Annual Report
2015-16

UPPER GANGES SUGAR & INDUSTRIES LIMITED

Progressing with Optimism

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.

Contents

CORPORATE OVERVIEW

Corporate Information 01

Chairperson's Message 02

STATUTORY REPORTS

Directors' Report 04

Management Discussion and Analysis 10

Report on Corporate Governance 20

FINANCIAL STATEMENTS

Standalone 56

Consolidated 101

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

Corporate Social Responsibility Committee
Mrs. Nandini Nopany – Chairperson
Mr. Sunil Kanoria
Mr. Bal Kishore Malpani

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)
Dr. R N Tripathi – Sr. Executive Vice-President (Sidhwalia)
Mr. Mehtab Singh – Executive President (Hasanpur)
Mr. Shyam Sunder Binani – Executive Vice-President (Tea Garden)

ADVOCATES & SOLICITORS
Khaitan & Co., LLP

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

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 Message

Dear Shareholders,

Following prolonged challenges, India's sugar sector is gradually moving towards a phase of balanced and sustainable growth. Sugar demand is marginally exceeding supply for the first time in five years in India. Such a scenario will bolster realisations and benefit the industry as a whole. Changes in India's sugar industry scenario has a major impact on the world, as India continues to be one of the largest global producers and consumers.

Globally, the production of sugar is expected to touch 169.371 million tonnes in 2015-16, a decline of 1.969 million tonnes or 1.15% from 2014-15. This was primarily due to reductions in Brazil, India, the European Union and Ukraine. During the year, sugar prices fluctuated in the global market owing to multiple factors. The effect of El Nino caused inadequate rainfall; and even there was drought in sugar producing countries such as South Africa, India, Thailand and Australia. Excessive rain in Brazil caused harvest problems and reduced sugar content in cane. A change in Brazilian fuel tax policy caused by increased duty to petrol has stimulated greater demand for cheaper bioethanol for the nation's flex-fuel fleet. This in turn averted the supply from sugar exports and increased the price.

In India, the world's second largest sugar producer, sugar production during the year was 237 lac tonnes, lower by 11 lac tonnes than the previous fiscal. The trend indicates a shorter tail of crushing and lower sugar production this year vis-à-vis the preceding sugar season. The decline in production was primarily driven by a severe drought in the largest sugar-producing state, Maharashtra, which impacted the availability of sugarcane. In Karnataka, weaker monsoons are expected to adversely impact sugar production, while production is expected to marginally increase in Tamil Nadu.

The Government has supported sugar mills by providing interest-free loans to clear cane dues and mandating compulsory exports to tackle the high sugar stocks in the domestic market. Besides, cash subsidy from UP and Bihar governments have positively impacted the industry.

Going forward, we expect further improvement in domestic sugar realisations. It is encouraging to note that sugar demand is likely to be robust as domestic food and beverages sector continues to grow in India

Prices also firmed in India, where the expectation of sizeable exports and a consequential drop in domestic sugar stocks lent support to the market. The current level of sugar pricing is at a balanced position and larger units are expected to do well, going forward.

The prices of by-products such as bagasse and molasses remain remunerative, driven by healthy demand from the consuming sectors such as power, paper and alcohol. Moreover, ethanol is gaining prominence as fuel substitute with a renewed focus on using bio-fuels and green energy to reduce emissions. To encourage the use of bio-fuels in India, the Government has proposed an enhancement of ethanol blending to 10% from the current 5% and fixing more remunerative prices. It is one of the areas which has the potential of improving the fundamentals of the sugar sector if pursued seriously by the Government.

OUR PERFORMANCE

After few years of consistent challenges, the Company finally witnessed improvement during the year. Our sugar segment registered a production of 23.78 lac quintals during the sugar season 2015- 16, as against 23.04 lac quintals during 2014-15. Our revenue from operations (Gross) marginally decreased from 88,618.97 lacs and stood at 87,697.16 lacs. However, the net profit grew to 1,119.27 lacs against a loss of (5,537.13 lacs) the previous year.

We are restructuring our two businesses to bring in fiscal flexibility and facilitate the operational efficiency in order to realign our business whereby businesses of the Company will be housed geographically in separate new entities for its sugar, investment and tea undertakings. The UP unit will be under Avadh Sugar & Energy Limited and Bihar unit will be under Magadh Sugar & Energy Limited. The restructuring process is awaiting regulatory approvals and the entire process is expected to be completed by September-October 2016.

Going forward, we expect further improvement in domestic sugar realisations. It is encouraging to note that sugar demand is likely to be robust as domestic food and beverages sector continues to grow in India. India's rapid economic growth and evolving consumer aspirations and spending patterns will drive the sector's next level of growth.

We believe, the sugar industry will gradually perform better, and we seek the support of state governments in evolving a balanced and transparent cane pricing mechanism and free movement of molasses.

We, as a company, will emphasise on strengthening our internal efficiencies to make the most of the emerging optimism in the sector. I expect the cooperation and support of all our stakeholders to make the journey more rewarding in future.

Warm regards,

Nandini Nopany
Chairperson

Directors' Report

Dear Members,

Your Directors present herewith the 84th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2016.

2. FINANCIAL RESULTS AND APPROPRIATIONS

(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations (Gross)	87,697.16	88,618.97
Profit before Finance Costs, Tax, Depreciation and Amortisation	7,976.30	(333.49)
Less : Depreciation & Amortisation Expenses	1,397.93	1,702.23
Finance Costs	5,579.66	6,467.27
Profit/(Loss) Before Tax	998.71	(8,502.99)
Less : Provision for Tax:		
Current tax (including ₹ 13.38 lacs for earlier years)	55.52	85.76
Deferred tax charge / (credit)	199.75	(3,051.62)
Provision for Income Tax no longer required written back	(375.82)	-
Profit/(Loss) After Tax	1,119.26	(5,537.13)

3. OPERATING PERFORMANCE

In facade of dynamic market conditions wherein the first half being quite subdued in comparison to other half which witnessed upward trend in sugar pricing, your Company has delivered top line growth and performed ahead of underlying sugar season 2015-16, prima-facie due to supply of good quality of sugarcane culminating into higher recoveries and expedited sales. 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"**.

4. FINANCIAL PERFORMANCE 2015-16

The Company had recorded Total Revenue of ₹ 84,109.49 lacs (including other income aggregating to ₹ 379.94 lacs) during the financial year ended 31st March, 2016. The Revenue from Operations (Gross) of the Company for the year 2015-16 stood at ₹ 87,697.16 lacs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹ 7,976.30 lacs representing 9.48% of the total revenue. The increase in PBIDT of the Company during the period under review is mainly attributed to better sugar sales realisation.

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 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 2016 and date of this report.

5. 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.

6. DIVIDEND

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

7. SHARE CAPITAL

During the year there were no changes in either the Equity Share Capital of the Company or the Preference Share Capital of the Company, as the paid up Equity Share Capital as on 31st March 2016 stood at ₹ 1,155.73 lacs and whereas the paid up Preference Share Capital of the Company stood at ₹ 3,000.00 lacs.

8. SCHEME OF ARRANGEMENT

The Board of Directors at its meeting held on March 13, 2015 has consented to the Composite Scheme of Arrangement subject to approval of Shareholders, Lenders, Creditors, Hon'ble High Court, SEBI, CCI and other regulatory authorities, in order to rearrange its business activities, to achieve the Business alignment as per market dynamics and variant capital needs of each business, as well as 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. The Stock Exchange i.e. NSE and BSE, and CSE upon confirmation from SEBI, have issued their observation letters. The CCI has also given their consent to the Scheme. The Company as required has taken steps for approval of the same by filing the Scheme before the Hon'ble High Court at Allahabad. The matter is pending.

9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement read with Regulation 34 of the SEBI (LODR) Regulations 2015 w.e.f. 1.12.2015 the 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.

10. 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.

Mrs. Nandini Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment as Director of the Company. She is proposed to be re-appointed as Director and will be liable to retire by rotation.

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Directors in compliance with the provisions of Section 149 of the Companies Act 2013 read with SEBI (LODR) Regulations, 2015 and the Board is also of the opinion that Independent Directors fulfils all the conditions specified in the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 to making them eligible to act as Independent Director.

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"**.

11. KEY MANAGERIAL PERSONNEL

The following three persons are designated as Key Managerial Personnel of the Company 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 the weblink http://birla-sugar.com/Assets/UpperGanges/Upper-Ganges-Code-of-Conduct.pdf . All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

12. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation of 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. Based on the criteria set by the Nomination and remuneration Committee, the Board at its meeting critically adjudged the performance of the Independent Directors as well as has also 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. Again, a meeting of the Independent Directors is required to be held to evaluate the performance of the Non-Independent Directors. Accordingly, a meeting of Independent Directors was held wherein the performance of the Non-Independent Directors, including the Chairman was evaluated.

13. FAMILIARISATION PROGRAMME

Periodic presentations are made at the Board Meetings, on business, performance updates & business strategy of the Company.

14. 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 a permanent invitee to the meetings. During the year there were no instances where Board has not accepted the recommendation of Audit 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.

15. 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 regulations. The Committee now comprises of Mr. Chandra Shekhar Nopany, Mr. Ishwari Prosad Singh Roy, 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.

16. 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 regulations. The Committee now comprises of Mr. Ishwari Prosad Singh Roy, Mr. Gaurav Swarup, Mr. Padam Kumar Khaitan 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.

17. 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.

18. 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.

19. MEETINGS

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended 31st March 2016, 8 (eight) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the F.Y. 2015-16 have been furnished in the Corporate Governance Report forming a part of this Annual Report.

20. CORPORATE SOCIAL RESPONSIBILITY

The Company continues to spend to support local initiatives to improve infrastructure as well as support in other corporate social responsibilities. The disclosure requirement with respect to CSR spends are not applicable to the Company in view of inadequate profits/losses during the three immediately preceding financial years. The Company

has constituted the Corporate Social Responsibility Committee on 13.05.2016 to comply with the requirements of the Companies Act 2013.

21. 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, 2016, 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, 2016 and of the profit 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.

22. RISK MANAGEMENT

In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. A Risk Management Committee has already been in place to oversee the risk management process in the Company. The committee has reviewed the major risks which effect the Company from both the external and the internal environment perspective. Appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor the risks on a regular basis.

23. INTERNAL FINANCIAL CONTROLS

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements / information, safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on the review of these reported evaluations, the Directors confirm that, for the preparation of financial accounts for the financial year ended March 31, 2016, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

24. WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink http://birla-sugar.com/Assets/UpperGanges/Upper-Ganges-Whistle-Blower-Policy-2507.pdf.

25. HUMAN RESOURCES

The Company continued to create a productive, learning and caring environment by implementing robust and comprehensive HR processes, fair transparent performance evaluation and taking new initiatives to further align its Human Resource policies to meet the growing needs of its business.

26. 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 clarifications/ explanation. However, the Statutory Auditors have commented regarding carrying Deferred Tax Asset (DTA) (net) of ₹ 7,017.61 lacs (after reversal of ₹ 199.75 lacs during the year) up to March 31, 2016. The Company has not recognised any further DTA during the current financial year as a matter of prudence. Further, the Company has earned profits during the current year consequent to improved realisation and sugar yields. In view of above, the management is certain that the Company would 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. Som Nath Mukherjee, Cost Accountant, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2016-17. 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 2015-16. The Secretarial Audit Report is annexed herewith as **Annexure "F"** and which is self explanatory.

27. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has following wholly owned subsidiaries and one joint venture company as per detail given below:

i. Uttar Pradesh Trading Company Limited
ii. Ganges Securities Limited
iii. Cinnatolliah Tea Limited
iv. Magadh Sugar & Energy Limited
v. Avadh Sugar & Energy Limited- A Joint Venture Company

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 the weblink 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.

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 the weblink http://www.birla-sugar.com/Assets/UpperGanges/Upper_-_Policy_to_determin_Material_Subsidiary.pdf.

28. CONSOLIDATED FINANCIAL STATEMENTS

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.

29. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such there are no outstanding

fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

30. 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 12th September, 2015 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.

31. 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 not made any investment in securities of other body corporate. The details of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Standalone Financial Statements.

32. 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. However, the Directors draw attention of the members to Note 33 to the standalone financial statement which sets out related party disclosures.

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.

33. CONSERVATION OF ENERGY, 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"**.

34. 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 a separate **"Annexure I"** and forms an integral part of this Report.

35. 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"**.

35. 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 under Reg 17(8) of the SEBI (LODR) Regulations, 2015.

36. 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 13th May, 2016

Nandini Nopany
Chairperson

Annexure A

Management Discussion and Analysis

GLOBAL ECONOMY

The global economy stumbled in 2015-16, in the midst of weak cumulative demand, falling commodity prices and increasing financial market volatility in major economies. Average global inflation continued to drop amid persistently subdued economic activity, modest wage growth and lower commodity prices. All these factors weighed on consumer and business sentiment at a time when household consumption, industrial production and demand for exports have already shown signs of easing.

China's slowdown also slashed trade and investment in many countries and prompted broader concerns about growth prospects in advanced economies. According to International Monetary Fund (IMF) going forward some of the factors which should be taken into consideration to make economies more efficient include more government stimulus, especially through spending on infrastructure; more extensive monetary policy from central banks; and structural reforms, such as changes in labour and competition policies.

GLOBAL GROWTH

(%)

			Projections	
Particulars	**2014**	**2015**	**2016**	**2017**
World Output	3.4	3.1	3.2	3.5
Advanced Economies	1.8	1.9	1.9	2.0
United States	2.4	2.4	2.4	2.5
Euro Area	0.9	1.6	1.5	1.6
Japan	0.0	0.5	0.5	(0.1)
United Kingdom	2.9	2.2	1.9	2.2
Other Advanced Economies *	2.8	2.0	2.1	2.4
Emerging and Developing Economies	4.6	4.0	4.1	4.6
China	7.3	6.9	6.5	6.2

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

Source: International Monetary Fund (IMF)

INDIAN ECONOMY

India remained one of the fastest growing major economies in the world in 2015-16 and was acknowledged in a bright spot in the global economic development by both, the World Bank and the IMF. The Indian economy drew substantial comfort from prevailing favourable macro conditions in terms of decline in inflation, increase in foreign capital inflows, fairly stable currency, narrowing trade deficit and current account deficit, lower interest rate regime and growth supportive government policies and initiatives.

Inflationary pressures for the country receded during the year. Both CPI and WPI inflation have been at comfort levels and within the target set by the monetary experts. Wholesale Price Index (WPI) contracted for 16th straight month as February 2016 WPI came in at -0.91% y-o-y vs -0.9% y-o-y in January 2016 as inflation in food articles declined in tandem with CPI data. India's trade deficit has seen noteworthy improvement in 2015-16 with decline in both imports and exports. It came in at a 30 month low (to $6.5 billion) in February 2016. Indian economy demonstrated a lot of resilience in maintaining growth during a time of subsiding global demand, falling commodity prices and weakening growth in emerging economies.

ECONOMIC FUNDAMENTALS

Particulars	**2014-15 (actuals)**	**2015-16 (estimated)**
GDP Growth	7.20%	7.60%
Inflation	5.90%	4.90%
Fiscal Deficit	4.00%	3.90%
Current Account Deficit	1.30%	1.40%
Forex Reserves	$3.41.6 billion	$349.6 billion
Industrial Growth	2.80%	3.10%

Source: Economic Survey 2015-16

INDUSTRY STRUCTURE AND DEVELOPMENT

Global Sugar Industry

According to International Sugar Organization (ISO), the world sugar economy is expected to enter a deficit phase in 2015-16 of 3.527 million tonnes as compared to a surplus of 1.3 million tonnes in 2014-15. This is mainly due to downgrading of production projections for India, the EU and Ukraine which is partially compensated by developed prospects for sugar output in Australia, Russia and Thailand.

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
- More than 100 countries around the world rely on sugar from Brazil with key export markets that include the Russian Federation, India, Iran and the United Arab Emirates
- Brazil and India are the largest sugar producers from sugarcane and EU and US are the major sugar producers from beet

World Sugar Balance

(mln tonnes, tel quel)

	2015/16	2014/15	Change in min tonnes in %	
Production	169.371	171.340	(1.969)	(1.15)
Consumption	172.898	169.160	3.738	2.21
Surplus/Deficit	(3.527)	2.180		
Import demand	57.010	55.484	1.526	2.75
Export availability	57.049	55.530	1.519	2.74
End Stocks	81.788	85.354	(3.566)	(4.18)
Stocks/Consumption ratio in %	47.30	50.46		

Source: International Sugar Organisation

Global sugar demand and supply

World output is predicted to decline by 1.969 million tonnes in 2015-16 or 1.15% from 2014-15. The world market continued to be effected by the unforeseen changes caused by uncertainties as to how weather, political and currency factors will affect supply and demand. On the supply side, the beet harvest has reached its peak in the Northern hemisphere.

(Source: International Sugar Organisation)

PRODUCTION

According to International Sugar Organization (ISO), the world production is expected to reach 169.371 million tonnes in 2015-16, a decrease of 1.969 million tonnes from 2014-15. This is mainly due to reductions in Brazil, India, the European Union, and Ukraine.

Main Production Falls and Rises in 2015-16

Falls	Changes from 2014-15 in million tonnes	Rises	Changes from 2014-15 in million tonnes
EU	(3.079)	Brazil	+1.805
India	(1.200)		
Ukraine	(0.800)		

Source: International Sugar Organisation

REGIONAL PLAY

Brazil's production is forecast to be unchanged at 35.59 million tonnes, up 965,000 tonnes or 2.45% from the previous season as a higher percentage of sugarcane is converted to ethanol. Higher demand in the domestic market is due to the increase of the assigned ethanol blend in gasoline from 25% to 27% and the increase in federal and state taxes for gasoline. Additionally, the state of Minas Gerais, where there is a large fleet of flex-fuel vehicles, has lowered its ethanol tax. Sugar consumption is lower as the economic recession has reduced sales of processed food items. Exports are projected down 200,000 tons to 23.8 million on lower exportable supplies.

Thailand's production is predicted to be flat at 10.8 million tonnes as increased area is counterbalanced by a drought-induced yield decrease, with the same amount of cane diverted to ethanol production as last year. Exports are forecast to jump to a record 8.8 million tonnes as stocks are drawn down to meet high demand from fast growing markets such as China and Sudan.

CONSUMPTION

Global consumption is expected to continue rising and reach an estimated 172.898 million tonnes (including a 3.294 million tonnes adjustment for unknown trade). The anticipated growth rate of 2.21% is generally in line with the previous season (2.28%) and the 5-year average (2.15%). Sugar consumption in the long-run is mostly driven by per capita income and population growth.

Geographical Distribution of World Sugar Consumption

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Total consumption (in 1,000 tonnes, tel quel)						
Western and Central Europe	19,134	18,913	18,139	18,678	18.951	18,348
Eastern Europe and as	10,349	10,210	10,119	10,280	10.261	10,298
North America	15,715	15,545	15.679	15,510	15.051	14,843
Central America	3,553	3,476	3.389	3,298	3.216	3,152

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
South America	20,172	20,024	19.852	19,601	19.369	19,440
Middle East and North Africa	18,536	17,967	17.384	17,649	17.041	15,947
Far East and Oceania	38,207	37,137	36,036	34,848	33.593	32,150
Indian Subcontinent	33,698	32,640	31,576	30,031	29.527	27,488
Equatorial and Southern Africa	10,241	9,955	9,324	9,532	8.545	8,245
WORLD	**172,898**	**169,160**	**105,391**	**164,384**	**158,034**	**153,254**
						5-year average
Annual growth rate in%						
Western and Central Europe	1.17	0.93	0.33	(1.44)	3.29	0.54
Eastern Europe and CIS	1 .36	0.90	(1.57)	0.19	(0.36)	0.02
North America	1.09	0.85	1.09	3.05	1.40	0.66
Central America	2.22	2.57	2.76	2.55	2.03	2.01
South America	0.74	0.87	1.28	1.20	(0.37)	1.12
Middle East and North Africa	3.17	3.35	(1.50)	3.57	6.86	2.34
Far East and Oceania	2.88	3.06	3.41	3.74	4.49	2.92
Indian Subcontinent	3.24	3.37	5.14	1.71	7.42	3.04
Equatorial and Southern Africa	2.87	6.77	(2.18)	11.55	3.64	4.68
WORLD	**2.21**	**2.28**	**0.61**	**4.02**	**3.12**	**2.15**

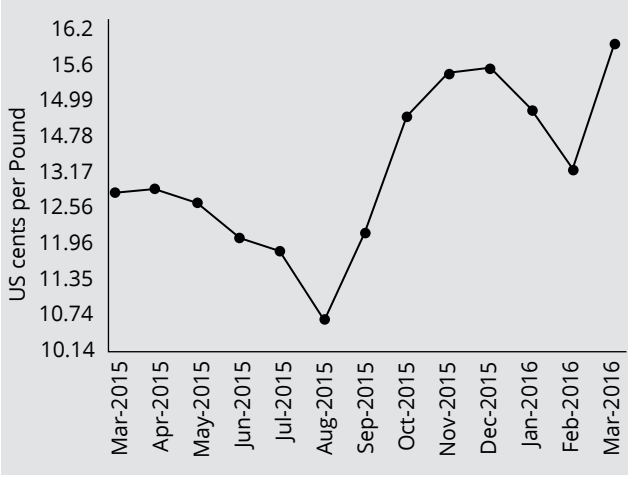
Source: International Sugar Organisation

EXIM of sugar

Both export availability and import demand are expected to grow in 2015-16 as compared to 2014-15. Exports may increase as against the level achieved in the previous season on account of higher production in exporting countries as well as releases of stocks. Exporters' production is projected to grow by 1.763 million tonnes, while their consumption increase is put at 1.672 million tonnes. Consumption in importing countries is expected to grow by 2.087 million tonnes at 57.010 million tonnes as compared to 55.484 million tonnes in the previous season. China is expected to remain the world's largest sugar importer with 4.575 million tonnes of sugar expected to enter the country in 2015-16.

World sugar prices

During the year the sugar prices fluctuated in the global market. This was on account of several factors: (i) World consumption exceeded production for the first time in six years which might start to erode the high level of global stocks, (ii) the effect of the El Nino event caused lower rainfall and even drought in sugar producing countries such as South Africa, India, Thailand and Australia. Excessive rain in Brazil caused harvest problems and reduced sugar content in the cane. (iii) A change in Brazilian fuel tax policy caused by increased duty to petrol has stimulated increased demand for cheaper bio ethanol (originating from sugar) for the nation's flex-fuel fleet. This in turn averted supply from sugar exports and increased the price.



Source: http://www.indexmundi.com commodities/?commodity=sugar&months=12

INDIAN SUGAR INDUSTRY

India is the second largest producer of sugar in the world, producing around 28 million tons of white plantation sugar per annum. Called the 'growth engine' of the rural economy, the sugar industry is ranked as the second largest agro processing industry in the country. 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 compared to 366 sugar mills which were working on March 31, 2015, 215 sugar mills continue to crush sugarcane in the current season as on March 31, 2016.

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

As per Indian Sugar Mills Association (ISMA) India's sugar production as on March 31, 2016 was 237 lac tonnes, lower by 11 lac tonnes a year ago. The trend indicates a shorter tail of crushing and sugar production this year, as compared to last sugar season. The decline in production is mainly driven by severe drought in the largest sugar producing state, Maharashtra, which impacted sugar cane availability.

Consumption

Indian sugar consumption in 2015-16 is forecast to be at 25 MMT. The input from the states showed that yields in Maharashtra and Karnataka could be impacted due to long dry spells in the sugarcane growing belts.

Export

India's sugar industry exported more than 1 million tonnes of low-quality whites between October 2015 and March 2016, below the target of 3.2 million tonnes.

REGIONAL PLAY IN INDIA

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

Maharashtra

Sugar mills have produced 82 lac tons of sugar as against 93.6tons produced during the corresponding period last year. As on March 31, 2016, 58 sugar mills were under operation as compared to 135 sugar mills in 204-15.Most of these sugar mills are operating in Kolhapur, Pune and Sangli Districts which are the main cane belt area and were not so badly affected due to less water availability. Due to drought like conditions, the average recovery in Maharashtra is reported to be slightly lower than last year.

Uttar Pradesh

Sugar mills of Uttar Pradesh produced 65.70 lac tons of sugar up to March 31, 2016 which was 63.4 lac tons at the corresponding period last season. As against 76 sugar mills operating last year at this time, 48sugar mills are crushing sugarcane now. Due to good weather conditions in the State and substantial improvement in cane varieties and their acreage in the State, the average sugar recovery being reported from U.P. is significantly higher than last year by around 1%.

Karnataka

Sugar production in Karnataka till March 31, 2016 was 40.16 lac tons, as against 42.47 lac tons produced last season on the corresponding period. Of the 51 sugar mills which crushed during 2014-15,15 are working as of now.

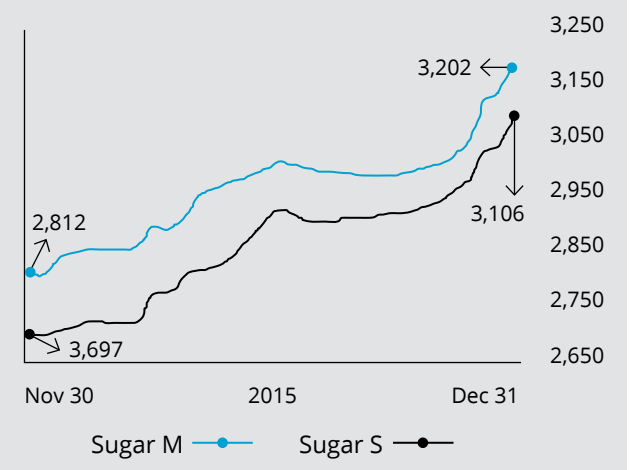
Tamil Nadu

In Tamil Nadu, sugar mills have produced 8 lac tons of sugar till March 31, 2016 as compared to 7.53 lac tons produced last year. Almost same number of sugar mills is still crushing sugarcane in Tamil Nadu at the end of March i.e. against 38 sugar mills last year; there are 39 sugar mills under operation currently.

Sugar Price

Domestic sugar prices continued to be influence by both the domestic and international markets. An aggressive sugar export strategy, with declining domestic production continued to mount pressure on domestic prices. Other factors include weather pattern like weak monsoon rains, El Nino phenomenon or excessive dryness, which hamper the sugar production and its crushing. The demand from the top sugar importing countries likes the US, Germany, UK and China are also important factors that affected prices.

SWEET DEAL (₹/quintal)



Source: Sugar Associations, Bloomberg Compiled by BS Research Bureau

SCOT Analysis of Indian Sugar Industry

Strengths

- The Indian sugar industry is the second largest producer of sugar in the world after Brazil. The sector has made the country self-reliant in what is a highly sensitive, commoditised, mass consumption market.
- The Indian sugar industry is a source of livelihood for more than 50 million people – directly and indirectly.
- The Indian sugar industry also supports downstream industries by providing key raw materials like molasses and bagasse.
- This sector has been the focal point of socioeconomic development of the rural India especially in parts of Uttar Pradesh, Maharashtra and Karnataka.

Challenges

- Questionable governmental policies that regulate the input prices have resulted in mills incurring enormous losses.
- Most of the sugar factories are more than 40 years old and still reliant on outdated technology – leading to lowered installed production capacities, lower efficiencies and increased losses.

Opportunities

- High value by products for downstream industries like distilleries and power.
- Huge potential to increase the productivity of cane and sugar recovery rate.
- Advanced technology available to enhance by product utilisation.

Threats

- Sugar sector is vulnerable to political interests.
- Lack of ground water availability for irrigation purposes.
- Quality of soil deteriorates due to overuse of fertilisers and pesticides to increase yield.
- Unhealthy competition between members of the society.

Government Initiative

On November 18, 2015, the Government of India's (GOI) Cabinet Committee on Economic Affairs (CCEA) approved a sugarcane production subsidy of ₹ 4.50 per quintal for sugarcane crushed during MY 2015/16 (October-September). This will ensure timely payment to farmers by mills and reduce their cost of procurement. The production subsidy will be provided to farmers on behalf of the sugar millers which are indebted to cane farmers for old crop sales. Qualifying sugar millers must have exported at least 80% of the indicative sugar export quota, and achieved 80% of respective targets of ethanol production.

In order to further reduce these arrears and support cane growers, the government has taken out a World Trade Organization compliant scheme in which production subsidy will be given to offset the cost of cane.

Outlook

The outlook for the sugar industry remains grim. The long-term prices and profitability of Indian sugar companies will remain highly cyclical and reliant on domestic and international supply-demand trends. It would also hinge on agro-climatic conditions in the major sugar producing countries and the trends in crude oil prices. Further, government/court action in ensuring removal of mandatory crushing by sugar mills for the entire cane offered to them by farmers in the command area and a rational linkage between cane and sugar prices will have a critical bearing on the long-term viability of sugar operations.

Over the medium term, international sugar prices will be largely determined by fluctuations in world sugar production as well as crude oil prices, which determine the raw sugar-ethanol blend in major exporting countries like Brazil. Going ahead lower sugar prices will increase consumption, but on the supply side, farmers are likely to shift to other crops, which in turn would reduce the sugar output, leading to a supply correction.

Within the sugar industry however, players with high operating competences, forward integration and strong capital structure will be best placed to ride out the cycles. The support extended by the Central government and some State governments during the year to support sugar companies by way of export subsidy, renewed emphasis on EBP, and the linking of cane prices to sugar prices (in some States like UP) is appreciated. Going forward, there is need for balanced policy approach on sugarcane pricing and effective addressal of the surplus stock before situation is out of control leading to irreparable damages.

UPPER GANGES SUGAR & INDUSTRIES LIMITED

Business segment review

Sugar

Production

Sugar segment registered a production of 23.78 lac quintals during the sugar season 2015-16, as against 23.04 lac quintals during 2014-15.

Crushing

At Upper Ganges, we crushed 220.29 lac quintals of sugarcane during the sugar season 2015-16, compared to 233.81 lac quintals in 2014-15.

Recovery

This season the Company witnessed good recovery of sugar from the cane crushed due to availability of better yield of sugarcane. The average recovery during the period was 10.78 as against the 9.88 of previous period.

Sugar realisations

The realisations per Qtl. (net of excise) of free sugar decreased to ₹ 2674.98 in 2015-16 from ₹ 2937.57 in 2014-15, thus registering a decrease of 8.94 %.

Comparative operational figures

	SS 2015-16			Total	
	Seohara	Sidhwalia	Hasanpur	SS 2015-16	SS 2014-15
Installed capacity (TCD)	10,000	5,000	5,000	20,000	20,000
Sugar crushed (lac quintals)	143.32	45.84	31.13	220.29	233.81
Recovery (%)	11.36	9.37	10.18	10.78	9.88
Sugar produced (lac quintals)	16.29	4.30	3.19	23.78	23.04
Crushing days (Gross)	147	91	95		

ETHANOL INDUSTRY STRUCTURE AND DEVELOPMENT

Global Scenario

World fuel ethanol production is estimated to increase by only 0.4% to reach 97.0 bln litres in 2016. Global fuel ethanol trade is forecast to contract in 2016 to reach 4.3 bln litres. The US will continue to dominate world fuel ethanol exports with ample domestic supplies and competitive prices.

Table D4: World Fuel Ethanol Trade (mln litres)

Country	2011	2012	2013	2014	2015	2016f
Imports						
United States	533	1,853	1,159	274	250	200
Brazil	1,150	546	132	452	510	500
Canada	926	1,005	1,067	1,360	1,400	1,400
EU	1,300	750	400	50	50	50
Philippines	216	248	297	339	350	330
Other	1,152	1,623	1,800	1,730	1,800	1,800
Total	**5,277**	**6,025**	**4,855**	**4,205**	**4,360**	**4,280**
Exports						
Brazil	992	2,742	2,044	836	950	900
EU	50	45	10	110	95	90
United States	4,075	2,807	2,353	3,207	3,500	3,000
Other	350	400	300	150	200	250
Total	**5,467**	**5,994**	**4,707**	**4,303**	**4,745**	**4,240**

Source: ISO Ethanol Yearbook 2015; ISO forecasts

Production of ethanol

US production is anticipated to fall from 55.4 bln litres to 54.5 bln litres, whereas in Brazil output is expected to rise by 2.5% to 27.5 bln litres. EU production is set to consolidate at around 5.1 bln litres. At the same time several smaller scale producers such as Argentina, India, Philippines and Thailand will likely post gains.

Consumption

Global fuel ethanol consumption is expected to rise from 96.4 bln litres in 2015 to a record 97.2 bln litres in 2016 – an increase of 0.8%. Demand for ethanol will remain high in Brazil but growth will be much lower than seen in 2015, rising by less than 1% to 28.1 bln litres. At the same time

no growth is presently anticipated in the world's biggest consumer, the US, with off take remaining at around 52 bln litres, approximating the E10 blend wall. In the EU, consumption is slated to consolidate at around 5.2 bln litres. Despite the ongoing low oil price environment gains in consumption are expected in several smaller consumers such as Argentina, Colombia, India, Japan Philippines and Thailand.

Indian scenario

Ethanol is slated to gain in prominence as global awareness and climate regulations on greenhouse emissions mandate a shift to clean bio-fuels and environment friendly gasoline substitutes. According to the report published by Global Agriculture Information Network, India's ethanol program is based on producing ethanol from sugar molasses, a by-product of the sugar industry and not directly from sugarcane or corn as in most other countries. This is mainly done in the interest of food security. In order to encourage the use of bio-fuel, the Government also proposed an enhancement of the ethanol blending to 10% from the current 5% and fixing more remunerative prices.It is one of the areas which has the potential of improving the fundamentals of the sugar sector if pursued seriously by the Government.

A revived fuel ethanol blending program should ensure higher output next year. Production is expected to increase from 650 million litres to 850 million litres. In August the government announced that it would impose an E10 mandate from the current sugar cycle which started in October 2015. This mandate would require the use of 2.3 billion litres of fuel ethanol annually and a significant expansion in distilling capacity by the sugar industry. The government believes that the feedstock base for ethanol production should be expanded from final C- to B-molasses. Such a move would help reduce sugar production.

UPPER GANGES SUGAR & INDUSTRIES LIMITED: ETHANOL DIVISION

Our ethanol operational snapshot

Particulars	2014-15	2015-16
Ethanol produced (lac litres)	262.55	184.60
No of days worked	270	204

Our ethanol operational snapshot

Particulars	2014-15	2015-16
Distillery capacity (KLPD)	100	100
Distillery capacity utilisation (%)	87.52	61.53
Average recovery (litres per quintal) in percentage	23.30	23.83

COGENERATION INDUSTRY

Sugar industry has been traditionally practicing cogeneration by using bagasse as a fuel. With the advancement in the technology for generation and utilisation of steam at high temperature and pressure, sugar industry can produce electricity and steam for their own requirements. It can also produce significant surplus electricity for sale to the grid using bagasse. Over 200 of the 600 sugar mills have cogeneration plants with an installed exportable capacity of over 3500 megawatts. A clear national regulation on cogeneration should be in place as this is considered as a non-conventional source of power and the industry should be paid higher than what it is being paid for per unit of power sold to state grid.

As of September, India remained well behind its target to add 400 MW of bio-power (including biomass power & gasification and bagasse-based cogeneration) to the national grid in 2015/16. In fact, no new projects have come online so far in the current fiscal year (April/March), leaving installed capacity stagnant at 4,419 MW, according to the Ministry of New and Renewable Energy. In the state of Uttar Pradesh, the Electricity Regulatory Commission (UPERC) has been advocating the idea of making co-generation of power mandatory for all future sugar mills. There are 115 sugar mills in Uttar Pradesh. In Maharashtra state, the cabinet has recently sanctioned a plan to construct 27 transmission links for a capacity of 2,570 MW of renewable energy. This is part of a countrywide initiative to set up new power lines across India.

Source: International Sugar Organisation

What is co-generation?

Cogeneration *(Combined Heat and Power or CHP)* is the simultaneous production of electricity and heat, both of which are used. The most important principle of cogeneration is that, in order to make the most of the many benefits that arise from it, systems should be based on the heat demand of the application.

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 ₹ 4.50 crore per MW is needed to start a cogeneration plant in a cooperative factory.

UPPER GANGES SUGAR & INDUSTRIES LIMITED: COGENERATION DIVISION

Our ethanol operational snapshot

	2015-16	2014-15
Generation of power (lac units)	1564.49	1,638.39
Sales of power to state grid (lac units)	1011.09	1,121.24

Our ethanol operational snapshot

	2015-16		Total		
	Seohara	Sidhwalia	Hasanpur	2015-16	2014-15
Capacity (MW)	24	18	10	52	52
Power generated (in lac units)	835.39	528.46	200.64	1564.49	1,638.39
Power supplied to state grid (in lac units)	512.71	407.04	91.34	1011.09	1,121.24

INDIA'S TEA INDUSTRY

India is one of the largest tea producers in the world as well as one of the largest consumer as well with over 70% of the tea produced in India gets consumed in India itself. There are 3 prominent tea growing regions in India i.e. Darjeeling, Assam and Nilgiri. While Darjeeling and Assam are located in the Northeast regions, Nilgiri is a part of the southern region of the country. The wide range of tea available in India is unparalleled.

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 in India rose 5% to 17.02 million kg in February 2016 from a year earlier as plucking gained in southern states. Production in south India jumped 5.75% to 14.75 million kg from a year ago.

State wise and month wise production data for the year 2015 -16 (E) Qty.in M.Kgs

State/Month	April	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	Apr to Feb
Assam Valley	32.16	55.34	57.49	84.68	84.27	85.06	85.69	51.84	19.94	0.69	0.47	557.63
Cachar	2.37	4.26	5.22	6.22	6.56	5.93	6.89	4.89	2.44	0.18	0.08	45.04
Assam	34.53	59.6	62.71	90.90	90.83	90.99	92.58	56.73	22.38	0.87	0.55	602.67
Dooars	9.01	18.27	18.94	23.99	24.66	22.92	26.32	17.99	9.58	0.75	1.12	173.55
Terai	6.38	13.63	15.33	18.21	17.50	15.29	16.50	12.84	8.25	1.57	0.54	126.04
Darjeeling	1.22	0.95	0.85	1.44	1.48	1.03	0.95	0.46	0.11	0.00	0.01	8.50
West Bengal	16.61	32.85	35.12	43.64	43.64	39.24	43.77	31.29	17.94	2.32	1.67	308.09
Others	2.03	2.78	3.1	3.53	3.42	3.28	3.24	2.36	1.04	0.12	0.05	24.95
North India	53.17	95.23	100.93	138.07	137.89	133.51	139.59	90.38	41.36	3.31	2.27	935.71
Tamil Nadu	17.77	18.14	17.32	14.07	12.21	13.60	14.83	12.31	10.43	9.34	10.40	150.42
Kerala	6.52	7.27	6.70	4.10	4.63	4.35	3.05	3.49	3.69	4.78	3.99	52.57
Karnataka	0.60	0.69	0.76	0.40	0.42	0.56	0.59	0.70	0.47	0.44	0.36	5.99
South India	24.89	26.10	24.78	18.57	17.26	18.51	18.47	16.50	14.59	14.56	14.75	208.98
All India	78.06	121.33	125.71	156.64	155.15	152.02	158.06	106.88	55.95	17.87	17.02	1144.69

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

Export
According to Tea Board of India, Tea exports have registered a 7.25% increase quantitatively and 4.2% increase in terms of value during 2015-16 (April-October) as compared to the corresponding period last year.

The provisional tea exports data released by Tea Board of India has pegged tea exports at 202.81 million kgs valued at ₹ 3884.74 crore during 2015-16 (April-February), while the export during the corresponding period last year was 180.84 million kgs valued at ₹ 3,508.38 crore. Increase of tea exports has been seen in major tea-importing countries like Russia, United Kingdom, Netherlands, Germany, Poland, UAE, Iran, Bangladesh and Pakistan.

Region wise provisional tea exports during 2015 16

Qty in M.Kgs. Value in ₹ Crs., Unit price ₹/Kg.

Period	North India			South India			All India		
						Unit			
	Qty	Value	Unit Price	Qty	Value	Price	Qty	Value	Unit Price
2015-16 (Apr-Feb)~	116,57	2712.36	232,68	86.24	1172.38	135,94	202.81	3884,74	191.55
2014-15 (Apr-Feb)	101.30	2423.23	239,21	79.54	1085.15	136.43	180.84	3508,38	194,00
Incr/Decr in %	15.07	11.93	(2.73)	8.42	8.04	-0.36	12.15	10.73	(1.27)

(*) Provisional. subject to revision.

Road ahead for the tea industry
The outlook for tea is mixed with increased production in most producing countries accompanied by strong consumption growth in developing countries. There is a continual shift of consumers towards health, wellness and convenience segments. 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 among 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.

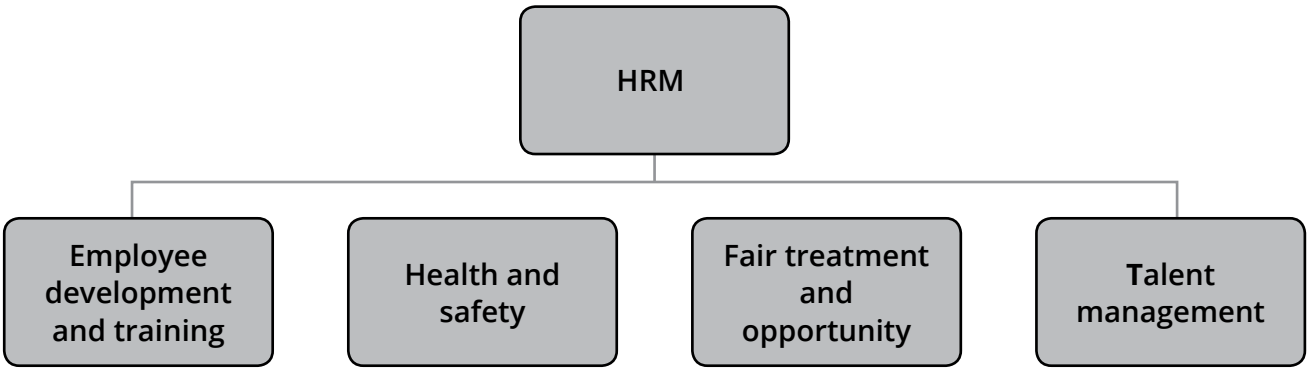
Coffee acting as a strong substitute to tea
Coffee is emerging as a near perfect substitute and is posing a huge challenge to tea consumption.

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 2015-16 is 55 and non-management staff is 1,727.

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 a renowned 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 / SEBI (LODR) Regulations, 2015 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 / SEBI (LODR) Regulations, 2015 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 Regulation 17 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015. 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/ Regulation 34 of SEBI (LODR) Regulations, 2015. 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 Sec 149(7) of the Companies Act, 2013. 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.

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 eight Board Meetings were held on 12th May, 2015, 4th August, 2015, 21st September, 2015, 6th November, 2015, 10th December, 2015, 31st December, 2015, 2nd February, 2016 and 26th February, 2016 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per clause 26(1)(b) of SEBI (LODR), Regulations, 2015 held by them during the year 2015-16 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	6	No	6	-	1	8,11,090
Mr. Chandra Shekhar Nopany (DIN – 00014587)	NED	7	No	8	2	-	39,600
Mr. Gaurav Swarup (DIN- 00374298)	I/NED	7	No	7	1	3	NIL
Mr. Sunil Kanoria (DIN – 00421564)	I/NED	1	No	4	1	4	NIL
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	I/NED	7	Yes	1	-	-	NIL
Mr. Padam Kumar Khaitan (DIN – 00019700)	I/NED	5	No	8	2	1	NIL
Mr. Pradeep Kumar Singhi (DIN – 00067296)	I/NED	6	No	3	2	1	NIL
Mr. Bal Kishore Malpani (DIN – 00209006)	WTD	-	Yes	-	-	-	750

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

Note: The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.

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. As per the provisions of Sec 149 of the Companies Act, 2013, the independent Directors are not liable to retire by rotation. Accordingly, Mrs. Nandini Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mrs. Nandini 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 and is in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015 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. Modified Opinion(s) 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. Valuation of undertakings or assets of the Company, wherever it is necessary;

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

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

13. 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;

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

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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

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

19. 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;

20. 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.

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

iii) Composition and Meetings

The Audit Committee as on 31st March, 2016 comprises of three members out of which two are Independent Non-Executive Directors viz. Mr. Pradeep Kumar Singhi, Mr. Ishwari Prosad Singh Roy and Mr. Bal Kishore Malpani, Whole-time Director.

The Company Secretary, acts as the Secretary of the Committee and the Chief Financial Officer is a permanent invitee to the meetings. The meetings are also attended to by the representatives of Statutory Auditors and the outside Internal Auditors to answer and clarify the queries raised at the Meetings.

During the period the Committee met six times on 12th May, 2015, 4th August, 2015, 3rd November, 2015, 20th November, 2015, 31st December, 2015 and 2nd February, 2016.

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	6
Mr. Pradeep Kumar Singhi	Member	6
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 12th September, 2015.

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 line with the provisions of Clause 49 of the Listing Agreement/Regulation 20 of SEBI (LODR) Regulations, 2015. 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".

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, 2016 is as follows:

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

The Company Secretary, also functions as the Compliance Officer for complying with the requirements of the Listing Agreement/Listing Regulations with the Stock Exchanges.

Four meetings of the Committee were held during the period under review on 23rd April, 2015, 20th July, 2015, 28th October, 2015 and 20th January, 2016. 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 received 1 (one) complaint/grievance from the shareholders which were duly attended. The average period in which grievances are addressed is 7 days from the date of receipt of letters/complaints. There were no share transfer applications pending for registration as on 31st March, 2016.

5. NOMINATION AND REMUNERATION COMMITTEE (CONSTITUTED ON 30.07.2002)

i) Objectives:

The Committee was formed by the Board as Remuneration Committee on 30th July, 2002, specifically to look into remuneration of Directors etc. in line with the requirement of Companies Act, 1956 and Listing Agreement.

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 13th May, 2014, the Remuneration Committee was renamed as the Nomination and Remuneration Committee.

- 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.

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 once on 12th May, 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	1
Mr. Gaurav Swarup	Member	1
Mr. Padam Kumar Khaitan	Member	1
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 as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is attached as Annexure to the Directors' Report and is also available at the weblink http://www.birla-sugar.com/Upper-Ganges-Shareholders-Info---/Upper-Ganges-Code-and-Policies.

v) Remuneration of Directors

Details of remuneration paid to the Directors for the financial year 2015-16:

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 detail of sitting fees paid during the financial year 2015-16 is as follows:

Sl. No.	Name of the Director/ Institution	Amount (₹)
1.	Mrs. Nandini Nopany	40,000
2.	Mr. Chandra Shekhar Nopany	52,500
3.	Mr. Gaurav Swarup	45,000
4.	Mr. Sunil Kanoria	5,000
5.	Mr. Ishwari Prosad Singh Roy	62,500
6.	Mr. Padam Kumar Khaitan	40,000
7.	Mr. Pradeep Kumar Singhi	45,000

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:

- 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 Mr. Gaurav Swarup, an Independent Director as its Chairman and Mr. Sunil Kanoria, Independent Director as its member. The Company Secretary acts as Secretary to the Committee.

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2016, 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.

The management has familiarised the Independent Directors about the Company viz. (a) Nature of the Industry (b) business model in which the Company operates, (c) role, rights and responsibilities of Directors, (d) regulatory updates from time to time

8. PERFORMANCE EVALUATION

In pursuance of the provisions of the Companies Act, 2013 and According to Regulation of 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalised the proformas / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairperson of the Company was carried out for the Financial Year 2015-16. Nomination and Remuneration Committee evaluated the performance of each Director. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The Chairperson of Nomination and Remuneration Committee has submitted report of the respective evaluations to the Chairperson of the Company. Based on the questionnaires received from the Directors and considering the reports of Chairperson of Nomination and Remuneration Committee, the Board evaluated its own performance and that of its committees and individual Directors including Independent Directors.

9. SUBSIDIARY COMPANIES

The Company do have material subsidiary wherein investments of the Company in the subsidiary

exceeds 20% of its consolidated networth 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 details of investment made and a statement of all significant transactions and arrangements entered into by any such subsidiary. As required in pursuance to Listing Agreement/ Regulation 24 of SEBI (LODR) Regulations, 2015 an Independent Director of the Company has been nominated on the Board of unlisted material subsidiaries, incorporated in India.

10. RELATED PARTY TRANSACTIONS

All transactions entered during the financial year with Related Parties were within the purview of applicable provisions under the Companies Act, 2013 and Clause 49 of the Listing Agreement/Regulation 23 of SEBI (LODR) Regulations, 2015 and 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. . A copy of the Policy has been disclosed on the Company 's website and can be downloaded at weblink and no person has been denied access to the Audit Committee.

12. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2014-15	12.09.2015	11.00 a.m.	Registered Office: Sugar Mills Complex P.O. Seohara, Dist. Bijnor, Uttar Pradesh - 246 746
2013-14	18.09.2014	11.00 a.m.	
2012-13	08.08.2013	11.00 a.m.	

The last Annual General Meeting was held on **12th September, 2015,** which was chaired by Mr. Bal Kishore Malpani. Mr. Ishwari Prosad Singh Roy, Chairman of the Audit Committee was also present. No Special resolution was passed at the Annual General Meeting.

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.

Mr. Mohan Ram Goenka, Practicing Company Secretary, having CP No 2551 was appointed as Scrutinizer for conducting e-voting process.

The following Special Resolutions were passed at the Annual General Meeting held on **18th September, 2014.**

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:
No resolution was passed through Postal Ballot during the financial year 2015-16.

13. DISCLOSURES

i) 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.

ii) The Company has complied with all the applicable mandatory requirements and has also adopted the non-mandatory requirement such as

   a. Formation of Risk Management Committee

   b. Separate Post for the Chairperson and the Whole-time Director

   c. A Non-Executive Chairperson entitled to maintain a Chairperson's Office.

iii) 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.

iv) The disclosure requirements with respect to Commodity price risks and commodity hedging activities are not applicable to the Company.

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/SEBI (LODR) Regulations, 2015 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 Calcutta 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) 84th Annual General Meeting

Day : Saturday
Date : 17th day of September, 2016
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 2016-17

Approval of Audited Annual Results (2015-16)	13th May, 2016
First Quarter Results	On or before 14th August, 2016
Second Quarter Results	On or before 14th November, 2016
Third Quarter Results	On or before 14th January, 2017
Audited Annual Results (2016-17)	On or before 30th May, 2017

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2016 (Saturday) to 17th September, 2016 (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 Fees for and up to the financial year 2016-17 has been paid to NSE, BSE and CSE.

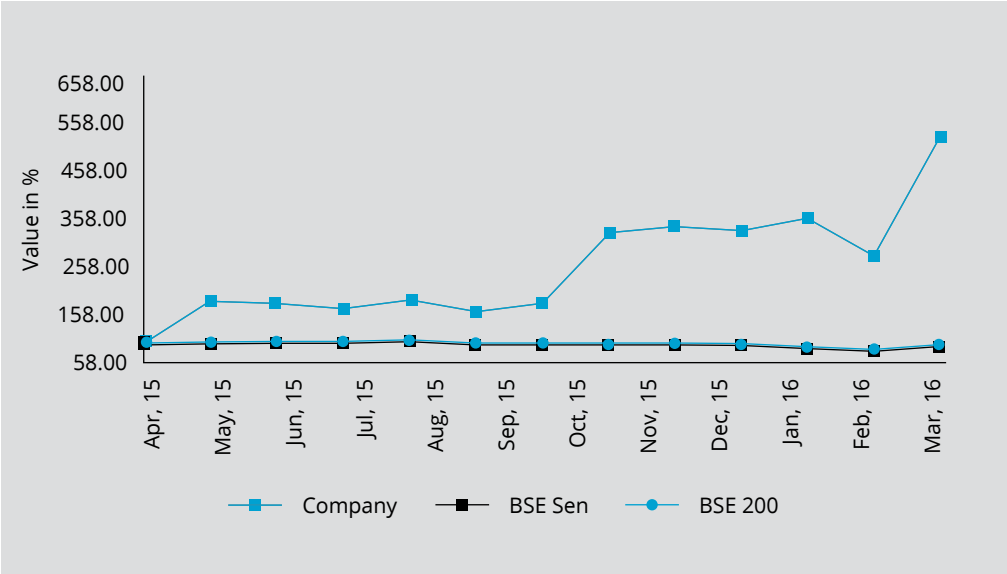
vi) Market Price data

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 2015-16 were as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High ₹	Low ₹	High ₹	Low ₹
April, 2015	45.50	34.30	42.50	36.00
May, 2015	40.65	31.10	39.95	31.00
June, 2015	37.25	27.80	40.45	29.20
July, 2015	42.95	33.05	42.25	32.40
August, 2015	42.50	30.00	43.75	32.05
September, 2015	41.45	31.00	36.90	31.40
October, 2015	71.80	33.45	73.00	35.50
November, 2015	87.65	53.00	87.60	50.15
December, 2015	75.00	66.05	76.65	66.00
January, 2016	86.00	68.00	85.95	66.50
February, 2016	81.70	51.00	81.95	50.10
March, 2016	113.00	59.00	113.00	56.00

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

A graphical presentation is as follows:



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. The requests for transfer/ transmission of above 1000 shares in physical form are approved by the Shareholders' Relationship Committee and 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 16910 physical shares were transferred/ transmitted during the financial year 2015-16. 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, 2016 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 - 500	5194	83.95	665469	5.76
501 - 1000	444	7.18	356323	3.08
1001 – 2000	242	3.91	374865	3.24
2001 – 3000	100	1.62	255749	2.21
3001 – 4000	38	0.61	136172	1.18
4001 – 5000	40	0.65	189616	1.64
5001 – 10000	54	0.87	392623	3.40
10001 and above	75	1.21	9186422	79.49
Total	**6187**	**100.00**	**11557239**	**100.00**

b) Detail of Shareholding pattern of the Company as on 31st March, 2016 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	6514304	56.37
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	398380	3.45
Bodies Corporate	760064	6.57
Indian Public	3668564	31.74
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	215927	1.87
Total	**11557239**	**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. 1,13,98,523 Equity Shares viz. 98.63% 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) The disclosures pertaining to commodity price risks or foreign exchange risks and hedging activities are not attracted to the Company.

xiv) 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

xv) 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	59C, Chowringhee Road
5th Floor, Birla Building	3rd Floor
Kolkata - 700 001	Kolkata - 700 020
India	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

xvi) 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 Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

17. RE-APPOINTMENT OF DIRECTORS

Mrs. Nandini Nopany is liable to retire by rotation and is eligible for re-appointment.

Brief particulars of Mrs. Nopany are given below:

Mrs. Nandini Nopany (DIN – 00050632), is an eminent industrialist and philanthropist, She has 35 years of experience in managing industries.

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

Sl. No.	Name of the Company	Name of Board Committee	Chairman/ Member
1.	Uttar Pradesh Trading Co. Limited	Audit Committee	Member
2.	Modern DiaGen Services Limited	--	--
3.	Uttam Commercial Limited	--	--
4.	Nilgiri Plantations Limited	--	--
5.	Ronson Traders Limited	--	--
6.	Shital Commercial Limited	--	--
7.	Centre Stage Creations Private Limited	--	--

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 Executive Chairman and Managing 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 including Independent 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 of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges/Regulation 27 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance report in the prescribed format to the Stock Exchanges for the quarters ended June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance. 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.

23. DISSEMINATION ON COMPANY'S WEBSITE

The Company has complied with the provision and dissemination requirement as envisaged in Regulation 46(c) of the SEBI (LODR) Regulations, 2015 and the same can be accessed on its website at www.birla-sugar.com.

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 Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Bal Kishore Malpani, Whole-time Director of Upper Ganges Sugar & Industries Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct and Ethics during the financial year 2015-16.

Kolkata
Dated May 13, 2016

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 March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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
ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal
Partner
Membership No.: 58652

Place: Kolkata
Date: May 13, 2016

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016 ('AUDIT PERIOD')

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration 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 per Annexure – A1, hereinafter referred to as "Books and Papers") 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 covering the financial year ended on March 31, 2016, 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 and Papers 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 (Prohibition of Insider Trading) Regulations, 2015;

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

    e. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the Listing Regulations, 2015");

f. 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;

g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

6. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;

According to the management, the Company has made compliance with the laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

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. Food Safety and Standards Act, 2006;
F. Sugar Development Fund Act, 2006;
G. The Essential Commodities Act, 1955;

We have also examined compliance with the applicable clauses of the Listing Agreements read with the Listing Regulations, 2015, entered into by the Company with the stock exchanges.

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 or examined any books, information or statements other than Books and Papers;

4. We have not examined any other specific laws except as mentioned above;

5. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;

6. 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;

7. 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.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Recommendations as a matter of best practice:

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

We further report that 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.

- The Board of Directors of the Company had undertaken a Composite Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for its business realignment, whereby businesses of the Company will be housed geographically in separate new entities for its sugar, investment and tea undertakings.

Vinod Kothari & Company
Practising Company Secretaries

A. K. Maitra
Partner
ACS- 3010
C P No.- 14490

Place: Kolkata
Dated: May 10, 2016

ANNEXURE - A1

List of Documents

1. Corporate Matters
1.1 Minutes books of the following Meetings were provided:
    1.1.1 Board Meeting
    1.1.2 Audit Committee
    1.1.3 Nomination and Remuneration Committee
    1.1.4 General Meeting
    1.1.5 Stakeholder Relationship Committee
1.2 Annual Report (2014-15)
1.3 Financial Results up to quarter ended December 31, 2015
1.4 Memorandum and Articles of Association
1.5 Disclosures under the Act, 2013
1.6 Policies framed under the Act, 2013 and the Listing Regulations, 2015
1.7 Forms and returns filed with the ROC
1.8 Registers maintained under Act, 2013

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

(Information in respect of each subsidiary to be presented with amounts in ₹)

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	163624995	500000	500000	500000
3	Reserves & surplus	295438978	(158000)	(379479)	(112543)
4	Total assets	459418973	371000	126246	393182
5	Total Liabilities	459418973	371000	126246	393182
6	Investments	319529085	0	0	0
7	Turnover/Total Income	39256968	0	0	0
8	Profit before taxation	35487818	(110000)	(350651)	(83715)
9	Provision for taxation	218000			
10	Profit after taxation	35269818	(110000)	(350651)	(83715)
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		
Joint Venture									
Avadh Sugar & Energy Limited	31.03.2016	25000	250000	50%			(54,500)	Due to percentage of shareholding	Refer to Note 1(e) of Consolidated Financial Statements

Annexure H

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, 2016.

I. Conservation of Energy:

i. The Company continues to take following initiatives to conserve energy during the year 2015-16:

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. **Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**
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.

iii. **Impact of measures of i and ii above for the reduction of energy consumption and consequent impact on the cost of production of goods.**
None Significant.

II. Research & Development and Technology Absorption

The Company continues to carry out Research and Development in the following specific 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 fertilizers 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.

The Company has not imported any new technology.

The Company had incurred an expenditure on research and cane development amounting to ₹ 210.95 lacs.

III. Foreign Exchange Earnings and Outgo

a)	Activities relating to exports, initiatives taken to increase exports		Non significant as international sugar price in export market were significantly lower than the domestic prices. Therefore, the export of sugar would not have made any economic sense for the year 2015-16.
b)	Development of new export markets for products and services and export plan		
c)	Earnings in foreign exchange	-	NIL
d)	Expenditure in foreign currency	-	₹ 68.46 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 - 15.38% Mr. S. K. Poddar, Company Secretary - 6.38%
(iii)	Percentage increase in the median remuneration of employees in the financial year	34.51%
(iv)	Number of permanent employees on the rolls of Company;	1,782 employees as on 31.3.2016.
(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: 107.75 / 37.95 / 183.93 NSE: 108.55 / 37.00 / 193.38 The market Capitalisation as on 31st March, 2016 was ₹ 124.53 crore (₹ 43.86 crore as on 31st March, 2015). 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 34.55%. Average Salary increase of managerial employees is 10.33%. 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 2015-16 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 2016.

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	67	Nil	Advisor Advisory	1,93,52,115	Intermediate	48	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, 2016

[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	Company limited by shares, Indian Non-Government Company
Address of the Registered office and contact details	P O Seohara Dist Bijnor Uttar Pradesh 246 746 Tel No : 01342 256220
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	74.64%

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	U15424WB1951PLC019450	Subsidiary	100	2(87)
2	Magadh Sugar & Energy Limited	U15122UP2015PLC069632	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				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Promoter and Promoter Group									
Indian									
Individuals/Hindu Undivided Family	8,64,300	0	8,64,300	7.478	8,64,300	0	8,64,300	7.478	0.00
Central Government/State Government(s)	0	0	0	0	0	0	0	0	0.00
Bodies Corporate	56,50,004	0	56,50,004	48.887	56,50,004	0	56,50,004	48.887	0.00
Financial Institutions/Banks	0	0	0	0	0	0	0	0	0.00
Any Other (Total)	0	0	0	0	0	0	0	0	0.00
Sub-Total (A)(1)	**65,14,304**	**0**	**65,14,304**	**56.366**	**65,14,304**	**0**	**65,14,304**	**56.366**	**0.00**
Foreign									
Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0.00
Bodies Corporate	0	0	0	0	0	0	0	0	0.00
Institutions	0	0	0	0	0	0	0	0	0.00
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
Any Other (Total)	0	0	0	0	0	0	0	0	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**65,14,304**	**0**	**65,14,304**	**56.366**	**65,14,304**	**0**	**65,14,304**	**56.366**	**0.00**
Public shareholding									
Institutions									
Mutual Funds/UTI	0	850	850	0.007	0	850	850	0.007	0.00
Financial Institutions/Banks	48	320	368	0.003	0	320	320	0.003	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	3.437	3,97,210	0	3,97,210	3.437	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**	**1,170**	**3,98,428**	**3.447**	**3,97,210**	**1,170**	**3,98,380**	**3.447**	**0.00**
Non-institutions									
Bodies Corporate	5,87,161	39,344	6,26,505	5.421	7,36,720	23,344	7,60,064	6.576	1.155
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To > ₹ 1 Lakh.	20,07,243	1,04,179	21,11,422	18.269	20,97,519	1,05,930	2,203,449	19.08	0.811
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess of ₹ 1 Lakh	15,82,102	41,841	16,23,943	14.051	5,17,147	27,000	5,44,147	4.71	(9.341)
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	31,619	0	31,619	0.274	1,08,524	0	1,08,524	0.94	0.666

i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Market Maker	0	0	0	0	1,651	0	1,651	0.14	0.14
Directors/Relatives	750	1,000	1,750	0.001	750	1,000	1,750	0.001	0.00
Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
Foreign National	0	810	810	0.007	540	270	810	0.007	0.00
HUF	1,57,131	0	1,57,131	1.360	1,99,250	0	1,99,250	1.72	0.36
Non Resident Indians (Non Repat)l	1,638	0	1638	0.014	2,487	0	2487	0.02	0.006
Non Resident Indians (Repat)	89,687	2	89,689	0.776	1,04,104	2	1,04,106	0.776	0.00
Office Bearers	0	0	0	0.00	0	0	0	0.00	0.00
Trust	7,18,317	0	7,18,317	6.22	7,18,317	0	7,18,317	6.22	0.00
Sub-Total (B)(2)	**44,57,331**	**1,87,176**	**46,44,507**	**40.187**	**44,87,009**	**1,57,456**	**46,44,555**	**40.187**	**0.00**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**48,54,589**	**1,88,346**	**50,42,935**	**43.634**	**48,84,219**	**1,58,716**	**50,42,935**	**43.634**	**0.00**
TOTAL (A)+(B)	**1,13,68,893**	**1,88,346**	**1,15,57,239**	**100.00**	**1,13,98,523**	**1,58,716**	**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	0.00
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
Public	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)	**1,13,68,893**	**1,88,346**	**1,15,57,239**	**100.00**	**1,13,98,523**	**1,58,716**	**1,15,57,239**	**100.00**	**0.00**

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
SIL Investments Limited	1547016	13.386		1547016	13.386		
New India Retailing and Investment Ltd	969021	8.385		969021	8.385		
Nandini Nopany	811090	7.018		811090	7.018		
Hargaon Investment & Trading Co. Ltd.	657966	5.693		657966	5.693		
Yashovardhan Investment &Trading Co. Ltd.	658289	5.696		658289	5.696		
Rtm Investment and Trading Co. Ltd.	412430	3.569		412430	3.569		
SCM Investment & Trading Co. Ltd.	349971	3.028		349971	3.028		
Champaran Marketing Co. Ltd.	260841	2.257		260841	2.257		
OSM Investment & Trading Co. Ltd.	234891	2.032		234891	2.032		
Nilgiri Plantations Limited	138000	1.194		138000	1.194		
Sidh Enterprises Ltd.	104514	0.904		104514	0.904		
Narkatiaganj Farms Limited	86410	0.748		86410	0.748		

ii) Shareholding of Promoters (Contd.)

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Ronson Traders Limited	83508	0.723		83508	0.723		
Rajpur Farms Limited	66776	0.578		66776	0.578		
Chandra Shekhar Nopany	39600	0.343		39600	0.343		
Shree Vihar Properties Ltd	31535	0.273		31535	0.273		
LA Monde Trading & Investments Private Ltd	25180	0.218		25180	0.218		
The Oudh Sugar Mills Limited	18562	0.161		18562	0.161		
Urvi Nopani	13610	0.118		13610	0.118		
Uttam Commercial Ltd.	2227	0.019		2227	0.019		
Sonali Commercial Ltd.	1650	0.014		1650	0.014		
Pavapuri Trading and Investment Company Ltd.	1155	0.010		1155	0.010		
Deepshikha Trading Co. Private Limited	62	0.001		62	0.001		
	6514304	56.37		6514304	56.37		

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	6514304	56.37	6514304	56.37
Changes during the year	No Change during the year			
At the end of the year	6514304	56.37	6514304	56.37

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

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No of Shares at the beginning (01-04-2015)/ end (31-03-2016) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Navjeevan Medical Institute	718317	6.22	01-04-2015		No change during the year		
		718317	6.22	31-03-2016				
2	Life Insurance Corporation of India	397210	3.18	01-04-2015		No change during the year		
		397210	3.18	31-03-2016				
3	Earthstone Holding (Two) Private Limited	141561	1.22	01-04-2015		No change during the year		
		141561	1.22	31-03-2016				

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

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No of Shares at the beginning (01-04-2015)/ end (31-03-2016) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
4	Manu Gopaldas Chhabria	73024	0.63	01-04-2015				
				10-04-2015	700	Transfer	73724	0.64
				17-04-2015	300	Transfer	74024	0.64
				05-06-2015	2800	Transfer	76824	0.66
				12-06-2015	200	Transfer	77024	0.67
				17-07-2015	700	Transfer	77724	0.67
				24-07-2015	2000	Transfer	79724	0.69
				12-06-2015	852	Transfer	80576	0.70
				09-10-2015	2099	Transfer	82675	0.72
				16-10-2015	8656	Transfer	91331	0.79
				23-10-2015	10440	Transfer	101771	0.88
				06-11-2015	3367	Transfer	105138	0.91
				13-11-2015	2360	Transfer	107498	0.93
				20-11-2015	9659	Transfer	117157	1.01
				27-11-2015	200	Transfer	117357	1.02
				18-12-2015	2116	Transfer	119473	1.03
				25-12-2015	650	Transfer	120123	1.04
				31-12-2015	805	Transfer	120928	1.05
				15-01-2016	700	Transfer	121628	1.05
				22-01-2016	75	Transfer	121703	1.05
				29-01-2016	(250)	Transfer	121453	1.05
				05-02-2016	5451	Transfer	126904	1.10
				12-02-2016	13042	Transfer	139946	1.21
				19-02-2016	100	Transfer	140046	1.21
				25-03-2016	3674	Transfer	143720	1.24
		142020	1.23	31-03-2016	(1700)	Transfer	142020	1.23
5	Akhtar Banu Altalib	70008	0.61	01-04-2015		No change during the yea		
		70008	0.61	31-03-2016				
6	Jyotsna Poddar	59243	0.51	01-04-2015		No change during the year		
		59243	0.51	31-03-2016				
7	Shobhana Bhartia	59243	0.51	01-04-2015		No change during the year		
		59243	0.51	31-03-2016				

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No of Shares at the beginning (01-04-2015)/ end (31-03-2016) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
8	Globe Capital Market Limited	58364	0.51					
				17-04-2015	9117	Transfer	67481	0.58
				24-04-2015	7487	Transfer	74968	0.65
				08-05-2015	398	Transfer	75366	0.65
				05-06-2015	5000	Transfer	80366	0.70
				09-10-2015	(5893)	Transfer	74473	0.64
				23-10-2015	(8309)	Transfer	66164	0.57
				30-10-2015	(10000)	Transfer	56164	0.49
				20-11-2015	(3805)	Transfer	52359	0.45
				27-11-2015	3596	Transfer	55955	0.48
				18-12-2015	500	Transfer	56455	0.49
				25-12-2015	2000	Transfer	58455	0.51
				04-03-2016	99	Transfer	58554	0.51
				11-03-2016	3521	Transfer	62075	0.54
				25-03-2016	(25021)	Transfer	37054	0.32
9	Kunal Rakesh Aggarwal	53380	0.46	01-04-2015				
				05-02-2016	(53380)	Transfer		
10	Tejinder Kaur	50225	0.43	01-04-2015				
				10-04-2015	6	Transfer	50231	0.43
				12-06-2015	218	Transfer	50013	0.43
				23-10-2015	6013	Transfer	44000	0.38
				30-10-2015	1010	Transfer	42990	0.37
				06-11-2015	990	Transfer	42000	0.36
				13-11-2015	3000	Transfer	39000	0.34
				20-11-2015	7000	Transfer	32000	0.28
11	Bonanza Portfolio Ltd	33098	0.29	15-01-2016				
				15-01-2016	5967	Transfer	39065	0.34
				22-01-2016	7650	Transfer	46715	0.40
				29-01-2016	2075	Transfer	48790	0.42
				05-02-2016	2146	Transfer	51092	0.44
				12-02-2016	33088	Transfer	84180	0.73
				19-02-2016	1014	Transfer	85194	0.74
				26-02-2016	2194	Transfer	87388	0.76
				04-03-2016	835	Transfer	88223	0.76
				11-03-2016	(15362)	Transfer	72861	0.63
				18-03-2016	4902	Transfer	77763	0.67
				25-03-2016	(9640)	Transfer	68123	0.59
		65783	0.57	31-03-2016	(2340)	Transfer	65783	0.57
12	Motilal Oswal Securities Limited	353	0.00	05-02-2016				
				05-02-2016	55834	Transfer	56187	0.49
			0.23	12-02-2016	(55877)	Transfer	310	0.00
13	Dhanalakshmi Sridhar	26550		11-03-2016				
				11-03-2016	17356	Transfer	43906	0.38
				18-03-2016	9438	Transfer	53344	0.46
				25-03-2016	3504	Transfer	56848	0.49
				31-03-2016	10080	Transfer	66928	0.58
14	Shri Parasram Holdings Pvt Ltd	2092	0.02	25-03-2016				
				25-03-2016	54883	Transfer	56975	0.49
				31-03-2016	58650	Transfer	115625	1.00

(v) Shareholding of Directors and Key Managerial Personnel:

Mr. Nandini Nopany, Chairperson	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	811090		811090	
Changes during the year	No change during the year			
At the end of the year	811090		811090	
Mr. Chandra Shekhar Nopany, Director	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	39600		39600	
Changes during the year	No change during the year			
At the end of the year	39600		39600	
Mr. Bal Kishore Malpani, Whole-time Director	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	750		750	
Changes during the year	No change during the year			
At the end of the year	750		750	
Mr. S K Maheshwari, Chief Financial Officer	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	10		10	
Changes during the year	No change during the year			
At the end of the year	10		10	
Mr. S K Poddar, Company Secretary & Compliance Officer	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	550		550	
Changes during the year	No change during the year			
At the end of the year	550		550	

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	53773.15	5154.50	443.00	59370.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	624.56	-	-	624.56
Total (i+ii+iii)	**54397.71**	**5154.50**	**443.00**	**59995.21**
Change in Indebtedness during the financial year				
Addition	8434.52	-	-	8434.52
Reduction	3311.68	-	443.00	3754.68
Net Change	**5122.84**	**-**	**(443.00)**	**4679.87**
Indebtedness at the end of the financial year				
i) Principal Amount	58895.99	4324.50	-	63220.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	508.94	-	-	508.94
Total (i+ii+iii)	**59404.93**	**4324.50**	**-**	**63729.43**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	Particulars of Remuneration	Mr. Bal Kishore Malpani, Whole-time Director	Total Amount lacs
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

₹ in lacs

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	62,500	40,000	45,000	45,000	5,000	1,97,500
	Commission						
	Others, please specify						
	Total B (1)	**62,500**	**40,000**	**45,000**	**45,000**	**5,000**	**1,97,500**

2. Other Non-Executive Directors

₹ in lacs

Sl No.	Particulars of Remuneration	Mrs. Nandini Nopany	Mr. Chandra Shekhar Nopany	Total Amount
	Fee for attending Board/Committee Meetings	40,000	52,500	92,500
	Commission			
	Others, please specify			
	Total B (2)	**40,000**	**52,500**	**92,500**
	Total (B) = (B)(1)+(B)(2)			**2,90,000**

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. S K Poddar, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2225953.00	2585000.00	4810953.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	236052.00	606456.00	842598.00
	(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)	**2462005.00**	**3191456.00**	**5653461.00**

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			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Independent Auditor's 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, 2016, 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 judgments 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 continues to carry Deferred Tax Asset (DTA) (net) of ₹ 7,017.61 lacs (after reversal of ₹ 199.75 lacs during the year) up to March 31, 2016, 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 ₹ 5,898.35 lacs as against the reported profit of ₹ 1,119.26 lacs and reserves & surplus as at the balance sheet date would have been (-) ₹ 7,239.11 lacs as against the reported figure of (-) ₹ 221.50 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, 2016, of its profit, and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note 36 to the financial statements in respect of composite scheme of arrangement to re-structure and de-link the Company's multiple businesses into separate entities w.e.f 1st April, 2015 subject to necessary approvals, more fully described therein. Pending such approvals, no adjustment has been made in these accounts. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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) 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 effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 effects of the matter stated in the Basis for Qualified Opinion paragraph above, 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 described 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 7 and 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
ICAI Firm Registration Number: 301003E/E300005

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

Place : Kolkata
Date : May 13, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Upper Ganges Sugar & Industries Limited as at and for the year ended March 31, 2016

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

(b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties, included in Fixed Assets are held in the name of the Company except in respect of land aggregating ₹ 25.42 lacs where the title deeds are yet to be executed in favour of the Company. Further, in respect of freehold land and leasehold land aggregating to ₹ 105.21 lacs of Gross Bock (Net Block ₹10.66 lacs) as at March 31, 2016, original title deeds were not available with the Company since as explained, the title deeds thereof are lying with the banks as security towards various credit facilities and hence we are unable to comment on the same

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noted on such physical verification except for in one of the units fully detailed in the note 23 to the financial statements which have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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 are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) In respect of deposits accepted in earlier years and repaid during the year, 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, 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 of income-tax, sales-tax, service tax, duty on custom, duty of excise and value added tax 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	212.42	1993-1994 to 2015-16	Commissioner (Appeals)/ CESTAT/High Court
	Disallowance of Service Tax on discount to whole sellers and other items	2.92	1997-1998 to 1998-1999, 2005-2006	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	1984-85 to 1986-87, 1991-92, 1994-95 to 1998-99, 2003-04 & 2004-05	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)

(viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or government. The Company did not have any outstanding dues in respect of a financial institutions or debenture holders during the year.

(ix) According to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money way of initial public offer / further public offer / debt instruments during the year.

(x) We report that the Company has noticed/ reported during the year for shortages amounting to ₹ 2,206.08 lacs in the inventory of Finished Goods and Work-in-Progress at one of the units of the Company, resulting out of overstatement of yield recorded in earlier years as more fully described in Note 23 of the financial statements. The Company has made necessary accounting adjustments in the financial statements.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : May 13, 2016

Annexure 2 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, 2016)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Upper Ganges Sugar & Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

The Company's internal financial controls over recognition of deferred tax asset and controls over assessing virtual certainty in recognition of deferred tax asset, were not operating effectively which has resulted in material misstatement whereby the Company has recognised deferred tax assets without establishing virtual certainty under Accounting Standard 22 – Accounting for Taxes on Income notified under the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

EXPLANATORY PARAGRAPH

We also have audited, 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, the standalone financial statements of Upper Ganges Sugar & Industries Limited, which comprise the Balance Sheet as at March 31, 2016, and the related 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of Upper Ganges Sugar & Industries Limited and has affected our opinion on the standalone financial statements of the company and we have issued a modified opinion on the standalone financial statements dated May 13, 2016.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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

Place : Kolkata
Date : May 13, 2016

Balance Sheet

as at 31st March 2016

₹ in lacs

	Notes	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,155.73	4,155.73
Reserves and Surplus	4	(221.50)	(1,344.70)
		3,934.23	**2,811.03**
Non-current Liabilities			
Long-term borrowings	5	18,617.03	17,225.32
Other long-term liabilities	6	540.23	650.86
Long-term provisions	7	459.45	784.04
		19,616.71	**18,660.22**
Current Liabilities			
Short-term borrowings	8	38,910.17	38,390.65
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		86.17	113.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,937.16	35,172.21
Other current liabilities	9	16,862.55	9,747.01
Short-term provisions	7	269.26	275.97
		82,065.31	**83,699.36**
Total		**1,05,616.25**	**1,05,170.61**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	33,044.31	34,448.74
Intangible Assets	11	33.85	59.27
Capital Work-in-Progress	12	67.63	7.56
Non-current Investments	13	2,114.14	2,114.14
Deferred tax assets (net)	14	7,017.61	7,217.36
Loans and advances	15	564.78	597.10
Other Non-current assets	18.2	93.65	76.70
		42,935.97	**44,520.87**
Current assets			
Current Investments	16	17.50	17.50
Inventories	17	52,921.77	48,079.14
Trade Receivables	18.1	4,209.96	3,660.49
Cash and bank balances	19	1,692.43	1,236.74
Loans and advances	15	1,112.18	1,134.64
Other current assets	18.2	2,726.44	6,521.23
		62,680.28	**60,649.74**
Total		**1,05,616.25**	**1,05,170.61**
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/E300005
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
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Place : Kolkata
Date : 13th May 2016

Statement of Profit and Loss

for the year ended 31st March 2016

₹ in lacs

	Notes	Year ended 31st March 2016	Year ended 31st March 2015
INCOME			
Revenue from Operations (Gross)	20	87,697.16	88,618.97
Less : Excise duty		3,042.87	2,774.61
Cess		924.74	560.16
Revenue from Operations (net)		**83,729.55**	**85,284.20**
Other Income	21	379.94	282.16
Total Revenue (I)		**84,109.49**	**85,566.36**
EXPENSES			
Cost of Raw Materials consumed	22	66,388.95	61,645.99
Purchase of Traded Goods	23	852.87	808.57
Decrease / (Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	(3,604.48)	11,164.13
Employee benefits expenses	24	5,736.53	5,402.38
Other expenses	25	6,759.32	6,878.78
Total (II)		**76,133.19**	**85,899.85**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		**7,976.30**	**(333.49)**
Depreciation and Amortization expenses	26	1,397.93	1,702.23
Finance Costs	27	5,579.66	6,467.27
Profit / (Loss) before tax		**998.71**	**(8,502.99)**
Tax expenses			
Current tax [after adjusting ₹ 13.38 lacs (₹ Nil) for earlier years]		55.52	85.76
Deferred tax charge / (credit)		199.75	(3,051.62)
Provision for Income Tax no longer required writen back		(375.82)	-
Total tax expense / (credit)		**(120.55)**	**(2,965.86)**
Profit / (Loss) for the year		**1,119.26**	**(5,537.13)**
Earnings per equity share [nominal value of share ₹ 10 each]			
Basic & Diluted (₹)	29	**5.93**	**(49.84)**
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/E300005
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
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Place : Kolkata
Date : 13th May 2016

Cash Flow Statement

for the year ended 31st March 2016

₹ in lacs

		Year Ended 31st March 2016	Year Ended 31st March 2015
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit / (Loss) before tax	998.71	(8,502.99)
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	1,397.93	1,702.23
	Finance Costs	5,579.66	6,467.27
	Loss/(Profit) on fixed assets sold / discarded (net)	17.78	(38.99)
	Bad Debts, irrecoverable claims and advances written off	0.36	-
	Provision for bad and doubtful debts / advances	21.28	19.85
	Molasses Storage & Maintenance Reserve	3.94	2.34
	Cane Commission Remission	(479.98)	-
	Unspent Liabilities and unclaimed balances adjusted	(67.73)	(72.31)
	Interest Income	(136.84)	(99.04)
	Dividend Income	(101.69)	(50.96)
	Operating Profit before Working Capital Changes :	**7,233.42**	**(572.60)**
	(Decrease)/Increase in Trade Payables	(8,714.69)	4,837.83
	Increase in Long Term Provisions	51.23	194.21
	(Decrease) / Increase in Short Term Provisions	(6.71)	11.77
	Increase in Other Current Liabilities	5,299.16	2,552.03
	Increase / (Decrease) in Other Long Term Liabilities	5.00	(6.05)
	(Increase) in Trade Receivables	(549.83)	(1,851.65)
	Decrease / (Increase) in Non Current Loans & Advances	2.63	(1.75)
	(Increase) / Decrease in Current Loans & Advances	(7.53)	517.59
	(Increase) / Decrease in Other Non Current Assets	(16.95)	19.07
	Decrease/ (Increase) in Other Current Assets	3,800.20	(4,981.36)
	(Increase) / Decrease in Inventories	(4,842.63)	11,077.59
	Cash Generated from Operations:	**2,253.30**	**11,796.68**
	Direct Taxes Refund / (Paid)	(29.12)	(77.49)
	Net Cash from Operating Activities	**2,224.18**	**11,719.19**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	8.19	60.18
	Purchase of Fixed Assets including CWIP and Capital Advances	(687.12)	(466.64)
	Purchase of Current Investments	-	(17.50)
	Loans Received Back	(1.45)	0.42
	Interest Received	131.43	99.12
	Dividend Received	101.69	50.96
	(Deposits) / Withdrawal under Tea Development Account Scheme (net)	13.37	(137.84)
	(Investments) in / Redemption of bank deposits (having original maturity of more than three months) (net)	362.34	(379.59)
	Receipt of Capital Subsidy	585.34	-
	Net Cash Used in Investing Activities	**513.79**	**(790.89)**

Cash Flow Statement

for the year ended 31st March 2016

₹ in lacs

	Year Ended 31st March 2016	Year Ended 31st March 2015
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Preference Share Capital	-	3,000.00
Repayment of Long Term Borrowings	(3,754.74)	(4,281.26)
Proceeds from Long Term Borrowings	7,085.00	-
Repayment / Proceeds from Short Term Borrowings (net)	199.52	(3,530.45)
Repayment of Loan to Subsidiary Company	(52.50)	(22.50)
Loan from Subsidiary Company	372.50	304.00
Interest Paid	(5,646.49)	(6,295.88)
Other Borrowing Cost	(123.23)	(100.72)
Net Cash from Financing Activities	**(1,919.94)**	**(10,926.81)**
Net Changes in Cash & Cash Equivalents (A+B+C)	**818.03**	**1.49**
Cash & Cash Equivalents at the beginning of the year	**418.28**	**416.79**
Cash & Cash Equivalents at the end of the year *	**1,236.31**	**418.28**

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 456.12 lacs (₹ 818.46 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/E300005
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
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Place : Kolkata
Date : 13th May 2016

Notes to Financial Statements

as at and for the year ended 31st March 2016

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 of previous year.

2.1 Summary of Significant Accounting Policies

(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 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

Notes to Financial Statements

as at and for the year ended 31st March 2016

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
Furnitures 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, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale 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.

Notes to Financial Statements

as at and for the year ended 31st March 2016

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, components, 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 recognized 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.

Notes to Financial Statements

as at and for the year ended 31st March 2016

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 Translation

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.

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

Notes to Financial Statements

as at and for the year ended 31st March 2016

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.

(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.

Notes to Financial Statements

as at and for the year ended 31st March 2016

(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 2016	As at 31st March 2015
Authorized :		
1,60,00,000 (1,60,00,000) Equity Shares of ₹ 10/- each	1,600.00	1,600.00
34,00,000 (34,00,000) Preference Shares of ₹ 100/- each	3,400.00	3,400.00
Total	**5,000.00**	**5,000.00**
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 (30,00,000) Preference Shares of ₹ 100/- each	3,000.00	3,000.00
Total	**4,155.73**	**4,155.73**

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

Equity shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and end of the year	1,15,57,239	1,155.73	1,15,57,239	1,155.73

Notes to Financial Statements

as at and for the year ended 31st March 2016

Preference shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference Shares of ₹ 100/- each				
At the beginning of the year	30,00,000	3,000.00	-	-
Issued during the year	-	-	30,00,000	3,000.00
Outstanding at the end of the year	**30,00,000**	**3,000.00**	**30,00,000**	**3,000.00**

(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 2016		As at 31st March 2015	
	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%	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.

Notes to Financial Statements

as at and for the year ended 31st March 2016

4. RESERVES AND SURPLUS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
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	57.60	55.26
Add: Provided during the year	3.94	2.34
Closing balance	**61.54**	**57.60**
General Reserve *		
As per the last financial statements	171.73	422.04
Less : Adjustment for change in useful life of fixed assets, net of deferred tax	-	250.31
Closing balance	**171.73**	**171.73**
Surplus / (Deficit) in the Statement of Profit and Loss *		
Balance as per last financial statements	(8,504.34)	(2,967.21)
Profit / (Loss) for the year	1,119.26	(5,537.13)
Net Surplus / (Deficit) in the Statement of Profit and Loss	**(7,385.08)**	**(8,504.34)**
Total Reserves and Surplus	**(221.50)**	**(1,344.70)**

*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.

5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Term Loans (secured) :				
From Banks -				
Under Project Finance / Corporate Loan Scheme	6,080.00	8,380.00	2,300.00	2,100.00
Under Financial Assistance Scheme (SEFASU 2014)	3,827.47	5,741.00	1,913.53	-
Under Financial Assistance Scheme (SOFT 2015 Central)	4,070.00	-	-	-
Under Financial Assistance Scheme (SOFT 2015 Bihar)	2,412.00	-	603.00	-
From Sugar Development Fund	2,227.56	3,104.32	876.76	1,211.68
Other Loans and Advances (unsecured) :				
Fixed Deposits from related parties (Note 33e)	-	-	-	9.80
Fixed Deposits from others	-	-	-	433.20
	18,617.03	**17,225.32**	**5,693.29**	**3,754.68**
Less : Amount disclosed under the head "other current liabilities" (Note 9)			5,693.29	3,754.68
Net amount	**18,617.03**	**17,225.32**	**-**	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2016

(a) Term Loans from Banks under project finance / corporate loan scheme, carry interest in the range of 11.85% 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 ₹ 3,300 lacs (₹ 4,400 lacs) is also secured by pledge of certain shares held as investments by the Company and its subsidiary Company (Refer note 13a).

The above loans are repayable as under.

(₹ in lacs)

Disbursed to		Balance as at 31st March 2016	Balance as at 31st March 2015	Repayment Schedule
(i)	Seohara Sugar Unit	3,300.00	4,400.00	20 Quarterly installments ending on January 2019.
(ii)	Sidhwalia Sugar Unit	3,400.00	4,000.00	20 Quarterly installments ending on June 2020.
(iii)	Hasanpur Sugar and Co-Generation Unit	1,680.00	2,080.00	19 Quarterly installments ending on September 2019.
		8,380.00	**10,480.00**	

(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.

(c) Term loan from a bank under Financial Assistance Scheme of the Government of India (SOFT Loan 2015), carry interest rate in the range of 10.60% to 11% p.a. and repayable in 20 equal quaterly instalments by 30th september, 2022. The Company is entitled to interest subvention from the Government of India upto 10% for first year as per terms of the Scheme and the same will be reimbursed directly to banks by the Department of Food & Public Distribution and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are secured/ to be secured by the first parri-passu charge on all the fixed asets,both present and future, of all sugar units of the Company at Seohara,Sidhwalia and Hasanpur.

(d) Term loan from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carry interest rate of 13% p.a. and repayable in 20 equal instalments by 31st March, 2021. The Company is entitled to interest subvention from the Government of Bihar upto 12% for first year and 10% there after as per terms of the Scheme and the same will be reimbursed directly to banks by the State Government of Bihar and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are secured/ to be secured by the first parri-passu charge on all the fixed asets,both present and future, of all sugar units of the Company at Seohara,Sidhwalia and Hasanpur.

(e) 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 unit at Sidhwalia (including Co-generation Plant).

Notes to Financial Statements

as at and for the year ended 31st March 2016

The above loans are repayable as under.

(₹ in lacs)

Disbursed to		Balance as at 31st March 2016	Balance as at 31st March 2015	Repayment Schedule
(i)	Seohara Co-generation unit	-	334.92	10 half yearly installments ending on September 2015.
(ii)	Sidhwalia Sugar unit	2,701.59	3,376.99	5 yearly installments ending on September 2019.
(iii)	Sidhwalia Co-generation unit	402.73	604.09	10 half yearly installments ending on February 2018.
		3,104.32	**4,316.00**	

6. OTHER LONG-TERM LIABILITIES

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Interest accrued but not due on borrowings	508.93	624.56
Trade and other deposits	31.30	26.30
	540.23	**650.86**

7. PROVISIONS

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits				
Gratuity (Note 30)	459.45	417.27	100.00	100.00
Leave	-	-	134.80	135.89
	459.45	**417.27**	**234.80**	**235.89**
Other provisions				
For income tax	-	366.77	-	-
For wealth tax	-	-	-	5.62
For litigation, claims and contingencies			34.46	34.46
	-	**366.77**	**34.46**	**40.08**
	459.45	**784.04**	**269.26**	**275.97**

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 2016	As at 31st March 2015
Outstanding at the beginning and at the end of the year	34.46	34.46

Notes to Financial Statements

as at and for the year ended 31st March 2016

8. SHORT-TERM BORROWINGS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Cash credit from Banks (secured) (repayable on demand)	34,585.67	33,236.15
Other Loans & Advances (unsecured)		
From a Subsidiary Company (Note 33e)	1,254.50	934.50
Inter-Corporate Deposits		
From related parties (Note 33e)	1,585.00	1,585.00
From others	1,485.00	2,635.00
	38,910.17	**38,390.65**

(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 ₹ 15,126.28 lacs (₹ 11,549.24 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 11.25% to 12.90% p.a.

9. OTHER CURRENT LIABILITIES

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Trade payables		
-total outstanding dues of micro enterprises and small enterprises (refer Note 37)	**86.17**	**113.52**
-total outstanding dues of creditors other than micro enterprises and small enterprises	**25,937.16**	**35,172.21**
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	5,693.29	3,754.68
Payable towards deduction against crop loan	4,996.88	2,149.18
Payable towards purchase of capital goods	69.19	116.93
Payable to employees	696.70	571.54
Advance against Sale of goods/fixed assets	131.31	608.89
Interest accrued but not due on borrowings, deposits etc.	275.19	349.62
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed Matured Fixed Deposits	-	0.06
Unclaimed dividend	1.21	1.21
Others -		
Statutory dues	161.12	239.05
Excise Duty on Closing Stocks	3,411.18	1,908.95
Crop Loan from a Bank pending disbursement to cane growers	1,340.75	-
Miscellaneous	85.73	46.90
	16,862.55	**9,747.01**
	42,885.88	**45,032.74**

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 (c)
Cost									
At 1 April 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
At 31 March 2015	**924.19**	**94.55**	**4,785.88**	**57,037.31**	**194.18**	**161.12**	**357.51**	**63.08**	**63,617.82**
Additions	-	-	7.00	487.91	6.07	11.89	61.45	5.07	579.39
Disposals	-	-	11.50	819.13 (b)	5.12	10.40	37.42	1.09	884.66
At 31 March 2016	**924.19**	**94.55**	**4,781.38**	**56,706.09**	**195.13**	**162.61**	**381.54**	**67.06**	**63,312.55**
Depreciation									
At 1 April 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			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 31 March 2015	**-**	**94.55**	**1,392.41**	**27,165.60**	**137.07**	**111.75**	**224.53**	**43.17**	**29,169.08**
Charge for the year	-	-	104.47	1,203.66 (b)	18.15	8.38	27.32	10.53	1,372.51
Disposals	-	-	3.02	221.25	4.88	9.87	33.28	1.05	273.35
At 31 March 2016	**-**	**94.55**	**1,493.86**	**28,148.01**	**150.34**	**110.26**	**218.57**	**52.65**	**30,268.24**
Net Block									
At 31 March 2015	**924.19**	**-**	**3,393.47**	**29,871.71**	**57.11**	**49.37**	**132.98**	**19.91**	**34,448.74**
At 31 March 2016	**924.19**	**-**	**3,287.52**	**28,558.08**	**44.79**	**52.35**	**162.97**	**14.41**	**33,044.31**

(a) Title deeds for ₹ 25.42 lacs (₹ 25.42 lacs) are yet to be executed in favour of the Company.

(b) Includes ₹ 585.34 lacs which has been decapitalised on account of Capital Subsidy received during the year and depreciation of ₹ 174.40 lacs thereon provided in earlier years has been reversed during the year.

(c) Includes assets held in joint ownership with others, Gross Block ₹ 264.74 lacs (₹ 264.81 lacs) and Net Block ₹ 151.16 lacs (₹ 157.33 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 31 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
At 31 March 2016									
Gross Block	2.47	-	199.43	33.67	1.54	23.19	0.08	4.36	264.74
Net Block	2.47	-	134.80	8.28	0.08	5.24	-	0.29	151.16

Notes to Financial Statements

as at and for the year ended 31st March 2016

11. INTANGIBLE ASSETS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Computer Software :		
At the beginning of the year	**130.81**	**130.28**
Additions	-	0.53
At the end of the year	**130.81**	**130.81**
Amortization :		
At the beginning of the year	**71.54**	**45.74**
Charge for the year	25.42	25.80
At the end of the year	**96.96**	**71.54**
Net block	**33.85**	**59.27**

12. CAPITAL WORK-IN-PROGRESS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Balance brought forward from the previous year	7.56	7.31
Add : Additions during the year	370.92	111.86
	378.48	**119.17**
Less : Transfer to Tangible Assets during the year	310.85	111.61
Balance carried to Balance Sheet	**67.63**	**7.56**

13. NON-CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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 Fertilizer & Chemicals Ltd.	704,160 (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
			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
			0.90	**0.90**

Notes to Financial Statements

as at and for the year ended 31st March 2016

13. NON-CURRENT INVESTMENTS (CONTD.)

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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	-	-
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 [Market value : ₹ 447.33 lacs (₹ 536.41 lacs)]			376.35	376.35
Aggregate amount of unquoted investments			**1737.79**	**1737.79**

a) Includes 6,37,365 shares pledged against term loan of ₹ 3,300 lacs (₹ 4,400 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 2016, 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 2016

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Deferred tax asset		
Carry forward of Unabsorbed Depreciation & Business Losses	13,982.50	13,917.26
Expenditure allowable against taxable income in future years	947.97	1,039.17
	14,930.47	**14,956.43**
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,912.86	7,739.07
	7,912.86	**7,739.07**
Net Deferred tax asset	**7,017.61**	**7,217.36**

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 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good except stated otherwise)				
Capital advances	**29.25**	**29.33**	**-**	**-**
Sundry Deposits	**7.85**	**13.06**	**10.13**	**11.01**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good*	-	-	442.69	529.31
Considered doubtful	-	-	63.11	53.67
	-	-	505.80	582.98
Less : Provision for doubtful advances	-	-	63.11	53.67
	-	**-**	**442.69**	**529.31**
Other loans and advances				
Considered good				
Loan to employees	-	-	1.45	-
Deposits against demand under appeal and / or under dispute	-	-	134.65	142.75
Claims/Refunds Receivable	-	-	81.54	89.41
Prepaid Expenses	9.20	6.62	46.03	41.12
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	29.50	55.90	-	-
Balances with Excise and Other Government Authorities	-	-	335.99	251.18
Balance with Tea Development Account Scheme, 1990	488.98	492.19	59.70	69.86
Considered doubtful				
Loan to others	-	-	7.50	7.50
	527.68	554.71	666.86	601.82
Less : Provision for doubtful Loans	-	-	7.50	7.50
	527.68	**554.71**	**659.36**	**594.32**
	564.78	**597.10**	**1,112.18**	**1,134.64**

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

Notes to Financial Statements

as at and for the year ended 31st March 2016

16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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	5.00
Cinnatolliah Tea Limited	50000	10	5.00	5.00
Magadh Sugar & Energy Limited	50000	10	5.00	5.00
			15.00	**15.00**
In Joint Venture Company				
Avadh Sugar & Energy Limited	25000	10	**2.50**	**2.50**
			17.50	**17.50**

17. INVENTORIES

₹ in lacs

		As at 31st March 2016	As at 31st March 2015
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	514.29	954.07
Goods under process	23	769.16	796.40
Finished goods	23	47,413.74	42,136.19
Traded goods	23	5.24	7.36
Stores, Chemicals and spare parts etc.		1,174.70	1,227.12
Power - Banked	23	53.18	18.20
Agriculture Products - Standing Crop	23	11.89	10.34
Valued at Estimated Realisable Value			
By-Products	23	2,959.16	2,918.75
Scrap	23	20.41	10.71
		52,921.77	**48,079.14**
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		51.42	14.90

Notes to Financial Statements

as at and for the year ended 31st March 2016

18 TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade receivables

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	27.85	36.89
Considered doubtful	32.12	60.39
	59.97	**97.28**
Less : Provision for doubtful trade receivables	32.12	60.39
	27.85	**36.89**
Other receivables		
Unsecured, considered good *	4,182.11	3,623.60
	4,182.11	**3,623.60**
	4,209.96	**3,660.49**

* Includes ₹ 182.21 lacs (₹ 173.46 lacs) recoverable from related parties (Note 33d).

18.2 Other assets

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good, Unless stated otherwise)				
Non-current Bank balance (Note 19)	15.00	15.50	-	-
Considered good				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	48.38	42.97
Claims Receivable towards Subsidies & Incentives	-	-	1,719.90	5,772.46
Renewable energy certificate entitlement	-	-	933.55	688.79
Unamortized ancillary cost of arranging the borrowings	78.65	61.20	24.61	17.01
Considered doubtful				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	3.83	3.83
	93.65	**76.70**	**2,730.27**	**6,525.06**
Less : Provision for doubtful items	-	-	3.83	3.83
	93.65	**76.70**	**2,726.44**	**6,521.23**

Notes to Financial Statements

as at and for the year ended 31st March 2016

19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalent :				
Balances with banks:				
Current accounts*			162.22	167.08
Savings accounts			0.03	0.03
Tea Development account			0.16	0.44
Unpaid dividend account			1.21	1.21
Deposits with original maturity of less than 3 months			1,035.00	210.00
Cash on hand			37.69	39.52
			1,236.31	**418.28**
Other Bank Balances				
Deposits with original maturity of more than 3 months and not more than 12 months *	-	-	456.00	818.34
Deposits with original maturity of more than 12 months *	**15.00**	**15.50**	-	**-**
In Post office savings bank account	-	-	0.12	0.12
	15.00	**15.50**	**456.12**	**818.46**
Less : Amount disclosed under non-current assets (Note 18.2)	15.00	15.50	-	-
	-	**-**	**1,692.43**	**1,236.74**

* Includes ₹ 71.61 lacs (₹ 160.46 lacs) pledged / lodged with various Government Authorities and Banks as security/earmarked/margin money.

20. REVENUE FROM OPERATIONS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Revenue from operations		
Sale of products		
Finished goods	79,130.48	79,630.80
Traded goods	878.38	827.85
Power	4,992.08	5,599.60
By products	1,428.95	2,088.71
Others	167.73	88.10
	86,597.62	**88,235.06**
Other operating revenue		
Proceeds from Agriculture Products	10.83	8.46
Cane commission remission *	479.98	-
Renewable Energy Certificates credit	599.03	349.63
Tea replanting Subsidy	4.40	-
Scrap Sales	5.30	25.82
Revenue from operations (gross)	**87,697.16**	**88,618.97**
Less : Excise duty	3,042.87	2,774.61
Cess	924.74	560.16
Revenue from operations (net)	**83,729.55**	**85,284.20**

* pertaining to earlier year.

Notes to Financial Statements

as at and for the year ended 31st March 2016

20. REVENUE FROM OPERATIONS (CONTD.)

Detail of products sold

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Finished goods		
Sugar	65,454.70	70,828.20
Spirit	11,397.20	6,494.30
Carbon-di-oxide	33.41	38.71
Tea	2,245.17	2,269.59
	79,130.48	**79,630.80**
Traded goods		
Food Processing Products	878.38	827.85
	878.38	**827.85**
By products		
Molasses	1,428.95	1,442.52
Bagasse	-	646.19
	1,428.95	**2,088.71**

21. OTHER INCOME

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Interest income on		
Loans, deposits, advances etc.	136.84	91.83
Refund from Income Tax Department	-	7.21
Dividend income on Long-term investments	14.81	13.72
Insurance and Other Claims	42.43	5.83
Rent and Hire Charges	8.81	6.86
Unspent Liabilities and unclaimed Balances adjusted	67.73	72.31
Land Dividend	86.88	37.24
Profit on tangible assets sold / discarded (net)	-	38.99
Miscellaneous Receipts	22.44	8.17
	379.94	**282.16**

22. COST OF RAW MATERIALS CONSUMED

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventory at the beginning of the year	954.07	931.79
Add : Purchases and procurement expenses *	65,927.86	61,647.05
Purchase tax & Cess	21.31	21.22
	66,903.24	**62,600.06**
Less: Inventory at the end of the year	514.29	954.07
	66,388.95	**61,645.99**

* After adjusting subsidy/ remission of ₹ 2430.36 lacs (₹ 5894.98 lacs) allowed by the State Governments.

Notes to Financial Statements

as at and for the year ended 31st March 2016

Details of raw materials consumed

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Sugarcane	63,976.82	58,947.97
Molasses - consumed in Distillery unit	5,088.83	3,901.09
Bagasse - consumed in Co-generation units	5,276.06	5,134.79
Biocompost	42.00	51.13
Press mud	71.18	34.98
Green Leaf (Cess)	21.31	21.22
Seed, Manures and fodder	8.77	4.26
	74,484.97	**68,095.44**
Less : Inter-unit transfer of own produced materials	8,096.02	6,449.45
	66,388.95	**61,645.99**

Details of raw material inventory

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Sugarcane	117.54	119.92
Molasses - at Distillery unit	366.28	495.68
Bagasse - at Co-generation units	-	307.02
Press mud	30.47	31.45
	514.29	**954.07**

Details of Inter-unit transfer of own produced materials

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Sugar Cane	7.37	13.46
Molasses	3,472.55	2,055.86
Bagasse	4,570.20	4,324.38
Biocompost	42.00	51.13
Press mud	3.90	4.62
	8,096.02	**6,449.45**

23. DECREASE / (INCREASE) IN INVENTORIES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventories at the end of the year		
Finished goods	47,413.74	42,136.19
Traded goods	5.24	7.36
Power - Banked	53.18	18.20
By Products	2,959.16	2,918.75
Goods under process	769.16	796.40
Agriculture Products - Standing Crop	11.89	10.34
Scrap	20.41	10.71
	51,232.78	**45,897.95**

Notes to Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventories at the beginning 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**
	(5,334.83)	**11,094.11**
Increase of excise duty on inventories	**1,730.35**	**70.02**
	(3,604.48)*	**11,164.13**

* After adjusting ₹ 2206.08 lacs towards shortages in the inventory of Finished Goods and Goods under process noted at one of its units during the year. The said shortage is primarily arisen out of overstatement of yield recorded in earlier years for which the Company is in the process of taking necessary steps against the concerned personnel.

Details of purchase of traded goods

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Diesel & Lubricants	852.87	808.57
	852.87	**808.57**

Details of inventory

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Finished goods		
Sugar	46,360.28	41,120.97
Wormi & Biocompost	29.97	16.83
Spirit	909.08	946.60
Tea	114.41	51.79
	47,413.74	**42,136.19**
Traded goods		
Diesel & Lubricants	5.24	7.36
	5.24	**7.36**
By-products		
Molasses	2,367.74	2,557.13
Bagasse	591.42	361.62
	2,959.16	**2,918.75**
Goods under process		
Sugar	688.63	733.55
Molasses	80.53	62.85
	769.16	**796.40**

Notes to Financial Statements

as at and for the year ended 31st March 2016

24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, wages, bonus etc.	4,981.22	4,578.08
Contribution to provident & other funds (Note 30)	435.23	406.72
Gratuity expense (Note 30)	112.28	236.93
Employees' welfare expenses	207.80	180.65
	5,736.53	**5,402.38**

25. OTHER EXPENSES

₹ in lacs

		Year ended 31st March 2016		Year ended 31st March 2015
Consumption of stores and spares		1,479.23		1,641.11
Packing Materials		949.53		1,058.95
Power & Fuel		566.96		426.80
Repairs to and Maintenance of :				
Buildings		150.83		252.90
Machinery		1,471.69		1,604.75
Others		14.81		18.07
Rent		19.62		31.72
Rates & Taxes		47.51		46.76
Insurance		59.16		52.96
Payment to Auditors				
As Auditors				
Audit Fees		21.00		21.00
Limited Review Fees		15.45		9.75
In other capacity				
Tax Audit Fees		7.25		5.75
For Certificates and Other services		8.72		11.06
Reimbursement of Expenses		5.29		4.48
Payment to Cost Auditors		1.54		1.17
Commission on sales		286.06		313.38
Freight & forwarding charges etc.		580.55		360.17
Charity and Donations		1.31		0.26
Provision for bad and doubtful debts / advances		21.28		19.85
Bad Debts, irrecoverable claims and advances written off	34.82		3.15	
Less : Adjusted against provisions	34.46	0.36	3.15	-
Loss on fixed assets sold / discarded (net)		17.78		-
Molasses Storage & Maintenance Reserve		3.94		2.34
Director's Sitting fees		2.91		2.43
Miscellaneous Expenses		1,026.54		993.12
		6,759.32		**6,878.78**

Notes to Financial Statements

as at and for the year ended 31st March 2016

26. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation of tangible assets	1,372.51	1,676.43
Amortization of intangible assets	25.42	25.80
	1,397.93	**1,702.23**

27. FINANCE COSTS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Interest	5,456.43	6,366.55
Other Borrowing Cost	123.23	100.72
	5,579.66	**6,467.27**

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 2016		Year ended 31st March 2015
Income				
Sales of products [including inter-transfers ₹ 7.37 lacs (₹ 13.46 lacs)]		18.20		21.93
Unspent liabiliteies & excess provisions no longer required written back		1.53		
Miscellaneous Receipts		1.18		1.94
		20.91		**23.87**
Expenses				
Raw Materials Consumed		8.77		4.26
(Increase) / Decrease in Stocks :				
Opening Stock	10.34		15.49	
Less: Closing Stock	11.89	(1.55)	10.34	5.15
Rent		0.11		0.79
Rates & Taxes		0.03		0.25
Employee benefits expenses :				
Salaries, Wages, Bonus etc.	12.56		12.50	
Contribution to Provident & Other Funds	0.13	12.69	0.13	12.63
Miscellaneous Expenses		7.65		6.90
		27.70		**29.98**
Agricultural Income / (Loss)		**(6.79)**		**(6.11)**

Notes to Financial Statements

as at and for the year ended 31st March 2016

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 2016	Year ended 31st March 2015
Profit / (Loss) after tax	**1,119.26**	**(5,537.13)**
Dividend on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	433.96	222.50
Net profit / (loss) for calculation of basic and diluted EPS	**685.30**	**(5,759.63)**
	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	**5.93**	**(49.84)**

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 2016	Year ended 31st March 2015
Current service cost	91.01	76.52
Interest cost on benefit obligation	119.76	121.84
Expected return on plan assets	(82.15)	(94.68)
Net actuarial (gain) / loss recognized in the year	(16.34)	133.25
Net benefit expense	**112.28**	**236.93**
Actual return on plan assets	87.28	93.13

Balance sheet

Net Benefit liability / (asset)

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Present value of defined benefit obligation	1,663.65	1,606.78
Fair value of plan assets	1,104.20	1,089.51
Plan liability	**559.45**	**517.27**

Notes to Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Opening defined benefit obligation	1,606.78	1,430.76
Current service cost	91.01	76.52
Interest cost	119.76	121.84
Benefits paid	(142.69)	(154.04)
Actuarial (gains) / losses on obligation	(11.21)	131.70
Closing defined benefit obligation	**1,663.65**	**1,606.78**

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

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Opening fair value of plan assets	1,089.51	1,107.70
Expected return	82.15	94.68
Contributions by employer	70.10	42.72
Benefits paid	(142.69)	(154.04)
Actuarial gains / (losses)	5.13	(1.55)
Closing fair value of plan assets	**1,104.20**	**1,089.51**

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 :

₹ in lacs

	31st March 2016	31st March 2015
Investments with LIC	100%	100%

The principal assumptions are shown below :

₹ in lacs

	31st March 2016	31st March 2015
Discount rate	7.75%	7.80%
Expected rate of return on assets	7.80%	9.00%
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 2016

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

₹ in lacs

	31st March 2016	31st March 2015	31 March 2014	31 March 2013	31 March 2012
Gratuity					
Defined benefit obligation	1,663.65	1,606.78	1,430.76	1,372.39	1,297.28
Plan assets	1,104.20	1,089.51	1,107.70	1,044.22	1,029.27
Surplus / (deficit)	(559.45)	(517.27)	(323.06)	(328.17)	(268.01)
Experience (gain) / loss adjustments on plan liabilities	(17.21)	4.32	60.51	41.22	(4.83)
Experience gains / (loss) adjustments on plan assets	5.13	(1.55)	(2.87)	(15.63)	12.90

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 :

The Company has recognised the following amount as an expense and included under "Contribution to Provident & Other Funds".

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Contribution to Provident / Pension Funds	431.63	403.39
Contribution to Superannuation Fund	3.60	3.33
	435.23	**406.72**

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 2016	Year ended 31st March 2015
Lease payments made for the year*	19.62	31.72
	19.62	**31.72**

* including lease rent for use of agriculture land ₹ 0.11 lacs (₹ 0.79 lacs).

Notes to Financial Statements

as at and for the year ended 31st March 2016

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 2016

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	73,756.75	10,496.02	9,925.45	2,246.64	878.38	97,303.24
Less : Inter segment	8,598.32	42.00	4,933.37	-	-	13,573.69
Total revenue from operations (net)	**65,158.43**	**10,454.02**	**4,992.08**	**2,246.64**	**878.38**	**83,729.55**
Results						
Segment results	(573.43)	3,239.42	3,657.50	429.66	19.33	6,772.48
Unallocated Income / (Expenses) (net of unallocable expenses / income)						(194.11)
Operating Profit						**6,578.37**
Finance costs						5,579.66
Profit / (Loss) before tax						**998.71**
Current Tax						55.52
Deferred tax charge / (credit)						199.75
Provision for Income Tax no longer required written back						(375.82)
Net Profit / (Loss) for the year						**1,119.26**

Notes to Financial Statements

as at and for the year ended 31st March 2016

As at 31st March 2016

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	70,335.40	6,673.42	15,815.74	1,209.29	11.39	94,045.24
Unallocated assets						11,571.01
Total assets						**1,05,616.25**
Segment liabilities	36,643.51	449.96	42.53	348.10	0.19	37,484.29
Unallocated liabilities						64,197.73
Total liabilities						**1,01,682.02**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	488.30	63.10	19.80	68.26	-	**639.46**
Depreciation & Amortization expense	687.79	247.46	401.79	56.87	4.02	**1,397.93**
Non-cash expenses	3.94	-	-	-	-	**3.94**

32. SEGMENT INFORMATION (CONTD.)

Business segments

Year ended 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	77,617.40	5,890.93	10,069.72	2,272.64	827.85	96,678.54
Less : Inter segment	6,873.09	51.13	4,470.12	-	-	11,394.34
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/(Loss)						**(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)**

* Net of excise duty and cess

Notes to Financial Statements

as at and for the year ended 31st March 2016

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**

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	
	Magadh Sugar & Energy Limited	
	Ganges Securities Limited	
Joint Venture Company	Avadh Sugar & Energy Limited	
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	
	Sutlej Textiles & Industries Limited	
	SIL Investments Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	

Notes to Financial Statements

as at and for the year ended 31st March 2016

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	31 March 2016	583.12	-	-
	31 March 2015	393.22	-	-

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	31 March 2016	52.16	-	-
	31 March 2015	197.65	-	-

c. 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				
Upper Ganges Sugar & Industries Limited	31 March 2016	0.24	-	-
	31 March 2015	-	-	-

d. Receivable / Payable outstanding (net) ₹ in lacs

	Year ended	**Amount owed by related parties**	**Amount owed to related parties**
In Subsidiary Companies			
Cinnatolliah Tea Limited	31 March 2016	-	-
	31 March 2015	0.23	-
Magadh Sugar & Energy Limited	31 March 2016	-	-
	31 March 2015	0.23	-
Ganges Securities Limited	31 March 2016	-	-
	31 March 2015	0.23	-
In Joint Venture Company			
Avadh Sugar & Energy Limited	31 March 2016	-	-
	31 March 2015	0.12	-
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			
The Oudh Sugar Mills Limited	31 March 2016	182.21	-
	31 March 2015	173.46	-

Notes to Financial Statements

as at and for the year ended 31st March 2016

e. Loans / Inter corporate deposits and Fixed deposits taken and repayment thereof ₹ in lacs

	Year ended	Loan / Inter-corporate deposits given	Repayments	Interest accrued / paid	Amount owed to related parties
Subsidiary Company					
Uttar Pradesh Trading Company Limited	31 March 2016	372.50	52.50	37.95	1,254.50
	31 March 2015	304.00	22.50	-	934.50
Relatives of Key Management Personnel					
Others	31 March 2016	-	9.80	0.72	-
	31 March 2015	-	122.34	12.18	9.80
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Sutlej Textiles & Industries Limited	31 March 2016	4,000.00	4,000.00	471.02	-
	31 March 2015	4,000.00	4,000.00	500.22	-
SIL Investments Limited	31 March 2016	500.00	500.00	195.63	1,500.00
	31 March 2015	-	-	215.01	1,500.00
Ronson Traders Limited	31 March 2016	-	-	3.31	25.00
	31 March 2015	-	50.00	4.15	25.00
Uttam Commercial Limited	31 March 2016	-	-	7.95	60.00
	31 March 2015	-	-	8.40	60.00

f. Investments made ₹ in lacs

	Year ended	Investment during the year	Investment sold during the year	Closing Balance
In Subsidiary Companies				
Cinnatolliah Tea Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
Magadh Sugar & Energy Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
Ganges Securities Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
In Joint Venture Company				
Avadh Sugar & Energy Limited	31 March 2016	2.50	-	2.50
	31 March 2015	2.50	-	2.50

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	31 March 2016	0.40	-	-
	31 March 2015	0.25	-	-
Relatives of Key Management Personnel				
Mr. Chandra Shekhar Nopany	31 March 2016	0.53	-	-
	31 March 2015	0.45	-	-

Notes to Financial Statements

as at and for the year ended 31st March 2016

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	31 March 2016	30.16	-	1.37
	31 March 2015	26.14	-	0.29
Mr. Santosh Kumar Poddar	31 March 2016	35.55	-	-
	31 March 2015	33.42	-	-

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.

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 (₹ 263.25 lacs).

35. CONTINGENT LIABILITIES

₹ in lacs

		Year ended 31st March 2016		Year ended 31st March 2015
(a)	Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :			
	(i) Excise Duty & Service Tax	5,514.79		5,292.11
	(ii) Others	347.36		224.98
	Total	**5,862.15**	*	**5,517.09**
(b)	Bank Guarantees outstanding	604.37		550.72
(c)	Corporate Guarantees given to a bank	774.46		3,600.00
(d)	Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	222.50		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 Company's Board of Directors 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 1 April 2015 subject to necessary approvals. The Company is in the process of obtaining necessary approvals from various concerned authorities and pending such approvals, no accounting adjustment has been made in these financial statements.

Notes to Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

		31st March 2016	31st March 2015
(i)	The principal amount and the interest due thereon remaining unpaid to the supplier as at end of the accounting year		
	Principal amount due to micro and small enterprises	77.70	101.09
	Interest due on above	4.65	4.75
	Total	**82.35**	**105.84**
(ii)	The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	97.42	86.90
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	2.90	4.12
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	8.47	12.43
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	0.92	3.56

38. 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.

39. VALUE OF IMPORTS CALCULATED ON CIF BASIS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Spare Parts	-	1.92
	-	1.92

40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Travelling	68.46	45.75
	68.46	**45.75**

Notes to Financial Statements

as at and for the year ended 31st March 2016

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

	Consumption %	Value ₹ in lacs	Consumption %	Value ₹ in lacs
	31st March 2016		31st March 2015	
Raw Materials				
Indigenous	100.00%	66,388.95	100.00%	61,645.99
	100.00%	**66,388.95**	**100.00%**	**61,645.99**
Stores and Spares				
Imported	-	-	0.12%	1.92
Indigenous	100.00%	1,479.23	99.88%	1,639.19
	100.00%	**1,479.23**	**100.00%**	**1,641.11**

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

42. 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/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : 13th May 2016

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Independent Auditor's 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 subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, 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 with the requirement of the Companies Act, 2013 ("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 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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, 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 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph Other Matters 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 consolidated financial statements, the Holding Company continues to carry Deferred Tax Asset (DTA) (net) of ₹ 7,017.61 lacs (after reversal of ₹ 199.75 lacs during the year) up to March 31, 2016, 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, there would have been a loss

Independent Auditor's Report

of ₹ 5,545.65 lacs during the year as against the reported profit of ₹ 1,471.96 lacs and reserves & surplus as at the balance sheet date would have been (-) ₹ 4,092.43 lacs as against the reported figure of ₹ 2,925.18 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 effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 consolidated state of affairs of the Group as at March 31, 2016, of their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note 36 to the consolidated financial statements in respect of composite scheme of arrangement to re-structure and de-link the Company's multiple businesses into separate entities w.e.f 1st April, 2015 subject to necessary approvals more fully described therein. Pending such approvals, no adjustment has been made in these accounts.

Our opinion is not qualified in respect of above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

   (a) We and the other auditor whose report 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 effects of 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 by the Company so far as appears from our examination of those books and the report of the other auditor;

   (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) Except for the effects 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 matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the report of the auditor who is appointed under Section 139 of the Act, of its subsidiary Company, none of the directors of the Group's companies is disqualified as on 31st March, 2016 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 adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, refer to our separate report in "Annexure 1" to this report;

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

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

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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.

OTHER MATTER

The accompanying consolidated financial statements include total assets of ₹ 3,339.69 lacs as at March 31, 2016, and total revenues and net cash inflows of ₹ 354.63 lacs and ₹ 35.11 lacs respectively for the year ended on that date, in respect of the subsidiary which have been audited by other auditor, whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) 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 auditor.

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 report of the other auditor and the financial statements and other financial information certified by the Management.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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

Place : Kolkata
Date : May 13, 2016

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Upper Ganges Sugar & Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Upper Ganges Sugar & Industries Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Upper Ganges Sugar & Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanations given to us and based on the report issued by other auditor on internal financial controls system over financial reporting in case of its subsidiary company, which is a company incorporated in India, the following material weakness have been identified as at March 31, 2016.

The Holding Company's internal financial controls over recognition of deferred tax asset and controls over assessing virtual certainty in recognition of deferred tax asset, were not operating effectively which has resulted in material misstatement whereby the Holding Company has recognised deferred tax assets without establishing virtual certainty under Accounting Standard 22 – Accounting for Taxes on Income notified under the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company and its subsidiary company which are companies incorporated in India as of March 31, 2016.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and 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, and our report dated May 13, 2016 expressed a qualified opinion.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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

Place : Kolkata
Date : May 13, 2016

Consolidated Balance Sheet

as at 31st March 2016

₹ in lacs

	Notes	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,155.73	4,155.73
Reserves and Surplus	4	2,925.18	1,449.28
		7,080.91	**5,605.01**
Non-current Liabilities			
Long-term borrowings	5	18,617.03	17,225.32
Other long-term liabilities	6	540.23	650.86
Long-term provisions	7	459.45	784.04
		19,616.71	**18,660.22**
Current Liabilities			
Short-term borrowings	8	37,655.67	37,456.15
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		86.17	113.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,937.28	35,172.33
Other current liabilities	9	16,862.55	9,747.59
Short-term provisions	7	272.69	279.40
		80,814.36	**82,768.99**
Total		**1,07,511.98**	**1,07,034.22**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	33,112.43	34,520.26
Intangible Assets	11	33.85	59.27
Capital Work-in-Progress	12	67.63	7.56
Non-current Investments	13	3,865.47	3,865.47
Deferred tax assets (net)	14	7,017.61	7,217.36
Loans and advances	15	572.34	603.75
Other Non-current assets	18.2	93.65	76.70
		44,762.98	**46,350.37**
Current assets			
Current Investments	16	17.50	17.50
Inventories	17	52,921.77	48,079.14
Trade Receivables	18.1	4,209.96	3,660.49
Cash and bank balances	19	1,728.63	1,237.83
Loans and advances	15	1,144.70	1,167.66
Other current assets	18.2	2,726.44	6,521.23
		62,749.00	**60,683.85**
Total		**1,07,511.98**	**1,07,034.22**
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : 13th May 2016

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st March 2016

₹ in lacs

	Notes	Year ended 31st March 2016	Year ended 31st March 2015
INCOME			
Revenue from Operations (Gross)	20	87,697.16	88,618.97
Less : Excise duty		3,042.87	2,774.61
Cess		924.74	560.16
Revenue from Operations (net)		**83,729.55**	**85,284.20**
Other Income	21	734.57	575.47
Total Revenue (I)		**84,464.12**	**85,859.67**
EXPENSES			
Cost of Raw Materials consumed	22	66,388.95	61,645.99
Purchase of Traded Goods	23	852.87	808.57
Decrease / (Increase) in Inventories of Finished Goods, Traded Goods and Goods under Process	23	(3,604.48)	11,164.13
Employee benefits expenses	24	5,736.53	5,402.38
Other expenses	25	6,793.61	6,898.93
Total (II)		**76,167.48**	**85,920.00**
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		**8,296.64**	**(60.33)**
Depreciation and Amortization expenses	26	1,401.33	1,705.63
Finance Costs	27	5,541.72	6,467.27
Profit / (Loss) before tax		**1,353.59**	**(8,233.23)**
Tax expenses			
Current tax (after adjusting ₹ 13.38 lacs (₹ Nil) for earlier years)		57.70	85.76
Deferred tax charge/(credit)		199.75	(3,051.62)
Provision for Income tax no longer required written back		(375.82)	-
Total tax expense / (credit)		**(118.37)**	**(2,965.86)**
Profit / (Loss) for the year		**1,471.96**	**(5,267.37)**
Earnings per equity share [nominal value of share (₹ 10) each]			
Basic & Diluted (₹)	29	**8.98**	**(47.50)**
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : 13th May 2016

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March 2016

₹ in lacs

		Year Ended 31st March 2016	Year Ended 31st March 2015
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit / (Loss) before Tax	1,353.59	(8233.23)
	Adjustment to reconcile profit / (loss) before tax to net cash flows		
	Depreciation and Amortization expenses	1,401.33	1705.63
	Finance Costs	5,541.72	6467.27
	Loss/(Profit) on fixed assets sold / discarded (net)	17.78	(38.99)
	Bad Debts, irrecoverable claims and advances written off	0.36	-
	Provision for bad and doubtful debts / advances	21.28	19.85
	Molasses Storage & Maintenance Reserve	3.94	2.34
	Cane Commission Remission	(479.98)	-
	Unspent Liabilities and unclaimed Balances adjusted	(67.73)	(72.31)
	Interest Income	(136.97)	(99.10)
	Dividend Income	(456.19)	(344.21)
	Operating Profit before Working Capital Changes :	**7199.13**	**(592.75)**
	(Decrease)/Increase in Trade Payables	(8,714.69)	4875.21
	Increase in Long Term Provisions	51.23	194.21
	(Decrease) / Increase in Short Term Provisions	(6.71)	11.77
	Increase in Other Current Liabilities	5298.58	2551.78
	Increase / (Decrease) in Other Long Term Liabilities	5.00	(6.05)
	(Increase) in Trade Receivables	(549.83)	(1851.65)
	Decrease / (Increase) in Non Current Loans & Advances	2.71	(1.75)
	(Increase) / Decrease in Current Loans & Advances	(7.03)	488.50
	(Increase) / Decrease in Other Non Current Assets	(16.95)	19.07
	Decrease/ (Increase) in Other Current Assets	3800.20	(4981.36)
	(Increase) / Decrease in Inventories	(4,842.63)	11077.59
	Cash Generated From Operations:	**2219.01**	**11784.57**
	Direct Taxes Paid	(32.21)	(77.21)
	Net Cash From Operating Activities	**2186.80**	**11707.36**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Proceeds from sale of Tangible Assets	8.19	60.18
	Purchase of Fixed Assets including CWIP and Capital Advances	(687.12)	(466.65)
	Purchase of Current investments	-	(17.50)
	Loans Received Back	(1.45)	0.42
	Interest Received	131.56	99.18
	Dividend Received	456.19	344.21
	(Deposits) / Withdrawal under Tea Development Account Scheme (net)	13.37	(137.84)
	"(Investments) in / Redemption of bank deposits (having original maturity of more than three months) (net)"	362.34	(379.59)
	Receipt of Capital Subsidy	585.34	-
	Net Cash Used in Investing Activities	**868.34**	**(497.59)**

Consolidated Cash Flow Statement

for the year ended 31st March 2016

₹ in lacs

	Year Ended 31st March 2016	Year Ended 31st March 2015
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Preference Share Capital	-	3,000.00
Repayment of Long Term Borrowings	(3754.74)	(4281.26)
Proceeds from Long Term Borrowings	7,085.00	-
Repayment / Proceeds from Short Term Borrowings (net)	199.52	(3530.45)
Interest Paid	(5,608.55)	(6295.88)
Other Borrowing Cost	(123.23)	(100.72)
Net Cash From Financing Activities	**(2202.00)**	**(11208.31)**
Net Changes In Cash & Cash Equivalents (A+B+C)	**853.14**	**1.46**
Cash & Cash Equivalents at the beginning of the year	**419.37**	**417.91**
Cash & Cash Equivalents at the end of the year *	**1272.51**	**419.37**

* represents Cash and Bank Balances as indicated in Note 19 and excludes ₹ 456.12 lacs (₹ 818.46 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/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : 13th May 2016

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time 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 2016

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 31.03.2016	As on 31.03.2016
Uttar Pradesh Trading Company Ltd.	India	100	100

(e) The following Subsidiary Companies and Joint Venture Company were incorporated for the purpose of restructuring as detailed in Note 36. 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.

2.1 Summary of Significant Accounting Policies

(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,

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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 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
Furnitures 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

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale 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, components, stores and spares are valued at lower of cost and net realizable

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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 recognized 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

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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.

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.

(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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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 Consolidated Financial Statements

as at and for the year ended 31st March 2016

3. SHARE CAPITAL

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Authorized :		
1,60,00,000 (1,60,00,000) Equity Shares of ₹ 10/- each	1,600.00	1,600.00
34,00,000 (34,00,000) Preference Shares of ₹ 100/- each	3,400.00	3,400.00
Total	**5,000.00**	**5,000.00**
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 (30,00,000) Preference Shares of ₹ 100/- each	3,000.00	3,000.00
Total	**4,155.73**	**4,155.73**

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

Equity shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Equity shares of ₹ 10/- each				
Outstanding at the beginning and end of the year	1,15,57,239	1,155.73	1,15,57,239	1,155.73

Preference shares

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Preference Shares of ₹ 100/- each				
At the beginning of the year	30,00,000	3,000.00	-	-
Issued during the year	-	-	30,00,000	3,000.00
Outstanding at the end of the year	**30,00,000**	**3,000.00**	**30,00,000**	**3,000.00**

(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 Consolidated Financial Statements

as at and for the year ended 31st March 2016

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

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	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 Fertilizer and Chemicals Ltd.	30,00,000	100.00%	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 2016	As at 31st March 2015
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	518.34	464.18
Add : Transfer from statement of Profit & Loss	70.55	54.16
	588.89	**518.34**
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	57.60	55.26
Add: Provided during the year	3.94	2.34
Closing balance	**61.54**	**57.60**
General Reserve #		
As per the last financial statements	527.89	778.44
Less : Adjustment for change in useful life, net of deferred tax	-	250.55
Closing balance	**527.89**	**527.89**
Surplus / (Deficit) in the Statement of Profit and Loss#		
Balance as per last financial statements	(6,622.06)	(1,300.53)
Profit / (Loss) for the year	1,471.96	(5,267.37)
Less : Transfer to Reserve Fund	70.55	54.16
Net Surplus / (Deficit) in the Statement of Profit and Loss	**(5,220.65)**	**(6,622.06)**
Total Reserves and Surplus	**2,925.18**	**1,449.28**

#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.

*pertain to the subsidiary company, which is non-banking finance company

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

5. LONG-TERM BORROWINGS

₹ in lacs

	Non-current portion		Current portion	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Term Loans (secured) :				
From Banks -				
Under Project Finance / Corporate Loan Scheme	6,080.00	8,380.00	2,300.00	2,100.00
Under Financial Assistance Scheme (SEFASU 2014)	3,827.47	5,741.00	1,913.53	-
Under Financial Assistance Scheme (SOFT 2015 Central)	4,070.00	-	-	-
Under Financial Assistance Scheme (SOFT 2015 Bihar)	2,412.00	-	603.00	-
From Sugar Development Fund	2,227.56	3,104.32	876.76	1,211.68
Other Loans and Advances (unsecured) :				
Fixed Deposits from related parties (Note 33e)	-	-	-	9.80
Fixed Deposits from others	-	-	-	433.20
	18,617.03	**17,225.32**	**5,693.29**	**3,754.68**
Less : Amount disclosed under the head other current liabilities" (Note 9)			5,693.29	3,754.68
Net amount	**18,617.03**	**17,225.32**	**-**	**-**

(a) Term Loans from Banks under project finance / corporate loan scheme, carry interest in the range of 11.85% 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 ₹ 3,300 lacs (₹ 4,400 lacs) is also secured by pledge of certain shares held as investments by the Company and its subsidiary Company (Refer note 13a).

The above loans are repayable as under.

(₹ in lacs)

Disbursed to		Balance as at 31st March 2016	Balance as at 31st March 2015	Repayment Schedule
(i)	Seohara Sugar Unit	3,300.00	4,400.00	20 Quarterly installments ending on January 2019.
(ii)	Sidhwalia Sugar Unit	3,400.00	4,000.00	20 Quarterly installments ending on June 2020.
(iii)	Hasanpur Sugar and Co-Generation Unit	1,680.00	2,080.00	19 Quarterly installments ending on September 2019.
		8,380.00	**10,480.00**	

(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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

(c) Term loan from a bank under Financial Assistance Scheme of the Government of India (SOFT Loan 2015), carry interest rate in the range of 10.60% to 11% p.a. and repayable in 20 equal quaterly instalments by 30th september,2022. The Company is entitled to interest subvention from the Government of India upto 10% for first year as per terms of the Scheme and the same will be reimbursed directly to banks by the Department of Food & Public Distribution and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are to be secured by the first parri-passu charge on all the fixed asets,both present and future, of all sugar units of the Company at Seohara,Sidhwalia and Hasanpur.

(d) Term loan from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carry interest rate of 13% p.a. and repayable in 20 equal instalments by 31st March,2021. The Company is entitled to interest subvention from the Government of Bihar upto 12% for first year and 10% there after as per terms of the Scheme and the same will be reimbursed directly to banks by the State Government of Bihar and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are to be secured by the first parri-passu charge on all the fixed asets,both present and future, of all sugar units of the Company at Seohara,Sidhwalia and Hasanpur.

(e) 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 unit at Sidhwalia (including Co-generation Plant).

The above loans are repayable as under.

(₹ in lacs)

Principal Disbursed Amount		Balance as at 31st March 2016	Balance as at 31st March 2015	Repayment Schedule
(i)	Seohara Co-generation unit	-	334.92	10 half yearly installments ending on September 2015.
(ii)	Sidhwalia Sugar unit	2,701.59	3,376.99	5 yearly installments ending on September 2019.
(iii)	Sidhwalia Co-generation unit	402.73	604.09	10 half yearly installments ending on February 2018.
		3,104.32	**4,316.00**	

6. OTHER LONG-TERM LIABILITIES

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Interest accrued but not due on borrowings	508.93	624.56
Trade and other deposits	31.30	26.30
	540.23	**650.86**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

7. PROVISIONS

₹ in lacs

	Long-term		Short-term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits				
Gratuity (Note 30)	459.45	417.27	100.00	100.00
Leave	-	-	134.80	135.89
	459.45	**417.27**	**234.80**	**235.89**
Other provisions				
For Income Tax	-	366.77	-	-
For wealth tax	-	-	-	5.62
For litigation, claims and contingencies			34.46	34.46
For standard assets*	-	-	3.43	3.43
	-	**366.77**	**37.89**	**43.51**
	459.45	**784.04**	**272.69**	**279.40**

*pertains to the subsidiary company, which is non-banking finance company

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 2016	As at 31st March 2015
Outstanding at the beginning and at the end of the year	34.46	34.46

8. SHORT-TERM BORROWINGS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Cash credit from banks (secured) (repayable on demand)	34,585.67	33,236.15
Other Loans & Advances (Unsecured)		
Inter-Corporate Deposits		
From related parties (Note 33f)	1,585.00	1,585.00
From others	1,485.00	2,635.00
	37,655.67	**37,456.15**

(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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

(b) Cash credit of ₹ 15,126.28 lacs (₹ 11,549.24 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 11.25% to 12.90% p.a.

9. OTHER CURRENT LIABILITIES

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Trade payables		
-total outstanding dues of micro enterprises and small enterprises (refer Note 38)	86.17	113.52
-total outstanding dues of creditors other than micro enterprises and small enterprises	25,937.28	35,172.33
Other liabilities :		
Current maturities of long-term borrowings (Note 5)	5,693.29	3,754.68
Payable towards deduction against crop loan	4,996.88	2,149.18
Payable towards purchase of capital goods	69.19	116.93
Payable to employees	696.70	571.54
Advance against Sale of goods/fixed assets	131.31	608.89
Interest accrued but not due on borrowings, deposits etc.	275.19	349.62
Investor Education and Protection Fund will be credited by following amounts (as and when due) -		
Unclaimed Matured Fixed Deposits	-	0.06
Unclaimed dividend	1.21	1.21
Others -		
Statutory dues	161.12	239.63
Excise Duty on Closing Stocks	3,411.18	1,908.95
Crop Loan from a Bank pending disbursement to cane growers	1,340.75	-
Miscellaneous	85.73	46.90
	16,862.55	**9,747.59**
	42,886.00	**45,033.44**

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 (c)
Cost									
At 1 April 2014	904.35	94.55	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
At 31 March 2015	**939.19**	**94.55**	**4,816.22**	**57,037.31**	**194.18**	**191.54**	**357.51**	**63.08**	**63,693.58**
Additions	-	-	7.00	487.91	6.07	11.89	61.45	5.07	579.39
Disposals	-	-	11.50	819.13 (b)	5.12	10.40	37.42	1.09	884.66
At 31 March 2016	**939.19**	**94.55**	**4,811.72**	**56,706.09**	**195.13**	**193.03**	**381.54**	**67.06**	**63,388.31**
Depreciation									
At 1 April 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			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 31 March 2015	**-**	**94.55**	**1,393.01**	**27,165.60**	**137.07**	**115.39**	**224.53**	**43.17**	**29,173.32**
Charge for the year	-	-	104.95	1,203.66 (b)	18.15	11.30	27.32	10.53	1,375.91
Disposals	-	-	3.02	221.25	4.88	9.87	33.28	1.05	273.35
At 31 March 2016	**-**	**94.55**	**1,494.94**	**28,148.01**	**150.34**	**116.82**	**218.57**	**52.65**	**30,275.88**
Net Block									
At 31 March 2015	**939.19**	**-**	**3,423.21**	**29,871.71**	**57.11**	**76.15**	**132.98**	**19.91**	**34,520.26**
At 31 March 2016	**939.19**	**-**	**3,316.78**	**28,558.08**	**44.79**	**76.21**	**162.97**	**14.41**	**33,112.43**

(a) Title deeds for ₹ 25.33 lacs (₹ 25.33 lacs) are yet to be executed in favour of the Company.

(b) ₹ 585.34 lacs (₹ Nil lacs) has been decapitalised on account of Capital Subsidy received during the year and depreciation of ₹ 174.40 lacs thereon provided in earlier years has been reversed during the year.

(c) Includes assets held in joint ownership with others, Gross Block ₹ 264.74 lacs (₹ 264.81 lacs) and Net Block ₹ 151.16 lacs (₹ 157.33 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 31 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
At 31 March 2016									
Gross Block	2.47	-	199.43	33.67	1.54	23.19	0.08	4.36	264.74
Net Block	2.47	-	134.80	8.28	0.08	5.24	-	0.29	151.16

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

11. INTANGIBLE ASSETS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Computer Software :		
At the beginning of the year	**130.81**	**130.28**
Additions	-	0.53
At the end of the year	**130.81**	**130.81**
Amortization :		
At the beginning of the year	**71.54**	**45.74**
Charge for the year	25.42	25.80
At the end of the year	**96.96**	**71.54**
Net block	**33.85**	**59.27**

12. CAPITAL WORK-IN-PROGRESS

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Balance brought forward from the previous year	7.56	7.31
Add : Additions during the year	370.92	111.86
	378.48	**119.17**
Less : Transfer to Tangible Assets during the year	310.85	111.61
Balance carried to Balance Sheet	**67.63**	**7.56**

13. NON-CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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 Fertilizer & 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 Textile Industries Limited	30,41,697 (a)	10.00	593.89	593.89
Manbhawani Investment Limited	73,500	10.00	2.25	2.25
Manavata Holdings Limited	73,500	10.00	2.25	2.25
			3,813.81	**3,813.81**
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**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

13. NON-CURRENT INVESTMENTS (CONTD.)

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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 : ₹ 18,896.76 lacs (₹ 12,834.17 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 ₹ 3,300 lacs (₹ 4,400 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)	2000	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)	21000	10.00
Maruti Limited (in liquidation)	40000	10.00
APV Texmaco Limited (in liquidation)	20400	10.00

e) There is a diminution of ₹ 256.03 lacs (₹ 1,357.08 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 2016, 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 Consolidated Financial Statements

as at and for the year ended 31st March 2016

14. DEFERRED TAX ASSET (NET)

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Deferred tax asset		
Carry forward of Unabsorbed Depreciation & Business Losses	13,982.50	13,917.26
Expenditure allowable against taxable income in future years	947.97	1,039.17
	14,930.47	**14,956.43**
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,912.86	7,739.07
	7,912.86	**7,739.07**
Net Deferred tax asset	**7,017.61**	**7,217.36**

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 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good except stated otherwise)				
Capital advances	**29.25**	**29.33**	**-**	**-**
Sundry Deposits	**7.85**	**13.06**	**10.13**	**11.01**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good*	-	-	475.22	562.33
Considered doubtful	-	-	63.11	53.67
	-	-	538.33	616.00
Less : Provision for doubtful advances	-	-	63.11	53.67
	-	**-**	**475.22**	**562.33**
Other loans and advances				
Considered good				
Loan to employees	-	-	1.45	-
Deposits against demand under appeal and / or under dispute	-	-	134.65	142.75
Claims/Refunds Receivable	-	-	81.54	89.41
Prepaid Expenses	9.20	6.62	46.03	41.12
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	37.06	62.55	-	-
Balances with Excise and Other Government Authorities	-	-	335.98	251.18
Balance with Tea Development Account Scheme, 1990	488.98	492.19	59.70	69.86
Considered doubtful				
Loan to others	-	-	7.50	7.50
	535.24	561.36	666.85	601.82
Less : Provision for doubtful Loans	-	-	7.50	7.50
	535.24	**561.36**	**659.35**	**594.32**
	572.34	**603.75**	**1,144.70**	**1,167.66**

* Includes ₹ 29.71 lacs (₹ 30.52 lacs) recoverable from related parties (Note 33e).

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

16. CURRENT INVESTMENTS

₹ in lacs

	Number of Units / shares	Face Value Per Unit / share	As at 31st March 2016	As at 31st March 2015
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	5.00
Cinnatolliah Tea Limited	50000	10	5.00	5.00
Magadh Sugar & Energy Limited	50000	10	5.00	5.00
			15.00	**15.00**
In Joint Venture Company *				
Avadh Sugar & Energy Limited	25000	10	**2.50**	**2.50**
			17.50	**17.50**

* Refer Note 1(e)

17. INVENTORIES

₹ in lacs

	Notes	As at 31st March 2016	As at 31st March 2015
Valued at Lower of Cost and Net Realisable Value			
Raw materials	22	514.29	954.07
Goods under process	23	769.16	796.40
Finished goods	23	47,413.74	42,136.19
Traded goods	23	5.24	7.36
Stores, Chemicals and spare parts etc.		1,174.70	1,227.12
Power - Banked	23	53.18	18.20
Agriculture Products - Standing Crop	23	11.89	10.34
Valued at Estimated Realisable Value			
By-Products	23	2,959.16	2,918.75
Scrap	23	20.41	10.71
		52,921.77	**48,079.14**
The above includes stock in transit :			
Stores, Chemicals and spare Parts etc.		51.42	14.90

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

18 TRADE RECEIVABLES AND OTHER ASSETS

18.1 Trade receivables

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	27.85	36.89
Considered doubtful	32.12	60.39
	59.97	**97.28**
Less : Provision for doubtful trade receivables	32.12	60.39
	27.85	**36.89**
Other receivables		
Unsecured, considered good *	4,182.11	3,623.60
	4,182.11	**3,623.60**
	4,209.96	**3,660.49**

* Includes ₹ 182.21 (₹ 173.46 lacs) recoverable from related parties (Note 33e).

18.2 Other assets

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good, Unless stated otherwise)				
Non-current Bank balance (Note 19)	15.00	15.50	-	-
Considered good				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	48.38	42.97
Claims Receivable towards Subsidies & Incentives	-	-	1,719.90	5,772.46
Renewable Energy Certificate entitlement	-	-	933.55	688.79
Unamortized Ancillary cost of arranging the borrowings	78.65	61.20	24.61	17.01
Considered doubtful				
Interest accrued on Loans, Advances, Deposits, Investments etc.	-	-	3.83	3.83
	93.65	76.70	2,730.27	6,525.06
Less : Provision for doubtful items	-	-	3.83	3.83
	93.65	**76.70**	**2,726.44**	**6,521.23**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

19. CASH AND BANK BALANCES

₹ in lacs

	Non-current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalent :				
Balances with banks:				
Current accounts			198.38	168.13
Savings accounts			0.03	0.03
Tea Development account			0.16	0.44
Unpaid dividend account			1.21	1.21
Deposits with original maturity of less than 3 months			1,035.00	210.00
Cash on hand			37.73	39.56
			1,272.51	**419.37**
Deposits with original maturity of more than 3 months and not more than 12 months. *	-	-	456.00	818.34
Deposits with original maturity of more than 12 months*	**15.00**	**15.50**	-	**-**
In Post office savings bank account	-	-	0.12	0.12
	15.00	**15.50**	**456.12**	**818.46**
Less : Amount disclosed under non current assets (Note 18.2)	15.00	15.50	-	-
	-	**-**	**1,728.63**	**1,237.83**

* Includes ₹ 71.61 lacs (₹ 160.46 lacs) pledged / lodged with various Government Authorities and Banks as security/earmarked/margin money.

20. REVENUE FROM OPERATIONS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Revenue from operations		
Sale of products		
Finished goods	79,130.48	79,630.80
Traded goods	878.38	827.85
Power	4,992.08	5,599.60
By products	1,428.95	2,088.71
Others	167.73	88.10
	86,597.62	**88,235.06**
Other operating revenue		
Proceeds from Agriculture Products	10.83	8.46
Cane commission remission *	479.98	-
Renewable Energy Certificates credit	599.03	349.63
Tea replanting Subsidy	4.40	-
Scrap Sales	5.30	25.82
Revenue from operations (gross)	**87,697.16**	**88,618.97**
Less : Excise duty	3,042.87	2,774.61
Cess	924.74	560.16
Revenue from operations (net)	**83,729.55**	**85,284.20**

* pertaining to earlier year.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

20. REVENUE FROM OPERATIONS (CONTD.)

Detail of products sold

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Finished goods sold		
Sugar	65,454.70	70,828.20
Spirit	11,397.20	6,494.30
Carbon-di-oxide	33.41	38.71
Tea	2,245.17	2,269.59
	79,130.48	**79,630.80**
Traded goods sold		
Diesel & Lubricants	878.38	827.85
	878.38	**827.85**
By products sold		
Molasses	1,428.95	1,442.52
Bagasse	-	646.19
	1,428.95	**2,088.71**

21. OTHER INCOME

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Interest income on		
Loans, deposits, advances etc.	136.84	91.83
Refund from Income Tax Department	0.13	7.27
Dividend income on Long-term investments	369.31	306.97
Insurance and Other Claims	42.43	5.83
Rent and Hire Charges	8.81	6.86
Unspent Liabilities and unclaimed Balances adjusted	67.73	72.31
Land Dividend	86.88	37.24
Profit on tangible assets sold / discarded (net)	-	38.99
Miscellaneous Receipts	22.44	8.17
	734.57	**575.47**

22. COST OF RAW MATERIALS CONSUMED

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventory at the beginning of the year	954.07	931.79
Add : Purchases and procurement expenses*	65,927.86	61,647.05
Purchase tax & Cess	21.31	21.22
	66,903.24	**62,600.06**
Less: Inventory at the end of the year	514.29	954.07
	66,388.95	**61,645.99**

* After adjusting subsidy / remission of ₹ 2430.36 lacs (₹ 5894.98 lacs) allowed by the state governments.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

Details of raw materials consumed

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Sugarcane	63,976.82	58,947.97
Molasses - consumed in Distillery unit	5,088.83	3,901.09
Bagasse - consumed in Co-generation units	5,276.06	5,134.79
Biocompost	42.00	51.13
Press mud	71.18	34.98
Green Leaf (Cess)	21.31	21.22
Seed, Manures and fodder	8.77	4.26
	74,484.97	**68,095.44**
Less : Inter-unit transfer of own produced materials	8,096.02	6,449.45
	66,388.95	**61,645.99**

Details of raw material inventory

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Sugarcane	117.54	119.92
Molasses - at Distillery unit	366.28	495.68
Bagasse - at Co-generation units	-	307.02
Press mud	30.47	31.45
	514.29	**954.07**

Details of Inter-unit transfer of own produced materials

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Sugar Cane	7.37	13.46
Molasses	3,472.55	2,055.86
Bagasse	4,570.20	4,324.38
Biocompost	42.00	51.13
Press mud	3.90	4.62
	8,096.02	**6,449.45**

23. DECREASE / (INCREASE) IN INVENTORIES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventories at the end of the year		
Finished goods	47,413.74	42,136.19
Traded goods	5.24	7.36
Power - Banked	53.18	18.20
By Products	2,959.16	2,918.75
Goods under process	769.16	796.40
Agriculture Products - Standing Crop	11.89	10.34
Scrap	20.41	10.71
	51,232.78	**45,897.95**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Inventories at the beginning 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**
	(5,334.83)	**11,094.11**
Decrease / (Increase) of excise duty on inventories	**1,730.35**	**70.02**
	(3,604.48)*	**11,164.13**

* After adjusting ₹ 2206.08 lacs towards shortages in the inventory of Finished Goods and Goods under process noted at one of its units during the year. The said shortage is primarily arisen out of overstatement of yield recorded in earlier years, for which the Company is in the process of taking necessary steps against the concerned personnel.

Details of purchase of traded goods

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Diesel & Lubricants	852.87	808.57
	852.87	**808.57**

Details of inventory

₹ in lacs

	As at 31st March 2016	As at 31st March 2015
Finished goods		
Sugar	46,360.28	41,120.97
Wormi & Biocompost	29.97	16.83
Spirit	909.08	946.60
Tea	114.41	51.79
	47,413.74	**42,136.19**
Traded goods		
Diesel & Lubricants	5.24	7.36
	5.24	**7.36**
By-products		
Molasses	2,367.74	2,557.13
Bagasse	591.42	361.62
	2,959.16	**2,918.75**
Goods under process		
Sugar	688.63	733.55
Molasses	80.53	62.85
	769.16	**796.40**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

24. EMPLOYEE BENEFITS EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, wages, bonus etc.	4,981.22	4,578.08
Contribution to provident & other funds (Note 30)	435.23	406.72
Gratuity expense (Note 30)	112.28	236.93
Employees' welfare expenses	207.80	180.65
	5,736.53	**5,402.38**

25. OTHER EXPENSES

₹ in lacs

		Year ended 31st March 2016		Year ended 31st March 2015
Consumption of stores and spares		1,479.23		1,641.11
Packing Materials		949.53		1,058.95
Power & Fuel		566.96		426.80
Repairs to and Maintenance of :				
Buildings		150.83		252.90
Machinery		1,471.69		1,604.75
Others		14.81		18.07
Rent		19.62		31.72
Rates & Taxes		47.58		46.83
Insurance		59.16		52.96
Payment to Auditors				
As Auditors				
Audit Fees		21.12		21.12
Limited Review Fees		15.45		9.75
In other capacity				
Tax Audit Fees		7.25		5.75
For Certificates and Other services		8.72		11.10
Reimbursement of Expenses		5.29		4.48
Payment to Cost Auditors		1.54		1.17
Commission on sales		286.06		313.38
Freight & forwarding charges etc.		580.55		360.17
Charity and Donations		14.56		0.26
Provision for bad and doubtful debts / advances		21.28		19.85
Bad Debts, irrecoverable claims and advances written off	34.82		3.15	
Less : Adjusted against provisions	34.46	0.36	3.15	-
Loss on fixed assets sold / discarded (net)		17.78		-
Molasses Storage & Maintenance Reserve		3.94		2.34
Director's Sitting fees		2.91		2.43
Miscellaneous Expenses		1,047.39		1,013.04
		6,793.61		**6,898.93**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

26. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation of tangible assets	1,375.91	1,679.83
Amortization of intangible assets	25.42	25.80
	1,401.33	**1,705.63**

27. FINANCE COSTS

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Interest	5,418.49	6,366.55
Other Borrowing Cost	123.23	100.72
	5,541.72	**6,467.27**

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 2016		Year ended 31st March 2015
Income				
Sales of products [including inter-transfers ₹ 7.37 lacs (₹ 13.46 lacs)]		18.20		21.93
Unspent liabilities & excess provisions no longer required written back		1.53		-
Miscellaneous Receipts		1.18		1.94
		20.91		**23.87**
Expenses				
Cost of Raw Materials Consumed		8.77		4.26
Decrease / (Increase) in Stocks :				
Opening Stock	10.34		15.49	
Less: Closing Stock	11.89	(1.55)	10.34	5.15
Rent		0.11		0.79
Rates & Taxes		0.03		0.25
Employee benefits expense :				
Salaries, Wages, Bonus etc.	12.56		12.50	
Contribution to Provident & Other Funds	0.13	12.69	0.13	12.63
Miscellaneous Expenses		7.65		6.90
		27.70		**29.98**
Agricultural Income / (Loss)		**(6.79)**		**(6.11)**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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 2016	Year ended 31st March 2015
Profit / (Loss) after tax	**1,471.96**	**(5,267.37)**
Dividend on Non-Convertible Cumulative Redeemable Preference Shares & tax thereon	433.96	222.50
Net profit / (loss) for calculation of basic and diluted EPS	**1,038.00**	**(5,489.87)**
	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	**8.98**	**(47.50)**

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 2016	Year ended 31st March 2015
Current service cost	91.01	76.52
Interest cost on benefit obligation	119.76	121.84
Expected return on plan assets	(82.15)	(94.68)
Net actuarial (gain) / loss recognized in the year	(16.34)	133.25
Net benefit expense	**112.28**	**236.93**
Actual return on plan assets	87.28	93.13

Balance sheet

Net Benefit liability / (asset)

₹ in lacs

	As At 31st March 2016	As At 31st March 2015
Present value of defined benefit obligation	1,663.65	1,606.78
Fair value of plan assets	1,104.20	1,089.51
Plan liability	**559.45**	**517.27**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

	31st March 2016	31st March 2015
Opening defined benefit obligation	1,606.78	1,430.76
Current service cost	91.01	76.52
Interest cost	119.76	121.84
Benefits paid	(142.69)	(154.04)
Actuarial (gains) / losses on obligation	(11.21)	131.70
Closing defined benefit obligation	**1,663.65**	**1,606.78**

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

₹ in lacs

	31st March 2016	31st March 2015
Opening fair value of plan assets	1,089.51	1,107.70
Expected return	82.15	94.68
Contributions by employer	70.10	42.72
Benefits paid	(142.69)	(154.04)
Actuarial gains / (losses)	5.13	(1.55)
Closing fair value of plan assets	**1,104.20**	**1,089.51**

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 :

₹ in lacs

	31st March 2016	31st March 2015
Investments with LIC	100%	100%

The principal assumptions are shown below :

₹ in lacs

	31st March 2016	31st March 2015
Discount rate	7.75%	7.80%
Expected rate of return on assets	7.80%	9.00%
Withdrawal Rates	Varying between 1.8% to 4.2% per annum depending upon the duration and age of the employees	

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

	31st March 2016	31st March 2015	31 March 2014	31 March 2013	31 March 2012
Gratuity					
Defined benefit obligation	1,663.65	1,606.78	1,430.76	1,372.39	1,297.28
Plan assets	1,104.20	1,089.51	1,107.70	1,044.22	1,029.27
Surplus / (deficit)	(559.45)	(517.27)	(323.06)	(328.17)	(268.01)
Experience (gain) / loss adjustments on plan liabilities	(17.21)	4.32	60.51	41.22	(4.83)
Experience gains / (loss) adjustments on plan assets	5.13	(1.55)	(2.87)	(15.63)	12.90

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.

The Company's Subsidiary has no employees and accordingly, the above disclosure does not include any amount in respect of Subsidiary.

Defined Contribution Plan :

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds".

₹ in lacs

	Year ended 31st March 2016	Year ended 31st March 2015
Contribution to Provident / Pension Funds	431.63	403.39
Contribution to Superannuation Fund	3.60	3.33
	435.23	**406.72**

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 2016	Year ended 31st March 2015
Lease payments made for the year*	19.62	31.72
	19.62	**31.72**

* including lease rent for use of agriculture land ₹ 0.11 lacs (`0.79 lacs).

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

32. SEGMENT INFORMATION (CONTD.)

Business segments

Year ended 31st March 2016

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	73,756.75	10,496.02	9,925.45	2,246.64	878.38	97,303.24
Less : Inter segment	8,598.32	42.00	4,933.37	-	-	13,573.69
Total revenue from operations (net)	**65,158.43**	**10,454.02**	**4,992.08**	**2,246.64**	**878.38**	**83,729.55**
Results						
Segment results	(573.43)	3,239.42	3,657.50	429.66	19.33	6,772.48
Unallocated Income / (Expenses) (net of unallocable expenses / income)						122.83
Operating Profit /(Loss)						**6,895.31**
Finance costs						5,541.72
Profit / (Loss) before tax						**1,353.59**
Current Tax						57.70
Deferred tax charge / (credit)						199.75
Provision for Income Tax no longer required written back						(375.82)
Net Profit / (Loss) for the year						**1,471.96**

* Net of excise duty and cess.

As at 31st March 2016

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Segment assets	70,335.40	6,673.42	15,815.74	1,209.29	11.39	94,045.24
Unallocated assets						13,466.74
Total assets						**1,07,511.98**
Segment liabilities	36,643.51	449.96	42.53	348.10	0.19	37,484.29
Unallocated liabilities						62,946.78
Total liabilities						**1,00,431.07**
Other segment information						
Capital expenditure						
Tangible & Intangible assets	488.30	63.10	19.80	68.26	-	639.46
Depreciation & Amortization expense	687.79	247.46	401.79	56.87	7.42	1,401.33
Non-cash expenses	**3.94**	**-**	**-**	**-**	**-**	**3.94**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

32. SEGMENT INFORMATION (CONTD.)

Business segments

Year ended 31st March 2015

₹ in lacs

Particulars	Sugar	Spirits	Co-generation	Tea	Others	Total
Revenue *						
Segment revenue	77,617.40	5,890.93	10,069.72	2,272.64	827.85	96,678.54
Less : Inter segment	6,873.09	51.13	4,470.12	-	-	11,394.34
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 /(Loss)						**(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)**

* Net of excise duty and cess.

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						**107,034.22**
Segment liabilities	40,814.91	379.26	49.64	277.67	0.19	41,521.67
Unallocated liabilities						59,907.54
Total liabilities						**101,429.21**
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**

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	
	Magadh Sugar & Energy Limited	
	Ganges Securities Limited	
Joint Venture Company *	Avadh Sugar & Energy Limited	
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	
	Sutlej Textiles & Industries Limited	
	SIL Investments Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	

* Refer Note 1(e)

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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	31 March 2016	583.12	-	-
	31 March 2015	393.22	-	-

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	31 March 2016	52.16	-	-
	31 March 2015	197.65	-	-

c. 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	31 March 2016	0.24	-	-
	31 March 2015	-	-	-

d. Dividend received ₹ in lacs

	Year ended	**Transaction during the year**	**Amount owed by related parties**	Amount owed to related parties
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Sutlej Textiles & Industries Limited	31 March 2016	304.17	-	-
	31 March 2015	243.34	-	-

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	31 March 2016	0.23	-	-
	31 March 2015	-	0.23	-
Magadh Sugar & Energy Limited	31 March 2016	0.23	-	
	31 March 2015	-	0.23	-
Ganges Securities Limited	31 March 2016	0.23	-	-
	31 March 2015	-	0.23	-
In Joint Venture Company				
Avadh Sugar & Energy Limited	31 March 2016	0.12	-	-
	31 March 2015	-	0.12	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

e. Receivable / Payable outstanding (net) (Contd.) ₹ in lacs

	Year ended	Transaction during the year	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	31 March 2016	-	211.92 *	-
	31 March 2015	-	203.17	-
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Sutlej Textiles & Industries Limited	31 March 2016	304.70	-	-
	31 March 2015	243.34	-	-

* includes ₹ 29.71 lacs (₹ 29.71 lacs) and ₹ 182.21 lacs (₹ 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	31 March 2016	-	9.80	0.72	-
	31 March 2015	-	122.34	12.18	9.80
Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Sutlej Textiles & Industries Limited	31 March 2016	4,000.00	4,000.00	471.02	-
	31 March 2015	4,000.00	4,000.00	500.22	-
SIL Investments Limited	31 March 2016	500.00	500.00	195.63	1,500.00
	31 March 2015	-	-	215.01	1,500.00
Ronson Traders Limited	31 March 2016	-	-	3.31	25.00
	31 March 2015	-	50.00	4.15	25.00
Uttam Commercial Limited	31 March 2016	-	-	7.95	60.00
	31 March 2015	-	-	8.40	60.00

g. Investments made ₹ in lacs

	Year ended	Investment during the year	Investment sold during the year	Closing Balance
In Subsidiary Companies				
Cinnatolliah Tea Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
Magadh Sugar & Energy Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
Ganges Securities Limited	31 March 2016	5.00	-	5.00
	31 March 2015	5.00	-	5.00
In Joint Venture Company				
Avadh Sugar & Energy Limited	31 March 2016	2.50	-	2.50
	31 March 2015	2.50	-	2.50

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

h. 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	31 March 2016	0.40	-	-
	31 March 2015	0.25	-	-
Relatives of Key Management Personnel				
Mr. Chandra Shekhar Nopany	31 March 2016	0.53	-	-
	31 March 2015	0.45	-	-

i. 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	31 March 2016	30.16	-	1.37
	31 March 2015	26.14	-	0.29
Mr. Santosh Kumar Poddar	31 March 2016	35.55	-	-
	31 March 2015	33.42	-	-

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.

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 (₹ 263.25 lacs).

35. CONTINGENT LIABILITIES

₹ in lacs

		Year ended 31st March 2016	Year ended 31st March 2015
(a)	Demands / Claims by various Government Authorities and others not acknowledged as debt and contested by the Company :		
	(i) Excise Duty & Service Tax	5,514.79	5,292.11
	(ii) Others	347.36	224.98
	Total	**5,862.15 ***	**5,517.09**
(b)	Uncalled Capital on partly paid Shares	104.51	104.51
(c)	Bank Guarantees outstanding	604.37	550.72
(d)	Corporate Guarantees given to a bank	774.46	3,600.00
(e)	Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	656.46	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.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

36. The Company's Board of Directors 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 1 April 2015 subject to necessary approvals. The Company is in the process of obtaining necessary approvals from various concerned authorities and pending such approvals, no accounting adjustment has been made in these financial statements.

37. 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			
	As % of consolidated net assets	As at 31 March 2016 (₹ in lacs)	As % of consolidated net assets	As at 31 March 2015 (₹ in lacs)
1	2	3	4	5
Parent :				
Upper Ganges Sugar & Industries Ltd.	58.09%	4,113.45	50.15%	2,811.03
Subsidiary :				
Uttar Pradesh Trading Co. Ltd.	41.91%	2,967.46	49.85%	2,793.98
Total	**100.00%**	**7,080.91**	**100.00%**	**5,605.01**

Name of the entity in the Consolidated Financial Statements	Share in Profit or Loss			
	As % of consolidated profit or loss	Year ended 31 March 2016 (₹ in lacs)	As % of consolidated profit or loss	Year ended 31 March 2015 (₹ in lacs)
1	2	3	4	5
Parent :				
Upper Ganges Sugar & Industries Ltd.	78.62%	1,157.21	105.12%	(5,537.13)
Subsidiary :				
Uttar Pradesh Trading Co. Ltd.	21.38%	314.75	-5.12%	269.76
Total	**100.00%**	**1,471.96**	**100.00%**	**(5,267.37)**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March 2016

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

₹ in lacs

		31st March 2016	31st March 2015
(i)	The principal amount and the interest due thereon remaining unpaid to the supplier as at end of the accounting year		
	Principal amount due to micro and small enterprises	77.70	101.09
	Interest due on above	4.65	4.75
	Total	**82.35**	**105.84**
(ii)	The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	97.42	86.90
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	2.90	4.12
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	8.47	12.43
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	0.92	3.56

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. 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/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

Place : Kolkata
Date : 13th May 2016

For and on behalf of the Board of Directors

Chandra Shekhar Nopany
Director

Bal Kishore Malpani
Whole-time Director

Santosh Kumar Poddar
Company Secretary

Shiv Kumar Maheshwari
Chief Financial Officer

Notes

Notes

Notes

concept, content and design at aicl (info@aicl.in)

BOOK POST

www.birla-sugar.com

If undelivered, please return to:

Upper Ganges Sugar & Industries Limited
9/1, R. N. Mukherjee Road, 5th Floor
Kolkata-700 001
CIN No. L15421UP1932PLC025141