87)
2	Magadh Sugar & Energy Limited	U67120WB1986PLC041677	Subsidiary	100	2(87)
3	Ganges Securities Limited	U74120UP2015PLC069869	Subsidiary	100	2(87)
4	Cinnatolliah Tea Limited	U15122UP2015PLC069633	Subsidiary	100	2(87)
5	Avadh Sugar & Energy Limited	U15122UP2015PLC069635	Joint Venture	50	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares at the end of the year (As on 31-03-2015)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
A.	**Promoter and Promoter Group**									
(1)	**Indian**									
	Individuals/Hindu Undivided Family	8,64,300	0	8,64,300	7.48	8,64,300	0	8,64,300	7.48	0.00
	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	00.0
	Bodies Corporate	56,50,004	0	56,50,004	48.89	56,50,004	0	56,50,004	48.89	0.00
	Financial Institutions/Banks	0	0	0	0	0	0	0	0.00	0.00
	Any Other (Total)	0	0	0	-	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**65,14,304**	**0**	**65,14,304**	**56.37**	**65,14,304**	**0**	**65,14,304**	**56.37**	**0.00**
(2)	**Foreign**									
	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other (Total)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**65,14,304**	**0**	**65,14,304**	**56.37**	**65,14,304**	**0**	**6,51,4304**	**56.37**	**0.00**
B.	**Public shareholding**									
1.	**Institutions**									
	Mutual Funds/UTI	0	850	850	0.00	0	850	850	0.00	0.00
	Financial Institutions/Banks	48	320	368	0.00	48	320	368	0.00	0.00
	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	Insurance Companies	3,97,210	0	3,97,210	3.44	3,97,210	0	3,97,210	3.44	0.00
	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other (Total)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Sub-Total (B)(1)	**3,97,258**	**1170**	**3,98,428**	**3.44**	**3,97,258**	**1,170**	**3,98,428**	**3.44**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares at the end of the year (As on 31-03-2015)			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
2. Non-institutions									
Bodies Corporate	6,39,209	39,345	6,78,554	5.87	5,87,161	39,344	6,26,505	5.42	(0.45)
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >₹ 1 lac	20,72,656	1,05,500	21,78,156	18.85	20,07,243	1,04,179	21,11,422	18.27	(0.58)
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 1 lac	14,52,626	41,841	14,94,467	12.93	15,82,102	41,841	16,23,943	14.05	1.12
Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
Clearing Member	13,470	0	13,470	0.12	31,619	0	31,619	0.27	0.16
Directors/Relatives	750	1,000	1,750	0.01	750	1,000	1,750	0.01	0.00
Foreign Company	0	0	0	0	0	0	0	0.00	0.00
Foreign National	0	810	810	0.01	0	810	810	0.01	0.00
HUF	1,82,939	0	1,82,939	1.58	1,57,131	0	1,57,131	1.36	(0.22)
Non Resident Indians (Non Repat)	4,700	0	4,700	0.04	1,638	0	1,638	0.01	(0.03)
Non Resident Indians (Repat)	89,659	2	89,661	0.78	89,687	2	89,689	0.78	0.00
Office Bearers	0	0	0		0		0		
Trust	0	0	0	0	0	0	0	0.00	0.00
Sub-Total (B)(2)	**44,56,009**	**1,88,498**	**46,44,507**	**40.19**	**44,57,331**	**1,87,176**	**46,44,507**	**40.19**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**48,53,267**	**1,89,668**	**50,42,935**	**43.63**	**48,54,589**	**1,88,386**	**50,42,935**	**43.63**	**0.00**
Total (A)+(B)	**1,13,67,571**	**1,89,668**	**1,15,57,239**	**100.00**	**1,13,68,893**	**1,88,386**	**1,15,57,239**	**100.00**	**0.00**
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	**1,13,67,571**	**1,89,668**	**1,15,57,239**	**100.00**	**1,13,68,893**		**1,15,57,239**		

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Sil Investments Limited	15,47,016	13.39	0.00	15,47,016	13.39	0.00	0.00
New India Retailing and Investment Ltd	9,69,021	8.39	0.00	9,69,021	8.39	0.00	0.00
Mrs. Nandini Nopany	8,11,090	7.02	0.00	8,11,090	7.02	0.00	0.00
Hargaon Investment & Trading Co. Ltd.	6,57,966	5.69	0.00	6,57,966	5.69	0.00	0.00
Yashovardhan Investment &Trading Co. Ltd.	6,58,289	5.70	0.00	6,58,289	5.70	0.00	0.00
RTM Investment and Trading Co. Ltd.	4,12,430	3.57	0.00	4,12,430	3.57	0.00	0.00
SCM Investment & Trading Co. Ltd.	3,49,971	3.03	0.00	3,49,971	3.03	0.00	0.00
Champaran Marketing Co. Ltd.	2,60,841	2.26	0.00	2,60,841	2.26	0.00	0.00
OSM Investment & Trading Co. Ltd.	2,34,891	2.03	0.00	2,34,891	2.03	0.00	0.00
Nilgiri Plantations Limited	1,38,000	1.19	0.00	1,38,000	1.19	0.00	0.00
Sidh Enterprises Ltd.	1,04,514	0.90	0.00	1,04,514	0.90	0.00	0.00
Narkatiaganj Farms Limited	86,410	0.75	0.00	86,410	0.75	0.00	0.00
Ronson Traders Limited	83,508	0.72	0.00	83,508	0.72	0.00	0.00
Rajpur Farms Limited	66,776	0.58	0.00	66,776	0.58	0.00	0.00
Mr. Chandra Shekhar Nopany	39,600	0.34	0.00	39,600	0.34	0.00	0.00
Shree Vihar Properties Ltd	31,535	0.27	0.00	31,535	0.27	0.00	0.00
La Monde Trading & Investments Private Ltd	25,180	0.22	0.00	25,180	0.22	0.00	0.00
The Oudh Sugar Mills Limited	18,562	0.16	0.00	18,562	0.16	0.00	0.00
Ms. Urvi Nopany	13,610	0.12	0.00	13,610	0.12	0.00	0.00
Uttam Commercial Ltd.	2,227	0.02	0.00	2,227	0.02	0.00	0.00
Sonali Commercial Ltd.	1,650	0.01	0.00	1,650	0.01	0.00	0.00
Pavapuri Trading and Investment Company Ltd.	1,155	0.01	0.00	1,155	0.01	0.00	0.00
Deepshikha Trading Co. Private Limited	62	0.00	0.00	62	0.00	0.00	0.00
	65,14,304	**56.37**	**0.00**	**65,14,304**	**56.37**	**0.00**	**0.00**

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	65,14,304	56.37		
Changes during the year		No change during the year		
At the end of the year	65,14,304	56.37		

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

Sl No	Name	Shareholding					Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No of Shares	% of total shares of the Company
1	Navjeevan Medical Institute	7,18,317	6.22	01-04-2014	No change			
		7,18,317	6.22	31-03-2015	during the year			
2	Life Insurance Corporation of India	3,97,210	3.44	01-04-2014	No change			
		3,97,210	3.44	31-03-2015	during the year			
3	Earthstone Holding (Two) Private Limited	1,41,561	1.22	01-04-2014	No change			
		1,41,561	1.22	31-03-2015	during the year			
4	Mr. Manu Gopaldas Chhabria	18,196	0.16	01-04-2014				
				23-05-2014	6,721	Transfer	24,917	0.22
				30-05-2014	3,300	Transfer	28,217	0.24
				06-06-2014	3,150	Transfer	31,367	0.27
				13-06-2014	1,450	Transfer	32,817	0.28
				20-06-2014	5,349	Transfer	38,166	0.33
				30-06-2014	800	Transfer	38,966	0.34
				04-07-2014	800	Transfer	39,766	0.34
				11-07-2014	800	Transfer	40,566	0.35
				18-07-2014	3,130	Transfer	43,010	0.37
				25-07-2014	250	Transfer	43,260	0.37
				08-08-2014	1,250	Transfer	44,510	0.39
				22-08-2014	100	Transfer	44,610	0.39
				30-09-2014	900	Transfer	45,510	0.39
				21-11-2014	1,750	Transfer	47,260	0.41
				28-11-2014	202	Transfer	47,462	0.41
				05-12-2014	560	Transfer	48,022	0.42
				12-12-2014	100	Transfer	48,122	0.42
				31-12-2014	690	Transfer	48,812	0.42
				02-01-2015	1,295	Transfer	50,107	0.43
				09-01-2015	690	Transfer	50,532	0.44
				16-01-2015	4,360	Transfer	54,892	0.47
				23-01-2015	4,291	Transfer	59,183	0.51
				30-01-2015	1,260	Transfer	60,443	0.52
				06-02-2015	2,494	Transfer	62,937	0.54
				13-02-2015	2,425	Transfer	65,362	0.57
				20-02-2015	317	Transfer	65,679	0.57
				27-02-2015	4,445	Transfer	70,124	0.61
				06-03-2015	400	Transfer	70,524	0.61
				13-03-2015	2,500	Transfer	73,024	0.63
		73,024	0.63	31-03-2015			73,024	0.63

Sl No	Name	Shareholding					Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No of Shares	% of total shares of the Company
5	Mr. Akhtar Banu Altalib	70,008	0.61		No change during the year			
		70,008	0.61					
6	Mrs. Jyotsna Poddar	59,243	0.51		No change during the year			
		59,243	0.51					
7	Mrs. Shobhana Bhartia	59,243	0.51		No change during the year			
		59,243	0.51					
8	Globe Capital Market Limited			01-04-2014				
				20-03-2015	41,283	Transfer	41,283	0.36
				27-03-2015	17,081	Transfer	58,364	0.50
		58,364	0.50	31-03-2015			58,364	0.50
9	Mr. Kunal Rakesh Aggarwal	53,380	0.46		No change during the year			
		53,380	0.46					
10	Mr. Tejinder Kaur	40,991	0.43					
				24-10-2014	9	Transfer	41,000	0.35
				06-02-2015	4,027	Transfer	45,027	0.39
				20-02-2015	695	Transfer	45,722	0.40
				27-02-2015	4,503	Transfer	50,225	0.43
		50,225	0.43	31-03-2015			50,225	0.43

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name	Shareholding					Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No of Shares at the beginning (01-04-2014)/ end (31-03-2015) of the year	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No of Shares	% of total shares of the Company
A.	**Directors:**							
1	Mr. Bal Kishore Malpani, Whole-time Director	750	0.006	01-04-2014	-	No change	-	0.00
		750	0.006	31-03-2015	-	during the year	-	0.00
B.	**Key Managerial Personnel (KMPs)**							
1	Mr. S K Maheshwari, Chief Financial Officer	-	-	01-04-2014	-	No change during the year	-	0.00
		-	-	31-03-2015	-		-	0.00
2	Mr. Santosh Kumar Poddar, Company Secretary and Compliance Officer	550	0.005	01-04-2014	-	No change during the year	-	0.00
		550	0.005	31-03-2015	-		-	0.00

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	57,343.81	8,473.00	1,084.01	66,900.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	684.07	-	-	684.07
Total (i+ii+iii)	**58,027.88**	**8,473.00**	**1,084.01**	**67,584.89**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	3,630.17	3,318.50	641.01	7,589.68
Net Change	**3,630.17**	**3,318.50**	**641.01**	**7,589.68**
Indebtedness at the end of the financial year				
i) Principal Amount	53,773.15	5,154.50	443.00	59,370.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	624.56	-	-	624.56
Total (i+ii+iii)	**54,397.71**	**5,154.50**	**443.00**	**59,995.21**

VI. Remuneration Of Directors And Key Managerial Personnel

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

(Amount in ₹)

Sl No.	Particulars of Remuneration	Mr. Bal Kishore Malpani, Whole-time Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- As % of profit		
	- As others specify		
5	Others please specify		
	Total (A)	**NIL**	**NIL**

B. Remuneration to other Directors:

1. Independent Directors

(Amount in ₹)

Sl No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Ishwari Prosad Singh Roy	Mr. Padam Kumar Khaitan	Mr. Pradeep Kumar Singhi	Mr. Gaurav Swarup	Mr. Sunil Kanoria	
	Fee for attending Board/ Committee Meetings	52,500	42,500	37,500	25,000	15,000	1,72,500
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total B (1)	**52,500**	**42,500**	**37,500**	**25,000**	**15,000**	**1,72,500**

2. Other Non-Executive Directors

(Amount in ₹)

Sl No.	Particulars of Remuneration	Mrs. Nandini Nopany	Mr. Chandra Shekhar Nopany	Total Amount
	Fee for attending Board/Committee Meetings	25,000	45,000	70,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total B (2)	**25,000**	**45,000**	**70,000**
	Total (B) = (B)(1)+(B)(2)			**2,42,500**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in lacs

Sl No.	Particulars of Remuneration	Mr. S K Maheshwari, Chief Financial Officer	Mr. Santosh Kumar Poddar, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.26	27.42	49.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.36	-	2.36
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- As % of profit			
	- As others specify			
5	Others please specify			
	Total (A)	**24.62**	**27.42**	**52.04**

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			None		
Compounding					

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of
Upper Ganges Sugar & Industries Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Upper Ganges Sugar & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for The Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

As indicated in Note 14 to the financial statements, the Company has recognized Deferred Tax Asset (DTA) (net) of ₹ 7217.36 lacs (including ₹ 3051.62 lacs for the year) up to March 31, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, loss for the year would have been ₹ 12,754.49 lacs (including DTA of ₹ 4036.85 lacs recognised up to March 31, 2014) as against the reported loss of ₹ 5537.13 lacs and Reserves & Surplus as at the balance sheet date would have been (-) ₹ 8562.06 lacs as against the reported figure of (-) ₹ 1344.70 lacs.

Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the

effect of the matter stated in the Basis for Qualified Opinion paragraph, the 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 March 31, 2015, of 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, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the matter described in the Basis for Qualified Opinion paragraph, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

   (d) Except for the matter stated in the Basis for Qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) The matter discussed in the Basis for Qualified Opinion paragraph above in our opinion may have an adverse effect on functioning of the Company.

   (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 7 & 35 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number : 301003E

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place : Kolkata
Date : 12th May 2015

Annexure to the Independent Auditors' Report

(Referred to in our Report of even date to the Members of Upper Ganges Sugar & Industries Limited as at and for the year ended 31st March, 2015)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us , there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. There is no sale of services during the year.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax& cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1944	Disallowance of Cenvat credit on Certain inputs and capital goods	841.66	1993-1994 to 2014-15	Additional Commissioner/ Commissioner (Appeals)/ CESTAT/ High Court/Supreme Court
	Excise duty on burnt/ waste and loss on storage of molasses	2.63	1987-1988, 1998-1999, 2000-2001	Commissioner (Appeals)/ CESTAT/ High Court
	Disallowance of Service Tax on discount to whole sellers and other items	3.32	1997-1998, 1999-2000, 2005-2006 to 2008-2009	Commissioner (Appeals)/CESTAT
Prevention of (Water) Pollution Act	Water Cess	1.41	1989-1990	High Court, Allahabad
Bihar Sugarcane (Supply & Regulation) Act,1981	Interest on Cane cess	3.37	1980-1981 to 1982-1983, 1984-1985 to 1986-1987, 1991-1992, 1994-1995 to 1998-1999, 2003-2004 & 2004-2005	Certificate Officer, Samastipur
Bihar VAT Act, 2005	VAT/CST on exempted sale, C Form etc.	16.64	2008-09 & 2009-2010	Joint Commissioner Commercial Tax (Appeal)

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made thereunder.

(viii) Without considering the consequential effects of the matter stated in the Basis for Qualified Opinion paragraph, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss in the current year and in the immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks or debenture holders.

(x) According to the information and explanations given to us, the Company has given guarantees for loans taken by others from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from other financial institutions.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place : Kolkata
Date : 12th May 2015

Balance Sheet

as at 31st March 2015

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,155.73	1,155.73
Reserves and Surplus	4	(1,344.70)	4,440.40
		2,811.03	**5,596.13**
Non-current Liabilities			
Long-term borrowings	5	17,225.32	21,018.46
Other long-term liabilities	6	650.86	716.42
Long-term provisions	7	784.04	589.83
		18,660.22	**22,324.71**
Current Liabilities			
Short-term borrowings	8	38,390.65	41,639.60
Trade payables	9	35,284.23	30,518.71
Other current liabilities	9	9,748.51	7,758.65
Short-term provisions	7	275.97	264.20
		83,699.36	**80,181.16**
Total		**1,05,170.61**	**1,08,102.00**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	34,448.74	36,233.96
Intangible Assets	11	59.27	84.54
Capital Work-in-Progress	12	7.56	7.31
Non-current Investments	13	2,114.14	2,114.14
Deferred tax assets (net)	14	7,217.36	4,036.85
Loans and advances	15	597.10	500.61
Other Non-current assets	18.2	76.70	95.77
		44,520.87	**43,073.18**
Current assets			
Current Investments	16	17.50	-
Inventories	17	48,079.14	59,156.73
Trade Receivables	18.1	3,660.49	1,826.18
Cash and bank balances	19	1,236.74	855.66
Loans and advances	15	1,134.64	1,650.30
Other current assets	18.2	6,521.23	1,539.95
		60,649.74	**65,028.82**
Total		**1,05,170.61**	**1,08,102.00**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Statement of Profit and Loss

for the year ended 31st March 2015

₹ in lacs

	Notes	Year ended 31st March 2015	Year ended 31st March 2014
INCOME			
Revenue from Operations (gross)	20	88,618.97	81,849.73
Less : Excise duty		2,774.61	3,003.79
Cess		560.16	471.38
Revenue from Operations (net)		**85,284.20**	**78,374.56**
Other Income	21	282.16	521.96
Total Revenue (I)		**85,566.36**	**78,896.52**
EXPENSES			
Cost of Raw Materials consumed	22	61,645.99	61,487.30
Purchase of Traded Goods	23	808.57	950.44
Decrease / (Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	11,164.13	(1,353.17)
Employee benefits expenses	24	5,402.38	4,951.26
Other expenses	25	6,878.78	6,486.80
Total (II)		**85,899.85**	**72,522.63**
Profit before finance costs, tax, depreciation and amortization [(I) - (II)]		**(333.49)**	**6,373.89**
Depreciation and Amortization expenses	26	1,702.23	2,741.37
Finance Costs	27	6,467.27	6,733.18
Profit / (Loss) before tax		**(8,502.99)**	**(3,100.66)**
Tax expenses			
Current tax		85.76	98.80
Deferred tax charge / (credit)		(3,051.62)	(1,260.08)
Total tax expense / (credit)		**(2,965.86)**	**(1,161.28)**
Profit / (Loss) for the year		**(5,537.13)**	**(1,939.38)**
Earnings per equity share			
[Nominal value of share ₹ 10 each]			
Basic & Diluted (₹)	29	**(49.84)**	**(16.78)**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

		Year ended 31st March 2015	Year ended 31st March 2014
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit / (Loss) before tax	(8,502.99)	(3,100.66)
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	1,702.23	2,741.37
	Finance Costs	6,467.27	6,733.18
	(Profit) / Loss on fixed assets sold / discarded (net)	(38.99)	0.40
	Bad Debts, irrecoverable claims and advances written off	-	0.21
	Provision for bad and doubtful debts / advances	19.85	9.52
	Molasses Storage & Maintenance Reserve	2.34	4.32
	Cane Purchase Tax Remission	-	(333.57)
	Cane Commission Remission	-	(183.35)
	Unspent Liabilities and unclaimed balances adjusted	(72.31)	(68.85)
	Interest Income	(99.04)	(100.72)
	Dividend Income	(50.96)	(80.96)
	Operating Profit before Working Capital Changes :	**(572.60)**	**5,620.89**
	Increase in Trade Payables	4,837.83	4,485.27
	Increase in Long Term Provisions	194.21	19.89
	Increase / (Decrease) in Short Term Provisions	11.77	(14.84)
	Increase / (Decrease) in Other Current Liabilities	2,552.03	(6,557.19)
	(Decrease) in Other Long Term Liabilities	(6.05)	(0.04)
	(Increase) / Decrease in Trade Receivables	(1,851.65)	934.22
	(Increase) / Decrease in Non Current Loans & Advances	(1.75)	0.09
	Decrease/ (Increase) in Current Loans & Advances	517.59	(531.83)
	Decrease / (Increase) in Other Non Current Assets	19.07	(80.77)
	(Increase) in Other Current Assets	(4,981.36)	(1,444.57)
	Decrease / (Increase) in Inventories	11,077.59	(1,022.83)
	Cash Generated from Operations:	**11,796.68**	**1,408.29**
	Direct Taxes Paid	(77.49)	(93.10)
	Net Cash From Operating Activities	**11,719.19**	**1,315.19**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	60.18	18.92
	Purchase of Fixed Assets including CWIP and Capital Advances	(466.64)	(4,100.13)
	Purchase of Current Investments	(17.50)	-
	Loans Received Back	0.42	1.67
	Interest Received	99.12	107.99
	Dividend Received	50.96	80.96
	(Deposits) / Withdrawal under Tea Development Account Scheme	(137.84)	130.57
	(Investments) in / Redemption of bank deposits (having original maturity of more than three months) (net)	(379.59)	7.75
	Receipt of Capital Subsidy		50.87
	Net Cash Used in Investing Activities	**(790.89)**	**(3,701.40)**

Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

		Year ended 31st March 2015	Year ended 31st March 2014
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issuance of Preference Share Capital	3,000.00	-
	Repayment of Long Term Borrowings	(4,281.26)	(4,051.74)
	Proceeds from Long Term Borrowings	-	11,921.00
	Repayment / Proceeds from Short Term Borrowings (net)	(3,248.95)	1,453.19
	Interest Paid	(6,295.88)	(6,848.09)
	Other Borrowing Cost	(100.72)	(99.87)
	Net Cash from Financing Activities	**(10,926.81)**	**2,374.49**
	Net Changes In Cash & Cash Equivalents (A+B+C)	**1.49**	**(11.72)**
	Cash & Cash Equivalents at the beginning of the year	**416.79**	**428.51**
	Cash & Cash Equivalents at the end of the year *	**418.28**	**416.79**

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 818.46 lacs (₹ 438.87 lacs) being balances having maturity of more than 3 months.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Notes to Financial Statements

as at and for the year ended 31st March 2015

1. CORPORATE INFORMATION

Upper Ganges Sugar & Industries Limited (the Company) is a public company domiciled in India. Its shares are listed on National, Bombay and Calcutta Stock Exchanges in India. The Company is primarily engaged in manufacture and sale of Sugar and its By-products (Molasses and Bagasse), Spirits including Ethanol, Power and Tea. The Company presently has manufacturing facilities at Seohara, District Bijnor in the State of Uttar Pradesh, at Sidhwalia, District Gopalganj and at Hasanpur, District Samastipur in the State of Bihar and Tea Garden at North Lakhimpur in the State of Assam.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the change in accounting policy explained below.

2.1 Summary of Significant Accounting Policies

Change in Accounting Policy

Depreciation on Fixed Assets

Till the year ended 31st March 2014, Schedule XIV to the Companies Act,1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule-II to the Companies Act, 2013. Effective from 1st April, 2014 the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule-II.

Further, on application of Schedule-II to the Companies Act, 2013 the Company has changed the manner of providing depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset , if they have useful life that is materially different from that of the remaining assets.

Based on transitional provision given in Schedule-II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 250.31 lacs (net of deferred tax ₹ 128.89 lacs) has been adjusted with opening balance of General Reserve. Had there been no change in useful lives of fixed assets, the charge to the statement of Profit and Loss would have been higher by ₹ 1,030.30 lacs.

(a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to

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as at and for the year ended 31st March 2015

components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed asset, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of tangible fixed assets 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 derecognized.

Machinery spares which can be used only in connection with an item of tangible fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

(c) Depreciation on Tangible Fixed Assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Assets	Useful Lives estimated by the management (Years)
Factory Buildings	5 to 30
Non-factory Buildings	5 to 60
Plant and Equipments	5 to 40
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 5 to 18 years. These lives are lower than those indicated in Schedule II.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

(d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets being Specialized Software are amortised on a straight line basis over a period of 5 years.

(e) Leases

Operating Lease

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

Notes to Financial Statements

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Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

(f) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the 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 risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(h) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(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.

(j) Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and

Notes to Financial Statements

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spares is determined on annual weighted average method / moving average method.

Goods under process, finished goods (including Power Banked), traded goods and standing crops, are valued at lower of cost and net realizable value. Finished goods, Goods under process and Standing Crops include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

By products, Country crop and Saleable scraps, whose cost is not identifiable, are valued at estimated net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned Authorities.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income is recognized when the shareholders' right to receive the payment is established by the reporting date.

Insurance and other claims, Interest on doubtful loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realisation, are accounted for on acceptance basis.

(l) Foreign Currency Transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement/ conversion of monetary items are recognized as income or expenses in the period in which they arise.

(m) Retirement and other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than

Notes to Financial Statements

as at and for the year ended 31st March 2015

contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

(n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect

Notes to Financial Statements

as at and for the year ended 31st March 2015

that the Company will pay normal Income Tax during the specified period.

(o) Segment Reporting

Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Inter Segment Transfers

The Company accounts for inter segment transfers at mutually agreed transfer prices.

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Earnings Per Share

Basic Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

(r) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.

(s) Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

(t) 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 the control of the Company or a present obligation that is not recognized 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 cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to Financial Statements

as at and for the year ended 31st March 2015

3. SHARE CAPITAL

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Authorized :		
1,60,00,000 (1,60,00,000) Equity Shares of ₹ 10/- each	1,600.00	1,600.00
34,00,000 (16,00,000) Preference Shares of ₹ 100/- each	3,400.00	1,600.00
Total	**5,000.00**	**3,200.00**
Issued, subscribed and fully paid-up:		
1,15,57,239 (1,15,57,239) Equity Shares of ₹ 10/- each	1,155.73	1,155.73
30,00,000 (Nil) Preference Shares of ₹ 100/- each	3,000.00	-
Total	**4,155.73**	**1,155.73**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Equity shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	1,15,57,239	1,155.73	1,15,57,239	1,155.73

Preference shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference Shares of ₹ 100/- each				
At the beginning of the year	-	-	-	-
Issued during the year	30,00,000	30,00,000		
Outstanding at the end of the year	**30,00,000**	**30,00,000**	**-**	**-**

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

(c) Terms of redemption of Preference Shares

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) carries dividend @12% per annum.

NCCRPS shall be redeemable at par on 24th September, 2019 being 5 years from the date of allotment i.e. 25th September, 2014 with a right vested to the Board of Directors to redeem it earlier, but not before 12 months from the date of issue.

The Dividend is payable annually, subject to the availability of the profit. However, the unpaid cumulative dividend, if any, is payable along with the redemption of NCCRPS.

Notes to Financial Statements

as at and for the year ended 31st March 2015

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SIL Investments Limited	15,47,016	13.39%	15,47,016	13.39%
New India Retailing & Investment Limited	9,69,021	8.38%	9,69,021	8.38%
Mrs. Nandini Nopany	8,11,090	7.02%	8,11,090	7.02%
Yashovardhan Investment & Trading Co. Limited	6,58,289	5.70%	6,58,289	5.70%
Hargaon Investment & Trading Company Limited	6,57,966	5.69%	6,57,966	5.69%
Navjeevan Medical Institute	7,18,317	6.22%	7,18,317	6.22%
NCCRPS of ₹ 100/- each fully paid				
Chambal Fertiliser and Chemicals Ltd.	30,00,000	100.00%	-	-

As per records of the Company, including its register of Share Holders / Members, the above share holdings represents legal ownership of shares.

4. RESERVES AND SURPLUS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
As per the last financial statements	**19.97**	**19.97**
Capital Redemption Reserve		
As per the last financial statements	**327.00**	**327.00**
Securities Premium Account		
As per the last financial statements	**6,583.34**	**6,583.34**
Molasses Storage and Maintenance Reserve		
Balance as per the last financial statements	55.26	50.94
Add: Provided during the year	2.34	4.32
Closing balance	**57.60**	**55.26**
General Reserve *		
As per the last financial statements	422.04	422.04
Less : Adjustment for change in useful life, net of deferred tax (Note 2.1)	250.31	-
Closing balance	**171.73**	**422.04**
Surplus / (Deficit) in the Statement of Profit and Loss *		
Balance as per last financial statements	(2,967.21)	(1,027.83)
Profit / (Loss) for the year	(5,537.13)	(1,939.38)
Net Surplus / (Deficit) in the Statement of Profit and Loss	**(8,504.34)**	**(2,967.21)**
Total Reserves and Surplus	**(1,344.70)**	**4,440.40**

* after adjusting ₹ 7,200.12 lacs being transfer from General Reserve during the year 2006-2007 to 2010-2011 to set off the debit balance in Profit & Loss Account.

Notes to Financial Statements

as at and for the year ended 31st March 2015

5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Term Loans (secured) :				
From Banks -				
Under Project Finance / Corporate Loan Scheme	8,380.00	10,480.00	2,100.00	2,769.00
Under Financial Assistance Scheme (SEFASU 2014)	5,741.00	5,741.00	-	-
From Sugar Development Fund	3,104.32	4,316.00	1,211.68	871.21
Other Loans and Advances (unsecured) :				
Fixed Deposits from related parties (Note 33f)	-	9.80	9.80	122.34
Fixed Deposits from others	-	471.66	433.20	480.21
	17,225.32	**21,018.46**	**3,754.68**	**4,242.76**
Less : Amount disclosed under the head "other current liabilities" (Note 9)			3,754.68	4,242.76
Net amount	**17,225.32**	**21,018.46**	**-**	**-**

(a) Term Loans from Banks under project finance / corporate loan scheme, carry interest in the range of 12.25% to 12.75% and are secured by first mortgage / charge on all the immovable and movable assets (save and except book debts), present and future, of the Company's Sugar Units at Seohara (including Co-generation plant) , Sidhwalia & Hasanpur and Distillery unit at Seohara, ranking pari passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers. Further, the term loan of ₹ 4,400 lacs (₹ 5,500 lacs) is also secured by pledge of certain shares held as investments by the Company and its subsidiary Company.

The above loans are repayable as under.

₹ in lacs

Disbursed To		As at 31st March 2015	As at 31st March 2014	Repayment Schedule
i.	Seohara Sugar Unit	4,400.00	5,500.00	20 Quarterly installments ending on January 2019.
ii.	Sidhwalia Sugar Unit	4,000.00	4,000.00	20 Quarterly installments ending on June 2020.
iii.	Sidhwalia Co-gen Unit	-	623.00	20 Quarterly installments ending on September 2014.
iv.	Hasanpur Sugar Unit	-	946.00	20 Quarterly installments ending on March 2015.
v.	Hasanpur Sugar and Co-Generation Unit	2,080.00	2,180.00	19 Quarterly installments ending on September 2019.
		10,480.00	**13,249.00**	

(b) Term Loans from Punjab National Bank (PNB) & State Bank of India (SBI) under Financial Assistance Scheme (SEFASU 2014) carry interest of 12% and 12.50 % p.a. respectively and is repayable in monthly / quarterly installments ending on March 2019. The Company is entitled to Interest subvention from Government of India upto 12% as per the terms of schedule and the same will be directly reimbursed to Banks by Department of Food & Public Distribution and hence no liability towards interest of 12% p.a. has been provided in these accounts. The above loan is secured by the first pari-passu charge on all the fixed assets, both present and future of the Company's Sugar unit at Seohara, Sidhwalia and Hasanpur. The term loan from PNB is further secured by 3rd pari-passu charge on all current assets of the above sugar units.

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(c) Term loans from the Sugar Development Fund, carry interest @ 4% p.a. and are secured by a second charge on all the immovable and movable assets (save and except book debts), present and future of the Company's Sugar units at Seohara (including Co-generation Plant) and Sidhwalia (including Co-generation Plant).

The above loans are repayable as under.

₹ in lacs

Disbursed To	Balance as at 31st March 2015	Balance as at 31st March 2014	Repayment Schedule
(i) Seohara Co-generation unit	334.92	1,004.76	10 half yearly installments ending on September 2015.
(ii) Sidhwalia Sugar unit	3,376.99	3,376.99	5 yearly installments ending on September 2019.
(iii) Sidhwalia Co-generation unit	604.09	805.46	10 half yearly installments ending on February 2018.
	4,316.00	**5,187.21**	

(d) Fixed Deposits from related parties / others carry interest @ 11.75% to 12.50% and are repayable after two years from the respective date of deposits, depending upon their tenure.

6. OTHER LONG-TERM LIABILITIES

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Interest accrued but not due on borrowings	624.56	684.07
Trade and other deposits	26.30	32.35
	650.86	**716.42**

7. PROVISIONS

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits				
Gratuity (Note 30)	417.27	223.06	100.00	100.00
Leave	-	-	135.89	124.21
	417.27	**223.06**	**235.89**	**224.21**
Other provisions				
For income tax	366.77	366.77	-	-
For wealth tax	-	-	5.62	5.53
For litigation, claims and contingencies			34.46	34.46
	366.77	**366.77**	**40.08**	**39.99**
	784.04	**589.83**	**275.97**	**264.20**

Notes to Financial Statements

as at and for the year ended 31st March 2015

Provision for litigation, claims and contingencies

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the Company in due course. The table below gives information about movement in litigation, claims and contingencies provisions.

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
At the beginning of the year	34.46	34.46
Add : Arisen during the year	-	-
Less : Utilized / unused amount reversed during the year	-	-
At the end of the year	**34.46**	**34.46**

8. SHORT-TERM BORROWINGS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Cash credit from Banks (secured) (repayable on demand)	33,236.15	33,166.60
Other Loans & Advances (unsecured)		
From the Subsidiary Company (Note 33f)	934.50	653.00
Inter-Corporate Deposits		
From related parties (Note 33f)	85.00	135.00
From others	4,135.00	7,685.00
	38,390.65	**41,639.60**

(a) Cash credit borrowings from Banks, other than from District Co-operative Bank Ltd. and DCB Bank Ltd. (Commodity Finance) are secured by hypothecation of the current assets of the Company ranking pari passu amongst the various lenders. In addition, cash credit borrowings from State Bank of India, Punjab National Bank and DCB Bank Ltd. is further secured by a charge on the immovable assets as follows :

i. Cinnatolliah Tea Unit - First Charge;
ii. Hasanpur Sugar Mills - Second Charge;
iii. Seohara Sugar Unit - Third Charge (ranking pari-passu between the lenders);
iv. Bharat Sugar Mills - Third Charge.

(b) Cash credit of ₹ 11,549.24 lacs (₹ 8,764.72 lacs) from District Co-operative Bank Ltd. and DCB Bank Ltd. (Commodity Finance) are secured by pledge of the stock of sugar pertaining to Sugar units at Seohara and Sidhwalia.

(c) Cash Credit borrowings carry interest ranging between 11.75% to 12.90% p.a.

Notes to Financial Statements

as at and for the year ended 31st March 2015

9. OTHER CURRENT LIABILITIES

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Trade Payables	35,284.23	30,518.71
(refer Note 38 for details of dues to micro and small enterprises)		
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	3,754.68	4,242.76
Payable towards deduction against crop loan	2,149.18	-
Payable towards purchase of capital goods	116.93	321.16
Payable to employees	571.54	547.94
Advance against Sale of goods/fixed assets	608.89	179.50
Interest accrued but not due on borrowings, deposits etc.	351.12	220.94
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed Matured Fixed Deposits	0.06	0.10
Unclaimed dividend	1.21	1.21
Others -		
Statutory dues	239.05	261.02
Excise Duty on Closing Stocks	1,908.95	1,664.22
Crop Loan from a Bank pending disbursement to cane growers	-	215.86
Miscellaneous	46.90	103.94
	9,748.51	**7,758.65**
	45,032.74	**38,277.36**

10. TANGIBLE ASSETS

₹ in lacs

	Freehold Land (a)	Leasehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total (b)
Cost									
At 1st April 2013	856.85	94.55	4,536.02	51,968.59	181.73	204.29	333.06	64.55	58,239.64
Additions	32.50	-	228.16	4,863.02	22.53	13.48	52.59	3.58	5,215.86
Other adjustment									
-Borrowing Costs	-	-	2.95	226.30	-	-	-	-	229.25
Disposals	-	-	7.22	30.60	17.63	29.75	30.37	5.98	121.55
At 31st March 2014	**889.35**	**94.55**	**4,759.91**	**57,027.31**	**186.63**	**188.02**	**355.28**	**62.15**	**63,563.20**
Additions	34.84	-	34.97	163.00	20.53	9.86	24.97	3.43	291.60
Disposals	-	-	9.00	153.00	12.98	36.76	22.74	2.50	236.98
Other adjustment									
-Borrowing Costs	-	-	-	-	-	-	-	-	-
At 31st March 2015	**924.19**	**94.55**	**4,785.88**	**57,037.31**	**194.18**	**161.12**	**357.51**	**63.08**	**63,617.82**
Depreciation									
At 1st April 2013	-	94.55	1,060.77	23,077.19	113.61	153.50	194.06	22.24	24,715.92
Charge for the year	-	-	104.57	2,552.03	17.22	8.88	28.14	4.71	2,715.55
Disposals	-	-	2.88	24.48	16.78	28.19	24.66	5.24	102.23
At 31st March 2014	**-**	**94.55**	**1,162.46**	**25,604.74**	**114.05**	**134.19**	**197.54**	**21.71**	**27,329.24**
Adjusted with opening balance of General Reserve (Note 2.1)			126.14	216.81	7.00	3.91	14.57	10.77	379.20
Charge for the year	-	-	111.97	1,484.42	28.36	9.27	29.59	12.82	1,676.43
Disposals	-	-	8.16	140.37	12.34	35.62	17.17	2.13	215.79
At 31st March 2015	**-**	**94.55**	**1,392.41**	**27,165.60**	**137.07**	**111.75**	**224.53**	**43.17**	**29,169.08**
Net Block									
At 31st March 2014	**889.35**	**-**	**3,597.45**	**31,422.57**	**72.58**	**53.83**	**157.74**	**40.44**	**36,233.96**
At 31st March 2015	**924.19**	**-**	**3,393.47**	**29,871.71**	**57.11**	**49.37**	**132.98**	**19.91**	**34,448.74**

(a) Title deeds for ₹ 47.98 lacs (₹ 17.98 lacs) are yet to be executed in favour of the Company.

(b) Includes assets held in joint ownership with others, Gross Block ₹ 264.81 lacs (₹ 302.36 lacs) and Net Block ₹ 157.33 lacs (₹ 172.52 lacs), details of which is as under :

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
At 31st March 2014									
Gross Block	2.47	-	199.62	48.36	1.05	40.69	0.44	9.73	302.36
Net Block	2.47	-	141.77	16.03	0.07	8.51	0.13	3.54	172.52
At 31st March 2015									
Gross Block	2.47	-	199.50	33.67	1.54	23.19	0.08	4.36	264.81
Net Block	2.47	-	138.14	10.00	0.08	6.34	0.01	0.29	157.33

Notes to Financial Statements

as at and for the year ended 31st March 2015

11. INTANGIBLE ASSETS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Computer Software :		
At the beginning of the year	**130.28**	**118.23**
Additions	0.53	12.05
At the end of the year	**130.81**	**130.28**
Amortization		
At the beginning of the year	**45.74**	**19.92**
Charge for the year	25.80	25.82
At the end of the year	**71.54**	**45.74**
Net block	**59.27**	**84.54**

12. CAPITAL WORK-IN-PROGRESS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Balance brought forward from the previous year	7.31	758.00
Add : Additions during the year	111.86	4,298.93
	119.17	**5,056.93**
Less : Transfer to Tangible Assets during the year	111.61	5,049.62
Balance carried to Balance Sheet	**7.56**	**7.31**

13. NON-CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Quoted (fully paid)				
Investment in Equity Instruments				
New India Retailing & Investment Ltd.	2,02,500	10.00	277.50	277.50
Chambal Fertilizers & Chemicals Ltd.	7,04,160 (a)	10.00	98.85	98.85
			376.35	**376.35**
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Company				
Uttar Pradesh Trading Co. Ltd.	16,36,24,995	1.00	1,736.55	1,736.55
In Other Companies				
Bihar State Financial Corporation Ltd.	60	100.00	0.06	0.06
Birla Buildings Ltd.	8,400	10.00	0.84	0.84
In Co-operative Farming Societies				
Krishna Sahakari Kheti Samiti Limited	5	100.00	0.01	0.01
Kuri Sanyukta Sahakari Kheti Samiti Limited	1 (b)	100.00	-	-

Notes to Financial Statements

as at and for the year ended 31st March 2015

13. NON-CURRENT INVESTMENTS (CONTD.)

Keshopur Sanyukta Sahakari Kheti Samiti Limited	1 (b)	100.00	-	-
Pandia Sanyukta Sahakari Kheti Samiti Limited	1 (b)	100.00	-	-
Seohara Co-operative Cane Development Union Limited	1 (b)	100.00	-	-
Najibabad Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
Nagina Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
Moradabad Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
			0.01	**0.01**
In Preference Shares				
Raj Kamal Prakashan Pvt. Ltd.	50	100.00	0.05	0.05
In Government Securities				
12 Years National Savings Certificates	(c)		0.01	0.01
12 Years National Plan Savings Certificates	(c)		0.08	0.08
7 Years National Savings Certificates	(c)		0.07	0.07
6 Years National Savings Certificates	(c)		0.12	0.12
			0.28	**0.28**
			2,114.14	**2,114.14**
Aggregate amount of quoted investments			376.35	376.35
[Market value : ₹ 536.41 lacs (₹ 342.06 lacs)]				
Aggregate amount of unquoted investments			1737.79	1737.79

(a) Includes 6,37,365 shares pledged against term loan of ₹ 4,400 lacs (₹ 5,500 lacs) taken from a bank (refer Note 5).

(b) The figures, being less than ₹ 500, have been shown above as blank.

(c) Deposited / pledged with various Government authorities.

(d) The cost of following unquoted investments in equity shares (fully paid up) has been written off in the past, though quantity thereof appears in the books.

Name of the Company	No. of shares	Face Value per share (in ₹)
Chandausi Rice Mills Ltd. (in liquidation)	1000	10.00
Jai Hind Publishing Co. Ltd. (in liquidation)	65	25.00
Akhil Bharat Printers Ltd. (in liquidation)	270	100.00

(e) There is a diminution of ₹ 216.75 lacs (₹ 216.75 lacs) in the value of certain long term quoted investments based on the last quoted price. The above diminution in the opinion of the management is temporary in nature since the break up value of the said shares supplemented by the market value as on 31st March 2015, of the quoted investments held by the investee Company, is much higher than the corresponding Book Value and hence no provision is considered necessary.

Notes to Financial Statements

as at and for the year ended 31st March 2015

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Deferred Tax Asset		
Carry forward of Unabsorbed Depreciation and Business Losses	13,917.26	10,411.37
Expenditure allowable against taxable income in future years	1,039.17	789.22
	14,956.43	**11,200.59**
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,739.07	7,163.74
	7,739.07	**7,163.74**
Net Deferred Tax Asset	**7,217.36**	**4,036.85**

Although, there is carried forward unabsorbed depreciation and business losses as on the reporting date, yet in view of the future profitability projections, the Company is certain that there would be sufficient taxable income in future, to claim the above tax credit.

15. LOANS AND ADVANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good except stated otherwise)				
Capital advances	**29.33**	**59.30**	**-**	**-**
Sundry Deposits	**13.06**	**13.24**	**11.01**	**30.51**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good *	-	-	529.31	638.17
Considered doubtful	-	-	53.67	58.44
	-	-	582.98	696.61
Less : Provision for doubtful advances	-	-	53.67	58.44
	-	**-**	**529.31**	**638.17**
Other loans and advances				
Considered good				
Loan to employees	-	-	-	0.42
Deposits against demand under appeal and / or under dispute	-	-	142.75	144.92
Claims/Refunds Receivable	-	-	89.41	333.83
Prepaid Expenses	6.62	4.69	41.12	40.13
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	55.90	64.17	-	-
Balances with Excise and Other Government Authorities	-	-	251.18	397.32
Balance with Tea Development Account Scheme, 1990	492.19	359.21	69.86	65.00
Considered doubtful				
Loan to others	-	-	7.50	7.50
	554.71	428.07	601.82	989.12
Less : Provision for doubtful Loans	-	-	7.50	7.50
	554.71	**428.07**	**594.32**	**981.62**
	597.10	**500.61**	**1,134.64**	**1,650.30**

* Includes ₹ 0.81 lacs (₹ Nil) recoverable from related parties (Note 33e).

Notes to Financial Statements

as at and for the year ended 31st March 2015

16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Companies				
Ganges Securities Limited	50000	10	5.00	-
Cinnatolliah Tea Limited	50000	10	5.00	-
Magadh Sugar & Energy Limited	50000	10	5.00	-
			15.00	
In Joint Venture Company				
Avadh Sugar & Energy Limited	25000	10	2.50	-
			17.50	-

17. INVENTORIES

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	954.07	931.79
Goods under process	23	796.40	1,715.71
Finished goods	23	42,136.19	53,300.45
Traded goods	23	7.36	9.50
Stores, Chemicals and spare parts etc.		1,227.12	1,232.88
Power - Banked	23	18.20	2.99
Agriculture Products - Standing Crop	23	10.34	15.49
Valued at Estimated Realisable Value			
By-Products	23	2,918.75	1,939.76
Scrap	23	10.71	8.16
		48,079.14	**59,156.73**
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		14.90	49.83

Notes to Financial Statements

as at and for the year ended 31st March 2015

18. TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade Receivables

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	36.89	41.65
Considered doubtful	60.39	43.04
	97.28	**84.69**
Less :Provision for doubtful trade receivables	60.39	43.04
	36.89	**41.65**
Other receivables		
Unsecured, considered good *#	3,623.60	1,784.53
	3,623.60	**1,784.53**
	3,660.49	**1,826.18**

* Includes ₹ 173.46 (₹ Nil) recoverable from related parties (Note 33e).

Includes ₹ 111.31 lacs (₹ Nil) receivable accrued on account of revision in power tariff.

18.2 Other Assets

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good, Unless stated otherwise)				
Non-current Bank balance (Note 19)	15.50	15.50	-	-
Considered good				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	42.97	43.05
Claims Receivable towards Subsidies & Incentives (also refer Note 36)	-	-	5,772.46	866.82
Renewable Energy Certificate entitlement	-	-	688.79	612.58
Unamortized ancillary cost of arranging the borrowings	61.20	80.27	17.01	17.50
Considered doubtful				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	3.83	3.89
	76.70	**95.77**	**6,525.06**	**1,543.84**
Less : Provision for doubtful items	-	-	3.83	3.89
	76.70	**95.77**	**6,521.23**	**1,539.95**

Notes to Financial Statements

as at and for the year ended 31st March 2015

19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Cash and cash equivalents				
Balances with banks:				
Current accounts*			167.08	231.83
Savings accounts			0.03	0.02
Tea Development account			0.44	0.17
Unpaid dividend account			1.21	1.21
Deposits with original maturity of less than 3 months			210.00	145.00
Cash on hand			39.52	38.56
			418.28	**416.79**
Other Bank Balances				
Deposits with original maturity of more than 3 months and not more than 12 months *#	-	-	818.34	438.75
Deposits with original maturity of more than 12 months #	15.50	15.50	-	-
In Post office savings bank account	-	-	0.12	0.12
	15.50	**15.50**	**818.46**	**438.87**
Less : Amount disclosed under other non-current assets (Note 18.2)	15.50	15.50	-	-
	-	**-**	**1,236.74**	**855.66**

* Includes ₹ 134.88 lacs (₹ 133.75 lacs) towards earmarked accounts.

Receipts / Pass Book for ₹ 25.58 lacs (₹ 25.58 lacs) pledged / lodged with various Government Authorities as security.

20. REVENUE FROM OPERATIONS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue from operations		
Sale of products		
Finished goods	79,630.80	73,437.51
Traded goods	827.85	973.07
Power	5,599.60	4,478.17
By products	2,088.71	1,330.16
Others	88.10	87.80
	88,235.06	**80,306.71**
Other operating revenue		
Proceeds from Agriculture Products	8.46	23.65
Excise duty subsidy	-	124.51
Cane purchase tax remission	-	333.57
Cane commission remission	-	183.35
Renewable Energy Certificates credit	349.63	779.13
Tea replanting Subsidy	-	6.04
Scrap Sales	25.82	92.77
Revenue from operations (gross)	**88,618.97**	**81,849.73**
Less : Excise duty	2,774.61	3,003.79
Cess	560.16	471.38
Revenue from operations (net)	**85,284.20**	**78,374.56**

Notes to Financial Statements

as at and for the year ended 31st March 2015

20. REVENUE FROM OPERATIONS (CONTD.)

Detail of products sold

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Finished goods		
Sugar	70,828.20	60,432.98
Spirit	6,494.30	10,689.02
Carbon-di-oxide	38.71	111.91
Tea	2,269.59	2,203.60
	79,630.80	**73,437.51**
Traded goods		
Diesel & Lubricants	827.85	973.07
	827.85	**973.07**
By products		
Molasses	1,442.52	1,298.23
Bagasse	646.19	31.93
	2,088.71	**1,330.16**

21. OTHER INCOME

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest income on		
Loans, deposits, advances etc.	91.83	100.08
Refund from Income Tax Department	7.21	0.64
Dividend income on Long-term investments	13.72	15.74
Insurance and Other Claims	5.83	254.46
Rent and Hire Charges	6.86	6.28
Unspent Liabilities and unclaimed Balances adjusted	72.31	68.85
Land Dividend	37.24	65.22
Profit on tangible assets sold / discarded (net)	38.99	-
Miscellaneous Receipts	8.17	10.69
	282.16	**521.96**

22. COST OF RAW MATERIALS CONSUMED

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventory at the beginning of the year	931.79	1,043.39
Add : Purchases and procurement expenses *	61,647.05	61,354.38
Purchase tax & Cess	21.22	21.32
	62,600.06	**62,419.09**
Less: Inventory at the end of the year	954.07	931.79
	61,645.99	**61,487.30**

* After adjusting subsidy/ remission of ₹ 5894.98 lacs (₹ 1138.10 lacs) allowed by the state governments. (also refer Note 36)

Notes to Financial Statements

as at and for the year ended 31st March 2015

22. COST OF RAW MATERIALS CONSUMED (CONTD.)

Details of raw materials consumed

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sugarcane	58,947.97	59,022.49
Molasses - consumed in Distillery unit	3,901.09	4,999.50
Bagasse - consumed in Co-generation units	5,134.79	4,045.67
Biocompost	51.13	59.10
Press mud	34.98	30.86
Green Leaf (Cess)	21.22	21.32
Seed, Manures and fodder	4.26	19.94
	68,095.44	**68,198.88**
Less : Inter-unit transfer of own produced materials	6,449.45	6,711.58
	61,645.99	**61,487.30**

Details of raw material inventory

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Sugarcane	119.92	71.98
Molasses - at Distillery unit	495.68	268.47
Bagasse - at Co-generation units	307.02	573.92
Press mud	31.45	17.42
	954.07	**931.79**

Details of Inter-unit transfer of own produced materials

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sugar Cane	13.46	6.72
Molasses	2,055.86	3,178.40
Bagasse	4,324.38	3,463.85
Biocompost	51.13	59.10
Press mud	4.62	3.51
	6,449.45	**6,711.58**

23. DECREASE / (INCREASE) IN INVENTORIES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventories at the end of the year		
Finished goods	42,136.19	53,300.45
Traded goods	7.36	9.50
Power - Banked	18.20	2.99
By Products	2,918.75	1,939.76
Goods under process	796.40	1,715.71
Agriculture Products - Standing Crop	10.34	15.49
Scrap	10.71	8.16
	45,897.95	**56,992.06**

Notes to Financial Statements

as at and for the year ended 31st March 2015

23. DECREASE / (INCREASE) IN INVENTORIES (CONTD.)

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventories at the beginning of the year		
Finished goods	53,300.45	51,991.80
Traded goods	9.50	11.96
Power - Banked	2.99	5.31
By Products	1,939.76	2,624.90
Goods under process	1,715.71	1,169.04
Agriculture Products - Standing Crop	15.49	11.88
Scrap	8.16	6.92
	56,992.06	**55,821.81**
	11,094.11	**(1,170.25)**
Decrease / (Increase) of excise duty on inventories	70.02	(182.92)
	11,164.13	**(1,353.17)**

Details of purchase of traded goods

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Diesel & Lubricants	**808.57**	**950.44**

Details of inventory

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Finished goods		
Sugar	41,137.80	52,915.54
Spirit	946.60	321.37
Tea	51.79	63.54
	42,136.19	**53,300.45**
Traded goods		
Diesel & Lubricants	**7.36**	**9.50**
By-products		
Molasses	2,557.13	1,117.12
Bagasse	361.62	822.64
	2,918.75	**1,939.76**
Goods under process		
Sugar	733.55	1,607.22
Molasses	62.85	108.49
	796.40	**1,715.71**

Notes to Financial Statements

as at and for the year ended 31st March 2015

24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Salaries, wages, bonus etc.	4,578.08	4,329.39
Contribution to provident & other funds	406.72	384.93
Gratuity expense (Note 30)	236.93	76.41
Employees' welfare expenses	180.65	160.53
	5,402.38	**4,951.26**

25. OTHER EXPENSES

₹ in lacs

	Year Ended 31st March 2015		Year Ended 31st March 2014	
Consumption of stores and spares		1,641.11		1,439.33
Packing Materials		1,058.95		1,077.68
Power & Fuel		426.80		535.03
Repairs to and Maintenance of :				
Buildings		252.90		112.49
Machinery		1,604.75		1,327.67
Others		18.07		17.17
Rent		31.72		28.56
Rates & Taxes		47.51		47.82
Insurance		52.96		53.60
Payment to Auditors				
As Auditors				
Audit Fees		21.00		16.25
Limited Review Fees		9.75		9.75
In other capacity				
Tax Audit Fees		5.75		9.75
For Certificates and Other services		11.06		6.62
Reimbursement of Expenses		4.48		5.03
Payment to Cost Auditors		1.17		1.19
Commission on sales		313.38		277.17
Freight & forwarding charges etc.		360.17		319.16
Charity and Donations		0.26		0.91
Provision for bad and doubtful debts / advances (net)		19.85		9.52
Bad Debts, irrecoverable claims and advances written off	3.15		15.87	
Less : Adjusted against provisions	3.15	-	15.66	0.21
Loss on fixed assets sold / discarded (net)		-		0.40
Molasses Storage & Maintenance Reserve		2.34		4.32
Director's Sitting fees		2.43		2.60
Miscellaneous Expenses		992.37		1,184.57
		6,878.78		**6,486.80**

Notes to Financial Statements

as at and for the year ended 31st March 2015

26. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Depreciation of tangible assets	1,676.43	2,715.55
Amortization of intangible assets	25.80	25.82
	1,702.23	**2,741.37**

27. FINANCE COSTS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest	6,366.55	6,632.92
Other Borrowing Costs	100.72	100.26
	6,467.27	**6,733.18**

28. AGRICULTURAL INCOME / (LOSS)

Details of revenue and expenses pertaining to agricultural activities which have been included in Notes 20 to 26 under the respective heads, are as follows:-

₹ in lacs

	Year Ended 31st March 2015		Year Ended 31st March 2014	
Income				
Sales of products [including inter-transfers ₹ 13.46 lacs (₹ 6.72 lacs)]		21.93		30.38
Miscellaneous Receipts		1.94		1.79
		23.87		**32.17**
Expenses				
Cost of Raw Materials Consumed		4.26		19.94
(Increase) / Decrease in Stocks :				
Opening Stock	15.49		11.88	
Less : Closing Stock	10.34	5.15	15.49	(3.61)
Rent		0.79		4.01
Rates & Taxes		0.25		0.05
Employee benefits expenses :				
Salaries, wages, bonus etc.	12.50		11.14	
Contribution to provident & other funds	0.13	12.63	0.15	11.29
Miscellaneous Expenses		6.90		11.37
		29.98		**43.05**
Agricultural Income / (Loss)		**(6.11)**		**(10.88)**

Notes to Financial Statements

as at and for the year ended 31st March 2015

29. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Profit / (Loss) after tax	**(5,537.13)**	**(1,939.38)**
Dividend on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	222.50	-
Net profit / (loss) for calculation of basic and diluted EPS	**(5,759.63)**	**(1,939.38)**
	Nos.	**Nos.**
Weighted average number of equity shares in calculating basic & diluted EPS	1,15,57,239	1,15,57,239
Earnings per equity share [nominal value of share ₹ 10 (₹ 10)]		
Basic & Diluted (₹)	**(49.84)**	**(16.78)**

30. GRATUITY - DEFINED BENEFIT PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense recognized in employee costs

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Current service cost	76.52	75.62
Interest cost on benefit obligation	121.84	108.17
Expected return on plan assets	(94.68)	(91.31)
Net actuarial (gain) / loss recognized in the year	133.25	(16.07)
Net benefit expense	**236.93**	**76.41**
Actual return on plan assets	93.13	88.44

Balance Sheet

Net Benefit liability / (asset)

	As at 31st March 2015	As at 31st March 2014
Present value of defined benefit obligation	1,606.78	1,430.76
Fair value of plan assets	1,089.51	1,107.70
Plan liability	**517.27**	**323.06**

Notes to Financial Statements

as at and for the year ended 31st March 2015

Changes in the present value of the defined benefit obligation are as follows :

₹ in lacs

	31st March 2015	31st March 2014
Opening defined benefit obligation	1,430.76	1,372.39
Current service cost	76.52	75.62
Interest cost	121.84	108.17
Benefits paid	(154.04)	(106.48)
Actuarial (gains) / losses on obligation	131.70	(18.94)
Closing defined benefit obligation	**1,606.78**	**1,430.76**

Changes in the fair value of plan assets are as follows :

₹ in lacs

	31st March 2015	31st March 2014
Opening fair value of plan assets	1,107.70	1,044.22
Expected return	94.68	91.31
Contributions by employer	42.72	81.52
Benefits paid	(154.04)	(106.48)
Actuarial gains / (losses)	(1.55)	(2.87)
Closing fair value of plan assets	**1,089.51**	**1,107.70**

The Company expects to contribute ₹ 100.00 lacs (₹ 100.00 lacs) to Gratuity Fund in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	31st March 2015	31st March 2014
Investments with LIC	100%	100%

The principal assumptions are shown below :

₹ in lacs

	31st March 2015	31st March 2014
Discount rate	7.80%	9.00%
Expected rate of return on assets	9.00%	8.85%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	

Notes to Financial Statements

as at and for the year ended 31st March 2015

Amounts for the current and previous four periods are as follows :

₹ in lacs

	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Gratuity					
Defined benefit obligation	1,606.78	1,430.76	1,372.39	1,297.28	1,227.89
Plan assets	1,089.51	1,107.70	1,044.22	1,029.27	1,016.17
Surplus / (deficit)	(517.27)	(323.06)	(328.17)	(268.01)	(211.72)
Experience (gain) / loss adjustments on plan liabilities	4.32	60.51	41.22	(4.83)	63.13
Experience gains / (loss) adjustments on plan assets	(1.55)	(2.87)	(15.63)	12.90	9.43

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Defined Contribution Plan :

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Contribution to Provident / Pension Funds	403.39	381.87
Contribution to Superannuation Fund	3.33	3.06
	406.72	**384.93**

31. LEASES

Operating lease :

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging up to 3 years and are renewable for further year either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Lease payments made for the year	31.72	28.56
	31.72	**28.56**

* including lease rent for use of agriculture land ₹ 0.79 lacs (₹ 4.01 lacs).

Notes to Financial Statements

as at and for the year ended 31st March 2015

32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Sugar", "Spirits", "Co-generation" and "Tea" as the operating segments :

Sugar - Consists of manufacture, trading and sale of Sugar, Molasses and Bagasse

Spirits - Consists of manufacture and sale of Industrial Spirits (including Ethanol), Fusel Oil and Bio-Compost

Co-generation - Consists of generation and transmission of Power

Tea - Consist of cultivation, manufacture and sale of tea

Others – Consist of Miscellaneous business comprising of less than 10% revenues.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

32. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	77,977.56	5,890.93	10,069.72	2,272.64	827.85	97,038.70
Less : Inter segment	7,233.25	51.13	4,470.12	-	-	11,754.50
Total revenue from operations (net)	**70,744.31**	**5,839.80**	**5,599.60**	**2,272.64**	**827.85**	**85,284.20**
Results						
Segment results	(7,217.60)	994.96	3,914.38	532.79	13.52	(1,761.95)
Unallocated Income / (Expenses) (net of unallocable expenses / income)						(273.77)
Operating profit						**(2,035.72)**
Finance costs						6,467.27
Profit / (loss) before tax						**(8,502.99)**
Current Tax						85.76
Deferred tax charge / (credit)						(3,051.62)
Net Profit / (loss) for the year						**(5,537.13)**

As at 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	69,913.11	6,892.97	15,877.99	1,132.62	20.50	93,837.19
Unallocated assets						11,333.42
Total assets						**1,05,170.61**
Segment liabilities	40,814.91	379.26	49.64	277.67	0.19	41,521.67
Unallocated liabilities						60,837.91
Total liabilities						**1,02,359.58**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	205.23	24.38	21.44	41.33	-	**292.38**
Depreciation & Amortization expense	964.73	246.22	424.43	65.88	0.97	**1,702.23**
Non-cash expenses	2.34	-	-	-	-	**2.34**

32. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2014

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	68,555.64	9,712.34	7,983.05	2,207.48	973.07	89,431.58
Less : Inter segment	7,493.04	59.10	3,504.88	-	-	11,057.02
Total revenue from operations (net)	**61,062.60**	**9,653.24**	**4,478.17**	**2,207.48**	**973.07**	**78,374.56**
Results						
Segment results	(2,525.14)	3,085.11	2,507.44	712.76	13.87	3,794.04
Unallocated Income / (Expenses) (net of unallocable expenses / income)						(161.52)
Operating profit						**3,632.52**
Finance costs						6,733.18
Profit/(Loss) before tax						**(3,100.66)**
Current Tax						98.80
Deferred tax charge / (credit)						(1,260.08)
Net profit / (Loss) for the year						**(1,939.38)**

As at 31st March 2014

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	77,797.77	6,193.55	15,369.64	1,173.74	13.32	1,00,548.02
Unallocated assets						7,553.98
Total assets						**1,08,102.00**
Segment liabilities	33,509.93	371.00	92.65	219.07	1.93	34,194.58
Unallocated liabilities						68,311.29
Total liabilities						**1,02,505.87**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	407.75	1,133.50	3,068.60	96.62	-	**4,706.47**
Depreciation & Amortization expense	1,579.34	273.37	835.32	52.73	0.61	**2,741.37**
Non-cash expenses	4.32	-	-	-	-	**4.32**

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

33. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists		
Subsidiary Companies	Uttar Pradesh Trading Company Limited	
	Cinnatolliah Tea Limited (w.e.f. 19th March 2015)	
	Magadh Sugar & Energy Limited (w.e.f. 19th March 2015)	
	Ganges Securities Limited (w.e.f. 30th March 2015)	
Joint Venture Company	Avadh Sugar & Energy Limited (w.e.f. 19th March 2015)	
Related parties with whom transactions have taken place during the year		
Key Management Personnel	Mrs. Nandini Nopany	– Chairperson
	Mr. Bal Kishore Malpani	– Wholetime Director
	Mr. Shiv Kumar Maheshwari	– Chief Financial Officer
	Mr. Santosh Kumar Poddar	– Company Secretary
Relatives of Key Management Personnel	Mr. Chandra Shekhar Nopany	– Son of Mrs. Nandini Nopany
	Mrs. Prem Lata Malpani	– Wife of Mr. Bal Kishore Malpani
	Mrs. Jai Shree Maheshwari	– Wife of Mr. Shiv Kumar Maheshwari
	Ms. Kanika Maheshwari	– Daughter of Mr. Shiv Kumar Maheshwari
	Mr. Kartik Maheshwari	– Son of Mr. Shiv Kumar Maheshwari
	Mr. Satya Narayan Maheshwari	– Brother of Mr. Shiv Kumar Maheshwari
	Mr. Anil Kumar Maheshwari	– Brother of Mr. Shiv Kumar Maheshwari
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	The Oudh Sugar Mills Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	
	Hargaon Investment & Trading Company Ltd.	

33. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the reporting year :

a. Sale of Goods

₹ in lacs

	Year ended	Sale of Goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	393.22	-	-
	31st March 2014	388.57	-	-

b. Purchase of Goods

₹ in lacs

	Year ended	Purchase of Goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	197.65	-	-
	31st March 2014	201.53	-	-

c. Sale of Fixed Assets

₹ in lacs

	Year ended	Sale of Fixed Assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	-	-
	31st March 2014	1.89	-	-

d. Purchase of Fixed Assets

₹ in lacs

	Year ended	Purchase of Fixed Assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	-	-
	31st March 2014	7.02	-	-

33. RELATED PARTY TRANSACTIONS (CONTD.)

e. Receivable / Payable outstanding (net)

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
In Subsidiary Companies				
Cinnatolliah Tea Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
Magadh Sugar & Energy Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
Ganges Securities Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31st March 2015	-	0.12	-
	31st March 2014	-	-	-
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	173.46	-
	31st March 2014	-	-	39.64

f. Loans / Inter corporate deposits and Fixed deposits taken and repayment thereof

₹ in lacs

	Year ended	Loan / Inter corporate deposits taken	Repayments	Interest accrued / paid	Amount owed to related parties
Subsidiary Company					
Uttar Pradesh Trading Company Limited	31st March 2015	304.00	22.50	-	934.50
	31st March 2014	156.00	638.50	22.68	653.00
Relatives of Key Management Personnel					
Others	31st March 2015	-	122.34	12.18	9.80
	31st March 2014	14.38	30.62	18.85	132.14
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Ronson Traders Limited	31st March 2015	-	50.00	4.15	25.00
	31st March 2014	-	-	10.50	75.00
Uttam Commercial Limited	31st March 2015	-	-	8.40	60.00
	31st March 2014	-	-	8.40	60.00
Hargaon Investment & Trading Company Ltd.	31st March 2015	-	-	-	-
	31st March 2014	-	1,000.00	0.41	-

33. RELATED PARTY TRANSACTIONS (CONTD.)

g. Director's Sitting Fees

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Key Management Personnel				
Mrs. Nandini Nopany	31st March 2015	0.25	-	-
	31st March 2014	0.08	-	-
Relatives of Key Management Personnel				
Mr. Chandra Shekhar Nopany	31st March 2015	0.45	-	-
	31st March 2014	0.45	-	-

h. Remuneration to Key Managerial Personnel

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Shiv Kumar Maheswari	31st March 2015	26.14	-	0.29
	31st March 2014	26.49	-	0.41
Mr. Santosh Kumar Poddar	31st March 2015	33.42	-	-
	31st March 2014	30.59	-	-

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

i. Investments made

₹ in lacs

	Year ended	Investment during the year	Investment sold during the year	Closing Balance
In Subsidiary Companies				
Cinnatolliah Tea Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Magadh Sugar & Energy Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Ganges Securities Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31st March 2015	2.50	-	2.50
	31st March 2014	-	-	-

34. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 263.25 lacs (₹ 12.08 lacs).

Notes to Financial Statements

as at and for the year ended 31st March 2015

35. CONTINGENT LIABILITIES

₹ in lacs

		Year Ended 31st March 2015	Year Ended 31st March 2014
(a)	Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
(i)	Excise Duty & Service Tax	5,292.11	3,549.67
(ii)	Others	224.98	28.82
	Total	**5,517.09 ***	**3,578.49**
(b)	Bank Guarantees outstanding	550.72	691.09
(c)	Corporate Guarantees given to a bank	3,600.00	-
(d)	Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	222.50	-

* Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that it is possible but not probable the action will succeed and accordingly no provision there against is considered necessary.

36. The Government of Uttar Pradesh has announced Subsidy for Sugar Industry for the Sugar Season 2014-2015 linked to average selling price of sugar and its by-products during the period 1st October 2014 to 31st May 2015. The average selling prices of Sugar and the by-products have been significantly lower than the thresholds specified in the subsidy scheme considering the actual and future realisation. In view of this, the Company has estimated and recognised subsidy amounting to ₹ 3,526.54 lacs during the year based on such prevalent prices. The Company is confident of realizing the subsidy in view of the current prices of Sugar and the by-products.

37. The Company's Board of Directors at its meeting held on 13th March 2015 has approved a Composite Scheme of arrangement amongst the Company, The Oudh Sugar Mills Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatolliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited, Avadh Sugar & Energy Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act 2013 to the extent applicable, to restructure and de-link its multiple business in separate new entities w.e.f 1st April 2015 subject to necessary approvals. Accordingly, the Company has incorporated new subsidiaries namely Ganges Securities Limited, Cinnatolliah Tea Limited and Magadh Sugar & Energy Limited and the joint venture entity namely Avadh Sugar & Energy Limited. The Company is in the process of filing the scheme for approval with the concerned authorities.

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables

₹ in lacs

		31st March 2015	31st March 2014
(i)	Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	101.09	80.38
(ii)	Interest due on above.	4.74	4.80
	Total of (i) & (ii)	**105.83**	**85.18**
(iii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	1.26	14.62
(iv)	Amount paid to the suppliers beyond the respective due date.	77.20	131.95
(v)	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	7.69	2.11
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting year.	12.43	6.91
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	3.56	-

Notes to Financial Statements

as at and for the year ended 31st March 2015

39. The land ceiling matter under the U.P. Imposition of Ceiling on Land Holdings Act, 1960 / Bihar Land Reforms (Fixation of Ceiling, Area and Acquisition of Surplus Land) Act, 1961 for acquisition of agricultural land by the Government is pending before the appropriate adjudicating authorities.

40. VALUE OF IMPORTS CALCULATED ON CIF BASIS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Spare Parts	1.92	1.74
	1.92	**1.74**

41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Travelling	45.75	35.78
	45.75	**35.78**

42. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED.

	31st March 2015		31st March 2014	
	Consumption %	Value ₹ in lacs	Consumption %	Value ₹ in lacs
Raw Materials				
Indigenous	100.00%	61,645.99	100.00%	61,487.30
	100.00%	**61,645.99**	**100.00%**	**61,487.30**
Stores and Spares				
Imported	0.12%	1.92	0.36%	5.17
Indigenous	99.88%	1,639.19	99.64%	1,434.16
	100.00%	**1,641.11**	**100.00%**	**1,439.33**

It is not possible to identify consumption of spare parts separately and hence consumption of stores and spares is shown above.

43. Previous year's figures including those given in brackets have been regrouped / rearranged wherever necessary.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Independent Auditors' Report

To the Members of
Upper Ganges Sugar & Industries Limited
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Upper Ganges Sugar & Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement for the year then ended, and a summary of 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. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 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.

Auditor's 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 Rules made thereunder. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 control 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. 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 we have obtained by us and the audit evidence obtained by the another auditor in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

As indicated in Note 14 to the financial statements, the Holding Company has recognized Deferred Tax Asset (DTA) (net) of ₹ 7,217.36 lacs (including ₹ 3,051.62 lacs

for the year) up to March 31, 2015, based on the future profitability projections made by the management. In our opinion, in the absence of virtual certainty about the above projections, as required in terms of Accounting Standard – 22, had the above impact been considered, loss for the year would have been ₹ 12,484.73 lacs (including DTA of ₹ 4,036.85 lacs recognised up to March 31, 2014) as against the reported loss of ₹ 5,267.37 lacs and Reserves & Surplus as at the balance sheet date would have been ₹ (-) 5,768.08 lacs as against the reported figure of ₹ 1,449.28 lacs.

Our audit opinion on the consolidated financial statements for the previous year was also qualified in respect of the above matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated 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 consolidated state of affairs of the group, and their consolidated loss and their consolidated 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary company we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report, to the extent applicable that:

   (a) Except for the matter described in the Basis for Qualified Opinion paragraph above, we/ the other auditors whose reports we have relied upon, 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) Except for the matter described in the Basis for Qualified Opinion paragraph above, 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 and the reports of other auditor;

   (c) The Consolidated Balance Sheet, 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) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, 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;

   (e) The matters discussed in the Basis for Qualified Opinion paragraph, may have an adverse effect on functioning of the Group;

   (f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of the subsidiary company, none of the directors of the Group's Companies is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The qualification relating to the maintenance of accounts and other matters connected

therewith are as stated in the Basis for Qualified Opinion paragraph above;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 7 & 35 to the financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

Other Matters

We did not audit financial statements/financial information of the Subsidiary Company whose financial statements/financial information reflect total assets of ₹ 3307.57 lacs as at March 31, 2015, total revenues of ₹ 293.31 lacs and net cash outflows amounting to ₹ 0.02 lacs for the year then ended, on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditor whose reports 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 the Subsidiary Company and our report referred in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place : Kolkata
Date : 12th May 2015

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of Upper Ganges Sugar & Industries Limited and its subsidiary ("the Group") as at and for the year ended 31st March, 2015)

(i) (a) The Holding Company and its subsidiary have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management of the Holding Company and subsidiary during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiary, is reasonable having regard to the size of the of the Holding Company and its subsidiary and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management of the Holding Company have conducted physical verification of inventory at reasonable intervals during the year. However as reported by the auditor of Subsidiary Company who has audited the financial statements / financial information of the aforesaid subsidiary, the subsidiary has no manufacturing and/or trading activities and as such question of having physical verification of Inventory does not arise. Hence, clauses 3(ii)(a) to (c) of the order are not applicable in respect of the subsidiary.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company.

(c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements/ financial information of the subsidiary, the Holding Company and the subsidiary has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Holding & Subsidiary Company of the Group and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of subsidiary Company, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding & its Subsidiary Company. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and its subsidiary in respect of these areas.

(v) In respect of deposits accepted by the Holding Company, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. As reported by the other auditor who audited the financial statements / financial information of the aforesaid subsidiary, it has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Holding Company and to the extent applicable pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not,

however, made a detailed examination of the same. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of the subsidiary, the Subsidiary Company is not required to maintenance any cost records under Section 148(1) of the Act.

(vii) (a) The Holding Company and its subsidiary regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities though there have been slight delays in few cases in respect of Holding Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and its Subsidiary.

(c) According to the records of the Holding Company and its subsidiary and as reported by other auditor who audited the financial statements / financial information of subsidiary, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1944	Disallowance of Cenvat credit on Certain inputs and capital goods	841.66	1993-1994 to 2014-15	Additional Commissioner/ Commissioner (Appeals)/ CESTAT/ High Court/Supreme Court
	Excise duty on burnt/ waste and loss on storage of molasses	2.63	1987-1988, 1998-1999, 2000-2001	Commissioner (Appeals)/ CESTAT/ High Court
	Disallowance of Service Tax on discount to whole sellers and other items	3.32	1997-1998, 1999-2000, 2005-2006 to 2008-2009	Commissioner (Appeals)/CESTAT
Prevention of (Water) Pollution Act	Water Cess	1.41	1989-1990	High Court, Allahabad
Bihar Sugarcane (Supply & Regulation) Act,1981	Interest on Cane cess	3.37	1980-1981 to 1982-1983, 1984-1985 to 1986-1987, 1991-1992, 1994-1995 to 1998-1999, 2003-2004 & 2004-2005.	Certificate Officer, Samastipur
Bihar VAT Act, 2005	VAT/CST on exempted sale, C Form etc.	16.64	2008-09 & 2009-2010	Joint Commissioner Commercial Tax (Appeal)

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made thereunder.

(viii) Without considering the consequential effects of the matter stated in the Basis for Qualified Opinion paragraph, the Holding Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Holding Company has incurred cash loss in the current year

and in the immediately preceding financial year. As reported by the other auditor who audited the financial statements / financial information of the aforesaid subsidiary, the subsidiary 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.

(ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the auditor of the subsidiary who audited the financial statements / financial information, we are of the opinion that the Holding Company & its Subsidiary Company has not defaulted in repayment of dues to financial institutions and banks or debenture holders.

(x) According to the information and explanations given to us the Holding Company has given guarantees for loans taken by others from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from other financial institutions. As reported by the auditor of the subsidiary who audited the financial statements / financial information, the Subsidiary Company has not given any guarantee for loans taken by others from other from bank and financial institution.

(xi) Based on the information and explanations given to us by the management and, term loans were applied for the purpose for which these were obtained. As reported by the auditor of the subsidiary who audited the financial statements / financial information, the subsidiary Company did not have any term loan outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditor who audited the financial statements / financial information of subsidiary, which we have relied upon, we report that no fraud on or by the Holding Company and subsidiary of the Group have been noticed or reported during the year.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place : Kolkata
Date : 12th May 2015

Consolidated Balance Sheet

as at 31st March 2015

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,155.73	1,155.73
Reserves and Surplus	4	1,449.28	6,964.86
		5,605.01	**8,120.59**
Non-current Liabilities			
Long-term borrowings	5	17,225.32	21,018.46
Other long-term liabilities	6	650.86	716.42
Long-term provisions	7	784.04	589.83
		18,660.22	**22,324.71**
Current Liabilities			
Short-term borrowings	8	37,456.15	40,986.60
Trade payables	9	35,284.35	30,481.45
Other current liabilities	9	9,749.09	7,759.49
Short-term provisions	7	279.40	267.63
		82,768.99	**79,495.17**
Total		**1,07,034.22**	**1,09,940.47**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	34,520.26	36,309.12
Intangible Assets	11	59.27	84.54
Capital Work-in-Progress	12	7.56	7.31
Non-current Investments	13	3,865.47	3,865.47
Deferred tax assets (net)	14	7,217.36	4,036.85
Loans and advances	15	603.75	507.54
Other Non Current Assets	18.2	76.70	95.77
		46,350.37	**44,906.60**
Current assets			
Current Investments	16	17.50	-
Inventories	17	48,079.14	59,156.73
Trade Receivables	18.1	3,660.49	1,826.18
Cash and bank balances	19	1,237.83	856.78
Loans and advances	15	1,167.66	1,654.23
Other current assets	18.2	6,521.23	1,539.95
		60,683.85	**65,033.87**
Total		**1,07,034.22**	**1,09,940.47**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st March 2015

₹ in lacs

	Notes	Year ended 31st March 2015	Year ended 31st March 2014
INCOME			
Revenue from Operations (gross)	20	88,618.97	81,849.73
Less : Excise duty		2,774.61	3,003.79
Cess		560.16	471.38
Revenue from Operations (net)		**85,284.20**	**78,374.56**
Other Income	21	575.47	674.10
Total Revenue (I)		**85,859.67**	**79,048.66**
EXPENSES			
Cost of Raw Materials consumed	22	61,645.99	61,487.30
Purchase of Traded Goods	23	808.57	950.44
Decrease/(Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	11,164.13	(1,353.17)
Employee benefits expense	24	5,402.38	4,951.26
Other expenses	25	6,898.93	6,505.45
Total (II)		**85,920.00**	**72,541.28**
Profit before finance costs, tax, depreciation and amortization [(I) - (II)]		**(60.33)**	**6,507.38**
Depreciation and Amortization expenses	26	1,705.63	2,741.97
Finance Costs	27	6,467.27	6,733.53
Profit / (Loss) before tax		**(8,233.23)**	**(2,968.12)**
Tax expenses			
Current tax		85.76	98.80
Deferred tax charge / (credit)		(3,051.62)	(1,260.08)
Total tax expense / (credit)		**(2,965.86)**	**(1,161.28)**
Profit / (Loss) for the year		**(5,267.37)**	**(1,806.84)**
Earnings per equity share [Nominal value of share ₹ 10 each]	29		
Basic & Diluted (₹)		**(47.50)**	**(15.63)**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

		Year ended 31st March 2015	Year ended 31st March 2014
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit / (Loss) before tax	(8,233.23)	(2,968.12)
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	1,705.63	2,741.97
	Finance Costs	6,467.27	6,733.53
	(Profit) / Loss on fixed assets sold / discarded (net)	(38.99)	0.40
	Bad Debts, irrecoverable claims and advances written off	-	0.21
	Provision for bad and doubtful debts / advances	19.85	9.52
	Molasses Storage & Maintenance Reserve	2.34	4.32
	Cane Purchase Tax Remission	-	(333.57)
	Cane Commission Remission	-	(183.35)
	Unspent Liabilities and unclaimed Balances adjusted	(72.31)	(68.85)
	Interest Income	(99.10)	(100.72)
	Dividend Income	(344.21)	(233.10)
	Operating Profit before Working Capital Changes :	**(592.75)**	**5,602.24**
	Increase in Trade Payables	4,875.21	4,447.66
	Increase in Long Term Provisions	194.21	19.89
	Increase / (Decrease) in Short Term Provisions	11.77	(14.84)
	Increase / (Decrease) in Other Current Liabilities	2,551.78	(6,558.64)
	(Decrease) in Other Long Term Liabilities	(6.05)	(0.04)
	(Increase) / Decrease in Trade Receivables	(1,851.65)	934.22
	(Increase) / Decrease in Non Current Loans & Advances	(1.75)	0.09
	Decrease/ (Increase) in Current Loans & Advances	488.50	(505.18)
	Decrease / (Increase) in Other Non Current Assets	19.07	(80.77)
	(Increase) in Other Current Assets	(4,981.36)	(1,444.57)
	Decrease / (Increase) in Inventories	11,077.59	(1,022.83)
	Cash Generated from Operations:	**11,784.57**	**1,377.23**
	Direct Taxes Paid	(77.21)	(95.30)
	Net Cash From Operating Activities	**11,707.36**	**1,281.93**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	60.18	18.92
	Purchase of Fixed Assets including CWIP and Capital Advances	(466.65)	(4,102.69)
	Purchase of Current investments	(17.50)	-
	Loans Received Back	0.42	1.67
	Interest Received	99.18	107.99
	Dividend Received	344.21	233.10
	(Deposits) / Withdrawal under Tea Development Account Scheme	(137.84)	130.57
	(Investments) in / Redemption of bank deposits (having original maturity of more than three months) (net)	(379.59)	7.75
	Receipt of Capital Subsidy	-	50.87
	Net Cash Used in Investing Activities	**(497.59)**	**(3,551.82)**

Consolidated Cash Flow Statement

for the year ended 31st March 2015

₹ in lacs

		Year ended 31st March 2015	Year ended 31st March 2014
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issuance of Preference Share Capital	3,000.00	-
	Repayment of Long Term Borrowings	(4,281.26)	(4,051.74)
	Proceeds from Long Term Borrowings	-	11,921.00
	Repayment / Proceeds from Short Term Borrowings (net)	(3,530.45)	1,335.69
	Interest Paid	(6,295.88)	(6,847.63)
	Other Borrowing Cost	(100.72)	(99.87)
	Net Cash from Financing Activities	**(11,208.31)**	**2,257.45**
	Net Changes In Cash & Cash Equivalents (A+B+C)	**1.46**	**(12.44)**
	Cash & Cash Equivalents at the beginning of the year	**417.91**	**430.35**
	Cash & Cash Equivalents at the end of the year *	**419.37**	**417.91**

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 818.46 lacs (₹ 438.87 lacs) being balances having maturity of more than 3 months.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

Place : Kolkata
Date : 12th May 2015

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

1. PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of Upper Ganges Sugar & Industries Ltd. ("the Company") and its subsidiary company (collectively referred as "the Group") have been prepared on the following basis: The consolidated financial statements which relate to Upper Ganges Sugar & Industries Ltd. and its subsidiary company, have been prepared on the following basis

(a) The financial statements of the company and its subsidiary are consolidated on a line-by-line basis by adding together the book values of like items 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" .

(b) 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.

(c) The difference between the cost of the company's investments in the subsidiary and the equity capital of the subsidiary (as defined in Accounting Standard – 21) as on the date of investment, is treated as Goodwill / Capital Reserve, as the case may be, in the financial statements.

(d) The Subsidiary Company considered in the financial statements is as follows:

Name	Country of Incorporation	% of ownership/voting power	
		As on 31st March 2015	As on 31st March 2014
Uttar Pradesh Trading Company Ltd	India	100	100

(e) The following Subsidiary Companies and Joint Venture Company were incorporated during the year for the purpose of restructuring as detailed in Note 37. The Company's investment in the above Subsidiaries and Joint Venture entity will stand cancelled once the order become effective, accordingly the investment is temporary in nature, hence, the above Subsidiaries and Joint Venture entity are not consolidated.

Subsidiary Companies	Ganges Securities Limited
	Cinnatolliah Tea Limited
	Magadh Sugar & Energy Limited
Joint Venture Company	Avadh Sugar & Energy Limited

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the change in accounting policy explained below.

2.1 Summary of Significant Accounting Policies

Change in Accounting Policy

Depreciation on Fixed Assets

Till the year ended 31st March 2014, Schedule XIV to the Companies Act,1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

Schedule-II to the Companies Act, 2013. Effective from 1st April, 2014 the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule-II.

Further, on application of Schedule-II to the Companies Act, 2013 the Company has changed the manner of providing depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset , if they have useful life that is materially different from that of the remaining assets.

Based on transitional provision given in Schedule-II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 250.55 lacs (net of deferred tax ₹ 128.89 lacs) has been adjusted with opening balance of General Reserve. Had there been no change in useful lives of fixed assets, the charge to the statement of Profit and Loss would have been higher by ₹ 1,030.30 lacs.

(a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed asset, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of tangible fixed assets 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 derecognized.

Machinery spares which can be used only in connection with an item of tangible fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

(c) Depreciation on Tangible Fixed Assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided under

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Assets	Useful Lives estimated by the management (Years)
Factory Buildings	5 to 30
Non-factory Buildings	5 to 60
Plant and Equipments	5 to 40
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 5 to 18 years. These lives are lower than those indicated in Schedule II.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

(d) **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets being Specialized Software are amortised on a straight line basis over a period of 5 years.

(e) **Leases**

Operating Lease

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

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

(f) **Borrowing Costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) **Impairment of Fixed Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

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rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(h) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(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.

(j) Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Goods under process, finished goods (including Power Banked), traded goods and standing crops, are valued at lower of cost and net realizable value. Finished goods, Goods under process and Standing Crops include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

By products, Country crop and Saleable scraps, whose cost is not identifiable, are valued at estimated net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

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Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned Authorities.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income is recognized when the shareholders' right to receive the payment is established by the reporting date.

Insurance and other claims, Interest on doubtful loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realisation, are accounted for on acceptance basis.

(l) Foreign Currency Transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement/ conversion of monetary items are recognized as income or expenses in the period in which they arise.

(m) Retirement and other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

(n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

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The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(o) Segment Reporting

Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Inter Segment Transfers

The Company accounts for inter segment transfers at mutually agreed transfer prices.

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Earnings Per Share

Basic Earning per Share is calculated by

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dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

(r) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.

(s) Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

(t) 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 the control of the Company or a present obligation that is not recognized 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 cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3. SHARE CAPITAL

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Authorized :		
1,60,00,000 (1,60,00,000) Equity Shares of ₹ 10/- each	1,600.00	1,600.00
34,00,000 (16,00,000) Preference Shares of ₹ 100/- each	3,400.00	1,600.00
Total	**5,000.00**	**3,200.00**
Issued, subscribed and fully paid-up:		
1,15,57,239 (1,15,57,239) Equity Shares of ₹ 10/- each	1,155.73	1,155.73
30,00,000 (Nil) Preference Shares of ₹ 100/- each	3,000.00	-
Total	**4,155.73**	**1,155.73**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Equity shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and at the end of the year	1,15,57,239	1,155.73	1,15,57,239	1,155.73

Preference shares

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference Shares of ₹ 100/- each				
At the beginning of the year	-	-	-	-
Issued during the year	30,00,000	30,00,000		
Outstanding at the end of the year	**30,00,000**	**30,00,000**	**-**	**-**

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

(c) Terms of redemption of Preference Shares

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) carries dividend @12% per annum.

NCCRPS shall be redeemable at par on 24th September, 2019 being 5 years from the date of allotment i.e. 25th September, 2014 with a right vested to the Board of Directors to redeem it earlier, but not before 12 months from the date of issue.

The Dividend is payable annually, subject to the availability of the profit. However, the unpaid cumulative dividend, if any, is payable along with the redemption of NCCRPS.

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SIL Investments Limited	15,47,016	13.39%	15,47,016	13.39%
New India Retailing & Investment Limited	9,69,021	8.38%	9,69,021	8.38%
Mrs. Nandini Nopany	8,11,090	7.02%	8,11,090	7.02%
Yashovardhan Investment & Trading Company Limited	6,58,289	5.70%	6,58,289	5.70%
Hargaon Investment & Trading Company Limited	6,57,966	5.69%	6,57,966	5.69%
Navjeevan Medical Institute	7,18,317	6.22%	7,18,317	6.22%
NCCRPS of ₹ 100/- each fully paid				
Chambal Fertiliser and Chemicals Ltd.	30,00,000	100.00%	-	-

As per records of the Company, including its register of Share Holders / Members, the above share holdings represents legal ownership of shares.

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as at and for the year ended 31st March 2015

4. RESERVES AND SURPLUS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
As per the last financial statements	**27.17**	**27.17**
Capital Redemption Reserve		
As per the last financial statements	**357.00**	**357.00**
Reserve Fund		
As per the last financial statements	**464.18**	**437.18**
Add : Transfer from statement of Profit & Loss	54.16	27.00
	518.34	**464.18**
Securities Premium Account		
As per the last financial statements	**6,583.34**	**6,583.34**
Molasses Storage and Maintenance Reserve		
Balance as per the last financial statements	55.26	50.94
Add: Provided during the year	2.34	4.32
Closing Balance	**57.60**	**55.26**
General Reserve *		
As per the last financial statements	778.44	778.44
Less : Adjustment for change in useful life, net of deferred tax (Refer Note 2.1)	250.55	-
Closing Balance	**527.89**	**778.44**
Surplus / (Deficit) in the Statement of Profit and Loss *		
Balance as per last financial statements	(1,300.53)	533.31
Profit / (Loss) for the year	(5,267.37)	(1,806.84)
Less : Transfer to Reserve Fund	54.16	27.00
Net Surplus / (Deficit) in the Statement of Profit and Loss	**(6,622.06)**	**(1,300.53)**
Total Reserves and Surplus	**1,449.28**	**6,964.86**

* after adjusting ₹ 7,200 lacs being transfer from General Reserve during the years 2006-07 to 2010-11 to set off the debit balance in Profit & Loss Account of Holding Company.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Term Loans (secured) :				
From Banks -				
Under Project Finance / Corporate Loan Scheme	8,380.00	10,480.00	2,100.00	2,769.00
Under Financial Assistance Scheme (SEFASU 2014)	5,741.00	5,741.00	-	-
From Sugar Development Fund	3,104.32	4,316.00	1,211.68	871.21
Other Loans and Advances (unsecured) :				
Fixed Deposits from related parties (Note 33f)	-	9.80	9.80	122.34
Fixed Deposits from others	-	471.66	433.20	480.21
	17,225.32	**21,018.46**	**3,754.68**	**4,242.76**
Less : Amount disclosed under the head "other current liabilities" (Note 9)	-	-	3,754.68	4,242.76
Net amount	**17,225.32**	**21,018.46**	**-**	**-**

(a) Term Loans from Banks under project finance / corporate loan scheme, carry interest in the range of 12.25% to 12.75% and are secured by first mortgage / charge on all the immovable and movable assets (save and except book debts), present and future, of the Company's Sugar Units at Seohara (including Co-generation plant) , Sidhwalia & Hasanpur and Distillery unit at Seohara, ranking pari passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers. Further, the term loan of ₹ 4,400 lacs (₹ 5,500 lacs) is also secured by pledge of certain shares held as investments by the Company and its subsidiary Company.

The above loans are repayable as under.

₹ in lacs

Disbursed To		As at 31st March 2015	As at 31st March 2014	Repayment Schedule
i.	Seohara Sugar Unit	4,400.00	5,500.00	20 Quarterly installments ending on January 2019.
ii.	Sidhwalia Sugar Unit	4,000.00	4,000.00	20 Quarterly installments ending on June 2020.
iii.	Sidhwalia Co-gen Unit	-	623.00	20 Quarterly installments ending on September 2014.
iv.	Hasanpur Sugar Unit	-	946.00	20 Quarterly installments ending on March 2015.
v.	Hasanpur Sugar and Co-Generation Unit	2,080.00	2,180.00	19 Quarterly installments ending on September 2019.
		10,480.00	**13,249.00**	

(b) Term Loans from Punjab National Bank (PNB) & State Bank of India (SBI) under Financial Assistance Scheme (SEFASU 2014) carry interest of 12% and 12.50 % p.a. respectively and is repayable in monthly / quarterly installments ending on March 2019. The Company is entitled to Interest subvention from Government of India upto 12% as per the terms of schedule and the same will be directly reimbursed to Banks by Department of Food & Public Distribution and hence no liability towards interest of 12% p.a. has been provided in these accounts. The above loan is secured by the first pari-passu charge on all the fixed assets, both present and future of the Company's Sugar unit at Seohara, Sidhwalia and Hasanpur. The term loan from PNB is further secured by 3rd pari-passu charge on all current assets of the above sugar units.

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(c) Term loans from the Sugar Development Fund, carry interest @ 4% p.a. and are secured by a second charge on all the immovable and movable assets (save and except book debts), present and future of the Company's Sugar units at Seohara (including Co-generation Plant) and Sidhwalia (including Co-generation Plant).

The above loans are repayable as under.

₹ in lacs

Principal Disbursed Amount	Balance as at 31st March 2015	Balance as at 31st March 2014	Repayment Schedule
(i) Seohara Co-generation unit	334.92	1,004.76	10 half yearly installments ending on September 2015.
(ii) Sidhwalia Sugar unit	3,376.99	3,376.99	5 yearly installments ending on September 2019.
(iii) Sidhwalia Co-generation unit	604.09	805.46	10 half yearly installments ending on February 2018.
	4,316.00	**5,187.21**	

(d) Fixed Deposits from related parties / others carry interest @ 11.75% to 12.50% and are repayable after two years from the respective date of deposits, depending upon their tenure.

6. OTHER LONG-TERM LIABILITIES

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Interest accrued but not due on borrowings	624.56	684.07
Trade and other deposits	26.30	32.35
	650.86	**716.42**

7. PROVISIONS

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits				
Gratuity (Note 30)	417.27	223.06	100.00	100.00
Leave	-	-	135.89	124.21
	417.27	**223.06**	**235.89**	**224.21**
Other provisions				
For income tax	366.77	366.77	-	-
For wealth tax	-	-	5.62	5.53
For litigation, claims and contingencies			34.46	34.46
For standard assets	-	-	3.43	3.43
	366.77	**366.77**	**43.51**	**43.42**
	784.04	**589.83**	**279.40**	**267.63**

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Provision for litigation, claims and contingencies

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the Company in due course. The table below gives information about movement in litigation, claims and contingencies provisions.

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
At the beginning of the year	34.46	34.46
Add : Arisen during the year	-	-
Less : Utilized / unused amount reversed during the year	-	-
At the end of the year	**34.46**	**34.46**

8. SHORT-TERM BORROWINGS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Cash credit from Banks (secured) (repayable on demand)	33,236.15	33,166.60
Other Loans & Advances (unsecured)		
Inter-Corporate Deposits		
From related parties (Note 33f)	85.00	135.00
From others	4,135.00	7,685.00
	37,456.15	**40,986.60**

(a) Cash credit borrowings from Banks, other than from District Co-operative Bank Ltd. and DCB Bank Ltd. (Commodity Finance) are secured by hypothecation of the current assets of the Company ranking pari passu amongst the various lenders. In addition, cash credit borrowings from State Bank of India, Punjab National Bank and DCB Bank Ltd. is further secured by a charge on the immovable assets as follows :

i. Cinnatolliah Tea Unit - First Charge;
ii. Hasanpur Sugar Mills - Second Charge;
iii. Seohara Sugar Unit - Third Charge (ranking pari-passu between the lenders);
iv. Bharat Sugar Mills - Third Charge.

(b) Cash credit of ₹ 11,549.24 lacs (₹ 8,764.72 lacs) from District Co-operative Bank Ltd. and DCB Bank Ltd. (Commodity Finance) are secured by pledge of the stock of sugar pertaining to Sugar units at Seohara and Sidhwalia.

(c) Cash Credit borrowings carry interest ranging between 11.75% to 12.90% p.a.

Notes to Consolidated Financial Statements

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9. OTHER CURRENT LIABILITIES

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Trade Payables	35,284.35	30,481.45
(refer Note 39 for details of dues to micro and small enterprises)		
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	3,754.68	4,242.76
Payable towards deduction against crop loan	2,149.18	-
Payable towards purchase of capital goods	116.93	321.17
Payable to employees	571.54	547.94
Advance against Sales	608.89	179.50
Interest accrued but not due on borrowings, deposits etc.	351.12	220.94
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed Matured Fixed Deposits	0.06	0.10
Unclaimed dividend	1.21	1.21
Others -		
Statutory dues	239.63	261.85
Excise Duty on Closing Stocks	1,908.95	1,664.22
Crop Loan from a Bank pending disbursement to cane growers	-	215.86
Miscellaneous	46.90	103.94
	9,749.09	**7,759.49**
	45,033.44	**38,240.94**

10. TANGIBLE ASSETS

₹ in lacs

	Freehold Land (a)	Leasehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total (b)
Cost									
At 1st April 2013	871.85	94.55	4,536.02	51,968.59	181.73	204.29	333.06	64.55	58,254.64
Additions	-	32.50	258.50	4,863.02	22.53	43.90	52.59	3.58	5,276.62
Other adjustment									
-Borrowing Costs	-	-	2.95	226.30		-	-	-	229.25
Disposals	-	-	7.22	30.60	17.63	29.75	30.37	5.98	121.55
At 31st March 2014	**871.85**	**127.05**	**4,790.25**	**57,027.31**	**186.63**	**218.44**	**355.28**	**62.15**	**63,638.96**
Additions	34.84	-	34.97	163.00	20.53	9.86	24.97	3.43	291.60
Disposals	-	-	9.00	153.00	12.98	36.76	22.74	2.50	236.98
Other adjustment									
-Borrowing Costs	-	-	-	-		-	-	-	-
At 31st March 2015	**906.69**	**127.05**	**4,816.22**	**57,037.31**	**194.18**	**191.54**	**357.51**	**63.08**	**63,693.58**
Depreciation									
At 1st April 2013	-	94.55	1,060.77	23,077.19	113.61	153.50	194.06	22.24	24,715.92
Charge for the year	-	-	104.69	2,552.03	17.22	9.36	28.14	4.71	2,716.15
Disposals	-	-	2.88	24.48	16.78	28.19	24.66	5.24	102.23
At 31st March 2014	**-**	**94.55**	**1,162.58**	**25,604.74**	**114.05**	**134.67**	**197.54**	**21.71**	**27,329.84**
Adjusted with opening balance of General Reserve (Note 2.1)			126.14	216.81	7.00	4.15	14.57	10.77	379.44
Charge for the year	-	-	112.45	1,484.42	28.36	12.19	29.59	12.82	1,679.83
Disposals	-	-	8.16	140.37	12.34	35.62	17.17	2.13	215.79
At 31st March 2015	**-**	**94.55**	**1,393.01**	**27,165.60**	**137.07**	**115.39**	**224.53**	**43.17**	**29,173.32**
Net Block									
At 31st March 2014	**871.85**	**32.50**	**3,627.67**	**31,422.57**	**72.58**	**83.77**	**157.74**	**40.44**	**36,309.12**
At 31st March 2015	**906.69**	**32.50**	**3,423.21**	**29,871.71**	**57.11**	**76.15**	**132.98**	**19.91**	**34,520.26**

(a) Title deeds for ₹ 47.98 lacs (₹ 17.98 lacs) are yet to be executed in favour of the Company.

(b) Includes assets held in joint ownership with others, Gross Block ₹ 264.81 lacs (₹ 302.36 lacs) and Net Block ₹ 157.33 lacs (₹ 172.52 lacs), details of which is as under :

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
At 31st March 2014									
Gross Block	2.47	-	199.62	48.36	1.05	40.69	0.44	9.73	302.36
Net Block	2.47	-	141.77	16.03	0.07	8.51	0.13	3.54	172.52
At 31st March 2015									
Gross Block	2.47	-	199.50	33.67	1.54	23.19	0.08	4.36	264.81
Net Block	2.47	-	138.14	10.00	0.08	6.34	0.01	0.29	157.33

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

11. INTANGIBLE ASSETS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Computer Software :		
At the beginning of the year	**130.28**	**118.23**
Additions	0.53	12.05
At the end of the year	**130.81**	**130.28**
Amortization		
At the beginning of the year	**45.74**	**19.92**
Charge for the year	25.80	25.82
At the end of the year	**71.54**	**45.74**
Net block	**59.27**	**84.54**

12. CAPITAL WORK-IN-PROGRESS

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Balance brought forward from the previous year	7.31	816.19
Add : Additions during the year	111.86	4,301.77
	119.17	**5,117.96**
Less : Transfer to Tangible Assets during the year	111.61	5,110.65
Balance carried to Balance Sheet	**7.56**	**7.31**

13. NON-CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Quoted (fully paid)				
Investment in Equity Instruments				
New India Retailing & Investment Ltd.	2,85,573	10.00	633.70	633.70
Chambal Fertilizers & Chemicals Ltd.	19,66,795 (a)	10.00	377.97	377.97
The Oudh Sugar Mills Limited	33,26,901	10.00	1,724.89	1,724.89
Haryana Oxygen Limited	5,000	10.00	0.50	0.50
SIL Investments Limited	20,19,339	10.00	478.36	478.36
Sutlej Textiles & Industries Limited	30,41,697 (a)	10.00	593.89	593.89
Manbhawani Investment Limited	73,500	10.00	2.25	2.25
Manavta Holdings Limited	73,500	10.00	2.25	2.25
			3,813.81	**3,813.81**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

13. NON-CURRENT INVESTMENTS (CONTD.)

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Unquoted (fully paid)				
Investment in Equity Instruments				
Bihar State Financial Corporation Ltd.	60	100.00	0.06	0.06
Birla Buildings Ltd.	8,400	10.00	0.84	0.84
Tapria Limited	3,500	10.00	0.40	0.40
Indo Educational & Research Institutions Pvt. Limited	24,500	10.00	2.45	2.45
Shree Vihar Properties Limited	2,24,307	10.00	19.73	19.73
Modern Diagen Services Limited	13,196	10.00	1.32	1.32
Moon Corporation Limited	2,874	5.00	0.39	0.39
			25.19	**25.19**
Unquoted (partly paid)				
Investment in Equity Instruments				
Modern Diagen Services Limited (₹ 2 paid up per Share)	13,06,404	10.00	**26.13**	**26.13**
In Co-operative Farming Societies				
Krishna Sahakari Kheti Samiti Ltd.	5	100.00	0.01	0.01
Kuri Sanyukta Sahakari Kheti Samiti Ltd.	1 (b)	100.00	-	-
Keshopur Sanyukta Sahakari Kheti Samiti Limited	1 (b)	100.00	-	-
Pandia Sanyukta Sahakari Kheti Samiti Limited	1 (b)	100.00	-	-
Seohara Co-operative Cane Development Union Limited	1 (b)	100.00	-	-
Najibabad Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
Nagina Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
Moradabad Co-operative Cane Development Union Limited	1 (b)	10.00	-	-
			0.01	**0.01**
In Preference Shares				
Raj Kamal Prakashan Pvt. Ltd.	50	100.00	**0.05**	**0.05**
In Government Securities				
12 Years National Savings Certificates	(c)		0.01	0.01
12 Years National Plan Savings Certificates	(c)		0.08	0.08
7 Years National Savings Certificates	(c)		0.07	0.07
6 Years National Savings Certificates	(c)		0.12	0.12
			0.28	**0.28**
			3,865.47	**3,865.47**
Aggregate amount of quoted investments [Market value : ₹ 12,834.17 lacs (₹ 6 ,864.08 lacs)]			3,813.81	3,813.81
Aggregate amount of unquoted investments			51.66	51.66

(a) Includes 19,00,000 and 29,25,000 shares of Chambal Fertilizers and Chemicals Ltd. and Sutlej Textiles & Industries Ltd. respectively pledged against term loan of ₹ 4,400 lacs (₹5500 lacs) taken from a bank (Refer note 5).

(b) The figures, being less than ₹ 500, have been shown above as blank.

(c) Deposited / pledged with various Government authorities.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

13. NON-CURRENT INVESTMENTS (CONTD.)

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014

(d) The cost of following unquoted investments in equity shares (fully paid up) has been written off in the past, though quantity thereof appears in the books.

Name of the Company	No. of shares	Face Value per share (in ₹)
Chandausi Rice Mills Ltd. (in liquidation)	2,000	10.00
Jai Hind Publishing Co. Ltd. (in liquidation)	65	25.00
Akhil Bharat Printers Ltd. (in liquidation)	270	100.00
Leas Communication Limited (in liquidation)	21,000	10.00
Maruti Limited (in liquidation)	40,000	10.00
APV Texmaco Limited (in liquidation)	20,400	10.00

(e) There is a diminution of ₹ 1,357.08 lacs (₹ 1,292.25 lacs) in the value of certain long term quoted investments based on the last quoted price. The above investments being long term and strategic in nature and diminution in value of said investments being temporary in nature, no provision there against is required in the Accounts.

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Deferred Tax Asset		
Carry forward of Unabsorbed Depreciation & Business Losses	13,917.26	10,411.37
Expenditure allowable against taxable income in future years	1,039.17	789.22
	14,956.43	**11,200.59**
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,739.07	7,163.74
	7,739.07	**7,163.74**
Net Deferred Tax Asset	**7,217.36**	**4,036.85**

Although, there is carried forward unabsorbed depreciation and business losses as on the reporting date, yet in view of the future profitability projections, the Company is certain that there would be sufficient taxable income in future, to claim the above tax credit.

15. LOANS AND ADVANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good except stated otherwise)				
Capital advances				
Unsecured	29.33	59.30	-	-
Sundry Deposits	**13.06**	**13.24**	**11.01**	**30.51**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

15. LOANS AND ADVANCES (CONTD.)

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good *	-	-	562.33	642.10
Considered doubtful	-	-	53.67	58.44
	-	**-**	**616.00**	**700.54**
Less : Provision for doubtful advances	-	-	53.67	58.44
	-	**-**	**562.33**	**642.10**
Other loans and advances				
Considered good				
Loan to employees	-	-	-	0.42
Deposits against demand under appeal and / or under dispute	-	-	142.75	144.92
Claims Receivable	-	-	89.41	333.83
Prepaid Expenses	6.62	4.69	41.12	40.13
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	62.55	71.10	-	-
Balances with Excise and Other Government Authorities	-	-	251.18	397.32
Balance with Tea Development Account Scheme, 1990	492.19	359.21	69.86	65.00
Considered doubtful				
Loan to others	-	-	7.50	7.50
	561.36	435.00	601.82	989.12
Less : Provision for doubtful Loans	-	-	7.50	7.50
	561.36	**435.00**	**594.32**	**981.62**
	603.75	**507.54**	**1,167.66**	**1,654.23**

* Includes ₹ 30.52 lacs (₹ Nil lacs) recoverable from related parties (Note 33e)

16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit/ Share	As at 31st March 2015	As at 31st March 2014
Non Trade				
(valued at cost unless stated otherwise)				
Unquoted (fully paid)				
Investment in Equity Instruments				
In Subsidiary Companies *				
Ganges Securities Limited	50000	10	5.00	-
Cinnatolliah Tea Limited	50000	10	5.00	-
Magadh Sugar & Energy Limited	50000	10	5.00	-
			15.00	
In Joint Venture Company*				
Avadh Sugar & Energy Limited	25000	10	**2.50**	-
			17.50	-

* Refer Note 1(e)

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

17. INVENTORIES

₹ in lacs

	Notes	As at 31st March 2015	As at 31st March 2014
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	954.07	931.79
Goods under process	23	796.40	1,715.71
Finished goods	23	42,136.19	53,300.45
Traded goods	23	7.36	9.50
Stores, Chemicals and spare parts etc.		1,227.12	1,232.88
Power - Banked	23	18.20	2.99
Agriculture Products - Standing Crop	23	10.34	15.49
Valued at Estimated Realisable Value			
By-Products	23	2,918.75	1,939.76
Scrap	23	10.71	8.16
		48,079.14	**59,156.73**
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		14.90	49.83

18. TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade Receivables

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	36.89	41.65
Considered doubtful	60.39	43.04
	97.28	**84.69**
Less :Provision for doubtful trade receivables	60.39	43.04
	36.89	**41.65**
Other receivables		
Unsecured, considered good *#	3,623.60	1,784.53
	3,623.60	**1,784.53**
	3,660.49	**1,826.18**

* Includes ₹ 173.46 (₹ Nil lacs) recoverable from related parties (Note 33e).

Includes ₹ 111.31 lacs (₹ Nil lacs) receivable accrued on account of revision in power tariff.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

18. TRADE RECEIVABLES AND OTHER ASSETS (CONTD.)

18.2 Other Assets

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good, Unless stated otherwise)				
Non-current Bank balance (Note 19)	15.50	15.50	-	-
Considered good				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	42.97	43.05
Claims Receivable towards Subsidies & Incentives (also refer Note 36)	-	-	5,772.46	866.82
Renewable Energy Certificate entitlement	-	-	688.79	612.58
Unamortized ancillary cost of arranging the borrowings	61.20	80.27	17.01	17.50
Considered doubtful				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	3.83	3.89
	76.70	**95.77**	**6,525.06**	**1,543.84**
Less : Provision for doubtful items	-	-	3.83	3.89
	76.70	**95.77**	**6,521.23**	**1,539.95**

19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Cash and cash equivalents				
Balances with banks:				
Current accounts			168.13	232.95
Savings accounts			0.03	0.02
Tea Development account			0.44	0.17
Unpaid dividend account			1.21	1.21
Deposits with original maturity of less than 3 months			210.00	145.00
Cash on hand			39.56	38.56
			419.37	**417.91**
Deposits with original maturity of more than 3 months and not more than 12 months *#	-	-	818.34	438.75
Deposits with original maturity of more than 12 months #	15.50	15.50	-	-
In Post office savings bank account	-	-	0.12	0.12
	15.50	**15.50**	**818.46**	**438.87**
Less : Amount disclosed under non current assets (Note 18.2)	15.50	15.50	-	-
	-	**-**	**1,237.83**	**856.78**

* Includes ₹ 134.88 lacs (₹ 133.75 lacs) towards earmarked accounts.

Receipts / Pass Book for ₹ 25.58 lacs (₹ 25.58 lacs) pledged / lodged with various Government Authorities as security.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

20. REVENUE FROM OPERATIONS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue from operations		
Sale of products		
Finished goods	79,630.80	73,437.51
Traded goods	827.85	973.07
Power	5,599.60	4,478.17
By products	2,088.71	1,330.16
Others	88.10	87.80
	88,235.06	**80,306.71**
Other operating revenue		
Proceeds from Agriculture Products	8.46	23.65
Excise duty subsidy	-	124.51
Cane commission remission	-	183.35
Cane purchase tax remission	-	333.57
Renewable Energy Certificates credit	349.63	779.13
Tea replanting Subsidy	-	6.04
Scrap Sales	25.82	92.77
Revenue from operations (gross)	**88,618.97**	**81,849.73**
Less : Excise duty	2,774.61	3,003.79
Cess	560.16	471.38
Revenue from operations (net)	**85,284.20**	**78,374.56**

Detail of products sold

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Finished goods sold		
Sugar	70,828.20	60,432.98
Spirit	6,494.30	10,689.02
Carbon-di-oxide	38.71	111.91
Tea	2,269.59	2,203.60
	79,630.80	**73,437.51**
Traded goods sold		
Diesel & Lubricants	827.85	973.07
	827.85	**973.07**
By products sold		
Molasses	1,442.52	1,298.23
Bagasse	646.19	31.93
	2,088.71	**1,330.16**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

21. OTHER INCOME

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest income on		
Loans, deposits, advances etc.	91.83	100.08
Refund from Income Tax Department	7.27	0.64
Dividend income on Long-term investments	306.97	167.88
Insurance and Other Claims	5.83	254.46
Rent and Hire Charges	6.86	6.28
Unspent Liabilities and unclaimed Balances adjusted	72.31	68.85
Land Dividend	37.24	65.22
Profit on tangible assets sold / discarded (net)	38.99	-
Miscellaneous Receipts	8.17	10.69
	575.47	**674.10**

22. COST OF RAW MATERIALS CONSUMED

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventory at the beginning of the year	931.79	1,043.39
Add : Purchases and procurement expenses *	61,647.05	61,354.38
Purchase tax & Cess	21.22	21.32
	62,600.06	**62,419.09**
Less: Inventory at the end of the year	954.07	931.79
	61,645.99	**61,487.30**

* After adjusting subsidy / remission of ₹ 5894.98 lacs (₹ 1138.10 lacs) allowed by the state governments. Also refer note 36.

Details of raw materials consumed

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sugarcane	58,947.97	59,022.49
Molasses - consumed in Distillery unit	3,901.09	4,999.50
Bagasse - consumed in Co-generation units	5,134.79	4,045.67
Biocompost	51.13	59.10
Press mud	34.98	30.86
Green Leaf (Cess)	21.22	21.32
Seed, Manures and fodder	4.26	19.94
	68,095.44	**68,198.88**
Less : Inter-unit transfer of own produced materials	6,449.45	6,711.58
	61,645.99	**61,487.30**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

22. COST OF RAW MATERIALS CONSUMED (CONTD.)

Details of raw material inventory

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Sugarcane	119.92	71.98
Molasses - at Distillery unit	495.68	268.47
Bagasse - at Co-generation units	307.02	573.92
Press mud	31.45	17.42
	954.07	**931.79**

Details of Inter-unit transfer of own produced materials

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sugar Cane	13.46	6.72
Molasses	2,055.86	3,178.40
Bagasse	4,324.38	3,463.85
Biocompost	51.13	59.10
Press mud	4.62	3.51
	6,449.45	**6,711.58**

23. DECREASE / (INCREASE) IN INVENTORIES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Inventories at the end of the year		
Finished goods	42,136.19	53,300.45
Traded goods	7.36	9.50
Power - Banked	18.20	2.99
By Products	2,918.75	1,939.76
Goods under process	796.40	1,715.71
Agriculture Products - Standing Crop	10.34	15.49
Scrap	10.71	8.16
	45,897.95	**56,992.06**
Inventories at the beginning of the year		
Finished goods	53,300.45	51,991.80
Traded goods	9.50	11.96
Power - Banked	2.99	5.31
By Products	1,939.76	2,624.90
Goods under process	1,715.71	1,169.04
Agriculture Products - Standing Crop	15.49	11.88
Scrap	8.16	6.92
	56,992.06	**55,821.81**
	11,094.11	**(1,170.25)**
Decrease / (Increase) of excise duty on inventories	**70.02**	**(182.92)**
	11,164.13	**(1,353.17)**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

23. DECREASE / (INCREASE) IN INVENTORIES (CONTD.)

Details of purchase of traded goods

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Diesel & Lubricants	**808.57**	**950.44**

Details of inventory

₹ in lacs

	As at 31st March 2015	As at 31st March 2014
Finished goods		
Sugar	41,137.80	52,915.54
Spirit	946.60	321.37
Tea	51.79	63.54
	42,136.19	**53,300.45**
Traded goods		
Diesel & Lubricants	**7.36**	**9.50**
By-products		
Molasses	2,557.13	1,117.12
Bagasse	361.62	822.64
	2,918.75	**1,939.76**
Goods under process		
Sugar	733.55	1,607.22
Molasses	62.85	108.49
	796.40	**1,715.71**

24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Salaries, wages, bonus etc.	4,578.08	4,329.39
Contribution to provident & other funds	406.72	384.93
Gratuity expense (Note 30)	236.93	76.41
Employees' welfare expenses	180.65	160.53
	5,402.38	**4,951.26**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

25. OTHER EXPENSES

₹ in lacs

	Year Ended 31st March 2015		Year Ended 31st March 2014	
Consumption of stores and spares		1,641.11		1,439.33
Packing Materials		1,058.95		1,077.68
Power & Fuel		426.80		535.03
Repairs to and Maintenance of :				
Buildings		252.90		112.49
Machinery		1,604.75		1,327.67
Others		18.07		17.17
Rent		31.72		28.56
Rates & Taxes		47.58		47.90
Insurance		52.96		53.60
Payment to Auditors				
As Auditors				
Audit Fees		21.12		16.33
Limited Review Fees		9.75		9.75
In other capacity				
Tax Audit Fees		5.75		9.75
For Certificates and Other services		11.10		6.62
Reimbursement of Expenses		4.48		5.03
Payment to Cost Auditors		1.17		1.19
Commission on sales		313.38		277.17
Freight & forwarding charges etc.		360.17		319.16
Charity and Donations		0.26		0.91
Provision for bad and doubtful debts / advances		19.85		9.52
Bad Debts, irrecoverable claims and advances written off	3.15		15.87	
Less : Adjusted against provisions	3.15	-	15.66	0.21
Loss on fixed assets sold / discarded (net)		-		0.40
Molasses Storage & Maintenance Reserve		2.34		4.32
Director's Sitting fees		2.43		2.60
Miscellaneous Expenses		1,012.29		1,203.06
		6,898.93		**6,505.45**

26. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Depreciation of tangible assets	1,679.83	2,716.15
Amortization of intangible assets	25.80	25.82
	1,705.63	**2,741.97**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

27. FINANCE COSTS

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest	6,366.55	6,633.27
Other Borrowing Costs	100.72	100.26
	6,467.27	**6,733.53**

28. AGRICULTURAL INCOME / (LOSS)

Details of revenue and expenses pertaining to agricultural activities which have been included in notes 20 to 26 under the respective heads.

₹ in lacs

	Year Ended 31st March 2015		Year Ended 31st March 2014	
Income				
Sales of products [including inter-transfers ₹ 13.46 lacs (₹ 6.72 lacs)]		21.93		30.38
Miscellaneous Receipts		1.94		1.79
		23.87		**32.17**
Expenses				
Raw Materials Consumed		4.26		19.94
Decrease / (Increase) in Stocks :				
Opening Stock	15.49		11.88	
Less: Closing Stock	10.34	5.15	15.49	(3.61)
Rent		0.79		4.01
Rates & Taxes		0.25		0.05
Employee benefits expense :				
Salaries, Wages, Bonus etc.	12.50		11.14	
Contribution to Provident & Other Funds	0.13	12.63	0.15	11.29
Miscellaneous Expenses		6.90		11.37
		29.98		**43.05**
Agricultural Income / (Loss)		**(6.11)**		**(10.88)**

29. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Profit / (Loss) after tax	**(5,267.37)**	**(1,806.84)**
Dividend on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	222.50	-
Net profit / (loss) for calculation of basic and diluted EPS	**(5,489.87)**	**(1,806.84)**
	Nos.	**Nos.**
Weighted average number of equity shares in calculating basic & diluted EPS	1,15,57,239	1,15,57,239
Earnings per equity share [nominal value of share ₹ 10 (₹ 10)]		
Basic & Diluted (₹)	**(47.50)**	**(15.63)**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

30. GRATUITY - DEFINED BENEFIT PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense recognized in employee costs

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Current service cost	76.52	75.62
Interest cost on benefit obligation	121.84	108.17
Expected return on plan assets	(94.68)	(91.31)
Net actuarial (gain) / loss recognized in the year	133.25	(16.07)
Net benefit expense	**236.93**	**76.41**
Actual return on plan assets	93.13	88.44

Balance Sheet

Net Benefit liability / (asset)

	As at 31st March 2015	As at 31st March 2014
Present value of defined benefit obligation	1,606.78	1,430.76
Fair value of plan assets	1,089.51	1,107.70
Plan liability	**517.27**	**323.06**

Changes in the present value of the defined benefit obligation are as follows :

₹ in lacs

	31st March 2015	31st March 2014
Opening defined benefit obligation	1,430.76	1,372.39
Current service cost	76.52	75.62
Interest cost	121.84	108.17
Benefits paid	(154.04)	(106.48)
Actuarial (gains) / losses on obligation	131.70	(18.94)
Closing defined benefit obligation	**1,606.78**	**1,430.76**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

Changes in the fair value of plan assets are as follows :

₹ in lacs

	31st March 2015	31st March 2014
Opening fair value of plan assets	1,107.70	1,044.22
Expected return	94.68	91.31
Contributions by employer	42.72	81.52
Benefits paid	(154.04)	(106.48)
Actuarial gains / (losses)	(1.55)	(2.87)
Closing fair value of plan assets	**1,089.51**	**1,107.70**

The Company expects to contribute ₹ 100.00 lacs (₹ 100.00 lacs) to Gratuity Fund in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	31st March 2015	31st March 2014
Investments with LIC	100%	100%

The principal assumptions are shown below :

₹ in lacs

	31st March 2015	31st March 2014
Discount rate	7.80%	9.00%
Expected rate of return on assets	9.00%	8.85%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	

Amounts for the current and previous four periods are as follows :

₹ in lacs

	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Gratuity					
Defined benefit obligation	1,606.78	1,430.76	1,372.39	1,297.28	1,227.89
Plan assets	1,089.51	1,107.70	1,044.22	1,029.27	1,016.17
Surplus / (deficit)	(517.27)	(323.06)	(328.17)	(268.01)	(211.72)
Experience (gain) / loss adjustments on plan liabilities	4.32	60.51	41.22	(4.83)	63.13
Experience gains / (loss) adjustments on plan assets	(1.55)	(2.87)	(15.63)	12.90	9.43

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company's Subsidiary has no employees and accordingly, the above disclosure does not include any amount in respect of Subsidiary.

Defined Contribution Plan :

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Contribution to Provident / Pension Funds	403.39	381.87
Contribution to Superannuation Fund	3.33	3.06
	406.72	**384.93**

31. LEASES

Operating lease :

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging up to 3 years and are renewable for further year either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

₹ in lacs

	Year Ended 31st March 2015	Year Ended 31st March 2014
Lease payments made for the year *	31.72	28.56
	31.72	**28.56**

* including lease rent for use of agriculture land ₹ 0.79 lacs (₹4.01 lacs).

32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Sugar", "Spirits", "Co-generation" and "Tea" as the operating segments :

Sugar - Consists of manufacture, trading and sale of Sugar, Molasses and Bagasse
Spirits - Consists of manufacture and sale of Industrial Spirits (including Ethanol), Fusel Oil and Bio-Compost
Co-generation - Consists of generation and transmission of Power
Tea - Consist of cultivation, manufacture and sale of tea
Others – Consist of Miscellaneous business comprising of less than 10% revenues.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

32. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	77,977.56	5,890.93	10,069.72	2,272.64	827.85	97,038.70
Less : Inter segment	7,233.25	51.13	4,470.12	-	-	11,754.50
Total revenue from operations (net)	**70,744.31**	**5,839.80**	**5,599.60**	**2,272.64**	**827.85**	**85,284.20**
Results						
Segment results	(7,217.60)	994.96	3,914.38	532.79	13.52	(1,761.95)
Unallocated Income / (Expenses) (net of unallocable expenses / income)						(4.01)
Operating profit						**(1,765.96)**
Finance costs						6,467.27
Profit / (Loss) before tax						**(8,233.23)**
Current Tax						85.76
Deferred tax charge / (credit)						(3,051.62)
Net Profit / (Loss) for the year						**(5,267.37)**

As at 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	69,913.11	6,892.97	15,877.99	1,132.62	20.50	93,837.19
Unallocated assets						13,197.03
Total assets						**1,07,034.22**
Segment liabilities	40,814.91	379.26	49.64	277.67	0.19	41,521.67
Unallocated liabilities						59,907.54
Total liabilities						**1,01,429.21**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	205.23	24.38	21.44	41.33	-	**292.38**
Depreciation & Amortization expense	964.73	246.22	424.43	65.88	4.37	**1,705.63**
Non-cash expenses	2.34	-	-	-	-	**2.34**

32. SEGMENT INFORMATION (CONTD.)

Business Segments

Year ended 31st March 2014

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	68,555.64	9,712.34	7,983.05	2,207.48	973.07	89,431.58
Less : Inter segment	7,493.04	59.10	3,504.88	-	-	11,057.02
Total revenue from operations (net)	**61,062.60**	**9,653.24**	**4,478.17**	**2,207.48**	**973.07**	**78,374.56**
Results						
Segment results	(2,525.14)	3,085.11	2,507.44	712.76	13.87	3,794.04
Unallocated Income / (Expenses) (net of unallocable expenses / income)						(28.63)
Operating profit						**3,765.41**
Finance costs						6,733.53
Profit / (Loss) before tax						**(2,968.12)**
Current Tax						98.80
Deferred tax charge / (credit)						(1,260.08)
Net Profit / (Loss) for the year						**(1,806.84)**

As at 31st March 2014

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	77,797.77	6,193.55	15,369.64	1,173.74	13.32	1,00,548.02
Unallocated assets						9,392.45
Total assets						**1,09,940.47**
Segment liabilities	33,509.93	371.00	92.65	219.07	1.93	34,194.58
Unallocated liabilities						67,625.30
Total liabilities						**1,01,819.88**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	407.75	1,133.50	3,068.60	96.62	2.57	**4,709.04**
Depreciation & Amortization expense	1,579.34	273.37	835.32	52.73	1.21	**2,741.97**
Non-cash expenses	4.32	-	-	-	-	**4.32**

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

33. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists		
Subsidiary Companies *	Cinnatolliah Tea Limited (w.e.f. 19th March 2015)	
	Magadh Sugar & Energy Limited (w.e.f. 19th March 2015)	
	Ganges Securities Limited (w.e.f. 30th March 2015)	
Joint Venture Company *	Avadh Sugar & Energy Limited (w.e.f. 19th March 2015)	
Related parties with whom transactions have taken place during the year		
Key Management Personnel	Mrs. Nandini Nopany	– Chairperson
	Mr. Bal Kishore Malpani	– Wholetime Director
	Mr. Shiv Kumar Maheshwari	– Chief Financial Officer
	Mr. Santosh Kumar Poddar	– Company Secretary
Relatives of Key Management Personnel	Mr. Chandra Shekhar Nopany	– Son of Mrs. Nandini Nopany
	Mrs. Prem Lata Malpani	– Wife of Mr. Bal Kishore Malpani
	Mrs. Jai Shree Maheshwari	– Wife of Mr. Shiv Kumar Maheshwari
	Ms. Kanika Maheshwari	– Daughter of Mr. Shiv Kumar Maheshwari
	Mr. Kartik Maheshwari	– Son of Mr. Shiv Kumar Maheshwari
	Mr. Satya Narayan Maheshwari	– Brother of Mr. Shiv Kumar Maheshwari
	Mr. Anil Kumar Maheshwari	– Brother of Mr. Shiv Kumar Maheshwari
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	The Oudh Sugar Mills Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	
	Hargaon Investment & Trading Company Ltd.	

* Refer Note 1(e)

33. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the reporting year:

a. Sale of Goods ₹ in lacs

	Year ended	Sale of Goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	393.22	-	-
	31st March 2014	388.57	-	-

b. Purchase of Goods ₹ in lacs

	Year ended	Purchase of Goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	197.65	-	-
	31st March 2014	201.53	-	-

c. Sale of Fixed Assets ₹ in lacs

	Year ended	Sale of Fixed Assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	-	-
	31st March 2014	1.89	-	-

d. Purchase of Fixed Assets ₹ in lacs

	Year ended	Purchase of Fixed Assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	-	-
	31st March 2014	7.02	-	-

33. RELATED PARTY TRANSACTIONS (CONTD.)

e. Receivable / Payable outstanding (net)

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
In Subsidiary Companies				
Cinnatolliah Tea Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
Magadh Sugar & Energy Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
Ganges Securities Limited	31st March 2015	-	0.23	-
	31st March 2014	-	-	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31st March 2015	-	0.12	-
	31st March 2014	-	-	-
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
The Oudh Sugar Mills Limited	31st March 2015	-	203.17	-
	31st March 2014	-	-	39.64

* includes ₹ 29.71 lacs and ₹ 173.46 lacs shown in Loans & Advances and Trade Receivables respectively.

f. Loans / Intercorporate deposits and Fixed deposits taken and repayment thereof

₹ in lacs

	Year ended	Loan / Intercorporate deposits taken	Repayments	Interest accrued / paid	Amount owed to related parties
Relatives of Key Management Personnel					
Others	31st March 2015	-	122.34	12.18	9.80
	31st March 2014	14.38	30.62	18.85	132.14
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Ronson Traders Limited	31st March 2015	-	50.00	4.15	25.00
	31st March 2014	-	-	10.50	75.00
Uttam Commercial Limited	31st March 2015	-	-	8.40	60.00
	31st March 2014	-	-	8.40	60.00
Hargaon Investment & Trading Company Ltd.	31st March 2015	-	-	-	-
	31st March 2014	-	1,000.00	0.41	-

33. RELATED PARTY TRANSACTIONS (CONTD.)

g. Director's Sitting Fees

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Key Management Personnel				
Mrs. Nandini Nopany	31st March 2015	0.25	-	-
	31st March 2014	0.08	-	-
Relatives of Key Management Personnel				
Mr. Chandra Shekhar Nopany	31st March 2015	0.45	-	-
	31st March 2014	0.45	-	-

h. Remuneration to Key Managerial Personnel

₹ in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Shiv Kumar Maheshwari	31st March 2015	26.14	-	0.29
	31st March 2014	26.49	-	0.41
Mr. Santosh Kumar Poddar	31st March 2015	33.42	-	-
	31st March 2014	30.59	-	-

The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

i. Investments made

₹ in lacs

	Year ended	Investment during the year	Investment sold during the year	Closing Balance
In Subsidiary Companies				
Cinnatolliah Tea Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Magadh Sugar & Energy Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
Ganges Securities Limited	31st March 2015	5.00	-	5.00
	31st March 2014	-	-	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31st March 2015	2.50	-	2.50
	31st March 2014	-	-	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

34. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 263.25 lacs (₹ 12.08 lacs).

35. CONTINGENT LIABILITIES

₹ in lacs

		31st March 2015	31st March 2014
(a)	Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
	(i) Excise Duty & Service Tax	5,292.11	3,549.67
	(ii) Others	224.98	28.82
	Total	**5,517.09***	**3,578.49**
(b)	Uncalled Capital on partly paid Shares	104.51	104.51
(c)	Bank Guarantees outstanding	550.72	691.09
(d)	Corporate Guarantees given to a bank	3,600.00	-
(e)	Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	**222.50**	-

* Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that it is possible but not probable the action will succeed and accordingly no provision there against is considered necessary.

36. The Government of Uttar Pradesh has announced Subsidy for Sugar Industry for the Sugar Season 2014-2015 linked to average selling price of sugar and its by-products during the period 1st October 2014 to 31st May 2015. The average selling prices of Sugar and the by-products have been significantly lower than the thresholds specified in the subsidy scheme considering the actual and future realisation. In view of this, the Company has estimated and recognised subsidy amounting to ₹ 3,526.54 lacs during the year based on such prevalent prices. The Company is confident of realizing the subsidy in view of the current prices of Sugar and the by-products.

37. The Company's Board of Directors at its meeting held on 13th March 2015 has approved a Composite Scheme of arrangement amongst the Company, The Oudh Sugar Mills Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatolliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited, Avadh Sugar & Energy Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act 2013 to the extent applicable, to restructure and de-link its multiple business in separate new entities w.e.f 1st April 2015 subject to necessary approvals. Accordingly, the Company has incorporated new subsidiaries namely Ganges Securities Limited, Cinnatolliah Tea Limited and Magadh Sugar & Energy Limited and the joint venture entity namely Avadh Sugar & Energy Limited. The Company is in the process of filing the scheme for approval with the concerned authorities.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2015

38. The disclosure of 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 :

Name of the entity in the Consolidated Financial Statements	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount ₹ in lacs	As % of consolidated profit or loss	Amount ₹ in lacs
1	2	3	4	
Parent :				
Upper Ganges Sugar & Industries Limited	50.15%	2,811.03	105.12%	(5,537.13)
Subsidiary :				
Uttar Pradesh Trading Company Limited	49.85%	2,793.98	(5.12)%	269.76
Total	**100.00%**	**5,605.01**	**100.00%**	**(5,267.37)**

39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables

₹ in lacs

		31st March 2015	31st March 2014
(i)	Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	101.09	80.38
(ii)	Interest due on above.	4.74	4.80
	Total of (i) & (ii)	**105.83**	**85.18**
(iii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	1.26	14.62
(iv)	Amount paid to the suppliers beyond the respective due date.	77.20	131.95
(v)	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	7.69	2.11
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting year.	12.43	6.91
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	3.56	-

40. The land ceiling matter under the U.P. Imposition of Ceiling on Land Holdings Act, 1960 / Bihar Land Reforms (Fixation of Ceiling, Area and Acquisition of Surplus Land) Act, 1961 for acquisition of agricultural land by the Government is pending before the appropriate adjudicating authorities.

41. Previous year's figures including those given in brackets have been regrouped/ rearranged wherever necessary.

As per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number : 301003E
Chartered Accountants

per **Kamal Agarwal**
Partner
Membership No.: 58652

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Wholetime Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Place : Kolkata
Date : 12th May 2015

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